# RBI Green Bond – 2020 ALLOCATION AND ALLOCATION BREDORACIO REPORT 2020

**For more than 130 years,** Raiffeisen has based its solid financial performance on socially responsible activity. Since 2018, Raiffeisen Bank International AG (RBI) has issued several green bonds. These bonds, targeting private and institutional investors, support the growth of green financing across RBI's network banks and headquarters, thereby facilitating a reduction of 60,281 metric tons of CO<sub>2</sub> emissions per year. This report provides an overview of the non-financial impact of RBI's green bond portfolio.



## IMPORTANT FACTS AT A GLANCE

as of 29.02.2020

€ 1,266 million in Green Bonds outstanding
€ 1,359 million Green Loan Portfolio
+ 116 % annual increase in volume
€ 1,130 million Green Buildings
€ 228 million Clean Transportation
From this, € 957 million has been allocated and disbursed, and a further € 402 million allocated though not yet disbursed.
60,281 CO<sub>2</sub> metric tons saved per annum
This comes to 44 CO<sub>2</sub> metric tons saved per annum per € 1 million investment



**It is our responsibility** to create a positive environmental and societal impact through sustainable finance products and to support customers' transition towards a CO<sub>2</sub> neutral economy. Focusing on sustainable customers and businesses is a key part of the strategic roadmap for the corporate business area of the RBI Group.

Issuing green bonds provides both RBI and its customers a variety of new opportunities to contribute towards the EU's carbon reduction targets. Promoting investments in environmentally friendly projects is crucial in combating climate change, building a sustainable society, and long-term value creation.

RBI's aim is to be the most recommended bank for sustainable businesses and customers in Austria and the CEE region.

Peter Lennkh Board Member for Corporate Banking



# INTRODUCTION

5 GENDER EQUALITY

e

RBI's sustainability strategy supports the achievement of the UN Sustainable Development Goals (SDGs), with a particular focus on the following eight SDGs:

8 DECENT WORK AND ECONOMIC GROWTH

RBI intends to be a regular green bond issuer in the international capital market as well as in the Austrian and Eastern European retail markets. In doing so, RBI aims to offer alternative investments to investors focusing on climate-resilient investment opportunities.

4 QUALITY EDUCATION

1 NO POVERTY

**∏∗ŧŧ**i

Furthermore, in 2020 RBI built a Sustainable Finance Team within its organization focusing on the development of sustainable customers and businesses within the corporate board area. The team is responsible for identifying sustainable customers by providing adjusted ESG scoring to individual customers, as well as screening the portfolio for sustainable assets. With this approach RBI aims to strengthen its sustainability strategy and raise an overall awareness of sustainable development among its stakeholders.

13 CLIMATI

5.3

## **RBI'S GREEN BOND PROGRAM**

In 2018, RBI AG issued its first green bond in benchmark format followed by a second green bond benchmark in 2019, which was accompanied by several smaller green private placements sold to both institutional and private investors.

RBI follows a portfolio approach in its green bond program: its green Ioan portfolio (Eligible Green Loan Portfolio) is allocated pro rata to all Green Bonds issued under the green bond framework published in June 2018 (Green Bond Framework'). This report relates to all outstanding Green Bonds as of end of February 2020.

## **RBI GREEN BONDS**

ISIN	lssue amount in € mn	lssue date	Maturity date
XS2055627538	750	25.09.2019	25.09.2026
AT000B014782	9	25.09.2019	29.10.2024
AT000B014642	4	03.06.2019	03.06.2026
XS2106853240	3	30.01.2020	30.01.2023
XS1852213930	500	05.07.2018	05.07.2021
Total	1266		



**RBI launched its Green Bond Program** two years ago and is currently the largest Austrian issuer of green bonds. In September 2019, we successfully placed our second green bond benchmark with an

issue size of EUR 750 million and a term to maturity of seven years. With an order book of EUR 1.8 billion, it was significantly oversubscribed.

This provides strong impetus for us to continue to service the demand for green investment, as well as to further expand our use of sustainable funding instruments and increase the diversification of the investor base.

The RBI Green Bond Program constitutes a fundamental aspect of RBI's sustainable funding vision, mission and strategy.

erefti"

Michael Höllerer Chief Financial Officer

1) https://investor.rbinternational.com/fileadmin/ir/2018/2018-06-18\_RBI\_Green\_Bond\_Framework.pdf



## ALLOCATION REPORT as of 29.02.2020

As of end of February 2020, the total green loan portfolio amounted to  $\bigcirc$  1,359 million (+ 116% from end of February 2019). From this,  $\bigcirc$  957 million has been allocated and disbursed, and a further  $\bigcirc$  402 million allocated though not yet disbursed.

green buildings € 1,130 million (83%)
thereof 53% buildings completed,
47% buildings under construction

With an average life of 2 years<sup>1</sup>

clean transportation € 228 million (17%)

- Thereof 88 % electric batteries,
- 12 % electric vehicles or 951 electric cars

 Average life of buildings in the portfolio is calculated based on the year of completior of construction with life of buildings under construction being 0 years.

With an average life of 1.7 years

Within the Green Bond Framework RBI has defined a wide range of eligible green assets. While in the previous reporting period the portfolio contained green buildings only, as of end February 2020, RBI has introduced a new green asset category- clean transportation – to its Eligible Green Loan Portfolio by financing electric vehicles and electric batteries. Furthermore, RBI enhanced its Eligible Green Loan Portfolio in the asset category of green buildings by financing further commercial buildings with recognized certification (applied, pre-certified or certified) with a minimum of LEED Gold, BREEAM Very Good and DGNB/ÖGNI Gold.

## GREEN BOND PORTFOLIO ALLOCATION BY ASSET CATEGORY

Asset category		Allocated amount in € million	Number of loans	Allocated amount in %	Green bonds outstanding in € million
	Hotel	62	1	5%	
Green Buidings	Logistics	134	2	10%	
	Office	861	26	63%	
	Shopping	74	2	5%	
Clean Transportation	Electric Vehicles	28	3	2%	
	Electric Batteries	200	1	15%	
Total		1,359	35	100 %	1,266

# GREEN BOND PORTFOLIO ALLOCATION BY ASSET LOCATION

Country of asset location	Allocated amount in %
Austria	12 %
Bulgaria	4%
Czech Republic	4%
Hungary	25%
Netherlands	5%
Poland	4%
Romania	32%
Serbia	4%
Slovakia	10 %
Total	100 %

## THEREOF GREEN BUILDINGS BY CERTIFICATE TYPE (€ 1,130 MILLION)

Certificate type & level	Allocated amount in % in relation to green buildings category
BREEAM Outstanding	8%
BREEAM Excellent	28%
BREEAM Very good	12%
DGNB Platinum	10%
DGNB Gold	2%
LEED Platinum	7%
LEED Gold	33%
Total	100%

## IMPACT REPORT as of 29.02.2020

The clean transportation assets significantly reduce  $CO_2$  emissions in individual transport and support the transition towards a carbon-free transport system. Together with energy-efficient green buildings, the annual  $CO_2$  reduction per  $\in$  1 million investment in RBI's Green Bonds has more than doubled.

Asset category		CO₂ savings per year in metric tons	CO₂ savings in %	Allocated amount in %
Green Buildings	Green Buildings	26,671	44%	83%
Clean Transportation	Electric Vehicles	2,471	4%	2%
	Batteries for Electric Vehicles	31,139	52%	15 %
Total RBI Green Portfolio		60,281		

## CO2 SAVINGS - RBI GREEN PORTFOLIO





## **GREEN BUILDINGS**

The real estate properties included in the eligible green portfolio have considerably lower energy consumption than the average level for real estate in the respective country<sup>1</sup>. This leads to an annual reduction in greenhouse gas emissions of 26,671 metric tons per year.

Weighted average energy consumption of baseline portfolio	182 kWh/m² per year
Weighted average energy consumption of RBI green portfolio	97 kWh/m² per year
Weighted average energy saving per m <sup>2</sup> per year	47 %
Total reduction in final energy use	<b>3,078 kWh/m</b> ²

## CO2 SAVINGS BASED ON GREEN BUILDINGS

Green buildings	CO <sub>2</sub> savings per year in metric tons
Hotel	719
Logistic Center	8,441
Office Building	15,005
Shopping	855
Shopping Mall & Office Center	1,650
TOTAL Savings	26,671

In 2020 RBI strengthened its commitment towards sustainable development by financing more projects with a positive environmental impact. One of the projects financed in March 2020 was the green loan to Sonae MC Food Retailer to support the company's investments aimed at reducing the environmental impact of its business.

### CASE STUDY: SONAE MC FOOD RETAILER IN PORTUGAL

**Sonae MC** is the leading food retailer in Portugal and is present in various areas through a multi-format and omnichannel portfolio. More than three decades of sustained growth have led to the development of several reference banners and formats in the markets in which the company operates. With over 1,200 stores (including franchisees) throughout Portugal and Spain, and more than 34,000 employees, Sonae MC caters to the daily needs of the families of circa 4 million customers.

#### Sustainability approach

Sustainability has always been imbedded in Sonae MC's DNA and remains a key priority in the company's strategy and business model. The company's integrated approach to sustainable development is mainly centered around

1) The calculation method can be found on page 9

three core areas: Environment, Community and People, and is also aligned with the Principles of the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals (SDGs).







The green loan to Sonae MC will finance the company's investments aimed at reducing the environmental impact of its food retail business. With the support of this financing, Sonae MC will install new technologies that will enhance its environmental sustainability. This loan will contribute to

## CLEAN TRANSPORTATION

Electric Batteries represent a crucial component for an automotive industry to transform towards sustainable development and fulfill the EU CO₂ targets for cars. RBI expanded its Eligible Green Loan Portfolio by providing € 200 million loan to support Samsung SDI's contribution

the renovation of the stores' technical systems through the introduction of more efficient energy equipment, new electricity generation and waste management technologies. The modernization of Sonae MC's food retail stores will enable the reduction of electricity consumption through the installation of more efficient equipment and energy monitoring and management technologies. Refrigeration systems will be renovated, contributing to the efficient use of energy and reducing the environmental impact of greenhouse gases. Water consumption will also decrease thanks to the installation of new water management systems. In addition, stores will increase the usage of renewable energy sources for their electricity. The project will contribute to the development of the EV market through the installation of EV charging points in the parking areas of the stores, improving the customer experience for more environmentally aware clients. The amount of eligible investment will be spread between 2017 and 2023.

to the development of the European electric car market by producing high-efficiency electric batteries for electric vehicles. Apart from this project, RBI invested additional € 28 million in electric vehicles produced by well-known automakers.







## CASE STUDY: SAMSUNG SDI PRODUCTION OF BATTERIES FOR ELECTRIC VEHICLES



**Samsung SDI**'s former plasma display panel plant has been transformed into a plant equipped with state-of-theart technology by Samsung SDI to produce high-power and high-efficiency EV batteries. The total investment is EUR 1.5 billion. Located at a 330,000 square meter site in Goed, Hungary, the plant is capable of producing batteries for 50,000 electric vehicles annually and is planned to run at full production capacity of 16 GWh starting from 2020. Europe is leading the global EV market with its environment-friendly policy. The market for batteries, which are

## CARBON IMPACT METHODOLOGY: BUILDINGS

a core EV component, is expanding rapidly alongside the EV market.

"Samsung SDI's advanced technology will be applied to batteries produced at the Hungary plant. We expect that the batteries will make a great contribution to the development of the European electric car market as a key component for global automakers," Samsung SDI president Jeon stated.



RBI estimates the carbon impact of its Green Loan portfolio on a line by line basis:



 RBI's business lines collect the real energy consumption data from the tenants when feasible, and otherwise use the energy demand documented in the Energy Performance Certificates (or equivalent)

- Green building certifications (including the related energy score), the location and the type of use could be used as a proxy to refine the collected data when necessary
- Energy savings are calculated against baselines of national average energy demand for commercial real estate (source: EU Entranze project, https://www.entranze.eu/)
- Energy savings are then converted into carbon savings based on emission factors from the International Energy Agency (IEA, https://www.iea.org/) for gas, oil, coal and biomass, and on the Residual Electricity Mix from the Association of Issuing Bodies (AIB, https://www.aib-et. org/facts/european\_residual\_mix) for electricity.
- Emission factors for the different energy sources are combined according to the energy mix consumed by buildings locally (source: EU Entranze project, https:// www.entranze.eu/)

## CARBON IMPACT METHODOLOGY: ELECTRIC VEHICLES

RBI estimates the carbon impact of its electric cars on a line by line basis.

The average emission for thermic vehicles and the EU Emission Factor were taken from the EIB Project Carbon Footprint Methodology while the Electricity Consumption was established for each brand based on the manufacturer's data.

The Annual Distance driven was calculated for each individual vehicle using RBI's internal data.



### CARBON IMPACT METHODOLOGY: BATTERIES FOR ELECTRIC VEHICLES

RBI has developed the following methodology to estimate the total impact of the electric and hybrid batteries factory assuming that each battery is powering a single vehicle. The average emissions factors for thermic vehicles and hybrid vehicles were taken from the EIB Project Carbon Footprint Methodology while the Annual Distance driven was assumed to be the same as for an average electric car in RBI's portfolio.



### DISCLAIMER

This document (the "Document") has been prepared by Raiffeisen Bank International AG ("RBI") and was drafted for the sole purpose of presenting RBI's "Green Bond Framework". This Document is being delivered for general information purposes only and no reliance should be placed on the completeness of the information contained herein.

This Document may contain or incorporate by reference public information or information based on sources believed to be reliable not separately reviewed, approved or endorsed by RBI and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by RBI as to the fairness, accuracy, reasonableness or completeness of such information. The information in this Document has not been independently verified.

This Document may contain statements about future events, procedures and expectations. None of these forward looking statements in this Document should be taken as promises or commitments nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this Document. In particular, no representation or warranty is given by RBI as to any actual issue of any "Green Bond" by RBI.

RBI may at any time amend or supplement this Document. However, RBI undertakes no obligation to update, modify or amend this Document, or the statements contained herein to reflect actual chang-

## **CONTACT DETAILS**

#### Investor Relations John Carlson

Co-Head of Investor Relations Raiffeisen Bank International AG Am Stadtpark 931030 Vienna Austria Tel.: +43 171707 3760 john.carlson@rbinternational.com

#### Group Sustainability Management Andrea Sihn-Weber

Head of Group Sustainability Management Raiffeisen Bank International AG Am Stadtpark 9, 1030 Vienna Austria Tel.: +43 1 71 707 6069 andrea.sihn-weber@rbinternational.com

#### Green Loan Management and Impact Reporting Markus Ecker

Head of Cover Pool and Public Finance Raiffeisen Bank International AG Am Stadtpark 9, 1030 Vienna Austria

Tel.: 43 1 71 707 2151 markus.ecker@rbinternational.com Vera Economou Green Loan Portfolio Manager Raiffeisen Bank International AG Am Stadtpark 9, 1030 Vienna Austria Tel.: +43 1 71 707 2965 vera.economou@rbinternational.com es in assumptions or changes in factors affecting these statements or to otherwise notify any recipient if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This Document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. The information contained herein has no regard to any investment objectives, financial situations or needs of any recipient.

In no event shall RBI or any of its directors, officers or employees have any liability or responsibility to any person or entity for any direct or consequential loss, damage, cost, charge, expense or other liability whatsoever, arising out of or in connection with the use of, or reliance upon, the information contained in this Document.

The publication, distribution or use of this Document and of the information it contains may be subject to legal or regulatory restrictions in some jurisdictions. Entities or persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them. RBI does not accept any liability to any person in relation to the distribution or availability and possession of this Document to or in any jurisdiction.

## PUBLICATION DETAILS

Media owner, publisher Raiffeisen Bank International AG Am Stadtpark 9 1030 Vienna Austria Phone: +43 1 71 707 0 Fax: +43 1 71 707 1715 www.rbinternational.com

#### **Editorial team/Production**

Cover Pool and Public Finance: Markus Ecker, Vera Economou Head Office Treasury: Katarzyna Kapeller, Milana Prodanovic Group Investor Relations: John Carlson

Editorial deadline

Concept/Design Gábor Békési www.bekesi.net

