

March 2024

Framework for Green and Social Loans in RBI Retail Banking

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1. Management Summary

For more than 130 years, Raiffeisen Bank International considers Austria and Central and Eastern Europe (CEE) its home market. In Austria, it is a leading commercial and investment bank for the country's top 1,000 corporate customers. In CEE, its subsidiaries cover the largest part of the region. 17.7 million customers are serviced through approximately 1,800 business outlets in Corporate, Retail and Investment Banking.

Banks have a major responsibility in the transition to a more sustainable, climate-friendly economy. They can mitigate the dramatic impacts of climate change by advising their SME customers and private individuals to take climate mitigation and adaptation measures into account when providing financing. RBI Mission Statement is "We transform continuous innovation into superior customer experience". This is tied to the promise to the general public to "act in a socially responsible manner, fostering the long-term welfare of the people and businesses in our markets". This is consistent with RBI's sustainability strategy, the aim of which is to generate sustainable value, with sustainability being one of the core pillars that define our progress. In January 2021 Raiffeisen Bank International became the first Austrian banking group committing to the UN Principles for Responsible Banking. This commitment continued into 2022, where RBI was selected as one of three global case studies by the UNEP Finance Initiative as an example of "good practice". Case studies were selected to provide inspiration and practical insights for other banks. Many elements of the RBI impact analysis and target setting process can be considered good practice.

In 2022, RBI submitted its science-based climate targets to the Science Based Targets initiative (SBTi) in line with the "well below 2°C" reduction pathway. RBI's targets were approved by SBTi in September 2022. In doing so, RBI has committed to setting CO₂ reduction targets for its core business. In order to fulfil its ambitions, RBI has chosen a holistic approach across all customer groups, with the aim of making a significant contribution to RBI's sustainable business growth through responsible banking.

In 2022, responsible banking has become a core part of the overall Retail Strategic Roadmap. Our focus is on supporting our customers in their green transition and becoming their first choice for retail ESG products. We developed solutions which aim at better understanding customers' carbon footprints and provided products with an environmental and social impact that, for the first time, allow retail customers to receive a superior supply of sustainability-oriented solutions.

In 2022, RBI introduced green mortgage loans for retail customers in six of its markets (Hungary, Romania, Slovakia, Bosnia & Herzegovina, the Czech Republic, and Albania). The loans are secured by real estate and are made available exclusively to finance or refinance, in whole or in part, new and/or existing transactions with a specific use of proceeds as defined by the Framework for Green and Social Loans. In 2022, the volume for green mortgage and unsecured green and social retail loans was around 466 million euro.

Lending activity is one of the core pillars of credit institutions. Credit institutions have the capacity and the ability to reorient capital flows towards environmentally sustainable activities, and to help their counterparties in the transition to a green economy, through their lending business.

Under this Framework, RBI is defining Retail (PI and SME) Green and (SME) Social Loan definitions based on the Green Loan Principles and EU Taxonomy requirements. These definitions will be implemented

by the Network Banks ("NWBs") in the markets where RBI operates with the aim to support mitigation and adaptation goals.

Sustainable Development Goals

In order to help find solutions for global challenges, promote human welfare and protect the environment, the international community of states making up the UN adopted "Agenda 2030" in September 2015 in the interest of sustainable development. At its core are 17 goals for sustainable development – the Sustainable Development Goals ("SDGs").

As an international banking group, we consider ourselves obliged to support these important international initiatives within the scope of our sustainability agenda. Twelve SDGs have been identified as being particularly relevant – both for the RBI Group as a whole and for the core business:



- **SDG 1:** End poverty in all its forms everywhere.



- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages.



- **SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities.



- **SDG 5:** Achieve gender equality and empower all women and girls.



- **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all.



- **SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



- **SDG 9:** Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



- **SDG 10:** Reduce inequality within and among countries.



- **SDG 12:** Ensure sustainable consumption and production patterns.



- **SDG 13:** Take urgent action to combat climate change and its impacts.



- **SDG 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



- **SDG 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

These SDGs are already given priority, and this will continue over the coming years.

2. Scope and Purpose

This Framework for Green and Social Loans in RBI Retail Banking (“the Framework”) represents a part of RBI broader sustainability strategy with the aim of focusing on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable future.

The Framework provides valid ESG definitions for green and social loans which will serve as the basis for the assets’ assessment as well as for regular and mandatory reporting purposes by [RBI NWBs](#).

Retail banking includes Mass Banking, Premium Banking, Private Banking segments as well as Small and medium sized companies¹. This document covers Green lending for PI segment and Green and Social lending for SME segment.

The Framework is aligned with the Green Bond Principles (GBP)² published in June 2021 (with June 2022 Appendix 1) administered by the International Capital Market Association (“ICMA”) and the Green Loan Principles³ (GLP) published in February 2023 and administered by the Loan Market Association (“LMA”). These are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of green finance.

In formulating the Framework care was also taken to reflect on the best effort basis, the requirements of the EU Taxonomy for sustainable economic activities⁴ presented by the European Commission. Potential changes of the GBP, GLP, SBP and SLP developments with regards to the EU Green Bond

¹ As per RBI Asset Class Segmentation.

² [ICMA Green Bond Principles \(GBP\) 2021 \(with June 2022 Appendix 1\)](#)

³ [LMA Green Loan Principles \(GLP\) 2023](#)

⁴ 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](#).

Standard (EU GBS)⁵ and EU Taxonomy for sustainable economic activities will be reflected in future versions of the Framework.

3. Core components

3.1. Use of Proceeds

Eligible Loans are loans to finance and refinance⁶ assets dedicated to the Eligible Categories depicted chapters 4 and 5 and can be originated by any of the RBI NWBs.

All reported Eligible Green and Social Loans ("Eligible Loans") should provide clear environmental and/or social benefits, which has to be assessed, and where feasible, quantified, measured and reported on best effort bases by the NWBs for internal and external reporting when feasible.

For instance, Green Loans may address key areas of environmental concern such as climate change, natural resources depletion, loss of biodiversity, and air, water and soil pollution as most usual types of projects supported, and expected to be supported, by the green loan market. However, eligible categories are described in current definitions. This scope is subject to update depending on legislative and market development.

Social Loans directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes especially, but not exclusively for a target population(s).

In order to pay attention to the environmental and social concerns, loans for companies operating within following sectors will not be subject to evaluation of the Eligible Loans:

- Defense and Weapons
- Nuclear Energy
- Fossil Fuel Energy
- Mining
- Alcohol
- Tobacco
- Gambling

The utilization of the loan proceeds for Eligible Loans should be properly described in the financial documents (the project in scope of investment; invoices; application form, etc.) and, if applicable, marketing materials.

3.2. Process for Project Evaluation and Selection

The evaluation and selection process for Eligible Loans is a key process in ensuring that they meet the Eligibility Criteria defined within the Framework.

⁵ [Proposal for EU GBS](#), 2021.

⁶ Targeted lookback period is 36 months

Eligible Loans are sourced from the various eligible sectors and result from the application of the eligibility criteria defined within the Framework.

The evaluation of the project is a key process step ensuring that the loans meet the Eligibility Criteria defined within the Framework.

SUP-2015-0175 RBI Retail Credit Policy sets the minimum requirements for retail lending in the NWBs at the individual segment level – PI, Micro, SMB. Each NWB has Credit Policy Papers (CPPs) for PI, Micro and SMB/SE segments. Key country, customer type and product specific lending standards (as per uniform segment-specific CPP template design) are defined in the respective CPPs. The CPPs are analyzed annually as a part of the budgeting process and approved at latest by the beginning of each fiscal year.

The Loans flagged as green or social, that the NWBs lend to PI, Micro, SMB customers, have to fulfill the criteria defined in the NWBs segments' policies and the eligibility criteria defined within the Framework.

All Eligible Loans have to be compliant to Raiffeisen Bank NWBs' CPPs, only the loans that are compliant to CPP of the NWB can be considered for Green, Social and/ or Sustainability Bond eligibility.

Raiffeisen Bank International and the NWBs act in accordance with the highest ethical and professional standards. We are committed to lend to our PI, Micro, SMB customers in a sustainable and responsible manner, not to 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, Code of Conduct of Raiffeisen Bank, RBI Retail Credit Policy. All financed transactions must comply with the environmental regulations as well as the European Convention on Human Rights and the Universal Declaration of Human Rights of the United Nations.

The principles for Sustainable Financing for PI, Micro, SMB are an integral part of SUP-2015-0175 RBI Retail Credit Policy. As per the requirements of RBI Retail Credit Policy, the NWUs have to consider the locally specific, regional, and global ESG factors relevant to their Micro and SMB portfolios. The NWUs have to incorporate ESG factors (and their associated risks) into their local credit risk appetite and credit risk policies. The NWUs have to take into account the risks associated with ESG factors and in particular the potential impact of environmental factors and climate change, in their credit portfolio management. These risks, which can depend on the specifics of the country, portfolio structure, geographical location of the borrower, etc. should be addressed in the risk policies of the NWUs. The risks have to be monitored, reviewed and managed throughout the entire loan life-cycle. NWUs have to properly assess and consider physical, transition and other risks during the development, implementation and adaptation of their local unit's sustainable policies of the NWUs; including those relating to their lending product, loan processing, portfolio management and reporting, and marketing campaigns.

RBI NWBs are responsible for:

- Gathering and storage of data required for the evaluation and selection of Eligible Loans;
- Verification of data required for the evaluation and selection of Eligible Loans as well as documentation of the applied verification methods (incl. used proxies, assumptions, if any);
- Evaluation of the respective Eligible Loans by ensuring that the use of proceeds of the financing and respective borrowers comply with Eligibility Criteria;
- Ensuring alignment with the relevant general company policies (e.g. credit policy paper); and

- Monitoring of the status of Eligible Loans (e.g. in case of a denied certification or a not sufficient final certification the loan shall be excluded from the Eligible Loan Portfolio).

Information that should be gathered and stored, based on the defined internal processes, by the RBI NWBs include, but is not limited to:

- Purpose of financing and respective type of Eligible Loan based on Eligible Categories according to chapters 4 and 5;
- Connection of lending exposure to specific social group category as defined in chapter 5; and
- Proof of alignment with eligibility criteria within applicable Eligible Categories used within the assessment process (e.g. standards, certifications, customer reports).

All potential Eligible Loans are subject to standard credit process in line with the normal course of business.

NWUs must flag the loans compliant to the EU taxonomy and RBI ESG rules, based on successful verification of the loan purpose. The method of such verification must be documented together with the proof of eligibility.

3.3. Management of Proceeds

An amount of Sustainable Eligible Loans will be managed by RBI Retail Banking in HO on a portfolio basis for the RBI Group.

RBI NWBs are responsible for:

- Monitoring and flagging of the Eligible Loans as such in the respective local internal systems; and
- Reporting of the Eligible Loans' exposure to RBI Retail Banking in a transparent manner and according with the guidelines provided in chapter 3.4.

In case of future intention on the part of RBI HO or responsible NWBs to issue Green, Social or Sustainability Bonds (as the case maybe), which will reflect Eligibility Categories defined in the Framework, Eligible Loans may be added to the Eligible Loan Portfolio. In this case the respective unit will strive to maintain a volume of Eligible Loans in the Eligible Loan Portfolio that is at least equal to the net proceeds of the respective bond⁷ and will continue to finance and promote new Eligible Loans.

This framework may evolve from time to time to take into 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 Eligible Loans (grandfathering). Any new Eligible Loans shall be aligned with the most recent version of the Framework.

⁷ Targeted period for allocation of proceeds is 36 months

3.4.Reporting

Transparency of the reporting on the part of NWBs to RBI HO Retail Banking can be ensured via their ability to track the identified Eligible Loans either on a deal or a designated sub-product level. NWBs are to report Eligible Lending exposure on a monthly basis or in case of material changes within it.

It is NWB's responsibility to make sure that:

- Each Eligible Loan is reported in only one Eligible Category and was assigned to only one Eligible Category (e.g. green, social) defined in chapter 4 and 5; and
- Only retail banking related loans as defined in chapter 2 are evaluated, monitored and reported under the current Framework.

Retail Banking has the ambition to publish **RBI ESG Retail Report** on a portfolio basis that will provide information on the environmental and social impacts of the Eligible Loan Portfolio. RBI ESG Retail Report will be provided on annual basis or in case of material changes within it.

Information to be disclosed within the RBI ESG Retail Report includes, but is not limited to:

- Total number and amount of Eligible Loans granted per ESG Loan Type;
- Total number and amount of Eligible Loans granted per Eligible Category;
- Breakdown by NWB and corresponding retail segment as defined in chapter 2; and
- Breakdown by product type and origination date.

Within the RBI ESG Retail Report, where relevant and feasible, Retail Banking will report on Key Performance Indicators (KPIs) in aggregate form at the Eligible Category level. The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis.

Targeted list of KPIs.

Eligible Green 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 (t CO₂e) ▪ 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 (t CO₂e)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Annual energy savings (MWh) ▪ Estimated annual GHG emission avoided (t CO₂e)
Clean Transportation	<ul style="list-style-type: none"> ▪ Estimated annual GHG emission avoided (t CO₂e)
Sustainable Agriculture and Forestry	<ul style="list-style-type: none"> ▪ Total land area certified ▪ Estimated annual GHG emissions avoided (t CO₂e)
Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual absolute (gross) water savings (in m³ or in %)

	<ul style="list-style-type: none"> Annual absolute (gross) amount of wastewater treated, reused or avoided (in m3 or in %)
Eligible Social Categories	Example of Possible Key Performance Indicators
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 MSME with at least 50% women share

3.5.External review

To confirm the transparency and robustness of the Framework, it is verified and approved by an external second opinion provider, Sustainalytics GmbH, confirming the alignment with the ICMA GBP, GLP and SBP, SLP. The Second Party Opinion is published [here](#).

4. Eligible Loan Definitions – Private Individuals

Eligible Loans are loans to finance assets dedicated to the Eligible Categories depicted within the tables below. Furthermore, should a loan within the below described eligible categories fulfill substantial contribution criteria of the EU Taxonomy for sustainable economic activities, it may be identified as Eligible Loan.⁸

Eligible Category	Eligibility Criteria
Green Buildings	<p>Finance or refinance Eligible Loans in green assets or projects related to the construction, acquisition, ownership, and renovation in the retail real estate sector, that fulfill one of the criteria presented below:</p> <p>Buildings which meet at least one of the following criteria:</p> <ul style="list-style-type: none"> - building has a recognized certification (at least applied or pre-certified)⁹ with a minimum certification level of LEED Gold, BREEAM Excellent, DGNB/ ÖGNI Gold; - For buildings built before December 2020: building belongs to the top 15%¹⁰ of low-carbon buildings at national level (based on primary energy demand) based on local building codes, building years and EPC (primary energy demand) certificates; <ul style="list-style-type: none"> o In cases where an assessment of the top 15% low carbon buildings is not possible, buildings with the EPC with a min. level A¹¹ (primary energy demand), or other nationally/internationally recognized pre-certification¹² issued before

⁸ Excluding projects involving fossil fuels.

⁹ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Green Loan Portfolio.

¹⁰ In cases where an assessment of the top 15% low-carbon buildings is not possible, RBI will define buildings with the EPC with a min. level A (primary energy demand) as eligible.

¹¹ As an exception, RBBH will finance buildings with an Energy Performance Certificate (EPC) rating of A+, A or B in the Federation of Bosnia and Herzegovina and buildings with EPC A+, A, B or C in the Republic of Srpska, which RBBH considers correspond to the top 15% of low-carbon buildings in Bosnia and Herzegovina.

¹² Such as thermal-technical assessment, etc.

Eligible Category	Eligibility Criteria
	<p>finalization of building construction, which leads to a final EPC of a min. level A (primary energy demand) is considered eligible;</p> <ul style="list-style-type: none"> - For buildings built after December 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) requirements; - refurbishments leading to the reduction of primary energy demand or carbon emissions of at least 30% in comparison with the performance of the building before the renovation;¹³ - refurbishments leading to at least two classes of improvement in energy label (primary energy demand) and a reduction of at least 20% in net PED - <p>Individual renovation measures including installation, maintenance or repair of:</p> <ul style="list-style-type: none"> - Energy efficiency equipment (e.g. LED lighting, energy efficient windows and doors, heating, ventilation and air-conditioning , water heating systems with highly efficient technologies, reducing water and energy using efficient kitchen and sanitary water fittings); - Charging stations for electric vehicles in buildings; - Instruments and devices for measuring, regulation and controlling energy performance of buildings (e.g. zoned thermostats, building automation and control systems, smart meters¹⁴); <p>On-site renewable energy technologies (e.g. solar photovoltaic systems).</p>
<p>Clean Transportation</p>	<p>Finance or refinance Eligible Green Loans related to purchase, rental, leasing and operation of zero-emission vehicles, personal mobility devices (e.g. bicycles, e-scooters) as well as related infrastructure (e.g. electric charging points) and related equipment (protective equipment, maintenance equipment, etc.)¹⁵</p> <p>Type of transportation modes and relevant threshold limits:</p> <ul style="list-style-type: none"> - Passenger vehicles (vehicle category M1¹⁶) - Hybrids at or below the threshold of 75 gCO₂/km or 120.70 gCO₂/mile, based on lab tests WLTP or NEDC procedure. - Buses with or without BRT systems that meet a direct emissions threshold (WLTP) of <50 gCO₂e/pkm or 80.47 gCO₂/pmi - Light Commercial Vehicles (vehicle category N1¹⁷) and heavy trucks (vehicle categories N2 and N3¹⁸) at or below the threshold of 25 gCO₂/tkm or 40.23 gCO₂/tmi. - Passenger rail that meets a universal direct emissions threshold of <50 gCO₂e/pkm or 80.47 gCO₂/pmi
<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.</p> <p>Examples include, but are not limited to:</p>

¹³ The initial energy performance and the estimated improvement shall be based on a specialized building survey and validated by an Energy Performance Certificate, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method.

¹⁴ Excluding smart gas meters.

¹⁵ Excluding vehicles that are used for the purpose of transportation of fossil fuels.

¹⁶ As referred to in Article 4(1), point (a)(i), of Regulation (EU) 2018/858.

¹⁷ As referred to in Article 4(1), point (b)(i), of Regulation (EU) 2018/858.

¹⁸ As referred to in Article 4(1), point (b)(ii) and (b)(iii), of Regulation (EU) 2018/858

Eligible Category	Eligibility Criteria		
	<ul style="list-style-type: none"> - Projects improving the energy efficiency of production process in a factory¹⁹ aiming to achieve at least 30% improvement in energy efficiency; - Purchase, installation, maintenance and repair of appliances falling into the highest two populated classes of energy efficiency acc. to Regulation (EU) 2017/1369 (e.g. fridges and freezers, dishwashers, washing machines, televisions, lamps). 		
Affordable Housing	Financing of the acquisition of social and affordable housing through co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises, subsidized by the state or other entities with the aim of providing suitable homes for vulnerable group of individuals and families		
	Country	Target Population	Link to relevant program
	Albania	Eligible Customer/ Family is selected based on: <ul style="list-style-type: none"> -Housing Conditions <ul style="list-style-type: none"> • Proof that the individual/family does not own a property and has not done any transaction of properties for the last 5 years • Proof from the office of real estate registration if there is a property registered under the name of the individual/family and if yes how is the surface • Proof that the individual/family is homeless due to natural disaster or living in houses which are in risk collapse -Social Conditions <ul style="list-style-type: none"> Orphans, single mothers, families with multiple children, victims of violence, Roman and Egyptian community members, homeless, returned emigrants, surviving families of spouses who lost their lives in state duty, families with children with physical/mental disabilities. -Economic Conditions <ul style="list-style-type: none"> • Individual/Family income should be max 120% of the average incomes needed to cover the family consumption (this amount is published yearly by INSTAT, The Albanian Statistical Institution²⁰) 	https://financa.gov.al/wp-content/uploads/2018/12/ligj-nr.-22-dt.-3.5.2018.pdf https://planifikimi.gov.al/index.php?eID=dumpFile&t=f&f=5102&token=364577a6d0a7ab907326f661d00dffe2996d80cc https://financa.gov.al/wp-content/uploads/2020/10/VKM-Nr.-384_date-12.06.2019_Per-percaktimin-e-dokumentacionit-per-te-perfituar-strehim-sipas-cdo-programi-social-te-strehim.pdf

¹⁹ Excluding fossil fuel-powered equipment or improvements within carbon-intensive heavy industries (e.g., steel, cement, refining, etc.).

²⁰ Given the relatively high thresholds (120% of average income) used in the Albanian government’s social housing programs, Banks are encouraged to prioritize households whose income is below average median income and report on the positive social impacts achieved.

5. Eligible Loan Definitions – SMEs

Eligible Loans are loans to finance assets dedicated to the Eligible Categories depicted within the tables below. Furthermore, should a loan within the below described eligible categories fulfill substantial contribution criteria of the EU Taxonomy for sustainable economic activities, it may be identified as Eligible Loan.

As Small and Medium sized companies remain exempt from new disclosure rules, RBI Retail will apply EU-Taxonomy regulation scope “to the best effort” with the purpose to be prepared and in line with requirements as it is expected that such reporting requirements are passed throughout the supply chain.

RBI retail composes the ESG Definitions for SME of two parts- defined and non-defined Use of Proceeds.

5.1. Defined Use of Proceeds

Eligible Category	Eligibility Criteria
Green Buildings	<p>Finance or refinance Eligible Loans or investments in green assets or projects related to the construction, acquisition, ownership and renovation in the retail real estate sector, that fulfill one of the criteria presented below:</p> <p>Buildings which meet at least one of the following criteria</p> <ul style="list-style-type: none"> - building has a recognized certification (at least applied or pre-certified)²¹ with a minimum certification level of LEED Gold, BREEAM Excellent, DGNB/ ÖGNI Gold; - For buildings built before December 2020: buildings belong to the top 15%²² of low-carbon buildings at national level (based on primary energy demand) based on local building codes, building years and EPC certificates; <ul style="list-style-type: none"> o In cases where an assessment of the top 15% low carbon buildings is not possible, buildings with the EPC with a min. level A²³ (primary energy demand), or other nationally/internationally recognized pre-certification ²⁴ issued before finalization of building construction, which leads to a final EPC of a min. level A (primary energy demand) is considered eligible; - For buildings built after December 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) requirements; refurbishments leading to the reduction of primary energy demand or carbon emissions of

²¹ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Green Loan Portfolio.

²² In cases where an assessment of the top 15% low-carbon buildings is not possible, RBI will define buildings with the EPC with a min. level A (primary energy demand) as eligible.

²³ As an exception, RBBH will finance buildings with an Energy Performance Certificate (EPC) rating of A+, A or B in the Federation of Bosnia and Herzegovina and buildings with EPC A+, A, B or C in the Republic of Srpska, which RBBH considers correspond to the top 15% of low-carbon buildings in Bosnia and Herzegovina.

²⁴ Such as thermal-technical assessment, etc.

Eligible Category	Eligibility Criteria
	<p>at least 30% in comparison with the performance of the building before the renovation;²⁵</p> <ul style="list-style-type: none"> - refurbishments leading to at least two classes of improvement in energy label (primary energy demand) and a reduction of at least 20% in net PED. <p>Individual renovation measures including installation, maintenance, or repair of:</p> <ul style="list-style-type: none"> - Energy efficiency equipment (e.g. LED lighting, energy efficient windows and doors, heating, ventilation and air-conditioning (HVAC removed), water heating systems with highly efficient technologies, reducing water and energy using efficient kitchen and sanitary water fittings); - Charging stations for electric vehicles in buildings; - Instruments and devices for measuring, regulation and controlling energy performance of buildings (e.g. zoned thermostats, building automation and control systems, smart meters²⁶); - On-site renewable energy technologies (e.g. solar photovoltaic systems).
Clean Transportation	<p>Finance or refinance Eligible Green Loans related to purchase, rental, leasing and operation of zero-emission vehicles, personal mobility devices (e.g. bicycles, e-scooters) as well as related infrastructure (e.g. electric charging points).²⁷</p> <p>Type of transportation modes and relevant threshold limits:</p> <ul style="list-style-type: none"> - Passenger vehicles (vehicle category M1²⁸)- Hybrids at or below the threshold of 75 gCO₂/km or 120.70 g CO₂/mile, based on lab tests WLTP or NEDC procedure. - Buses with or without BRT systems that meet a direct emissions threshold (WLTP) of <50 g CO₂e/pkm or 80.47 g CO₂/pmi - Light Commercial Vehicles (vehicle category N1²⁹) and heavy trucks (vehicle categories N2 and N3³⁰) at or below the threshold of 25 g CO₂/tkm or 40.23 g CO₂/tmi. - Passenger rail that meets a universal direct emissions threshold of <50 g CO₂e/pkm or 80.47 g CO₂/pmi
Energy Efficiency	<p>Finance or refinance Eligible Green Loans related to the development and implementation of products or technology that reduce energy consumption³¹.</p> <p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> - Projects improving the energy efficiency of production process in a factory³² aiming to achieve at least 30% improvement in energy efficiency;

²⁵ The initial energy performance and the estimated improvement shall be based on a specialized building survey and validated by an Energy Performance Certificate, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method.

²⁶ Excluding smart gas meters.

²⁷ Excluding vehicles that are used for the purpose of transportation of fossil fuels. Eligible infrastructure does not include parking facilities.

²⁸ As referred to in Article 4(1), point (a)(i), of Regulation (EU) 2018/858.

²⁹ As referred to in Article 4(1), point (b)(i), of Regulation (EU) 2018/858.

³⁰ As referred to in Article 4(1), point (b)(ii) and (b)(iii), of Regulation (EU) 2018/858

³¹ fossil fuel powered equipment are excluded from financing

³² Excluding fossil fuel-powered equipment or improvements within carbon-intensive heavy industries (e.g., steel, cement, refining, etc.).

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> - Installation, maintenance and repair of appliances falling into the highest two populated classes of energy efficiency acc. to Regulation (EU) 2017/1369 (e.g. fridges and freezers, dishwashers, washing machines, televisions, lamps. and registered in Green Technology Selector³³).
Renewable Energy	Finance or refinance Eligible Green Loans and/ or investments to equipment, development, manufacturing, construction, operation, distribution, storage and maintenance of renewable energy projects related to: <ul style="list-style-type: none"> - Wind power, Solar power³⁴, Hydropower (up to 20 MW) and Run-of-river without artificial reservoir or low storage capacity³⁵; - Energy from biomass³⁶ (generation of bioenergy from anaerobic digestion or composting of agricultural and forestry residues, sewage sludge³⁷ and biowaste³⁸ such as bio soils and, fats and oils³⁹). The framework will further exclude animal fats, oil and other animal processing by-products as eligible feedstock for bioenergy
Sustainable Agriculture and Forestry	Eligible Green Loans to finance or refinance environmentally sustainable management of living natural resources and land use including: <ul style="list-style-type: none"> - Environmentally sustainable forestry⁴⁰: <ul style="list-style-type: none"> o Applicable forestry activities⁴¹ providing alignment with international forest certification standards (FSC⁴², PEFC⁴³) evidenced by a copy of the certification or an audit report by a reputable consulting company confirming alignment with certification standards. - Environmentally sustainable agriculture⁴⁴: <ul style="list-style-type: none"> o Finance certified agricultural practices under sustainable certification schemes, such as EU Organic,⁴⁵; o Finance certified agriculture or practices that include purchase, installation, maintenance, implementation of techniques and practices (such as: crop rotation, Permaculture, Cover Crops, Soil enrichment, Natural pest predators, Integrated Pest Management (IPM), Polyculture farming, no-till farming systems, Agroforestry, Biodynamic farming, water management) that meet the FAO standard.

³³ <https://techselector.com/>. Incl. related lending exposure for purchasing registered appliances by private individuals in frames of EBRD support programs in countries of RBI presence (f.e. Kosovo, Albania, etc.)"

³⁴ Financing of Concentrated Solar Power (CSP) projects will be limited to those where at least 85% of the electricity is generated from solar energy sources.

³⁵ Hydropower facilities with capacity above 20 MW should either comply with power density above 5 W/m² or direct GHG emissions below 100gCO₂e/kWh.

³⁶ 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.

³⁷ Excluding wastewater from fossil fuel operations (such as O&G production and processing)

³⁸ The source of bio-waste will be segregated and collected separately.

⁴⁰ 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.

⁴¹ Excluded: Non-zero emissions vehicles.

⁴² [FSC](#).

⁴³ [PEFC](#).

⁴⁴ Excluded activities: Transformation of rain fed agricultural land into irrigated land; Purchase of agricultural or forest land.

⁴⁵ Excluded: Non-zero emissions vehicles.

Eligible Category	Eligibility Criteria		
	Albania	Albinspekt bio.inspecta Ecocert SA	Subject of update by Ministry of Agriculture and Rural Development of Albania Slide 1 (seerural.org)
	Bosnia	Organska kontrola (OK)	Organsko je OK! (organskakontrola.ba)
	Croatia	ZADRUGA AGRIBIOCERT BIOINSPEKT d.o.o. BIOTECHNICON d.o.o. EKO RAZVOJ d.o.o. Eurotalus j.d.o.o. AUSTRIA BIO GARANTIE d.o.o.	Subject of update by Control authorities and control bodies in the EU/EEA/CH
	Czech republic	KEZ o.p.s. ABCERT AG BIOKONT CZ, s r.o. BUREAU VERITAS CZECH REPUBLIC, spol. s r.o. State Veterinary Administration Czech Agriculture and Food Inspection Authority Central Institute for Supervising and Testing in Agriculture	Subject of update by Control authorities and control bodies in the EU/EEA/CH
	Hungary	Biokontroll Hungária Nonprofit Kft. Bio Garancia Kft.	Subject of update by Control authorities and control bodies in the EU/EEA/CH
	Kosovo	Bio.inspecta AG Organskakontrola.ba Q-check P.C Albinspekt	Subject of update by Ministry of Agriculture, Forestry and Rural Development of Kosovo Organic Farming – implementation of legislation (administrative acts) and the recent development in the organic farming sector (seerural.org)
	Romania	S.C ECOCERT S.R.L S.C. ECOINSPECT S.R.L. BIOS S.R.L ITALIA - SUCURSALA ROMÂNIA AGRECO R. F. GÖDERZ GMBH GERMANIA - SUCURSALA ROMÂNIA BIOAGRICERT ITALIA SRL - SUCURSALA ROMÂNIA AUSTRIA BIO GARANTIE GmbH ENZERSFELD SUCURSALA BUCURESTI S.C. ECOROISCERT SRL MIȘCAREA ROMÂNĂ PENTRU CALITATE CERES ORGANIC CERT SRL BIO CERT TRADIȚIONAL SRL SC SRAC CERT SRL SC TUV AUSTRIA ROMÂNIA SRL RINA SIMTEX - ORGANISMUL DE CERTIFICARE SRL	Subject of update by Control authorities and control bodies in the EU/EEA/CH
	Serbia	Ecocert Balkan Beograd ltd Eco Vivendi ltd Organic Control System ltd TMS CEE ltd SGS BEOGRAD ltd	Subject of update by Ministry of Agriculture, Forestry and Water Management of Serbia Uprava za agrarna plaćanja Republika Srbija Ministarstvo poljoprivrede, šumarstva i vodoprivrede (uap.gov.rs)
	Slovakia	Naturalis SK, s.r.o. Biokont CZ, s.r.o. EKO-CONTROL SK s.r.o.	Subject of update by Control authorities and control bodies in the EU/EEA/CH
	o		

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> ○ Support the adoption, promotion and implementation of conservation agriculture practices^{46,47}, meeting the requirements of the Food and Agriculture Organization of the United Nations (FAO) or equivalent national or international standard. ○ Acquisition, maintenance and management of certified agricultural practices under sustainable certification schemes, such as EU Organic and/ or equivalent national certification schemes⁴⁸, (at least applied or pre-certified)⁴⁹; ○ Use of sustainable agriculture products and raw materials: certified under Biomass Biofuel Sustainability Association (2BSVs), and Sustainable Agriculture Initiative Platform (SAI Platform) having silver level or above; <p>- Beekeeping for the sake of biodiversity promotion..</p>
Water and Wastewater Management	<p>Eligible Green Loans to finance or refinance public (and corporate) equipment, development, construction, operation and maintenance related to:</p> <ul style="list-style-type: none"> - Water distribution systems (with improved efficiency of at least 20% within the last 3 years), - Water recycling treated and - Wastewater treatment systems and flood mitigation infrastructure⁵⁰.
Eco-efficient circular economy adapted products, production technologies and processes⁵¹	<p>Eligible Green Loans to finance or refinance:</p> <ul style="list-style-type: none"> - Projects⁵² that extend the product life cycle, such as product reuse, repair or product refurbishment and regeneration, integration of modular design or design for disassembly and incorporating take-back schemes or reverse logistics; - Production technologies that use recycled resources such as bio-based materials (the latter being sustainable sourcing certifications for bio-based materials, such as the Roundtable on Sustainable Biomaterials (RSB) scheme). - Operational leasing⁵³ of electric vehicles, electric forklifts, printing equipment, medical equipment, IT equipment, material processing equipment, construction electric machinery, photovoltaic panels, other equipment for topography devices, aesthetic (cosmetic) devices, equipment for restaurants, etc. <p>Production of aluminum-based consumer and end products: at least 90% of inputs will be scrap or recycled aluminum, or at least 75% of input will be scrap</p>

⁴⁶ [Conservation Agriculture](#) (CA) promoted by Food and Agriculture Organization of the United Nations (FAO) main three principles: minimum tillage and soil disturbance [the disturbed area must be less than 15 cm wide or less than 25% of the cropped area (whichever is lower)], permanent soil cover with crop residues and live mulches [min. 30% cover], crop rotation and intercropping [min. 3 different crops].

⁴⁷ Projects constructed on land with high biodiversity [\[link\]](#) and/ or protected land [\[link\]](#) are excluded.

⁴⁸ Based on the approval by [control bodies and authorities for equivalency](#) and in compliance with EEC No. 834/2007 which was replaced in Jan 2022 by Regulation (EU) 2018/848.

⁴⁹ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Loan Portfolio.

⁵⁰ Storage of electricity using hydrogen or ammonia will be restricted to green hydrogen. Flood mitigation infrastructure will be based on vulnerability assessments and adaptation plans to identify potential climate risks and relevant management strategies.

⁵¹ Virgin plastic-based solutions are excluded.

⁵² Excluding products specifically for use in the extraction of fossil fuels or that inherently rely on fossil fuels

⁵³ Under the contractual obligation of operational leasing (1) there is an obligation for the provider of the service to take back the used product at the end of the contractual agreement; (2) there is an obligation for the customer to give back the used product at the end of the contractual agreement; (3) the provider of the service remains owner of the product; (4) the customer pays for access to and use of the product, or the result of access to and use of this product.

Eligible Category	Eligibility Criteria
	or recycled aluminum and the remaining (primary) aluminum will have a carbon intensity below 2.5 tCO ₂ e/t. Financing will be limited to recycling facilities with robust waste management processes.

Financed exposures generated in accordance with definitions laid down in the programs of supranational banks and promotional institutions and will satisfy the eligibility criteria in this framework (e.g.: IFC, EIB, EBRD, KfW) can be classified as Eligible Loan upon prior agreement with HO Sustainable Finance Team (if needed validated by third party) e.g. EBRD Program for Green Technology Financing.

5.2. Non-defined Use of Proceeds

When the purpose of the loan is unknown, RBI Retail follows the opportunity to evaluate exposure to SME client by the company economic activity for Green aspect.

Non-defined Use of Proceeds Eligible Green	For a general purpose loan provided to an SME counterparty where the SME disclose voluntarily its underlying activities, and when at least 90% of the revenues are coming from the eligible activities (Table 1) ⁵⁴ , will be considered as Eligible Loans and will be identified, reported and monitored under the category "Non-defined Use of Proceeds Eligible Green Loans" This assessment will be done based on customer voluntary disclosure via CRM activity or during the regular application/ yearly review process (where feasible).
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Non-defined Use of Proceeds Eligible Social	<p>Social loans are any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing aimed on Employment generation and protection to enterprises that 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 MSME⁵⁵), and ▪ Located in underserved, underdeveloped and rural regions in Europe (A region is defined as underserved, underdeveloped and rural if: (i) if the GDP per inhabitant at current market prices by NUTS 3 regions is lower than the country's GDP per inhabitant, and (ii) the country's GDP per inhabitant is less than 75% of EU average GDP per inhabitant)^{56,57}, <p>Or,</p> <ul style="list-style-type: none"> ▪ Micro-, Small- and Medium-size Enterprises are majority owned (at least 50%) by women
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⁵⁴ Storage of electricity using hydrogen or ammonia will be restricted to green hydrogen

⁵⁵ [Source](#)

⁵⁶ Russia, Ukraine and Belarus are currently out of scope due to geopolitical situation

⁵⁷ Relevant data for Bosnia, Herzegovina, and Kosovo is not available under Eurostat Nomenclature of Territorial Units for Statistics Classification (NUTS 3). For these countries, it will apply country specific statistics and use the same definition to target underserved, underdeveloped, and rural region.

	<ul style="list-style-type: none">▪ Micro-, Small- and Medium-size Enterprises are majority owned (at least 50%) by young people (below 35 years)⁵⁸▪ Self employed individuals or Micro Enterprises with less than 10 employees ⁵⁹▪ Are not engaged in any of the business activities described in the Exclusions List in Annex 2. <p>ANNEX 2</p> <p> Annex 2 Exclusion list.xlsx</p>
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Financed exposures generated in accordance with definitions laid down in the programs of supranational banks and promotional institutions and will satisfy the eligibility criteria in this framework (e.g.: IFC, EIB, EBRD, KfW, European Investment Fund program Employment and Social Innovation) for the purpose of financing eligible social categories, can be classified as Eligible Loan upon prior agreement with HO Sustainable Finance Team (if needed validated by third party) e.g. EBRD Youth in Business (YiB) program

⁵⁸ Some, though not all, youth-owned MSMEs face obstacles in securing access to finance so Banks are encouraged to consider such obstacles when qualifying loans under this category.

⁵⁹ Some, though not all, self-employed individuals or micro enterprises with less than 10 employees face obstacles in securing access to finance so Banks are encouraged to consider such obstacles when qualifying loans under this category.