

Second-Party Opinion

The Republic of Poland Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Republic of Poland Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories¹ for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12, 13 and 15.



PROJECT EVALUATION AND SELECTION The Green Finance Working Group will be responsible for evaluating and selecting eligible projects in line with the Framework’s eligibility criteria and overseeing the allocation of proceeds to eligible expenditures. The working group will be headed by Poland’s Ministry of Finance and will include representatives from the Ministry of Infrastructure, Ministry of Agriculture and Rural Development, and Ministry of Climate and Environment. Poland has internal processes in place to identify and mitigate environmental and social risks associated with the eligible projects. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Poland’s Ministry of Finance will be responsible for the management of proceeds using an internal tracking mechanism. Poland intends to allocate the proceeds within 36 months of issuance. Pending full allocation, unallocated proceeds will be held in accordance with Poland’s treasury policy and held in cash or cash equivalents, used for debt repayment or directed toward other capital management activities. This is in line with the market practice.



REPORTING Poland will report on the allocation of proceeds and corresponding impact on the Ministry of Finance’s website on an annual basis until full allocation. The allocation report will include the amount allocated to each category or project, balance of unallocated proceeds, share of financing and refinancing, and where feasible, industry-wise allocation of proceeds. In addition, Poland intends to report on relevant impact metrics. Sustainalytics views Poland’s allocation and impact reporting as aligned with market practice.

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¹ Renewable Energy, Green Buildings, Green Infrastructure, Clean Transportation, Environmentally Sustainable Management of Living Natural Resources and Land Use, Climate Change Adaptation, and Sustainable Water and Wastewater Management.
² This report is a revised version of the report dated June 25, 2025, introducing minor copyediting revisions. This version does not modify the assessment of the Framework, the eligible categories and activities.

Introduction

The Republic of Poland ("Poland" or the "Issuer") is a Central European country with a total land area of 312,685 km.² Warsaw is the capital and the largest city of the country.³ As of December 2023, Poland had an approximate population of 38 million and a GDP of USD 800 billion.^{4,5} Poland became a member of the European Union in 2004,⁶ and the country's key economic sectors are food and beverages, automotive, machinery and equipment, chemicals, metals and non-metallic products.⁷

Poland has developed the Republic of Poland Green Bond Framework dated June 2025 (the "Framework"), under which it intends to issue green bonds and medium-term notes and use the proceeds to finance or refinance, in whole or in part, government and private projects or public entities in the form of subsidies, tax expenditures, treasury security transfers or recapitalization,⁸ or a combination thereof, that are expected to facilitate Poland's transition to a low carbon economy while enhancing its biodiversity and conservation efforts, environmental resilience and resource efficiency. The Framework defines eligibility criteria in the following areas:

1. Renewable Energy
2. Green Buildings
3. Green Infrastructure
4. Clean Transportation
5. Environmentally Sustainable Management of Living Natural Resources and Land Use
6. Climate Change Adaptation
7. Sustainable Water and Wastewater Management

Poland engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).⁹ The Framework will be published in a separate document.¹⁰

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent¹¹ opinion on alignment of the Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the Country's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of Poland to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Poland representatives have confirmed that: (1) they understand it is the sole responsibility of Poland to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

³ Poland, "Basic information about Poland", at: <https://www.gov.pl/web/civilservice/basic-information-about-poland>

⁴ Poland, "Central Statistical Office", at: <https://stat.gov.pl/obszary-tematyczne/ludnosc/ludnosc/ludnosc-stan-i-struktura-ludnosci-oraz-ruch-naturalny-w-przekroju-terytorialnym-w-2023-r-stan-w-dniu-31-12-6-36.html>

⁵ World Bank Group, "Poland GDP", at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2023&locations=PL&start=2022>

⁶ Poland, "Poland in the EU", at: Poland in the EU - Poland in the EU - Gov.pl website

⁷ International Trade Administration, "Poland - Country Commercial Guide", at: <https://www.trade.gov/country-commercial-guides/poland-advanced-manufacturing>

⁸ Poland has communicated to Sustainalytics that proceeds allocated for recapitalization will be invested in public entities and directed towards the financing of projects that meet the eligibility criteria outlined in the Framework.

⁹ The Green Bond Principles are administered by the International Capital Market Association and are available at:

<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

¹⁰ The Republic of Poland Green Bond Framework will be available on Poland's website at: <https://www.gov.pl/web/finance/issues-international-bonds>

¹¹ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with it.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Poland.

Sustainalytics' Second-Party Opinion assesses alignment of the Framework with market standards but provides no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Country.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Poland has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Republic of Poland Green Bond Framework

Sustainalytics is of the opinion that the Republic of Poland Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Green Buildings, Green Infrastructure, Clean Transportation, Environmentally Sustainable Management of Living Natural Resources and Land Use, Climate Change Adaptation, and Sustainable Water and Wastewater Management – are aligned with those recognized by the GBP.
 - The Framework defines a look-back period of 36 months for refinancing activities, which Sustainalytics considers to be in line with market practice.
 - Poland has confirmed that there will be no double counting of eligible projects under the Framework.
 - Under the Renewable Energy category, Poland may finance or refinance the development, construction or operation of renewable energy generation projects, including:
 - Electrical facilities producing renewable electricity through:
 - On- and offshore wind power. Poland has confirmed that fossil fuel backup will be limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures and restart capabilities.
 - Solar photovoltaics and concentrated solar power plants where at least 85% of electricity is generated from solar energy sources.
 - Manufacture of biogas, biofuel or bioliquids certified by approved voluntary schemes and national certification schemes, including ISCC EU and INiG-KZR, in accordance with the EU's Renewable Energy Directive.¹²
 - Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Green Building category, Poland may finance or refinance the construction, renovation or refurbishment of administrative buildings that meet one of the following criteria:¹³
 - Construction of buildings built before 31 December 2020 that: i) have an energy performance certificate label of A or above; or ii) belong to the top 15% of the national or regional building stock based on primary energy demand (PED).

¹² European Commission, "Voluntary Schemes", at: https://energy.ec.europa.eu/topics/renewable-energy/bioenergy/voluntary-schemes_en#voluntary-schemes-under-the-revised-renewable-energy-directive

¹³ Administrative buildings include government office buildings and public facilities where services are offered to the general public.

- Construction of buildings built after 31 December 2020 with PED at least 10% lower than the local nearly zero-energy building (NZEB) threshold.
- Renovation of existing buildings resulting in a reduction of PED by at least 30% or complying with the applicable requirements for major renovations set in the national and regional buildings regulations.
 - Sustainalytics notes that the EU Taxonomy requires renovations to comply with the requirements for major renovations set in the applicable national and regional building regulations implementing the EU Energy Performance of Buildings Directive (EPBD) so that the energy performance of the building or renovated part meets the cost-optimal minimum energy requirements of the EPBD. Sustainalytics therefore encourages Poland to report on the actual improvement on PED or energy savings achieved in comparison with the existing building stock in the area or region.
 - Poland has confirmed that the financing will be limited to expenditures related to renovations and refurbishments, not the asset value of the entire building, unless such refurbishments result in obtaining a credible level of certification mentioned below.
- Acquisition, construction or refurbishment of new or existing commercial buildings that obtain one of the following certifications: i) BREEAM Excellent or above; ii) LEED Gold or above; iii) DGNB Gold or above; iv) HQE Excellent or above; or v) EDGE.
- Installation, maintenance or repair of electric vehicle charging stations.
- Installation, maintenance, upgrade or repair of renewable energy technology and ancillary equipment in buildings, including:
 - Solar photovoltaic systems
 - Solar hot water panels
 - Solar transpired collectors
 - Heat exchanger and recovery systems. Poland has confirmed that the financing excludes heat exchanger and recovery systems powered by fossil fuels or intended for use in fossil fuel systems.
- Installation, maintenance, upgrade or repair of energy efficiency equipment that complies with the minimum requirements under Directive 2010/31/EU,¹⁴ and where applicable, is rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted pursuant to that regulation, including:¹⁵
 - Installation of insulation to existing envelope components, such as external walls, including green walls; roofs, including green roofs; lofts; basements; and ground floors, to ensure airtightness and reduce the effects of thermal bridges. Financing may include mechanical fixings and adhesive for the application of the insulation to the building envelope.
 - Upgrades to new energy-efficient windows or doors.
 - Installation of energy-efficient lighting systems.
 - Heating, ventilation and air-conditioning systems and water heating systems, including equipment related to district heating services, utilizing highly efficient technologies.
- Expenditures associated with the improvement of energy performance of buildings, including:
 - Technical consultations, such as energy consultations; energy simulations; project management services; production of energy performance contracts; and dedicated training programmes aimed at improving building energy performance.
 - Accredited energy audits and building performance assessments.
 - Expenditures towards energy management services and energy performance contracts.
 - Energy services provided by energy service companies.
- The Framework excludes financing of buildings designed for the extraction, storage, transportation and manufacture of fossil fuels.
- Poland has confirmed the exclusion of renewable energy and energy efficiency technologies dedicated to inherently carbon-intensive processes powered by fossil fuels.
- Sustainalytics considers investments under this category to be aligned with market practice.

¹⁴ EU Commission, "Directive 2010/31/EU", (2010), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010L0031>

¹⁵ EU Commission, "Regulation (EU) 2017/1369", (2017), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1369>

- Under the Green Infrastructure category, Poland may finance or refinance the development, construction, installation, operation or maintenance of infrastructure projects or equipment in industrial facilities, in accordance with the following:
 - Electricity transmission and distribution infrastructure and equipment that meets either of the following criteria: i) the system is the interconnected European system of the EU Member States, Norway, Switzerland and the UK and its subordinated systems; or ii) more than 67% of newly enabled generation installed capacity in the system is below the emissions threshold of 100 gCO₂e/kWh, measured on a life cycle basis over a rolling five-year period.¹⁶
 - The Framework intends to finance systems that comply with the criteria of the EU Taxonomy.¹⁷ Sustainalytics considers the expansion and maintenance of resilient electricity grids broadly to be supportive of positive environmental outcomes and recognizes Poland's intent to largely align with the EU Taxonomy. Although Poland's grid carbon intensity was 614 gCO₂e/kWh in 2023,¹⁸ primarily due to fossil fuel-based power generation, Sustainalytics notes Poland's intent to finance electricity infrastructure that primarily enables the growing share of renewables in the grid mix, supporting the decarbonization of the sector over time. Notably, more than 67% of newly installed capacity in the last five years has come from renewable energy sources.
 - The Framework excludes financing of the following: i) infrastructure dedicated to power production plants with GHG emissions exceeding 100 gCO₂e/kWh on a life cycle basis; and ii) installation of metering infrastructure that does not comply with the requirements under Article 20 of Directive (EU) 2019/944 pertaining to functionalities of smart metering systems.¹⁹
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Clean Transportation category, Poland may finance or refinance the purchase, financing, rental, leasing,²⁰ operation, construction, maintenance or modernization of projects according to the following criteria:
 - Zero-emission passenger, freight, and light or heavy-duty vehicles, including electric or hydrogen vehicles.
 - Zero-direct-emission rail transport, including electric, battery electric and hydrogen passenger and freight trains, coaches or wagons.
 - Investments in infrastructure that support zero-emission road or rail transport, including:
 - EV charging and hydrogen fuelling stations.
 - Infrastructure,²¹ energy,²² on-board control-demand and signalling or trackside control-command and signalling subsystems, for:
 - Electrified trackside infrastructure and associated subsystems.
 - New and existing trackside infrastructure and associated subsystems that meet one of the following: i) have a plan for the electrification of line tracks, electric train operations or sidings; ii) the infrastructure is fit to be used by trains with zero tailpipe CO₂ emissions within 10 years from the onset of the activity; or iii) until 2030, existing trackside infrastructure and subsystems that are not part of the TEN-T network (and its indicative extensions to third countries) nor of any nationally,

¹⁶ The generation threshold of 100 gCO₂e/kWh is measured on a life cycle basis in accordance with electricity generation criteria over a rolling five-year period.

¹⁷ As per the EU Taxonomy Delegated Act, grids must either: (i) have an emissions intensity of more than 67% of newly enabled generation capacity not exceeding 100 gCO₂e/kWh, or (ii) have an average system grid emission factor that does not exceed 100 gCO₂e/kWh, or (iii) be part of the interconnected European system.

¹⁸ European Environment Agency, (2024), "Greenhouse gas emission intensity of electricity generation in Europe", at: <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1?activeAccordion=ecdb3bcf-bbe9-4978-b5cf-0b136399d9f8>

¹⁹ EU Commission, "Directive (EU) 2019/944", (2019), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0944>

²⁰ Poland has confirmed that the leasing period will be set for at least the bond term and its environmental impacts will be reported.

²¹ Infrastructure is limited to the examples in Annex I of Directive 2012/34/EU which have been transposed in the Polish Railway Transport Act.

²² Energy is limited to the definition of Annex II of Directive (EU) 2016/797, specifically section 2.2 which defines energy as the "electrification system, including overhead lines and trackside electricity consumption measuring and charging system" which is transposed in the Polish Railway Transport Act.

- supranationally or internationally defined network of major rail lines.
 - Infrastructure or installation aimed at either of the following:
 - i) trans-shipping freight between modes: terminal infrastructure and superstructures for loading, unloading and trans-shipment of goods; or ii) the transfer of passengers from rail to rail or from other modes to rail.
 - Digital tools, such as fleet management software, smart traffic management systems and energy management systems aimed at increasing energy efficiency, capacity and savings.
 - Poland has confirmed that the investments under this activity align with the screening criteria of Section 6.14 of Annex 1 of the EU Taxonomy Climate Delegated Act.²³
 - Measures aimed at reducing the noise and vibration from electric railway infrastructure, including acoustic screens, rail absorbers and diffractors.
- Infrastructure for low carbon aircraft and airport meeting the following criteria:
 - Fixed electrical ground power and preconditioned air to stationary aircraft.
 - Zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades and hydrogen refuelling stations.
 - Poland has confirmed that military or combat aviation and aircraft are excluded under the Framework.
- Low carbon water transport for:
 - Operation of vessels with zero tailpipe CO₂ emissions, such as electricity charging and hydrogen-based refuelling.
 - Shore-side electrical power to vessels at berth.
 - Ports' own operations with zero direct CO₂ emissions.
 - Trans-shipping freight between modes, such as terminal infrastructure and superstructures for loading, unloading and trans-shipment of goods.
 - Modernization of existing infrastructure to enable a modal shift for vessels with zero direct CO₂ emissions and subject to a verified climate proofing assessment in accordance with the EU Commission's Technical Guidance on Climate Proofing of Infrastructure.²⁴
- Sustainalytics notes that the Framework excludes the following: i) the transport of storage dedicated to fossil fuels; ii) new construction and existing road infrastructure retrofits; iii) standalone parking facilities; and v) fuel stations or other assets that prolong the life or facilitate the use of fossil fuel-powered transportation.
- Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Environmentally Sustainable Management of Living Natural Resources and Land Use category, Poland may finance or refinance projects that support afforestation, forestry conservation, sustainable agricultural practices, and biodiversity conservation and protection measures, in accordance with the following criteria:
 - Afforestation and forest conservation projects include the following: i) restoration of native or high value forests; ii) preservation or restoration of biological diversity; iii) conservation of forests; and iv) prevention, detection or monitoring of invasive species. Poland has confirmed the following:
 - Projects will have a sustainable management plan in compliance with Poland's Act on Forests²⁵ or certified under the Forest Stewardship Council or the Programme for the Endorsement of Forest Certification standards.^{26,27}
 - Poland has confirmed that plants and tree species used for afforestation will be native or well adapted to local conditions.

²³ EU Commission, "EU Taxonomy Navigator", at: <https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/343/view>

²⁴ EU Commission, "Technical guidance on the climate proofing of infrastructure in the period 2021-2027", (2021), at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0916\(03\)\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021XC0916(03)))

²⁵ UN Environment Programme, "Poland's Forest Act", at: <https://leap.unep.org/en/countries/pl/national-legislation/forest-act>

²⁶ The Forest Stewardship Council (FSC), at: <https://fsc.org/en>

²⁷ The Programme for the Endorsement of Forest Certification (PEFC), at: <https://pefc.org/>

- Activities related to the prevention, control, containment or eradication of invasive species will comply with EU Regulation 1143/2014 on the prevention and management of the spread of invasive species.^{28,29} Use of agrochemicals (herbicides or insecticides) to control or eradicate invasive plants or insects will be excluded from financing under the Framework.
- The Framework excludes financing for projects dedicated to timber production; afforestation of exploited areas, such as mined lands; and the conversion of natural landscapes, such as peatlands.
- Sustainable agricultural practices that contribute to the protection of soil, water, climate, natural habitats and landscape diversity, including:
 - Soil and water protection through agrotechnical practices that prevent soil erosion, organic matter loss and leaching. Examples of activities financed include the installation of measures for slope protection, no till farming and interventions that eliminate the use of synthetic fertilizers or pesticides and promote the use of organic fertilizers, such as compost.
 - Water retention and management practices, such as harvesting, retaining and using rainwater and snowmelt for agricultural practices.
 - Crop management practices, such as crop rotation, crop diversification or planting of cover crops to enhance carbon sequestration and biological nitrogen fixation; deployment of advanced irrigation technologies (e.g. high-efficiency drip, flood or pivot irrigation); use of climate-resilient seeds and crops; application of organic pesticides and herbicides; and implementation of precision farming techniques.
- Biodiversity conservation, preservation and protection measures for the maintenance of:
 - Habitats and endangered bird species within Natura 2000 sites.³⁰
 - Habitats located outside Natura 2000 areas, such as wet meadows, saline grasslands, peatlands and bird habitats.³¹ The activity intends to support traditional practices, such as limiting harrowing; overseeding; use of organic fertilizers; pesticides; construction of drainage; or removal of biomass after mowing or grazing.
 - Endangered plant and animal genetic resources. The activity intends to finance: i) protecting plants at risk of genetic erosion (such as einkorn, emmer wheat, krzyca rye, camelina, white melilot, lentils, parsnip, buckwheat, proso millet; ii) supporting the protection, preservation, and conservation of plant varieties in the National Register (such as Ostka Grodkowicka wheat, aster potato); and iii) preserving the genetic resources and species habitat of endangered Polish heritage breeds of cattle, horses, pigs, sheep and goats.
 - Protection and maintenance of orchards cultivating traditional fruit varieties. The activity supports traditional practices, such as pruning; pest management, including whitewashing trunks; mowing rows; and biomass removal or grazing. Use of herbicides and insecticides will be excluded.
- Certified organic farming and products that comply with EU Regulation 2018/848 on organic production and Poland's act on organic farming and organic production.^{32,33}
- The Framework excludes the financing of the following: i) conversion of high carbon stock lands; ii) projects dedicated to livestock farming; iii) purchase or improvement of appliances and equipment that primarily use fossil fuels, to avoid lock-in of fossil fuel consumption; iv) use of genetically modified organisms and crops; v) projects that degrade water bodies or negatively impact the objectives of Natura 2000 sites.

²⁸ EU Commission, "Regulation (EU) 1143/2014", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R1143>

²⁹ In line with the EU Regulations 1143/2014, the issuer will ensure that necessary measures are in place to spare avoidable pain, distress and suffering of animals during the process, taking into account as far as possible the best practices in the field such as Guiding Principles on Animal Welfare developed by the World Organisation for Animal Health.

³⁰ European Environment Agency, "The Natura 2000 protected areas network", at: <https://www.eea.europa.eu/themes/biodiversity/natura-2000/the-natura-2000-protected-areas-network>

³¹ Ibid.

³² EU Commission, "Regulation (EU) 2018/848", (2018), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0848>

³³ ISAP, "Dz.U. 2022 poz. 1370", (2022), at: <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20220001370>

- Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Climate Change Adaptation category, Poland may finance or refinance: i) the design, construction, extension, operation and maintenance of structural infrastructure aimed at flood or drought prevention; and ii) educational activities. Intended projects under this category include:
 - Engineered structural infrastructure, including dykes, river embankments, buffer basins to control floods by increasing the retention capacity of catchment areas, hydraulic structures to regulate water flow and sediment control structures.
 - Large-scale nature-based solutions for flood or drought management solutions that enhance natural water retention, biodiversity and water quality. Intended projects under this activity include the construction of the following: i) flood protection structures made from riprap and retention walls; ii) underwater thresholds designed to dissipate the energy of waves and intercept moving sea debris; and iii) groynes along the seashore in Mrzeżyno and Rogowo.
 - Educational activities that build awareness and enhance preparedness for climate-related risks, such as floods, droughts, forest fires, severe storms, landslides and related emergency response measures.
 - Poland has confirmed that: i) climate change adaptation projects will be supported by a vulnerability assessment followed by the implementation of a management process and plan to address the identified climate risks; and ii) business-as-usual renovations and retrofits of such structural infrastructure will be excluded from financing.
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Sustainable Water and Waste Management category, Poland may finance or refinance the construction, extension, upgrade, operation or renewal of the water supply networks that will reduce water leakage by at least 20%.
 - Poland has confirmed that the financing of pipelines dedicated to fossil fuel operations will be excluded. Additionally, equipment and methods will not be dependent on fossil fuels.
 - Sustainalytics considers investments under this category to be aligned with market practice.
- The Framework excludes financing for activities associated with fossil fuels, tobacco, weapons, gambling, alcohol, landfill and mining. Sustainalytics views positively the presence of exclusionary criteria in the Framework.
- Project Evaluation and Selection:
 - Poland has established a cross-ministerial Green Finance Working Group (the "Working Group"), which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria and overseeing the allocation of proceeds to eligible expenditures. The Working Group, led by Poland's Ministry of Finance, will include representatives from the Ministry of Infrastructure, Ministry of Agriculture and Rural Development, and Ministry of Climate and Environment.
 - The Working Group will oversee the internal process in place to identify and mitigate environmental and social risks associated with the eligible projects, applicable to all allocation decisions made under the Framework. Poland, through its ministries, will be responsible for the following: i) identifying and managing environmental and social risks associated with their respective eligible projects; and ii) ensuring compliance with applicable national and international environmental regulations in line with Poland's Environmental Protection Act of 2001³⁴ and the Constitution of the Republic of Poland.³⁵ Sustainalytics considers these environmental and social risk management systems to be adequate. For additional details, see Section 2.
 - Based on the established process for project evaluation and selection, and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Poland's Ministry of Finance will be responsible for the tracking, monitoring and allocation of proceeds and will periodically review and track the proceeds using an internal tracking mechanism.

³⁴ Government of Poland, "Environmental Protection Act", (2001), at: https://www.carrotsandsticks.net/media/hrdhtlj/145_13_poland_2001.pdf

³⁵ Government of Poland, "The Constitution of Republic of Poland", (1997), at: <https://www.sejm.gov.pl/prawo/konst/angielski/kon1.htm>

- Poland intends to fully allocate the proceeds to eligible projects within 36 months of issuance. Pending full allocation, unallocated proceeds will be managed in accordance with Poland's treasury policy and held in cash or cash equivalents, used for debt repayment or directed toward other capital management activities. Poland has confirmed that the unallocated proceeds will not be invested in carbon-intensive assets or the activities excluded under the Framework.
- Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Poland will report on the allocation of proceeds and their corresponding impacts on the Ministry of Finance's website on an annual basis until full allocation or until maturity.³⁶
 - Allocation reporting will include the: i) amount allocated to each category or project; ii) balance of unallocated proceeds; iii) the share of financing and refinancing; and iv) industry wise allocation of proceeds (where feasible).
 - Impact reporting will include relevant environmental impact metrics; such as: i) annual GHG emissions reduced or avoided (in tCO₂e); ii) annual energy consumption reduced or avoided (in kWh); iii) reduction in kilometres travelled; iv) reduction in flood damage costs; v) reduction in water loss during transfer or distribution (m³/year); and vi) removal, control, containment or reduction of polluting emissions (in tonnes).
 - Poland has committed to obtaining an external verification for the allocation reporting.
 - Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Republic of Poland Green Bond Framework aligns with the four core components of the GBP.

Section 2: Sustainability Strategy of Poland

Contribution to Poland's sustainability strategy

Poland demonstrates its commitment to sustainability through the implementation of the Strategy for Responsible Development 2020, which sets the foundation for sustainable economic growth through 2030.³⁷ This strategy is operationalized by the National Environmental Policy (NEP) 2030, which outlines goals that promote environmental protection while addressing economic, social, health- and climate-related priorities.^{38,39,40} Established in 2019, the NEP informs Poland's international commitments, including the EU 2030 Climate and Energy Policy and UN SDGs, as well as the national regulations, including the Energy Policy of Poland 2040⁴¹ and the National Energy and Climate Plan 2021-2030.⁴²

Poland's 2040 Energy Policy is underpinned by three key pillars: i) just transition; ii) zero-emission energy system; and iii) good air quality. It is also supported by eight overarching objectives.⁴³ Under the first pillar, Poland aims to eliminate coal production by 2049, with interim targets to reduce the share of electricity generation using coal from 70% in 2019 to 56% by 2030.⁴⁴ The policy also sets a target to phase out coal use in urban households' energy consumption by 2030 and by 2040 in rural areas.⁴⁵ The second pillar focuses on modernizing Poland's energy infrastructure to establish a resilient power distribution system by 2040, supported by low- and zero-emission energy sources.⁴⁶ The third pillar prioritizes the expansion

³⁶ Government of Poland, "Ministry of Finance", at: <https://www.gov.pl/web/finance/issues-international-bonds>

³⁷ Strategy for Responsible Development for the period of 2020 (including the perspective up to 2030), available at: https://www.gov.pl/documents/33377/436740/SOR_2017_streszczenie_en.pdf

³⁸ Government of Poland, Ministry of Climate and Environment, "The 2030 National Environmental Policy", (2019), at: <https://www.gov.pl/web/climate/the-2030-national-environmental-policy-the-development-strategy-in-the-area-of-the-environment-and-water-management#:~:text=The%20role%20of%20PEP2030%20is,with%20a%20perspective%20to%202030.>

³⁹ IEA, "2030 National Environmental Policy", at: <https://www.iea.org/policies/12220-2030-national-environmental-policy>

⁴⁰ Government of Poland, "The 2030 National Environmental Policy", (2019), at: <https://monitorpolski.gov.pl/M2019000079401.pdf>

⁴¹ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040", (2021), at:

<https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040-epp2040#:~:text=The%20Energy%20Policy%20of%20Poland%20until%202040%20takes%20into%20account,optimum%20use%20of%20Poland's%20own>

⁴² EU Commissions, "Poland's National Energy and Climate Plan 2021-2030, draft updated NECP (2023), at:

https://commission.europa.eu/publications/poland-draft-updated-necp-2021-2030_en

⁴³ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040", at: <https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040-epp2040#:~:text=The%20Energy%20Policy%20of%20Poland%20until%202040%20takes%20into%20account,optimum%20use%20of%20Poland's%20own>

⁴⁴ Ibid

⁴⁵ Ibid

⁴⁶ Ibid

of renewable energy. Poland has committed to increasing its share of renewable electricity generation to at least 32% by 2030 compared to 22% in 2020.^{47,48} To achieve this, the country has set a target to expand its offshore wind power capacity to 5.9 GW and solar power capacity up to 7 GW by 2030, with potential for further expansion up to 11 GW and 16 GW, respectively, by 2040.^{49,50}

To achieve its emissions reduction targets, Poland aims to connect 1.5 million new households to district heating networks by 2030. The country seeks to ensure that all households rely on low- or zero-emission energy sources for heating by 2040.⁵¹ In addition, Poland aims to reduce its primary energy consumption by at least 23% by 2030 compared to a PRIMES 2007 baseline.⁵² Poland's Long-Term Building Renovation Strategy also includes plans for 2.4 million building renovations by 2030 and 7.5 million by 2050.⁵³ To support Poland's climate and environmental objectives, the National Energy and Climate Plan, updated in 2024, outlines targets to enhance environmental resilience and sustainability through decarbonization, energy efficiency and energy security.⁵⁴

To support natural resource management and promote its conservation, Poland's Common Agricultural Policy 2023-2027, established in 2021, promotes sustainable farming practices that enhance soil, water and air quality, and biodiversity, supported by financial incentives.⁵⁵ Under this policy, Poland has committed to doubling the agricultural area under organic farming by 2030 compared to 2020.⁵⁶ Moreover, Poland's 2022 draft of the National Plan in the Field of Energy and Climate by 2030 foresees PLN 26 billion (EUR 6.08 billion) to implement river basin management plans, in addition to other investments to modernize wastewater infrastructure that include constructing 60 new wastewater treatment plants.⁵⁷ Furthermore, Poland established the National Waste Management Plan 2028 in 2023 to promote waste-to-energy solutions and circular economy investments. The plan sets targets to reduce municipal waste landfilling to below 10% by 2035; increase recycling rates to 55% by 2025, 60% by 2030 and 65% by 2035;⁵⁸ and recycle 70% of packaging waste by 2030.⁵⁹

Poland aligns with the EU's nationally determined contribution targets, which aim to reduce GHG emissions by at least 55% from 1990 levels by 2030 and achieve climate neutrality by 2050.⁶⁰ In addition, the country is aligned with broader European initiatives, including the EU Green Deal and the Fit for 55 package, demonstrating its commitment to achieving climate and energy transition objectives.^{61,62}

In view of the above, Sustainalytics is of the opinion that the Republic of Poland Green Bond Framework is aligned with Poland's overall sustainability strategy and initiatives, and will further its actions on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from the instruments issued under the Framework will be directed towards eligible projects expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues involving: i) land use and biodiversity issues associated with large-scale infrastructure development; ii) effluents and waste generated in construction; iii) occupational health and safety;

⁴⁷ Ibid

⁴⁸ EU Commission, "Poland's National Energy and Climate Plan 2021-2030", (2019), at: https://energy.ec.europa.eu/system/files/2020-01/pl_final_necp_summary_en_0.pdf

⁴⁹ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040", at: <https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040->

[epp2040#:~:text=The%20Energy%20Policy%20of%20Poland%20until%202040%20takes%20into%20account,optimum%20use%20of%20Poland's%20own](https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040-)

⁵⁰ International Trade Administration, "Renewable Energy – Poland", at: <https://www.trade.gov/energy-resource-guide-poland-renewable-energy>

⁵¹ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040", at: <https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040->

[epp2040#:~:text=The%20Energy%20Policy%20of%20Poland%20until%202040%20takes%20into%20account,optimum%20use%20of%20Poland's%20own](https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040-)

⁵² Ibid

⁵³ Government of Poland, "Long-Term Building Renovation Strategy", at: https://energy.ec.europa.eu/system/files/2022-06/PL%202020%20LTRS%20_%20EN%20version.pdf

⁵⁴ EU Commission, "Poland's National Energy and Climate Plan 2021-2030, draft updated NECP (2024)", at:

https://commission.europa.eu/publications/poland-draft-updated-necp-2021-2030_en

⁵⁵ Government of Poland, "CAP Strategic Plan", at: https://agriculture.ec.europa.eu/document/download/7716493a-28a0-4a7c-a66d-e54803e42bdd_en?filename=csp-at-a-glance-poland_en.pdf

⁵⁶ Ibid

⁵⁷ EU Commission, "Poland's National Energy and Climate Plan 2021-2030, draft updated NECP (2023)", at: https://commission.europa.eu/publications/poland-draft-updated-necp-2021-2030_en

⁵⁸ Government of Poland, "National Waste Management Plan 2028", at: <https://faolex.fao.org/docs/pdf/pol231916.pdf>

⁵⁹ Ibid

⁶⁰ United Nations Climate Change, "Nationally Determined Contributions Registry", at: <https://unfccc.int/NDCREG>

⁶¹ EU Commission, "The European Green Deal", at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

⁶² EU Commission, "Fit for 55: Delivering on the proposals", at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal/fit-55-delivering-proposals_en

iv) human and labour rights; v) bribery and corruption; and vi) community relations and stakeholder participation.

- To manage land use and biodiversity risks associated with large-scale infrastructure development, Poland adheres to EU Directive 2014/52/EU⁶³ on environmental impact assessments, which requires projects that are likely to have a significant impact on the environment to be adequately assessed before approval. It also requires adequate measures to be in place to avoid, prevent, reduce and offset significant adverse effects on the environment, in particular on species and habitats. For projects requiring significant use of land and for large-scale projects, the directive requires an environmental impact assessment.⁶⁴ In addition, projects in the EU must adhere to the Habitats Directive⁶⁵ and Birds Directive,⁶⁶ which are included in the Biodiversity Strategy for 2030.⁶⁷ These directives require EU Member States to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species. They also require member states to report on the conservation status of habitats and species, and compensation measures taken concerning projects that have a negative impact on protected areas.⁶⁸ Poland has also established an Environmental Impact Assessment Policy, which determines when an environmental impact assessment is required and outlines the necessary steps for compliance.⁶⁹ The policy mentions that an environmental impact assessment is required for projects that have or that may potentially have a significant impact on the environment.
- Regarding emissions, effluents and waste management, Poland established the Waste Act⁷⁰ in 2012, which aligns with the EU Directive 2008/98/EC on waste management.⁷¹ The act outlines measures to protect the environment and human health by preventing and reducing the adverse impacts of waste generation and management.⁷² Additionally, Poland's Ministry of Environment developed the National Waste Prevention Plan, which details waste prevention measures at the national and regional level, and includes specifications on waste from the construction, renovation and demolition of buildings and road infrastructure.⁷³
- Regarding risks related to occupational health and safety, Poland adheres to the EU Directive 89/391/EEC,⁷⁴ which establishes safety and health requirements and requires employers to implement necessary measures to prevent occupational risks, improve working conditions and provide adequate instructions and training, among other health and safety provisions at the workplace.⁷⁵ Poland has also adopted the following legislation: the Act on Labour Code;⁷⁶ the Ordinance of the Minister of Labour and Social Policy on general health and safety regulations;⁷⁷ the Ordinance of the Minister of Energy on health and safety at work with energy equipment;⁷⁸ and the Act on Construction Law,⁷⁹ outlining the roles, responsibilities and duties of employers, officers and workers for ensuring health, safety and welfare at the workplace.
- Regarding human and labour rights, Poland has developed the National Action Plan for Business and Human Rights (NAP) in accordance with the UN Guiding Principles on Business and Human rights for the timeframes of 2017-20 and 2021-24.⁸⁰ The NAP are based on the following three pillars: i) state's duty to protect human rights; ii) corporate responsibility to protect human rights; and iii) access to remedies.⁸¹ Additionally, Poland has established a Global Compact Foundation to support private sector businesses within its territory to comply with the global initiatives of the UN Global Compact and address challenges frequently encountered in its pursuit of sustainable development, including decent work and economic growth.⁸²

⁶³ EU Commission, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/eli/dir/2014/52/oj/eng>

⁶⁴ Ibid

⁶⁵ EU Commission, "Biodiversity strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

⁶⁶ EU Commission, "Directive 2009/147/EC", (2009), at: <https://eur-lex.europa.eu/eli/dir/2009/147/oj/eng>

⁶⁷ EU Commission, "European Biodiversity Strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

⁶⁸ Ibid.

⁶⁹ Polish Investment Trade Agency, "Environmental Impact Assessment and the Decision on Environmental Conditions in Relation to the Investment Construction Process", at: <https://www.paih.gov.pl/wp-content/uploads/0/134901/135000.pdf>

⁷⁰ FAO, "Waste Act", (2012), at: <https://faolex.fao.org/docs/pdf/pol182641.pdf>

⁷¹ EU Commission, "Directive 2008/98/EC", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

⁷² FAO, "Poland, Waste Act", at: <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC182641>

⁷³ Poland Ministry of Climate and the Environment, "National Waste Prevention Programme", (2014), at: https://bip.mos.gov.pl/g2/big/2014_10/a400f6bb998e8fbc1bc8451fe5c41b11.pdf

⁷⁴ EU Commission, "Council Directive", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=F>

⁷⁵ Ibid.

⁷⁶ ISAP, "Dz.U. 1974 Nr 24 poz. 141", (1974), at: <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19740240141/U/D19740141Lj.pdf>

⁷⁷ ISAP, "Dz.U. 1997 nr 129 poz. 844", (1997), at: <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19971290844/O/D19970844.pdf>

⁷⁸ ISAP, "Dz. U. 2019 poz. 1830", (2019) at: <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20190001830/O/D20191830.pdf>

⁷⁹ ISAP, "Dz. U. 1994 Nr 89 poz. 414". (1994), at: <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19940890414/U/D19940414Lj.pdf>

⁸⁰ Ministry of Foreign Affairs Poland, "Polish NAP for the Implementation of the UN Guiding Principles on Business and Human Rights", at: <https://www.gov.pl/web/diplomacy/polish-nap-for-the-implementation-of-the-un-guiding-principles-on-business-and-human-rights>

⁸¹ Ibid.

⁸² United Nations Global Compact, "Poland", at: <https://unglobalcompact.org/engage-locally/europe/poland>

- Regarding risks related to bribery and corruption, Poland has set up the Central Anti-Corruption Bureau to combat corruption in public and economic life.⁸³ Poland is also a signatory to several international treaties and agreements, including the OECD Convention on the Suppression of Bribery of Foreign Public Officials in International Business⁸⁴ and the UN Convention against Corruption.⁸⁵
- Poland is recognized as a Designated Country under the Equator Principles. Designated countries are deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect people and the natural environment. Sustainalytics considers that financing activities in countries with designated status will be subject to presumably strong regulations aimed at mitigating environmental and social risks.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Poland has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of renewable energy in Poland

Poland is one of the most coal-dependent countries in the European Union.⁸⁶ In 2023, nearly 36% of Poland's energy supply came from coal, while in Europe as a whole, coal accounted for less than 12% of the energy supply.⁸⁷ In 2023, the energy sector represented 44% of Poland's total GHG emissions, followed by the transport sector (24%) and the industrial sector (16%).⁸⁸

In 2024, as part of its updated National Energy and Climate Plan for 2030, Poland set a target of achieving 29.8% renewable energy in final energy consumption by 2030.⁸⁹ However, the European Commission recommends raising this target to 32% to align with EU Commission's recommendation and the EU's goal of achieving a 42.5% share of renewables by 2030.⁹⁰ Poland's 2040 Energy Policy outlines key milestones for the energy transition, including: i) increasing offshore wind capacity to about 6 GW by 2030 and 11 GW by 2040; ii) expanding photovoltaic capacity to 7 GW by 2030 and 16 GW by 2040; and iii) implementing nuclear energy through six nuclear power units with a total capacity of 6 to 9 GW.^{91,92}

Poland is one of the largest hydrogen producers in the EU.⁹³ As of 2022, the country accounted for approximately 13% of the EU's total hydrogen production, although the majority was derived from fossil fuels.^{94,95} To support decarbonization, Poland has set a target to increase the share of renewable

⁸³ Central Anti-Corruption Bureau, "About CBA", at: <https://cba.gov.pl/en/about-the-cba/2,ABOUT-THE-CBA.html>

⁸⁴ OECD, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", at: <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/fighting-foreign-bribery/Convention%20and%20commentaries%20booklet%202024.pdf>

⁸⁵ United Nations Treaty Collection, "United Nations Convention against Corruption", (2003), at: https://treaties.un.org/pages/viewdetails.aspx?src=treaty&mtdsg_no=xviii-14&chapter=18

⁸⁶ IEA, "Poland 2022: Energy Policy Review", at: <https://www.iea.org/reports/poland-2022>

⁸⁷ IEA, "Where does Poland get its energy?", (2023), at: <https://www.iea.org/countries/poland/energy-mix>

⁸⁸ European Commission, "Climate Action Progress Report 2023, Country Profile, Poland", (2023), at: https://climate.ec.europa.eu/document/download/c87bf87e-3785-46df-b270-4461814adeaa_en?filename=pl_2023_factsheet_en.pdf

⁸⁹ Government of Poland, Ministry of Climate and Environment, "National Plan in the field of Energy and Climate by 2030, (2019 update of NECPs)", (2024), at: https://commission.europa.eu/document/download/5118b15e-d380-49ae-b8bb-41cc81a28e15_en?filename=PL_NECPupdate_Projekt_EN.pdf

⁹⁰ European Commission, "Commission Recommendation on the draft updated integrated national energy and climate plan of Poland covering the period 2021-2030", (2024), at: https://commission.europa.eu/document/download/b40cb8bb-4eaf-434b-a298-6f282fb8ed4a_en?filename=Recommendation_draft_updated_NECP_Poland_2024.pdf.pdf

⁹¹ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040 (EPP2040)", at: <https://www.gov.pl/web/climate/energy-policy-of-poland-until-2040-epp2040#:~:text=By%202040%2C%20large%20amount%20of,in%20modernizing%20our%20energy%20system>

⁹² Government of Poland, Ministry of Climate and Environment, "Extract of Energy Policy of Poland until 2040", at: <https://www.gov.pl/attachment/a1e42067-c749-4dbe-82bf-211d46821d9d>

⁹³ European Hydrogen Observatory, "The European Hydrogen Market Landscape", (2023), at: <https://observatory.clean-hydrogen.europa.eu/sites/default/files/2023-11/Report%2001%20-%20November%202023%20-%20The%20European%20hydrogen%20market%20landscape.pdf>

⁹⁴ Government of Poland, Ministry of Climate and Environment, "National Plan in the field of Energy and Climate by 2030, (2019 update of NECPs)", (2024), at: https://commission.europa.eu/document/download/5118b15e-d380-49ae-b8bb-41cc81a28e15_en?filename=PL_NECPe_Projekt_EN.pdf

⁹⁵ European Hydrogen Observatory, "The European Hydrogen Market Landscape", (2023), at: <https://observatory.clean-hydrogen.europa.eu/sites/default/files/2023-11/Report%2001%20-%20November%202023%20-%20The%20European%20hydrogen%20market%20landscape.pdf>

hydrogen to 42% of total hydrogen use in industry.^{96,97} The government aims to utilize low-emission hydrogen to reduce emissions from heating in buildings, as well as in the transport and industrial sectors – three of the country's largest GHG-emitting sectors.^{98,99}

Based on the above context, Sustainalytics is of the opinion that Poland's investments in renewable energy projects are expected to deliver a positive environmental impact by supporting the growth of the renewable energy sector and the transition towards a low carbon economy in Poland and the EU.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Republic of Poland Green Bond Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Green Infrastructure	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

⁹⁶ Government of Poland, Ministry of Climate and Environment, "National Plan in the field of Energy and Climate by 2030, (2019 update of NECPs)", (2024), at: https://commission.europa.eu/document/download/5118b15e-d380-49ae-b8bb-41cc81a28e15_en?filename=PL_NECUpdate_Projekt_EN.pdf

⁹⁷ Government of Poland, Ministry of Economic Development and Technology, "Poland's Hydrogen Strategy: A Green Future", (2024), at: <https://www.trade.gov.pl/en/extended-topics/polands-hydrogen-strategy-a-green-future/>

⁹⁸ Government of Poland, Ministry of Climate and Environment, "National Plan in the field of Energy and Climate by 2030, (2019 update of NECPs)", (2024), at: https://commission.europa.eu/document/download/5118b15e-d380-49ae-b8bb-41cc81a28e15_en?filename=PL_NECUpdate_Projekt_EN.pdf

⁹⁹ IEA, "Poland 2022, Energy Policy Review", (2022), at: <https://iea.blob.core.windows.net/assets/b9ea5a7d-3e41-4318-a69e-f7d456ebb118/Poland2022.pdf>

Environmentally Sustainable Management of Living Natural Resources and Land Use	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
	15. Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
Climate Change Adaptation	13. Climate action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Conclusion

Poland has developed the Republic of Poland Green Bond Framework, under which it may issue green bonds and medium-term notes and use the proceeds to finance or refinance, in whole or in part, government and private projects or entities in the form of subsidies, tax expenditures, treasury security transfers or recapitalization, or a combination thereof, that are expected to facilitate Poland's transition to a low carbon economy. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts in Poland.

The Framework outlines processes for tracking, allocating and managing proceeds and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Republic of Poland Green Bond Framework is aligned with the overall sustainability strategy of the country and that the use of proceeds will contribute to advancement of UN Sustainable Development Goals 6, 7, 9, 11, 12, 13 and 15. Additionally, Sustainalytics is of the opinion that Poland has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects and programmes.

Based on the above, Sustainalytics is confident that Poland is well positioned to issue green bonds and medium-term notes and that the Republic of Poland Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

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