

UK Government Green Financing Framework

November 2025



HM Treasury

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United Kingdom
Debt Management
Office

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1.

Introduction

The UK Government Financing Framework (the “Framework”) describes how the UK Government plans to finance expenditures through the issuance of green gilts and the retail Green Savings Bonds that will be critical in tackling climate change and other environmental challenges, funding much-needed infrastructure investment, and creating green jobs across the UK.

It sets out the basis for identification, selection, verification and reporting of the green projects that are eligible for financing from the proceeds of the UK Government’s green gilt programme and the retail Green Savings Bonds. The Framework aligns with the Green Bond Principles as published by the International Capital Market Association (ICMA) in 2021 and updated in June 2025.¹

The first version of the Framework was published in June 2021. Since then, the UK Government has raised over £51 billion via the Green Financing Programme (the “Programme”) to fund green expenditures that tackle climate change, rebuild natural ecosystems and support jobs in green sectors.

This update to the Framework adds nuclear energy-related expenditures to the list of Eligible Green Expenditures. Nuclear energy-related expenditures will be subject to the eligibility conditions set out in section 2.1.1 and the exclusions set out in section 2.1.2.

The update to the Framework includes a commitment by HM Treasury to annual reporting on the environmental impacts and social co-benefits of allocated eligible green expenditures, to the extent that this is relevant and feasible. Further detail on impact reporting requirements is set out in section 2.4. HM Treasury continues to commit to annual allocation reporting.

This Framework document (“2025 Framework”) comes into force on 27 November 2025 and shall be deemed to be an updated “Framework” for the purposes of the Information Memorandum dated 1 April 2025 and each supplement or update thereof.

The proceeds from sales of green gilts or Green Savings Bonds issued prior to 27 November 2025 will not be allocated to expenditures that were ineligible for green financing on the date of their issuance, including expenditures that under this updated Framework are now eligible for green financing. For example, the proceeds from sales of green gilts and Green Savings Bonds issued prior to 27 November 2025 will not be allocated to nuclear energy related expenditures.

¹ [Green Bond Principles](#), ICMA, 2025

1.1

UK climate leadership

The UK is committed to leading global efforts to combat climate change. This leadership has been long established, with the UK signing the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 and the Kyoto Protocol in 1997.

The UK has continued its leadership by becoming a signatory of the Paris Agreement; by committing to the UN 2030 Agenda for Sustainable Development; and, in 2008 becoming the first country to introduce a long-term, legally binding emissions reduction target via the Climate Change Act. Under the Act, the UK was originally required to reduce greenhouse gas (GHG) emissions by at least 80% on 1990 levels by 2050. In 2019, the UK became the first major economy to commit to reaching net zero emissions by 2050 and consequently the target reduction in the act was amended to at least 100% reduction on 1990 levels. This aligns with the Paris Agreement target, which requires global net zero emissions by mid-century. The UK's model of a legal framework for climate action has proved successful around the world – since the UK adopted it, 60 other countries now have their own climate legislation, with at least three quarters of global GDP covered by country-level net zero commitments.

To keep the UK on a pathway to decarbonise, in the Climate Change Act the government also legislated for legally binding interim targets to reduce emissions. These “carbon budgets” are five-year cross-economy caps on emissions levels and are set 12 years in advance of when they start. The UK over-achieved against the first, second and third carbon budgets, which were set on a trajectory of 80% reduction in GHG emissions by 2050. The UK is on track

to meet the fourth carbon budget, which runs from 2023-2027. The UK is the first major economy to halve its emissions, having cut them by 54% between 1990 and 2024, while also growing its economy by 80%.²

Carbon Budget 6, the first to be set under the UK's net zero target was legislated for in June 2021. In October 2025, the government published a refreshed Carbon Budget and Growth Delivery Plan, setting out the whole economy strategy to meet Carbon Budgets 4-6. To support this, at Spending Review 2025, the government delivered the most significant programme of clean energy, climate, and nature investment (including nuclear), in British history – allocating £63 billion in capital funding.

Looking ahead, the government will legislate for Carbon Budget 7 by June 2026, in line with statutory duties. This will set out the next phase of the pathway to net zero to continue to secure the economic and societal benefits of the net zero transition.

² [Provisional UK greenhouse gas emissions statistics 2024](#), Department for Energy Security and Net Zero, 2025.

1.2

UK environmental leadership

The natural environment is one of our most valuable assets, providing us with the ecosystem services that are essential to our economic prosperity and health and wellbeing. The landmark Dasgupta Review on the Economics of Biodiversity, commissioned by HM Treasury and published in 2021, made clear that sustainable economic growth is dependent upon the preservation and restoration of nature.³

The Government is taking action to restore and protect nature and remains committed to our legally binding targets set under the Environment Act 2021.

The Government will publish a revised Environmental Improvement Plan (EIP) by the end of 2025. The revised EIP will set out an ambitious programme to protect the environment, create a zero-waste economy, save nature and reach net zero.

In February 2025, the Government also published its National Biodiversity Strategy and Action Plan which commits to achieving all 23 of the Kunming-Montreal Global Biodiversity Framework (GBF) targets at home.⁴

To deliver against these targets, the Government is acting upon the Dasgupta Review's recommendations by integrating nature into economic and financial decision making, and the systems and institutions that underpin it, including through the Spending Review and this framework.

As announced at Spending Review 2025, the Government will invest more than £2.7 billion a year in sustainable farming and nature recovery from 2026-27 until 2028-29. This includes increasing support for nature-friendly farming through Environmental Land Management schemes from £800 million in 2023-24 to £2 billion by 2028-29. This will make a significant contribution to our Environment Act targets, including improving the quality of the water in UK rivers, air and spaces for wildlife so biodiversity can thrive. The Government is also committed to developing high-quality, nature-positive infrastructure and has recently consulted on the implementation of biodiversity net gain for nationally significant infrastructure projects.

³ [The Economics of Biodiversity: The Dasgupta Review](#), HM Treasury, 2021.

⁴ [Blueprint for halting and reversing biodiversity loss: UK national biodiversity strategy and action plan](#), Department for Environment, Food and Rural Affairs, Welsh Government, Scottish Government, Department of the Environment (Northern Ireland) and Joint Nature Conservation Committee, 2025.

1.3

UK sustainable finance leadership

The transition to a net zero, climate resilient and nature positive economy represents a significant growth opportunity and will require the significant mobilisation of private capital, as demand for sustainable finance products increases globally. The UK is a leading centre for sustainable finance, with London ranked amongst the top three in the world twelve consecutive times in the Global Green Finance Index.⁵

The Government is committed to maintaining the UK's position as a global leader in sustainable finance. This will support the Government's wider growth and clean energy missions, facilitate better allocation of capital and build confidence across the market. The sustainable finance agenda also links to the Government's action to mobilise private finance, including through the creation of the National Wealth Fund and Great British Energy.

The Financial Services Growth and Competitiveness Strategy sets out the Government's plans to stabilise a streamlined regulatory framework for sustainable finance, prioritising efforts on policies that will have the greatest impact and enhancing the UK's position as a sustainable finance capital so that the UK can lead the clean energy transition at home and abroad.⁶ This is supported by initiatives to deliver a skilled workforce, such as the Sustainable Finance Education Charter. This will allow the UK's sustainable finance sector to adapt and continue to develop the innovative products which have propelled the UK's sustainable finance leadership.

The Government therefore:

- Has consulted on proposed next steps on the UK Sustainability Reporting Standards (SRS), the assurance of sustainability reporting, and how best to take forward commitments on the development and implementation of transition plans that align with the 1.5°C goal of the Paris Agreement. The government is currently processing feedback to the consultations and will publish responses in due course, as well as the final UK SRS for voluntary use.
- Is building UK companies' capacity to integrate nature into decision making through the UK Consultation Group of the Taskforce on Nature-Related Financial Disclosures.
- Is ensuring that the Bank of England's Financial Policy Committee and Prudential Regulation Committee support the government's approach to the net zero transition.
- Is supporting the growth and integrity of the transition finance market and voluntary carbon and nature markets.
- Has legislated to regulate Environmental, Social, and Governance (ESG) ratings providers to improve transparency and solve conflicts of interest.

The Government announced in July 2025 that it will not proceed with the development of a UK Green Taxonomy, following a consultation that showed that other policies were of higher priority to accelerate investment into the transition to net zero and limit greenwashing – particularly those listed above and other ambitious policies under the government's Clean Energy and Growth missions to support investors in their investment decisions.

⁵ [The Global Green Finance Index 16](#), Z/Yen Group, October 2025.

⁶ [The Financial Services Growth and Competitiveness Strategy](#), HM Treasury, 2025.

1.4

The social and economic benefits of green investment

The net zero economy is growing three times faster than the wider economy.⁷ Delivering net zero is crucial to ensuring sustainable and resilient long-term growth across the UK.

There is no national security, economic security, or global security without climate security. Clean energy is at the heart of the government's missions; boosting homegrown, renewable energy is the best way to reduce the UK's exposure to volatile fossil fuel markets, protect bill payers, and strengthen energy independence.

The Industrial Strategy and 10-Year Infrastructure Strategy (both published in 2025) map out how the Government will ensure that net zero infrastructure investment will boost UK jobs and growth.^{8 9}

The 2023 Green Financing Programme Allocation and Impact Report detailed how UK government green expenditures are supporting the pathway to meet the UK's 2050 net zero target, protecting property and infrastructure from the effects of climate change, rebuilding natural ecosystems, stimulating the development of self-sustaining markets for low-carbon technologies, and supporting jobs in low-carbon and energy efficient sectors across the UK.¹⁰

The report estimated that Programme financing in financial year (FY) 2021-22 is estimated to have:

- avoided at least 9.6 MtCO₂e¹¹ of greenhouse gas (GHG) emissions
- installed 226,947 electric vehicle (EV) charging points
- funded 212,312 EVs
- planted at least 1,200,000 trees
- supported at least 31,100 jobs
- saved £9.5 million annually on household energy bills

⁷ [The Future Is Green: The economic opportunities brought by the UK's net zero economy](#), CBI Economics and Energy & Climate Intelligence Unit, February 2025.

⁸ [The UK's Modern Industrial Strategy](#), Department for Business and Trade, June 2025.

⁹ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, June 2025.

¹⁰ [UK Green Financing Programme Allocation and Impact Report 2023](#), HM Treasury, September 2023.

¹¹ Million tonnes of carbon dioxide equivalent – a single emissions metric that accounts for the different global warming potential of different greenhouse gases.

2.

UK Government Green Financing Framework

The UK Government Green Financing Framework (the “Framework”) has been developed in accordance with the 2025 ICMA Green Bond Principles (the “ICMA Green Bond Principles”).

The Framework is aligned with the four core components and the key recommendations of the ICMA Green Bond Principles, which are:

Core components



Use of proceeds

The proceeds of the issuance of the bond instrument must be utilised for eligible green projects, which are projects that contribute to the environmental objectives set out in the ICMA Green Bond Principles.



Project evaluation and selection

The issuer’s environmental sustainability objectives, the process by which the issuer determines that projects fit within eligible green project categories and complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with relevant project(s), should be communicated to investors.



Management of proceeds

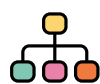
The net proceeds of the bond issuance, or an amount equal to these net proceeds, should be tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible green projects.



Reporting

Information on the use of proceeds, including allocation and expected impact, should be provided regularly to investors, and updated annually until full allocation.

Key recommendations



Green bond framework

Recommendation that issuers explain the alignment of their Green Bond or Green Bond programme with the four core components of the ICMA Green Bond Principles set out above in a Green Bond framework or in their legal documentation which is available in a readily accessible format to investors.



External review

Recommendation that issuers appoint an external review provider to confirm alignment of their Green Bond or Green Bond programme and/or framework with the four core components of the ICMA Green Bond Principles set out above.

HM Treasury intends, where possible, to adhere to best practices in the market and will review the Framework's alignment with updated versions of the ICMA Green Bond Principles as and when they are released. As such, this Framework may be updated and amended in the manner described in Section 4 ("Amendments to this Framework") below.



2.1

Use of proceeds

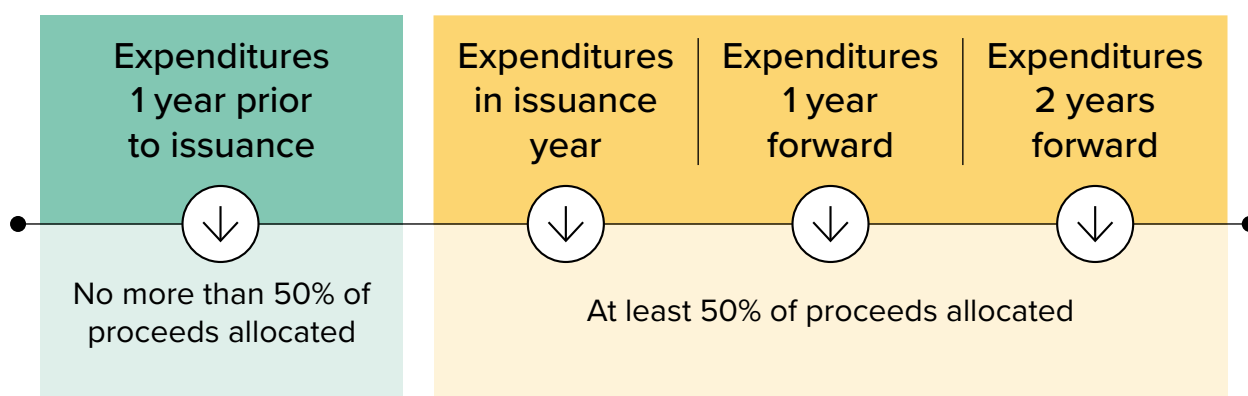
HM Treasury commits to allocate the proceeds raised from any green gilt, Green Savings Bonds, or other specified green finance instrument (together, “Green Financing”) to finance and/or to refinance, in whole or in part, expenditures that meet the environmental eligibility criteria set out in this Framework (“Eligible Green Expenditures”).

Eligible Green Expenditures can include government expenditures in the form of direct or indirect investment expenditures, subsidies, or tax foregone (or a combination of all or some of these) and selected operational expenditures. The eligible expenditures are limited to government expenditures that occurred no earlier than 12 months prior to issuance, the budget year of issuance, and the two budget years following issuance. HM Treasury will allocate at least 50% of net proceeds to current and future expenditures.

2.1.1

Eligible green expenditures

The following tables outline the categories of Eligible Green Expenditures (“Green Category”) and provide a non-exhaustive list of sub-categories and examples of projects within these categories. The Eligible Green Expenditures are also mapped to the eligible Green Projects categories and environmental objectives of the ICMA Green Bond Principles and the objectives of the UN Sustainable Development Goals (SDGs).¹²



References to ‘years’ in this graphic relate specifically to budget years.

¹² [Sustainable Development Goals](#), United Nations, 2015.

Green category: Clean Transportation



ICMA GBP Green Projects category:

Clean transportation

ICMA GBP environmental objective:

Climate change mitigation

SDG mapping:



Subcategories:

- Low and zero emission mobility, including vehicles, incentives, infrastructure, and alternative fuels
- Research and development for low and zero emission transportation technologies

Example expenditures:

- Local Electric Vehicle Infrastructure Fund
- Plug in Van Grant

Green Category: Renewable Energy



ICMA GBP Green Projects category:

Renewable energy

ICMA GBP environmental objective:

Climate change mitigation

SDG mapping:



Subcategories:

- Support development of renewable energy generation capacity such as wind, solar and hydrogen
- Schemes for renewable heat use, including heat networks, heat pumps and hydrogen heating
- Support for energy storage systems, such as batteries, compressed air/liquid air, and gravitational storage
- Research and development for the commercial viability of renewable energy technologies

Example expenditures:

- Heat Networks Transformation Programme
- Offshore Wind Manufacturing Investment Fund

Green Category: Energy Efficiency



ICMA GBP Green Projects category:

Energy efficiency

ICMA GBP environmental objective:

Climate change mitigation

SDG mapping:

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Subcategories:

- Support schemes for energy efficiency programmes for the commercial, public and industrial sectors
- Support schemes for residential energy efficiency programmes (including heating, retrofit and insulation)
- Research and development for new energy efficiency technologies

Example expenditures:

- Public Sector Decarbonisation Scheme
- Green Heat Network Fund

Green Category: Pollution Prevention and Control



ICMA GBP Green Projects category:

Pollution prevention and control

ICMA GBP environmental objective:

Pollution prevention and control

SDG mapping:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Subcategories:

- Reduction of air emissions and greenhouse gas control
- Waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy

Example expenditures:

- Carbon Capture, Utilisation and Storage Infrastructure

Green Category: Living and Natural Resources



ICMA GBP Green Projects category:

Environmentally sustainable management of living natural resources and land use

ICMA GBP environmental objective(s):

Natural resource conservation

Biodiversity conservation

SDG mapping:



Subcategories:

- Protection and enhancement of terrestrial and marine biodiversity, ecosystems and natural capital
- Sustainable land use and protection, including environmentally sustainable agriculture
- Environmentally sustainable clean water, water storage and wastewater management initiatives
- Funding for environmental activities of public sector arms-length bodies

Example expenditures:

- Nature for Climate Fund
- Agri-environment Schemes (including Countryside Stewardship Offer, Future Plant Health, and Environmental Land Management)

Green Category: Climate Change Adaptation



ICMA GBP Green Projects category:

Climate change adaptation

ICMA GBP environmental objective:

Climate change adaptation

SDG mapping:



Subcategories:

- Flood protection, resilience and other risk mitigation programmes
- Data driven climate monitoring solutions
- Engineering activities and technical consultancy dedicated to adaptation to climate change

Example expenditures:

- Flood and Coastal Erosion Risk Management

Green Category: Nuclear Energy



**ICMA GBP Green
Projects category:**

Renewable energy

**ICMA GBP environmental
objective:**

Climate change mitigation

SDG mapping:

7 AFFORDABLE AND
CLEAN ENERGY



Subcategories:

- Electricity and/or heat (including cogeneration) from nuclear fission: Support for the design, development, construction, commissioning, safe operation, lifetime extension, or supporting infrastructure of new or existing nuclear power generation assets, including:
 - Enabling fuelcycle activities
 - Radioactive waste and spent fuel storage, management and final disposal
- Research and development for future fission and fusion energy technologies

Proceeds may only finance measures that are fully aligned with the applicable UK legislative framework, including but not limited to:

- Nuclear Installations Act 1965 and Energy Act 2013 (Regulation on site licensing, liability)
- Energy Act 2004 and Environmental Permitting Regulations (England and Wales) 2016 (Decommissioning and waste management)
- Nuclear Safeguards Act 2018 (Security and Safeguards)

2.1.2

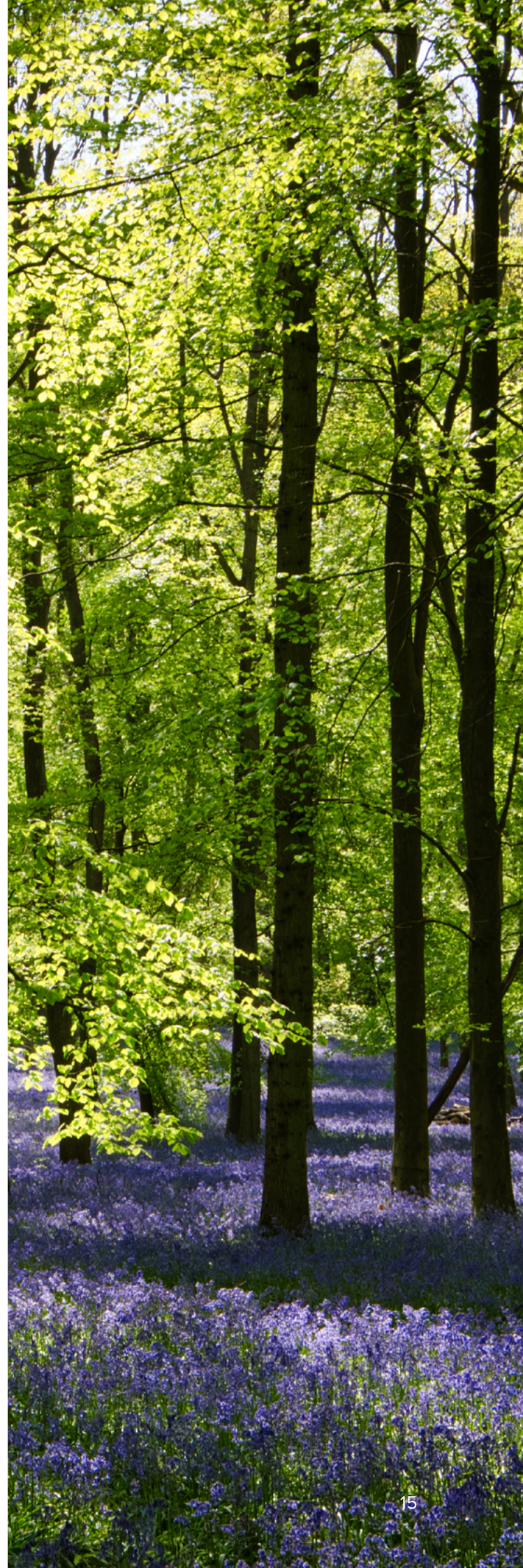
Exclusions

HM Treasury intends that Eligible Green Expenditures will exclude any expenditures financed and/ or refinanced by green financing instruments issued by other government agencies and public sector entities to ensure suitable oversight and avoid double-counting.

Exclusions:

- Facilities intended for the production of weapons grade nuclear material or for other primarily military uses
- Vehicles powered through fossil fuel combustion and ethanol
- Fossil fuel exploitation and exploration
- Large-scale hydroelectric energy (>25MW), due to potential risk to natural habitats
- Weapons, tobacco, gaming, palm oil industries, and direct manufacture of alcoholic beverages

It is intended that all the Eligible Green Expenditures financed under this Framework will adhere to internationally recognised guidelines, specifically the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



2.2

Programme governance and project evaluation and selection process

The evaluation and selection of Eligible Green Expenditures will be performed on an annual basis by HM Treasury, in consultation with other relevant government departments. HM Treasury will be responsible for updating the list of potential Eligible Green Expenditures each year, spanning the eligible expenditure window.

In order to verify the eligibility of each expenditure, HM Treasury will carry out bilateral engagement with the relevant department. Relevant departments include (but are not limited to):

- Department for Energy Security and Net Zero (DESNZ)
- Department for Environment, Food and Rural Affairs (DEFRA)
- Department for Transport (DfT)
- Foreign, Commonwealth and Development Office (FCDO)
- Department for Science, Innovation and Technology (DSIT)

Departments will each provide HM Treasury with an updated longlist of potential expenditures within their area on an annual basis. HM Treasury will assess whether a given expenditure is eligible, with reference to this Framework. HM Treasury will seek advice from relevant departments on individual policies, but the final decision on an expenditure's eligibility sits with HM Treasury.

As per the Green Book, relevant departments will be responsible for monitoring the implementation of eligible projects.¹³ Departments will

alert HM Treasury to any potential legal controversies; HM Treasury will analyse any controversies and on this basis may choose to remove projects from the Eligible Green Expenditures.

Relevant departments will also be responsible for identifying and managing environmental and social risks for eligible projects, in line with the principles for risk management guidance set out in the Orange Book.¹⁴ Departments will inform HM Treasury of any relevant risks to an eligible project and the proposed mitigation strategy.

On an annual basis, HM Treasury intends to review the allocation of the proceeds of all Programme Financing raised for Eligible Green Expenditures and determine if any changes to individual expenditures, Framework categories or across the entire portfolio are necessary. HM Treasury will inform other departments of any changes to the list of Eligible Green Expenditures that are relevant to that department. HM Treasury will ensure that other departments are updated on the complete list of Eligible Green Expenditures on at least an annual basis.

HM Treasury retains the option to convene and chair a cross-government Interdepartmental Green Bond Board (IDGBB) to discuss Eligible Green Expenditures, if considered necessary. The IDGBB will include HM Treasury, the relevant departments (those listed above, their successors, or any other relevant departments), the UK Debt Management Office (DMO), and National Savings & Investments (NS&I).

HM Treasury will ensure that ministers are updated on the complete list of Eligible Green Expenditures on at least an annual basis. HM Treasury ministers will have final authority over any decisions that materially affect the list of Eligible

¹³ [The Green Book: Central government guidance on appraisal and evaluation](#), HM Treasury, 2022.

¹⁴ [The Orange Book: Management of Risk – Principles and Concepts](#), HM Government, 2023.

Green Expenditures, the Green Financing Framework, or the raising of Green Financing for Eligible Green Expenditures.

2.3
Management of
proceeds

HM Treasury intends to allocate the proceeds of all Green Financing to Eligible Green Expenditures within two budget years from the date the relevant Green Financing is raised.

In the event that amounts raised from Green Financing cannot be immediately and fully allocated to Eligible Green Expenditures, HM Treasury will manage the unallocated proceeds in line with its normal cash management guidelines, which take account of the long-standing

debt management policy to fully finance HM Treasury’s projected financing requirement each year through the sale of debt.

HM Treasury may from time-to-time issue further amounts of an existing green gilt through the DMO. Any such further issue is intended to be fungible with the existing amounts of that green gilt. This will not limit HM Treasury’s ability to allocate the proceeds of a further issue to any Eligible Green Expenditures under this Framework, even where these differ from those Eligible Green Expenditures to which the proceeds of earlier issues of that green gilt were allocated.

The amount of Green Financing to be issued in each financial year will be announced by HM Treasury as part of the annual government financing remit.

Issuance	
HM Treasury, DMO and NS&I will issue Green Financing instruments against Eligible Green Expenditures. The proceeds of Green Financing will be received and tracked in the same way as funds raised from other UK Government debt issues.	
General account	
HM Treasury transfers the proceeds to a general account where proceeds will be held and tracked. HM Treasury intends to allocate the proceeds within two budget years from the date the relevant Green Financing is raised.	
Annual review	
On an annual basis, HM Treasury will review the allocation of the proceeds of all the Green Financing raised for Eligible Green Expenditures and determine if any changes are necessary.	

2.4

Reporting

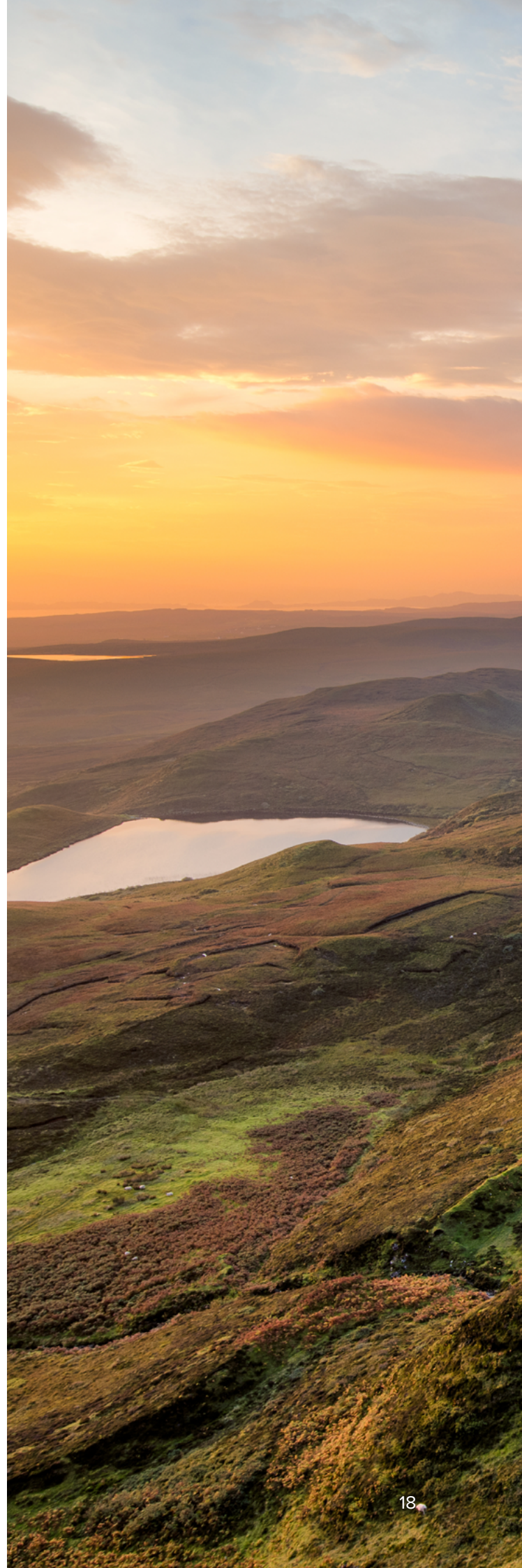
To enable investors to follow the progress and positive impact delivered, HM Treasury commits to publish an allocation report on its Eligible Green Expenditures on an annual basis. HM Treasury will publish an impact report setting out the environmental impacts and social co-benefits of allocated Eligible Green Expenditures annually, to the extent that this is relevant and feasible.

Reporting will be informed by the guidelines and recommendations of HM Treasury on how to appraise and evaluate policies, projects and programmes, as set out in the Green and Magenta Books. The Magenta Book provides holistic guidance on the design and management of evaluation processes.¹⁵ The Green Book further provides information on valuing environmental metrics, guidance on issues around valuation, and also provides information on government research and guidance on the quantification and monetisation of impacts.¹⁶

Allocation reporting will be updated annually until full allocation to Eligible Green Expenditures of the proceeds of all Green Financing raised under this Framework.

¹⁵ [The Magenta Book: Central government guidance on evaluation](#), HM Treasury, 2020.

¹⁶ [The Green Book: Central government guidance on appraisal and evaluation](#), HM Treasury, 2022.



2.4.1

Allocation reporting

HM Treasury intends to provide information on the allocation of its Eligible Green Expenditures annually on the UK Government Green Financing Programme webpage. The information will contain at least the following details:

- i. Overview of the allocation of the proceeds of Green Financing to the main Eligible Green Expenditures categories
- ii. Breakdown of allocation by Eligible Green Expenditure sub-categories
- iii. Balance of unallocated proceeds with confirmation that any temporarily unallocated funds were managed in line with HM Treasury's normal cash management guidelines
- iv. Share of allocation of proceeds to refinancing existing Eligible Green Expenditures versus financing for new and future Eligible Green Expenditures, and the percentage share of co-financing where relevant
- v. Any material developments related to the Eligible Green Expenditures

2.4.2

Impact reporting

Impact reporting will be made available to investors annually (to the extent that this is relevant and feasible) on the UK Government Green Financing Programme webpage. Reports will contain information addressing the positive environmental impacts and social co-benefits of the Eligible Green Expenditures and case studies.

HM Treasury may provide additional updates due to the time-lag in the publication of specific environmental impact metrics. The approach to impact reporting may be updated over time to align with emerging reporting standards and methodologies.

To ensure transparency and analytical rigour, HM Treasury intends to use publicly available impact data for each policy, where available. These data are published by, and are the responsibility of, the relevant department, but will be in line with the guidelines set out in the Green and Magenta Books. HM Treasury will provide the relevant sources for all published impact metrics used in Programme reports.

HM Treasury will specify where impact metrics have been taken from unpublished source data, or where impact metrics have been taken from sources other than the relevant department.

The table below outlines the environmental impact and social co-benefit metrics that HM Treasury intends to use, as applicable, in impact reports. This list is non-exhaustive, and HM Treasury may update these metrics or provide additional metrics in future.



Green Category	Environmental impact metrics	Social co-benefit metrics
Clean Transportation	- Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e) - Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), and carbon monoxide (CO).	- Number of jobs created/supported - Number of people with access to sustainable transport systems
Renewable Energy	Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e)	- Number of jobs created/supported - Number of households benefitted
Energy Efficiency	- Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e) - Energy savings, annual or lifetime (GWh)	- Number of jobs created/supported - Number of households benefitted - Energy bill savings (annual or lifetime)
Pollution Prevention and Control	- Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e) - Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), and carbon monoxide (CO).	Number of jobs created/supported
Living and Natural Resources	- Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e) - Total area benefitting from restoration or protection (hectares)	Number of jobs created/supported
Climate Change Adaptation	- Number of properties better protected - Area of agricultural land better protected (hectares)	Number of jobs created/supported
Nuclear Energy	Greenhouse gas emissions reduced or avoided (annual or lifetime, MtCO₂e)	Number of jobs created/supported

3.

External Review

3.1

Second Party Opinion

HM Treasury aims to adhere to the highest standards in terms of external review of the Framework. HM Treasury has appointed S&P Global Ratings to provide an external review of the updated UK Government Green Financing Framework. S&P have assessed this Framework to be “dark green”, their highest rating.

The Second-Party Opinion will be made available from the following webpages:

- HM Treasury: <https://www.gov.uk/government/collections/uk-government-green-financing-programme>
- DMO: <https://www.dmo.gov.uk/responsibilities/green-gilts>
- N&SI: <https://www.nsandi.com/products/green-savings-bonds>

3.2

Post-issuance external verification

As noted in 2.4 Reporting, HM Treasury intends to provide annual allocation reporting beginning one year after the relevant Green Financing is raised. This reporting will be subject to external verification by an authorised independent entity. Verification will be provided until full allocation of

the proceeds of outstanding Green Financing, and then in case of any material changes.

The review will verify:

- The compliance of expenditures financed by the proceeds of Green Financing with the Eligible Green Expenditures as defined in the Use of Proceeds section in this Framework
- Allocated amount related to the Eligible Green Expenditures financed and/or refinanced by the proceeds of Green Financing
- The management of proceeds and unallocated proceeds

3.3

Stakeholder Discussion Forum

At the start of the programme the UK Government set up a Stakeholder Discussion Forum (“SDF”). The SDF successfully drew upon the specialist knowledge and expertise of members on technical aspects of the initiative to issue green gilts and green retail savings products, under the joint chairpersonship of HM Treasury and the DMO. The government will continue to convene the SDF as necessary throughout the Programme.

4.

Amendments to this Framework

HM Treasury will review this Framework on a regular basis, including its alignment to updated versions of the ICMA Green Bond Principles as and when they are released, with the aim of adhering to best practices in the market.

The Framework may be amended from time to time to take account of these updates or other changes that HM Treasury considers appropriate. If not minor in nature, amendments will be subject to the prior approval of an external review provider. HM Treasury commits to keeping or improving the current levels of transparency and reporting disclosures in any future updated version of this Framework, including aligning with wider government work on sustainability reporting.

Any updates to the Framework, will be published on the above UK Government Green Financing Programme webpage and will replace this Framework unless otherwise indicated.



5.

Green financing and legal considerations

This Framework does not constitute, or form part of, a prospectus or other offering document. This Framework is not, and should not be construed as, an invitation or offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of HM Treasury in any jurisdiction or an inducement to enter into investment activity.

There is currently no clear definition (legal, regulatory or otherwise) of, nor clear market consensus as to what constitutes, a “green” or “sustainable” or equivalently labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label, nor can any assurance be given that a clear definition or consensus will develop over time nor if a definition or consensus develops, that it will not change over time. Accordingly, no assurance is given that the Eligible Green Expenditures will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, nor that it will meet investor expectations or requirements regarding such “green”, “sustainable”, “social” or similarly labelled performance objectives (including those aligned with Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called

“EU Taxonomy”)) or any other definition or market consensus (together, “Investor Requirements”). Investors should have regard to the factors described in this Framework and determine for themselves the relevance of such information for the purposes of an investment in any Green Financing, before deciding to invest.

No representation or assurance is given as to the relevance, suitability or reliability of any opinion or certification of any third party made available in connection with this Framework. Any such opinion or certification is not a recommendation by HM Treasury or any other person to buy, sell, hold or invest in any Green Financing. As at the date of this Framework, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight in the UK. Prospective investors must determine for themselves the relevance, suitability and reliability of any such opinion or certification and/or the information contained therein.

In the event that any green gilts are listed or admitted to trading on a dedicated “green”, “sustainable”, “social” or other similarly labelled segment of a stock exchange, securities market or index or given any other similar accreditation (a “Green Listing”), no representation or assurance is given by HM Treasury or any other person that any such Green Listing satisfies any present or future Investor Requirements. Furthermore, it should be noted that the criteria for any

Green Listing may vary from one stock exchange, securities market or index to another.

No representation or assurance is given or made by HM Treasury or any other person that any Green Listing will be obtained in respect of any green gilts or that any Green Listing that is obtained will be maintained during the life of the green gilts.

While it is the intention of HM Treasury to apply an amount equivalent to the proceeds of any Green Financing to Eligible Green Expenditures and to report on the Eligible Green Expenditures as described herein, there is no contractual obligation to do so. There can be no assurance that any such Eligible Green Expenditures will be available or capable of being implemented in the manner anticipated and, accordingly, that HM Treasury will be able to use the proceeds for such Eligible Green Expenditures as intended. Furthermore, no assurance is given that any projects or uses the subject of, or related to, Eligible Green Expenditures will be

completed as expected, that the stated aims and/or impacts of any projects or uses the subject of, or related to, any Eligible Green Expenditures will be met or made, nor that adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Expenditures. None of these events, nor a failure by HM Treasury to allocate the proceeds of any Green Financing to Eligible Green Expenditures, nor to report on Eligible Green Expenditures as described herein, nor a failure by a third party to issue (or its withdrawal of) an opinion or certification in connection with any Green Financing, nor the failure of any Green Financing to meet Investor Requirements, nor a failure to obtain or maintain any Green Listing, will constitute an event of default or breach of contract with respect to any Green Financing. Any such event may have a material adverse effect on the value of the relevant investment and/or may have consequences for investors with Investor Requirements.





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