

SUSTAINABLE BOND FRAMEWORK

Raiffeisen Bank Czech Republic

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1. Introduction

1.1. About Raiffeisen Bank Czech Republic

Raiffeisen Bank Czech Republic ("Raiffeisenbank a.s." or "Raiffeisenbank") is a member of the Austrian Raiffeisen Group with the majority shareholder being Raiffeisen Bank International Group which operates in 14 markets in the Republic of Austria, and Central and Eastern Europe. Raiffeisen Bank Czech Republic is the 5th largest bank in the Czech market. Raiffeisenbank serves clients at more than 110 branches and business client centers throughout Czech Republic. The bank also provides services of specialized mortgage centers, personal, corporate and business advisors. From the very beginning, Raiffeisen Bank Czech Republic has offered its services with emphasis on the particular needs of clients in the various regions. Besides its business activities, Raiffeisenbank is also involved in a number of community service activities related to culture, education and charity, reflecting Raiffeisen's 140-year tradition.

1.2. Sustainability at Raiffeisen Bank Czech Republic

Our sustainability strategy is based on three pillars, deeply rooted in the Bank's organizational culture: We are a Responsible banker, Fair partner and an Active corporate citizen so that we can connect our business activity to sustainable development both in our society and in the public sphere. To demonstrate our commitment, we have signed the Sustainable Finance Memorandum of the Czech banking association (CBA - Česká bankovní asociace). The banks are committed to assess their activities in the light of the requirements for environmentally and socially responsible business, and to align their objectives with the objectives stated in the relevant UN global agreements, EU programs and policies as well as with national sustainable policy frameworks. The CBA Sustainable Finance Memorandum is a follow-up to the UN Principles for Responsible Banking and binds the signing banks to apply sustainability principles in the business activities and also in relation to clients, suppliers and other stakeholders.

1.3. Sustainability at RBI Group

Raiffeisen Bank International (RBI) Group is a signatory of the UN Global Compact (UNGC) and shows its commitment to consistently complying with the ten UNGC principles of responsible business. In this context, global responsibility is expected of all employees and managers as well as from partners and suppliers of the RBI Group. In January 2021 RBI signed the global

UN Principles for Responsible Banking¹. Being the first Austrian banking group who signed the UN PRB RBI has demonstrated its pioneering role particularly in Austria. The Principles for Responsible Banking set out the banking industry's role and responsibility and in aligning the banking sector with the objectives of the UN Sustainable Development Goals and the 2015 Paris Climate Agreement². They also, importantly, enable a bank to embed sustainability across all its business areas, and to identify where it has the potential to make the most impact in its contributions to a sustainable world. Furthermore, in March 2021 RBI has yet again highlighted its focus on renewable energy initiatives and the Management Board has adopted a guideline according to which the RBI Group's carbon finance portfolio, i.e. the sum of loans relating to thermal coal and thermal coal trading, will be significantly reduced³. In the future no business will be done with companies that generate more than 25 per cent of their revenues from thermal coal mining. The same applies by analogy to energy and trading companies. No new credit exposures will be entered into for existing such customers, and their outstanding balance must be repaid by 2030 at the latest. With this strategic decision RBI Group is taking an important step on the way to achieving the EU climate targets and Raiffeisenbank Czech Republic as part of the RBI Group is committed to follow these guidelines. The renewable energy initiative is consistent with RBI's ESG program, which aims to achieve strong growth in the green and social finance segment in Austria and Central and Eastern Europe (CEE).

1.4. Our contribution to the Sustainable Development Goals

The banking sector plays a vital role in mobilizing financial resources that contribute to building and developing a sustainable society in the Czech Republic. Through the nature of our activity, we have undertaken the responsibility of supporting and contributing to the implementation of the 17 Sustainable Development Goals (SDGs) launched by the United Nations in 2015. The Bank's operations and projects can significantly contribute to meeting the following targets:



The SDGs we aim to target within our sustainable bond program can be found in the use of proceeds section below.

¹ UN PRB is a single framework for a sustainable banking industry developed through an innovative partnership between banksworldwide and United Nations Environment's Finance Initiative: [Raiffeisen Bank International becomes Signatory of the global Principles for Responsible Banking \(rbinternational.com\)](#).

² Principles for Responsible Banking – United Nations Environment – Finance Initiative (unepfi.org).

³ Focus on renewable energy_phase-out of thermal coal.pdf (rbinternational.com).

2. Sustainable Bond Framework

Raiffeisen Bank Czech Republic has established this Sustainable Bond Framework (SBP or “the Framework”) as a part of its broader sustainability strategy with the aim to focus on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable future.

The Framework is aligned with the ICMA Green Bond Principles (GBP)⁴, ICMA Social Bond principles (SBP)⁵ and ICMA Sustainability Bond Guidelines (SBG)⁶. These subsequently are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green, social and sustainable bond markets.

In formulating the Framework care was also taken to reflect both the United Nations Sustainable Development Goals (SDGs) and, on the best effort basis, the requirements of the EU Taxonomy for sustainable economic activities⁷ presented by the European Commission. The SDGs Raiffeisen Bank Czech Republic aims to target within the Framework can be found in the Annex, B.

Potential changes of the GBP, developments with regards to the EU Green Bond Standard (EU GBS)⁸ and EU Taxonomy for sustainable economic activities will be reflected in future versions of the Framework, which will either keep or improve the current levels of transparency and reporting and will provide for external review by an entity which is eligible or accredited under any such prevailing principles or standards.

Raiffeisen Bank Czech Republic’s Sustainability Bond Framework is designed as an umbrella framework that will allow Raiffeisen Bank Czech Republic to issue Green Bonds, Social Bonds, or Sustainability Bonds, as the case may be.

For each Green, Social or Sustainability Bond issued, Raiffeisen Bank Czech Republic asserts that it will adhere to (1) Use of Proceeds, (2) Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting, as set out in this Framework.

⁴<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>, 2021.

⁵<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Social-Bond-Principles-June-2021-100621.pdf>, 2021.

⁶<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-100621.pdf>, 2021.

⁷ The eligibility criteria comply with the substantial contribution criteria acc. to the EU classification system for sustainable economic activities (the “EU Taxonomy”) for Climate Change Mitigation and Climate Change Adaptation as published in the [Final Delegated Act](#).

⁸https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/european-green-bond-standard_en, 2021.

3. Use of Proceeds

An amount equivalent to the net proceeds raised by the issuance of Green / Social / Sustainability Bonds shall be used to finance or re-finance, in part or in full, new or existing Eligible Loans providing distinct environmental and societal benefits.

Eligible Loans can be loans originated by Raiffeisen Bank Czech Republic or loans/ leases originated by its subsidiary Raiffeisen - Leasing s.r.o.. Eligible Sustainable Loans may include loans or leases to private individuals (mortgages), legal entities, municipalities, and public sector (project finance or investment finance) as well as “Schuldschein” structures. Only the loans granted for the projects within the European Union will be considered as eligible.

Raiffeisen Bank Czech Republic will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Loans and will strive to replace maturing Eligible Loans with the new ones and will provide transparency on the Eligible Loan origination timeframe in its annual reporting.

Eligible Loans are loans to finance assets dedicated to the Eligible Categories depicted within the tables below.

Eligible Green Categories

Eligible Category	Eligibility Criteria
Green Buildings 	<p>Finance or refinance Eligible Green Loans or investments in green assets or projects related to the construction, acquisition and ownership or renovation of buildings in the commercial and retail real estate sector⁹. Eligible loans may include both loans to private individuals (mortgages) or to legal entities, fulfilling the criteria presented below:</p> <ul style="list-style-type: none"> ▪ Commercial or residential green buildings which meet at least one of the following criteria: <ul style="list-style-type: none"> - building has a recognized certification (at least applied or pre-certified)¹⁰ with a minimum certification level of LEED Gold, BREEAM Very Good¹¹ or DGNB/ ÖGNI Gold. - building belongs to the top 15% of low carbon buildings at national level based on local building codes, building years and EPC certificates (if an assessment is possible), - in cases where an assessment of the top 15% low carbon buildings is not possible, Raiffeisen Bank Czech Republic will define buildings with the EPC with a min. level A (primary energy demand) as eligible.

⁹ Sector may include office, warehousing & logistic, hotels, retail, healthcare, residential.

¹⁰ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Green Loan Portfolio.

¹¹ BREEAM “Very Good” buildings achieving a minimum score of 70% in the Energy category.

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> ▪ Refurbished buildings leading to one of the following criteria being fulfilled: <ul style="list-style-type: none"> - reduction of Primary Energy Demand or carbon emissions of at least 30% in comparison with the performance of the building before the renovation; - OR at least two classes of improvement in energy EPC label (primary energy demand). <p>Buildings that are used for the purpose of occupation by fossil fuel extraction or manufacturing of fossil fuel activities are explicitly excluded.</p> <p><u>Eligibility criteria under the current¹² version of the EU Taxonomy to be considered on a best effort basis:</u></p> <ul style="list-style-type: none"> ▪ For buildings built until 12/2020: Buildings belong to the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED); ▪ Buildings built after 12/2020: Primary Energy Demand (PED) of the building must be at least 10% lower than the threshold set in the national nearly zero-energy building (NZEB) requirements¹³.
<p>Renewable Energy</p>  	<p>Finance or refinance Eligible Green Loans and/or investments to equipment, development, manufacturing, construction, installation, operation, distribution, and maintenance of renewable energy projects such as:</p> <ul style="list-style-type: none"> ▪ Wind power, ▪ Solar power, ▪ Hydropower (up to 20MW)¹⁴ ▪ Geothermal projects (with direct GHG emissions < 100gCO₂/kWh) ▪ Energy from biomass (excluding biomass from sources depleting biomass and carbon pools, sources grown on land with high biodiversity and sources that use land that competes with food sources) ▪ Waste-to-energy¹⁵
<p>Energy Efficiency</p> 	<p>Finance or refinance Eligible Green Loans related to the development and implementation of products or technology that reduce energy consumption, including: -</p> <ul style="list-style-type: none"> ▪ Energy efficient lighting (e.g. LEDs); ▪ Projects improving the energy efficiency of industrial production process in a factory, excluding fossil fuel-powered equipment or improvements within carbon-intensive heavy industries (e.g., steel, cement, refining, etc.), aiming to achieve at least 30% improvement in energy efficiency;

¹² [Final Delegated Act](#) on Climate Change Mitigation.

¹³ https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

¹⁴ Hydropower facilities with capacity above 20 MW should either comply with power density above 5 W/m² or direct GHG emissions below 100gCO₂e/kWh.

¹⁵ Where the main goal for waste incinerations is to produce renewable energy and a 'substantial' reduction in net GHG emissions is achieved, compared to the alternative of waste management and disposal.

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> Energy storage projects from renewable resources (e.g. fuel cells). <p><u>Eligibility criteria under the current version of the EU Taxonomy to be considered on a best effort basis:</u></p> <p>Energy efficiency is mentioned across various activities within EU Taxonomy, as such no general threshold can be applied, and decisions need to be made on a case-by-case basis depending on the sector and activity specific background.</p>
<p>Clean transportation</p>  	<p>Finance or refinance Eligible Green Loans related to purchase, rental, leasing and operation of zero- direct emission vehicles as well as related infrastructure (e.g. electric charging points).¹⁶</p> <p>For public transport and freight rail transport: Manufacturing, acquisition as well as modernization of zero direct emissions land transport activities (e.g. light rail transit, metro, tram, trolleybus, bus and rail, electric locomotives) are eligible.</p> <p>For commercial and retail vehicles: Zero tailpipe emission vehicles (electric vehicles, hydrogen fuel cell vehicles).</p> <p>For personal mobility devices and cycle logistics: Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.</p> <p>For infrastructure: Financing of low carbon transport infrastructure, including -electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways, rail networks, highspeed railway lines, electric railway lines, pavements, bike lanes and pedestrian zones.</p>
<p>Sustainable Agriculture and Forestry</p> 	<p>Eligible Green Loans to finance or refinance environmentally sustainable management of living natural resources and land use including:</p> <p>Environmentally sustainable forestry¹⁷: including afforestation or reforestation, and preservation or restoration of natural landscape providing compliance or alignment with international forest certification standards (e.g. FSC/PEFC) evidenced by a copy of the certification or an audit report by a reputable consulting company confirming alignment with certification standards;</p>

¹⁶ Excluding vehicles that are used for the purpose of transportation of fossil fuels.

¹⁷ Excluded activities: Transformation of rain fed agricultural land into irrigated land; Commercial concessions over and logging on tropical natural forest; Purchase of logging equipment for use in tropical natural forests or high nature value forest in all regions; and activities that lead to clear cutting and/or degradation of tropical natural forests or high nature value forest; Palm oil or tobacco plantations; Destruction of Critical Habitat; Establishment of permanent irrigation systems; Purchase of agricultural or forest land; Conversion of natural forest to a plantation.

Eligible Category	Eligibility Criteria
	<p>Environmentally sustainable agriculture¹⁸:</p> <ul style="list-style-type: none"> - Acquisition, maintenance and management of certified agricultural practices under sustainable certification schemes, such as EU Organic and/ or equivalent national certification schemes¹⁹, as well as Global G.A.P. (at least applied or pre-certified)²⁰. - Improvement or maintaining of existing carbon pools: Changes in cropping patterns on agricultural land from annual to perennial crops; Renewal of existing orchard by replacing old with new.
<p>Pollution prevention and control</p>  	<p>Eligible Green Loans to finance or refinance development, construction, operation and maintenance of sustainable waste management and recycling projects, activities and operations, such as:</p> <ul style="list-style-type: none"> ▪ Waste prevention, waste reduction and waste recycling. This includes the development, operation and upgrade of recycling plants and recycling activities including metals, plastic, paper and others. ▪ Reduction of industrial air emissions and greenhouse gas control: The purchase of new and refurbishment of existing equipment, technologies and facilities that provide at least a 20% reduction in carbon emissions and/or serve as fossil fuel replacements.
<p>Eco-efficient and / or circular economy adapted products, production technologies and processes²¹</p> 	<p>Eligible Green Loans to finance or refinance:</p> <p>Circular Design and Production Projects:</p> <ul style="list-style-type: none"> ▪ Solutions that extend the product life cycle, such as applying modular design or design for disassembly, take-back schemes and redeploying products (reverse logistic), reuse, repair and/ or products regeneration and refurbishment. ▪ Production technologies that use recycled resources such as bio-based materials²². <p>Circular Support and Products:</p> <ul style="list-style-type: none"> ▪ Circular support through tools and services (e.g. sharing platforms and digital infrastructure/software) that enable circular economy strategies and business models; ▪ Certified eco-efficient products²³.

¹⁸ Excluded activities: Transformation of rain fed agricultural land into irrigated land; Purchase of agricultural or forest land.

¹⁹ Based on the approval by [control bodies and authorities for equivalency](#), and in compliance with EEC No. 834/2007.

²⁰ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Loan Portfolio.

²¹ Virgin plastic-based solutions are excluded.

²² Sustainable sourcing certifications for bio-based materials, such as RSB or other equivalent scheme, are considered eligible: <https://rsb.org/the-rsb-standard/about-the-rsb-standard/>.

²³ Products that have a smaller environmental footprint over their life-cycle than other products serving the same use, and which meet the criteria of internationally recognized eco-labels or other relevant environmental certifications, such as EU Ecolabel certification: <https://ec.europa.eu/environment/ecolabel/>.

Eligible Category	Eligibility Criteria
Sustainable Water and Wastewater Management 	<p>Eligible Green Loans to finance or refinance development, construction, operation and maintenance of sustainable water and waste-water management projects and facilities, such as:</p> <ul style="list-style-type: none"> ▪ Water treatment facilities, activities and technologies that increase water quality, sanitation facilities. ▪ Upgrades to wastewater treatment plants for nutrient removal, wastewater discharge infrastructure. ▪ Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and technologies and water metering.

Financing or refinancing of project-based lending and general-purpose financing for Pure Players companies²⁴ shall be considered eligible.

Eligible Green Categories respond to the following EU Taxonomy Objective (-s): **Climate Change Mitigation, the Sustainable Use and Protection of Water and Marine Resources, the Transition to a Circular Economy, Pollution Prevention and Control.**

²⁴ The dedicated businesses are expected to derive more than 90 % of their turnover from environmentally friendly activities, which are in line with the Eligible Green Categories from the Sustainability Bond Framework. Moreover, the part of the turnover that is not classified as “green” is not allowed to be in any of the excluded sectors that are on the Exclusion list of the current framework.

Eligible Social Categories

Eligible Category	Eligibility Criteria	Target group
Education and vocational training 	<ul style="list-style-type: none"> Access to public and publicly subsidized educational services as well as investments that support childhood development (e.g. Kindergartens) through the provision of loans for construction/upgrading of facilities and/or equipment. 	<ul style="list-style-type: none"> E.g. the youth, unemployed and elderly
Access to essential services 	<ul style="list-style-type: none"> Construction, acquisition, renovation, expansion or maintenance of health care facilities for provision of free or subsidized health care services. For example: hospitals, pharmacies, diagnostic and other laboratory services, rehabilitation centers, assisted living, homes for the elderly. Production and distribution of vital medication, medical equipment and medical supplies for the prevention and treatment of diseases that are considered infectious, rare or particularly common amongst a vulnerable group e.g. children, women, the elderly, etc.; Regional development and/or infrastructure in underserved, underdeveloped and rural regions in European Union²⁵ (e.g. public transport and related infrastructure, sanitation infrastructure, high-speed internet, telecommunications and electricity related infrastructure, fire-fighting and rescue equipment, access to clean drinking water). 	<ul style="list-style-type: none"> General public, assumed that affordability and accessibility of healthcare services is always given
Affordable Housing 	<ul style="list-style-type: none"> Financing the construction, renovation, and/or maintenance of social and affordable housing in Czech Republic. Financing co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises, with the aim of providing suitable homes for individuals and families. 	Affordable housing <ul style="list-style-type: none"> Debtors with gross earnings equal or lower than the annual gross average earnings as estimated by Czech Statistical Office and this threshold will be revised annually²⁶. The income to rent ratio shall not exceed 30% threshold²⁷

²⁵ Underserved, owing to a lack of quality access to essential goods and services in [EU cohesions areas](#). Regions with the lowest GDP shall be supported with social projects designated to these [regions](#) having the most impactful outcome due to current socio-economic conditions. According to EU definition a region is considered less developed if its GDP per capita is less than 75% of EU - 27 average. Based on latest available data from Eurostat, as of 2018 all NUTS2 regions in Czech Republic were below that thresholds with exception of Praha.

²⁶ [Wages and Labour | CZSO](#)

²⁷ [briefing_note_2017_interpreting_the_term_affordable_housing_-_march_2017.pdf\(europa.eu\)](#)

Eligible Category	Eligibility Criteria	Target group
		<p>Social housing</p> <ul style="list-style-type: none"> ▪ The target group is experiencing housing emergency that is assessed based on the categories defined in the European Typology on Homelessness and Housing exclusion²⁸ (ETHOS). ▪ The individuals and households that spend more than 40% of the income for the housing as defined in the Concept of social housing in Czech Republic²⁹
<p>Employment generation and protection: Micro-, Small- and Medium-size Enterprises (MSME) financing</p> 	<p>To be eligible, the loans must meet the following criteria:</p> <ul style="list-style-type: none"> ▪ Meet the definition of Micro-, Small- and Medium-size Enterprises (in line with the European Union’s definition of MSME³⁰); ▪ Micro- and Small-size enterprises in all regions, and Medium-size enterprises located in underserved, underdeveloped and rural regions in European Union³¹ ; and ▪ Not be engaged in any of the business activities described in the Exclusions List (Annex A.) 	<ul style="list-style-type: none"> ▪ Micro- and Small-size enterprises in all regions, and Medium-size enterprises located in underserved, underdeveloped and rural regions in European Union

²⁸ [ETHOS Typology on Homelessness and Housing Exclusion \(feantsa.org\)](https://feantsa.org/)

²⁹ [4f243307-649b-ecf3-a191-3d89d33717c4 \(mposv.cz\)](https://mposv.cz/)

³⁰ [Source.](#)

³¹ Underserved, owing to a lack of quality access to essential goods and services in [EU cohesions areas](#). Regions with the lowest GDP shall be supported with social projects designated to these [regions](#) having the most impactful outcome due to current socio-economic conditions. According to EU definition a region is considered less developed if its GDP per capita is less than 75% of EU - 7 average. Based on latest available data from Eurostat, as of 2018 all NUTS2 regions in Czech Republic were below that thresholds with exception of Praha.

4. Process for Asset Evaluation and Selection

The evaluation and selection process for Eligible Sustainable Loans is a key process in ensuring that the amount equivalent to the net proceeds from Sustainable Bonds is allocated to assets and activities which meet the criteria in the Framework.

All potential Eligible Sustainable Loans are subject to Raiffeisenbank's standard credit process in line with the normal course of business and only loans that have been approved through this process can be considered for Sustainable Bond eligibility.

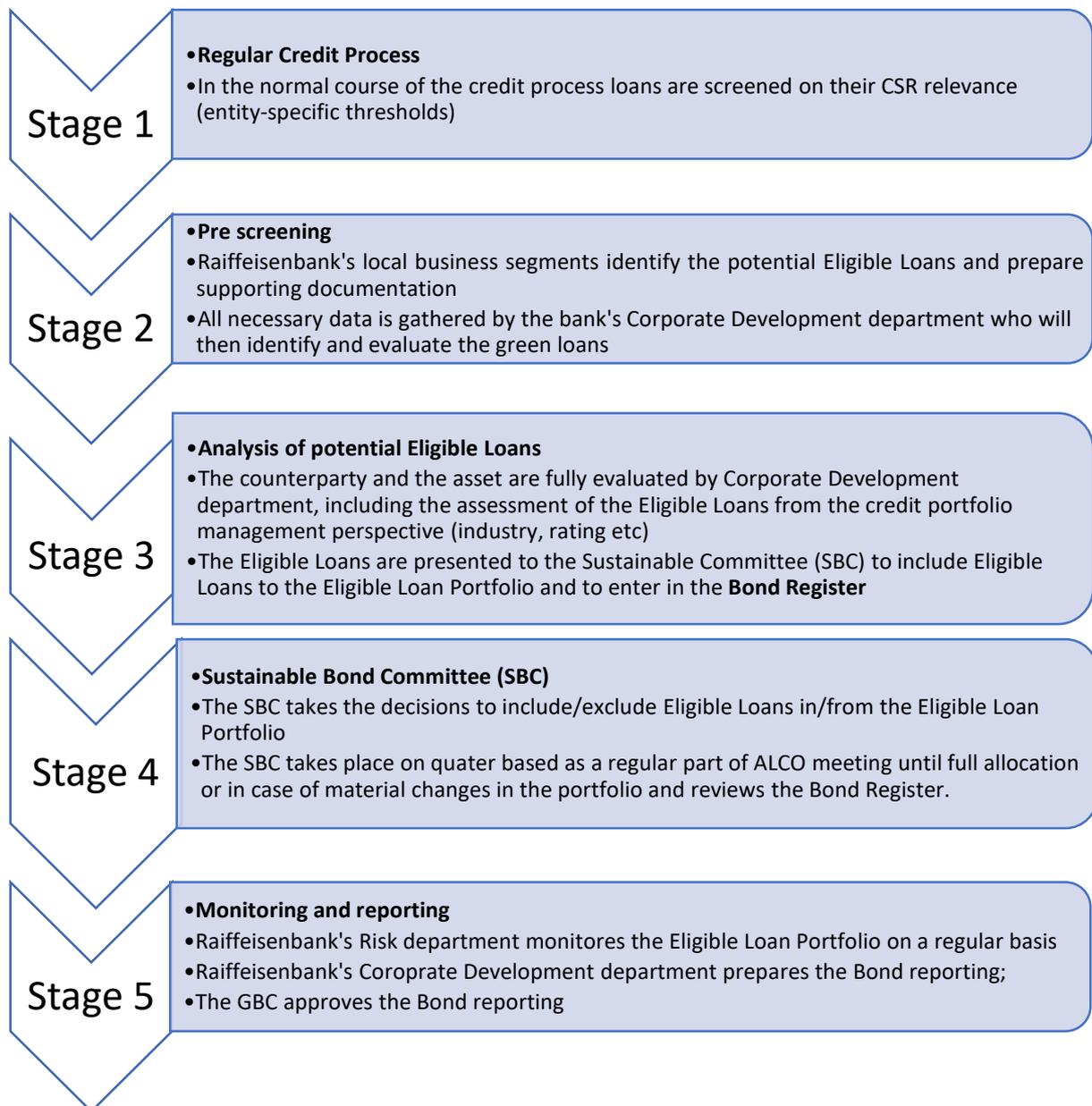
Raiffeisenbank's Sustainable Bond Committee ("SBC") is responsible for ensuring that allocations are made to Eligible Sustainable Loans as specified in the use of proceeds section above and to oversee the entire issuance process. The SBC is composed of members of the local Asset Liability Management Committee (ALCO) which includes representatives from Risk, Business, Treasury. Hence SBC represents a sub-committee of ALCO and meets on a quarterly basis in the frame of the ALCO meeting and until full allocation of the proceeds.

The Sustainable Bond Committee will be responsible for:

- Ensuring the potential Eligible Sustainable Loans are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the eligible Sustainable Loan Portfolio in the event that the Loans no longer meet the eligibility criteria.
- Ensuring the proposed allocations are aligned with the relevant general company policies and company's ESG strategy; and
- Approving the Allocation and Impact report.

RBCZ acts in accordance with the highest ethical and professional standards and is committed to conducting lending business in a sustainable and responsible manner and does not enter into business relationships in sensitive areas that conflict with this claim. No business is conducted in environmentally or socially harmful sectors as defined in the Compliance Framework and Code of Conduct of RBCZ. Financed transactions must comply with environmental regulations as well as the European Convention on Human Rights and the Universal Declaration of Human Rights of the United Nations. According to the risk appetite of the association, environmental, social and governance (ESG) risk factors are embedded in the risk strategy. Based on the risk strategy, the ESG risk factors are also taken into account in the credit processes. RBCZ is committed to constantly enhancing the internal ESG risk management processes

The loans are assessed in accordance with their social and environmental impact, thanks to a several stages selection process:



5. Management of Proceeds

An amount equivalent to the net proceeds of any Raiffeisenbank Sustainable Bonds will be managed by the Sustainable Portfolio Manager (SPM) on a portfolio basis. SPM is responsible for collecting and monitoring all relevant data for the evaluation and selection of Eligible Sustainable Loans which will then be presented to the SBC on regular basis.

Raiffeisenbank will strive to regularly add Eligible Sustainable Loans to the Eligible Sustainable Loan Portfolio so that a full allocation of an amount at least equal to the proceeds of the green bonds is achieved until maturity of the bonds. All Eligible Sustainable Loans to be included in the Eligible Sustainable Loan Portfolio are entered in Raiffeisenbank's Sustainable Bond Register managed by the SPM. The Sustainable Bond Register assures that the Eligible Sustainable Loans are not externally refinanced.

On an annually basis the SPM will check the eligibility and availability of the Eligible Sustainable Loans in the Sustainable Bond Register. Raiffeisenbank will strive to substitute any redeemed or maturing Eligible Sustainable Loans with other eligible Sustainable Loans and/or if any such loans cease to be an Eligible Sustainable Loan, as soon as practicable once an appropriate substitution option has been identified.

Pending the allocation or reallocation, as the case might be, of an amount equivalent to the net proceeds of Raiffeisenbank Sustainable Bonds to the Eligible Sustainable Loans, the bank will invest the balance of the net proceeds in money market instruments, cash and/or cash equivalents instruments.

This framework may evolve from time to time to account for the evolution of market standards and regulation. The eligibility criteria may evolve in particular to include further EU Taxonomy aligned categories. Loans must meet the eligibility criteria at the time they are flagged as Eligible Loans, but subsequent changes to the Framework will not apply to outstanding Green, Social or Sustainability Bonds (grandfathering). Any new Green, Social or Sustainability Bonds shall be aligned with the most recent version of the Framework.

6. Reporting

Raiffeisenbank will publish an annual Allocation report on the use of proceeds from any Sustainable Bonds outstanding under this framework, including a description of its Eligible Sustainable Loan Portfolio. Reporting will be provided on an annual basis until full allocation and thereafter (including any material changes to the Eligible Sustainable Loan portfolio) until the maturity of Raiffeisenbank's Green/ Social/ Sustainability Bonds.

The Raiffeisenbank Allocation and Impact Report is expected to disclose the amount of the Green/ Social/ Sustainability Bond proceeds outstanding, the total amount of the proceeds allocated to Eligible Loans and the unallocated amount. It shall also disclose, qualitative and where possible, quantitative indicators of the Eligible Green/ Social and Sustainable Loan Portfolio, such as:

- Total volume of Green, Social and Sustainability bonds issued,
- Total amount and number of Eligible Loans,
- Total amount of proceeds allocated to Eligible Loans,
- Breakdown by Eligible Categories, and
- Balance of unallocated proceeds, if any.

Within its annual Allocation & Impact report, when relevant and feasible, Raiffeisenbank will report on several Key Performance Indicators (KPIs) in aggregate form at the Eligible Category level for Raiffeisenbank's Green/, Social /, or Sustainability Bonds. A list of potential indicators is presented below.

Green Eligible Categories	Example of Possible Key Performance Indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Estimated annual energy savings (MWh) ▪ Estimated annual reduced and/ or avoided GHG emissions (tCO₂e) ▪ Type of scheme, certification level, if applicable
Renewable Energy	<ul style="list-style-type: none"> ▪ Installed renewable energy capacity (MW) ▪ Expected annual renewable energy generation (MWh) ▪ Estimated annual GHG emission avoided (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Annual energy savings (MWh) ▪ Estimated annual GHG emission avoided (tCO₂e)
Clean Transportation	<ul style="list-style-type: none"> ▪ Number of people using public mass transportation ▪ Estimated annual GHG emission avoided (tCO₂e)
Sustainable Agriculture and Forestry	<ul style="list-style-type: none"> ▪ Total land area certified ▪ Estimated annual GHG emissions avoided (tCO₂e)
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Type and annual amount of recycled waste (tonnes) ▪ Energy generation (MWh per year)
Eco-efficient and / or circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> ▪ Annual savings of relevant resources (e.g. tonnes raw material/year) ▪ Estimated annual GHG emissions avoided or reduced (tCO₂e) and/or energy savings (MWh per year), if applicable
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual absolute (gross) water savings (in m³ or in %) ▪ Annual absolute (gross) amount of wastewater treated, reused or avoided (in m³ or in %)

Social Eligible Categories	Example of Possible Key Performance Indicators
Education and Vocational Training	<ul style="list-style-type: none"> ▪ number of education facilities ▪ number of individuals / students enrolled ▪ number of educational programs or professional development measures ▪ number of students attaining standard for the targeted education level
Access to essential services	<ul style="list-style-type: none"> ▪ Number of medical facilities built/ upgraded ▪ Number of patients reached with improved healthcare
Affordable Housing	<ul style="list-style-type: none"> ▪ Number of individuals benefiting from affordable housing ▪ Number of affordable buildings or dwellings constructed or renovated ▪ m2 of affordable living space constructed or renovated
Employment generation and retention	<ul style="list-style-type: none"> ▪ Number of financed enterprises and split per region/ sector if available ▪ Number of jobs created / supported and split per region if available ▪ Number and average amount of the MSME loans ▪ Number of financed enterprises with 50% women share

In addition, the Impact report will include a number of case studies to highlight the qualitative impacts of some of the Raiffeisenbank's Eligible Loans allocated to.

7. External review

7.1 External review (pre-issuance)

To confirm the transparency and robustness of Raiffeisenbanks's Sustainable Bond Framework, it is verified and approved by an external second opinion provider, ISS ESG, confirming the alignment with the ICMA GBPs, SBPs and SBGs. The Second Party Opinion will be published on the bank's webpage.

7.2 External Audit (post-issuance)

Raiffeisenbank's external auditor will verify on an annual basis until full allocation of any Green/ Social/ Sustainability Bonds issued under this Framework that Raiffeisen Bank Czech Republic duly applied the defined procedures of approval of the Sustainable Bond Committee and that an amount equal to the net proceeds of a any Green/ Social/ Sustainability Bond has been allocated to Eligible Loans as defined in the present Framework.

Annex A – Exclusions List

Raiffeisen Bank Czech Republic will not allocate proceeds received from the issuance of Green/Social/Sustainability Bond to loans for companies operating in the following sectors:

- ✘ Defence and Weapons
- ✘ Nuclear Energy
- ✘ Fossil Fuel Energy
- ✘ Mining
- ✘ Alcohol
- ✘ Tobacco
- ✘ Gambling

Annex B – SDG Alignment

Eligible Category	Contributions to UN SDGs	UN SDGs specific target(-s) ³²
Green Buildings	 	<ul style="list-style-type: none"> 11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums. 13.1. Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.
Renewable Energy		<ul style="list-style-type: none"> 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency	 	<ul style="list-style-type: none"> 7.3 double the global rate of improvement in energy efficiency by 2030. 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		<ul style="list-style-type: none"> 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.
Environmentally sustainable management of living natural resources and land use		<ul style="list-style-type: none"> 2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
Pollution prevention and control	 	<ul style="list-style-type: none"> 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
Eco-efficient and / or circular economy		<ul style="list-style-type: none"> 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

³² The mapping is line with the ICMA document “Green, Social & Sustainability Bonds: A High-Level Mapping To The Sustainable Development Goals”. [Link](#) to the document.

Eligible Category	Contribution to UN SDGs	UN SDGs specific target(-s) ³²
adapted products, production technologies and processes		
Sustainable Water and Wastewater Management		<ul style="list-style-type: none"> ▪ 11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters.
Education and vocational training	 	<ul style="list-style-type: none"> ▪ 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. ▪ 4.a build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. ▪ 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
Access to essential services	 	<ul style="list-style-type: none"> ▪ 3.7. By 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programs. ▪ 3.8. Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all. ▪ 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Affordable Housing		<ul style="list-style-type: none"> ▪ 11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Eligible Category	Contribution to UN SDGs	UN SDGs specific target(-s) ³²
Employment generation and retention		<ul style="list-style-type: none"> ▪ 8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors ▪ 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services. ▪ 8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training.