

Sustainalytics Second Party Opinion

Raiffeisen Bank International AG Sustainability Bond Framework

19 August 2025

Framework owner and location:
Raiffeisen Bank International AG
Vienna, Austria

Sector:
Banks

Overall Assessment

Sustainability Contribution



Principles Alignment

✓ **Aligned**

Green Bond Principles 2025
Social Bond Principles 2025
Sustainability Bond Guidelines 2021

Contribution to SDGs



Assessment Summary

Raiffeisen Bank International AG has developed the Sustainability Bond Framework, dated August 2025, under which it intends to issue green, social and sustainability bonds in 10 environmental and social categories.

We have assessed the overall Sustainability Contribution of the Framework as **Significant** based on the average Sustainability Contribution of the Framework's 10 environmental and social use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

The Renewable Energy; Clean Transportation; Pollution Prevention and Control; and Eco-Efficient Circular Economy Adapted Products, Production Technologies and Processes categories will strongly support the transition to a low carbon and circular economy. Under Green Buildings, RBI will finance the best energy-performing residential and commercial buildings in their region. While new buildings financed may use fossil fuels for on-site energy generation, these investments are expected to significantly support the sector's decarbonization. Meanwhile, under Energy Efficiency, the broad range of equipment and technologies in industrial production processes, and the lack of reference to external industry standards or market-wide benchmarks for best available technology, implies varying degrees of contribution to improvements in energy efficiency, depending on the initial baseline.

Investments in Education and Vocational Training, while not focused on populations with substantial unmet needs, will support access to education and early childhood development in target countries. Under Access to Essential Services, RBI will provide loans for healthcare and basic infrastructure in underserved regions in the EU and CEE, where the degree of unmet needs is limited. Although, there are no clear thresholds for inadequate access, these investments will nonetheless contribute to enhancing access to these services. Affordable Housing investments will follow national programs, where available, or target low-income populations. While housing schemes may also include middle- or high-income groups, financing is expected to improve access for population whose needs remain unmet. Additionally, under the Employment Generation and Protection category, the positive impact of financing to microenterprises and companies owned by veterans without additional targeting, as well as uncertainty about the degree of affordability, may be limited.

We have assessed the Framework as **Aligned** with the Green Bond Principles 2025, Social Bond Principles 2025 and Sustainability Bond Guidelines 2021.

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This Second Party Opinion provides our point-in-time independent opinion of the Framework as at the Evaluation Date above. Our assessments of Sustainability Contribution and Principles Alignment are based on our Assessment Framework for Use of Proceeds Instruments (also see Annex 1: Assessment Framework Overview). Our opinion also considers additional information that the Framework owner provided up to the Evaluation Date, as well as public and non-public information.

Classification: GENERAL

Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Significant** based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Green Buildings	 Neutral Moderate Significant Strong	10%
Renewable Energy	 Neutral Moderate Significant Strong	10%
Energy Efficiency	 Neutral Moderate Significant Strong	10%
Clean Transportation	 Neutral Moderate Significant Strong	10%
Pollution Prevention and Control	 Neutral Moderate Significant Strong	10%
Eco-Efficient Circular Economy, Adapted Products, Production Technologies and Processes	 Neutral Moderate Significant Strong	10%
Education and Vocational Training	 Neutral Moderate Significant Strong	10%
Access to Essential Services	 Neutral Moderate Significant Strong	10%
Affordable Housing	 Neutral Moderate Significant Strong	10%
Employment Generation and Protection: Micro-, Small and Medium-Size Enterprises (MSME) Financing	 Neutral Moderate Significant Strong	10%

Issuer Overview & Sustainability Strategy

Raiffeisen Bank International AG is a corporate, retail and investment bank headquartered in Vienna, Austria. It provides a broad range of services in corporate and investment banking. Established in 1987, the Bank employs around 43,000 employees and serves 18.1 million customers through a network of approximately 1,400 business outlets in Europe, as of the second quarter of 2025.¹

The Bank integrates environmental and social factors into its sustainability strategy and focuses on being: i) a responsible banker to reduce the environmental impact of its operations; ii) a fair partner to its employees and business partners; and iii) an engaged citizen of the communities where it operates.² Complementing RBI's overarching sustainability strategy, the climate and environmental business strategy focuses on helping clients manage their climate and environmental transition. The strategy consists of three pillars: i) aligning the Bank's portfolio with the goals of the Paris Agreement; ii) supporting customers on their journey towards climate and environmental transition; and iii) driving forward the transition to sustainable financing.³

To reduce emissions from its lending activities, RBI has committed to achieve net zero emissions by 2050, with an interim target to reduce financed GHG emissions in its lending portfolio by 26.6% by 2030 from a 2023 baseline. The Bank is developing a transition plan to achieve a 1.5°C-aligned non-financial corporations portfolio by 2030. RBI has also set country-level financed emissions targets and developed local transition execution plans for 2026 to 2029, which are currently under review. RBI intends to set sectoral emissions intensity targets as well as portfolio-level targets. Regarding the environmental impact of its own operations, the Bank has committed to reduce scope 1 and 2 emissions by 42% by 2030 compared with 2024.⁴

RBI has also established a cross-divisional Sustainability Committee, which provides strategic advice to the Management Board on ESG issues, recommends ESG KPIs, monitors alignment with the UNEP FI Principles for Responsible Banking and reviews RBI's ESG strategy. The operational management of these tasks is overseen by the cross-functional Responsible Banking Task Force, led by the Bank's ESG and Sustainability Management division.⁵

RBI publishes a sustainability report as part of an integrated annual report. The report includes information on the Bank's governance, sustainability strategy, ESG impacts, risks and opportunities, and environmental metrics and targets.

¹ RBI International, "About us", "RBI Factsheet", at: <https://www.rbinternational.com/en/raiffeisen/rbi-group/about-us.html>

² RBI International, "Annual Report 2024", at: <https://www.rbinternational.com/en/investors/results-reports/annual-reports.html>

³ Ibid.

⁴ Ibid.

⁵ Ibid.

Principles Alignment

We have assessed the Raiffeisen Bank International AG Sustainability Bond Framework as follows:

Green Bond Principles 2025 – **Aligned**

Social Bond Principles 2025 – **Aligned**

Sustainability Bond Guidelines 2021 – **Aligned**

RBI intends to issue green, social and sustainability bonds, including secured standard or collateral bonds, under the Framework.

For securitizations, RBI has confirmed that it may issue secured sustainable collateral and standard bonds, as defined by ICMA in the GBP and SBP. For secured sustainable collateral bonds, the collateral underlying the securitization will align with the eligibility criteria outlined in the Framework and full allocation will be achieved at the time of issuance. For secured sustainable standard bonds, the net proceeds of the offering will be exclusively applied to finance or refinance eligible projects. The Bank has further confirmed that there will be no double counting of eligible projects under a secured sustainable standard bond with any other type of outstanding green, social or sustainable labelled financing instruments.

Principles Alignment Detailed Evaluation

Use of Proceeds

Aligned

Alignment with core requirements

- × The Framework describes eligibility criteria appropriately.
- × The Framework identifies relevant target populations for social projects.
- × All expenditures are expected to provide clear environmental or social benefits.

Project Evaluation and Selection

Aligned

Alignment with core requirements

- × The Framework describes a governance process for the evaluation and selection of eligible projects.
- × The Framework communicates the environmental or social sustainability objectives of eligible projects.
- × The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

Additional considerations

- × RBI has committed to the following practices, which go beyond the core requirements:
 - × The Bank describes how eligible projects support its overarching sustainability objectives and strategy.

- × The Bank states that it intends to align projects under the Framework with the applicable EU Taxonomy technical screening criteria for substantial contribution.
- × The Bank indicates the SDGs to which it expects to contribute through eligible projects.
- × The Framework excludes investments related to activities associated with defence and weapons; nuclear energy; fossil fuel energy; mining; alcohol; tobacco; and gambling.

Management of Proceeds

Aligned*Alignment with core requirements*

- × The Framework describes a governance structure for the management of proceeds.
- × The Framework describes the processes and systems that will be used to track the proceeds.
- × The Framework describes the intended temporary placement for the balance of unallocated proceeds.

Additional considerations

- × The Bank will manage the proceeds from the financing using a portfolio approach.
- × RBI has committed to the following practices, which go beyond the core requirements:
 - × The Bank intends to allocate all proceeds to eligible projects within 36 months of issuance.
 - × Pending full allocation, the Bank will place temporary proceeds in its treasury and hold them in cash or cash equivalents, in line with the Framework's exclusionary criteria.
 - × The Bank will obtain a third-party verification report for its allocation of proceeds on an annual basis.

Reporting

Aligned*Alignment with core requirements*

- × RBI will provide an annual allocation and impact report until full allocation of proceeds and renew it in case of material changes until maturity.

Additional considerations

- × RBI has committed to the following practices, which go beyond the core requirements:
 - × The Bank will publish category-level allocation and impact information on its website.
 - × The Bank will report on the projects' qualitative and quantitative impact using relevant metrics.
 - × The Framework indicates at least one impact metric for each category.

Sustainability Contribution

RBI intends to use the proceeds from instruments issued under the Framework to finance and refinance loans expected to lead to environmental benefits globally and social benefits in the EU and Central and Eastern Europe (CEE), specifically Albania, Bosnia and Herzegovina, Kosovo, Serbia and Ukraine.

We have assessed the overall Sustainability Contribution of the Framework as **Significant** based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution



Sustainability Contribution per Use of Proceeds Category

Green Buildings



We have assessed the Sustainability Contribution of the Green Buildings category as **Significant**.

Residential and commercial buildings will meet strong energy performance standards or have globally recognized certifications. However, the Framework does not require buildings to be fossil fuel-free in their energy use, which poses a risk of a fossil fuel lock-in, especially relevant for new buildings. In conjunction with renovations, installation of energy efficiency equipment and renewable energy technologies, these expenditures are expected to strongly contribute to the decarbonization of the buildings sector.

Category Expenditures

Expenditure	Description
Construction or acquisition of green buildings	Residential or commercial buildings that: i) have achieved or are expected to achieve the following minimum certification levels: LEED Certified;⁶ BREEAM Excellent;⁷ DGNB/ÖGNI Gold;⁸ or EDGE Certified;⁹ ii) belong to the top 15% of low carbon buildings at the national level based on primary energy demand (PED); iii) have a minimum energy performance certificate rating of A where an assessment of the top 15% of low carbon building stock is not feasible; or iv) have PED that is at least 10% lower than the threshold set for the nearly zero-energy buildings¹⁰ requirements in the relevant jurisdiction.
Renovation of existing green	Refurbishment costs that result in at least a 30% reduction in net PED or carbon emissions compared to pre-renovation levels achieved within three

⁶ LEED, at: <https://www.usgbc.org/leed>

⁷ BREEAM, "What is BREEAM-NL", at: <https://www.breeam.nl/>

⁸ DGNB, "DGNB certification: a systematic approach to sustainability", at: <https://www.dgnb.de/en/index.php>

⁹ EDGE Basic buildings that achieve a minimum energy savings of 30%, EDGE, at: <https://edge.gbci.org/>

¹⁰ European Commission, "Energy performance of buildings directive", (2018), at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-performance-buildings/energy-performance-buildings-directive_en

buildings	years of issuance. × Renovations that comply with the applicable requirements for major renovations, as set in the applicable national and regional building regulations for major renovations implementing Directive 2010/31/EU.¹¹
Individual renovation measures	× Installation, maintenance and repair of the following equipment and technologies in buildings: × Charging stations for electric vehicles in buildings. × Electric or absorption heat pumps driven by solar- or geothermal-heated water that have global warming potential (GWP) below 675 and a refrigerant management system in place in accordance with Regulation (EU) 2024/573.¹² × Thermal or electric energy storage units. × High-efficiency micro combined heat and power plants powered by renewable energy. × Heat exchanger and recovery systems that are not intended for use in fossil fuel systems.
Additional details	
× The Framework excludes financing of buildings dedicated to the storage, transportation and exploration of fossil fuels.	

Analytical Commentary

Buildings operations accounted for 30% of global final energy consumption and 26% of energy-related GHG emissions in 2022.¹³ To reduce emissions from this sector, many countries are strengthening building energy codes and promoting energy-efficient systems and renewable technologies in the built environment. However, decarbonization in the sector must accelerate to achieve net zero emissions by 2050. As of 2020, only 5% of new buildings worldwide were zero-carbon-ready, while this share must increase to 100% by 2030 to keep pace with internationally agreed-upon climate goals.¹⁴ Investments in energy-efficient and zero-emission-ready buildings are critical to bridging this gap and decarbonizing the buildings sector.

The Framework's eligibility criteria for the construction and acquisition of residential and commercial buildings meet strong energy performance standards and would position the eligible buildings among the most energy-efficient in their region. However, the Framework does not require new buildings constructed after 2024 to be zero-emission-ready, leaving them exposed to the risk of a fossil fuel lock-in. In addition, the requirements for major renovations in the relevant jurisdiction under Directive 2010/31/EU vary across EU Member States and may not demonstrate a consistent level of energy efficiency improvement.

In conjunction with individual renovation measures, expenditures under this category are expected to strongly contribute to the decarbonization of the buildings sector.

¹¹ European Commission, "Energy performance of buildings", (2010), at: <https://eur-lex.europa.eu/eli/dir/2010/31/oj/eng>

¹² European Commission, "Fluorinated greenhouse gases", at: <https://eur-lex.europa.eu/eli/reg/2024/573/oj/eng>

¹³ IEA, "Tracking Buildings", (2023), at: <https://www.iea.org/energy-system/buildings>

¹⁴ IEA, "Technology and Innovation Pathways for Zero-carbon-ready Buildings by 2030", (2022), at: <https://www.iea.org/reports/technology-and-innovation-pathways-for-zero-carbon-ready-buildings-by-2030>

Renewable Energy



We have assessed the Sustainability Contribution of the Renewable Energy category as **Strong**. Investments in energy generation from renewable sources – including solar, wind, energy, hydropower, geothermal, hydropower, energy storage systems, as well as the production of green hydrogen, heat and cool from waste heat and district heating and cooling systems – are critical to achieving zero-emission energy systems. The use of animal manure in bioenergy facilities is considered an interim solution with short-term benefits. Taken together, the investments are expected to strongly contribute to the decarbonization of energy systems.

Category Expenditures

Expenditure	Description
Solar power generation	× Solar photovoltaic and concentrated solar power (CSP) facilities. × Fossil fuel back-up for CSP projects will be limited to 15%.
Wind power generation	× On shore wind power facilities.
Hydropower generation	× Hydropower plants will meet one of the following: i) run-of-river without an artificial reservoir or with low storage capacity; ii) power density greater than 5 W/m² or life cycle emissions intensity below 100 gCO₂e/kWh if the facility became operational before end of 2019; or iii) power density greater than 10 W/m² or life cycle emissions intensity below 50 gCO₂e/kWh, if the facility is operational after the end of 2019. × All new projects will undergo an environmental and social impact assessment by a credible body to ensure that there are no unresolved environmental or social impact or associated controversies.
Geothermal power generation	× Geothermal projects with a life cycle GHG emissions intensity below 100 gCO₂/kWh.
Energy generation from bioenergy	× Bioenergy facilities with life cycle carbon emissions below 100 gCO₂/kWh. × Eligible feedstock will include agricultural and forestry residues, sewage sludge, biowaste such as bio soils, and animal manure. Excludes waste biomass from non-RSPO-certified palm oil operations and industrial meat production. × Bio-waste feedstock will be segregated and collected separately, and the produced digestate will be used as fertilizer or soil improver and applied directly or after composting.
Production of green hydrogen	× Facilities producing green hydrogen through electrolysis, using electricity sourced from renewables.
Production of heat or cool using waste heat	× Production of heating and cooling using waste heat. × Excludes carbon-intensive heavy industries, such as steel, cement and refining.

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|---|--|
| District heating and cooling distribution | <ul style="list-style-type: none"> × Construction, operation, maintenance or refurbishment of pipelines and associated infrastructure for district heating and cooling distribution primarily through renewables, waste heat or a combination of both. × Eligible projects will include: i) modification to lower district temperature; and ii) energy management systems, such as energy control systems; internet of things, such as smart sensors for monitoring temperature, flow and pressure in real time; and control devices for optimizing energy distribution and reducing losses. |
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Additional details

- × All investments under this category are related to development, manufacturing, construction, installation, operation, distribution, maintenance and production of equipment, components and related spare parts of the above renewable energy projects.
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Analytical Commentary

Investments in low carbon energy are critical for the global energy transition, as electricity and heat generation were responsible for approximately 44% of global CO₂ emissions from fuel combustion in 2022.¹⁵ Meanwhile, unabated fossil fuels continue to account for more than 60% of global electricity generation. To limit global temperature rise at 1.5°C, the share of renewable energy generation must increase to 90% by 2050, while the share of unabated fossil fuels needs to decrease to below 30% by 2030.^{16,17}

Investments in solar, wind, geothermal, hydropower and bioenergy projects that have life cycle GHG emissions intensities below the technology-agnostic threshold of 100 gCO₂e/kWh are aligned with limiting global temperature rise at 2°C.^{18,19} In addition, electricity storage systems, such as battery energy storage systems, support the integration of intermittent renewable energy, while heating and cooling production from waste heat and district heating systems provide a low carbon source of heat.

The feedstock for bioenergy facilities may include animal manure from livestock farming. Livestock farming has a significant carbon and water footprint. Nonetheless, the use of residue from such operations can support GHG emissions mitigation in the short-term.²⁰

Collectively, investments in this category are expected to strongly contribute to the decarbonization of the energy sector.

¹⁵ IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2024), at: <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

¹⁶ IEA, "Electricity - Tracking", (2023), at: <https://www.iea.org/energy-system/electricity>

¹⁷ IEA, "Net Zero by 2050", (2021), at: <https://www.iea.org/reports/net-zero-by-2050>

¹⁸ EU Technical Expert Group on Sustainable Finance, "Taxonomy Report Technical Annex", (2020), at: https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

¹⁹ IEA, "Integrating Solar and Wind", (2024), at: <http://iea.org/reports/integrating-solar-and-wind>

²⁰ IEA, "IEA Bioenergy", at: https://www.ieabioenergy.com/wp-content/uploads/2021/07/Potential-utilization_WEB_END_NEW.pdf

Energy Efficiency



Significant


We have assessed the Sustainability Contribution of the Energy Efficiency category as **Significant**. Investments in technologies dedicated to increasing energy efficiency, highly efficient data centres, and transmission and distribution infrastructure dedicated to renewables are critical to reducing emissions. However, the extent of efficiency gains for projects related to improvements in industrial processes may vary based on the initial performance. Together, these investments are expected to significantly contribute to advancing energy efficiency and accelerating the transition to a low carbon economy.

Category Expenditures

Expenditure	Description
Improvement of energy efficiency in industrial production processes	× Upgrade and replacement of equipment and systems in industrial production processes with more energy-efficient alternatives. × Eligible projects must achieve at least a 30% reduction in energy consumption relative to initial consumption or adopt the best available technology in the market. × Excludes financing of fossil fuel-powered equipment and improvements in carbon-intensive industries.
Manufacture and installation of energy efficient equipment in buildings	× Manufacture, installation, maintenance and repair of equipment dedicated to improving the energy efficiency of buildings, including: i) high efficiency windows, doors and wall systems with low U-values; ii) roofs, lofts, basements and ground floors, including measures to ensure air-tightness; iii) insulating products; iv) space heating and domestic hot water systems; v) LEDs, smart lighting solutions and daylight controls; vi) electric heat pumps or absorption heat pumps driven by solar- or geothermal-heated water; vii) façade and roofing elements with a solar shading or solar control function; viii) building automation and control systems; ix) building energy management systems; x) zoned thermostats and sensor equipment; xi) products for heat metering and thermostatic controls; xii) district heating exchangers and substations; and xiii) products for smart monitoring and heating systems and sensor equipment. × Excludes smart gas meters and equipment that runs on fossil fuels. × Eligible heat pumps will use refrigerants with GWP below 675 and have an appropriate refrigerant management system for leakage prevention and end-of-life handling.
Manufacture of batteries and installation of energy storage	× Manufacture of batteries and installation of storage facilities directly connected to renewable energy sources. × Storage systems are discussed under the Renewable Energy category.
Investments in smart grid technologies for	× Smart grid technologies²¹ to improve the energy efficiency of transmission and distribution (T&D) infrastructure. × Includes smart control mechanisms; interfaces; monitoring systems; smart

²¹ Smart grid technologies are defined in accordance with the IEA definition. IEA, "Smart grids", at: <https://www.iea.org/energy-system/electricity/smart-grids>

electric transmission grids	grid components, such as interconnectors, transformers and advanced metering; and related infrastructure to support smart grids. × Excludes improvements in infrastructure dedicated to fossil fuel plants.
Construction of electricity grids dedicated to renewables	× Construction, renovation and refurbishment of electricity grids dedicated to connecting renewables to the power grid. × Excludes infrastructure dedicated to fossil fuel plants.
Construction of fibre optic networks	× Renovation and refurbishment of fibre optic networks.
Construction of data centres	× Construction, renovation and refurbishment of data centres or equipment for data centres with annualized power usage effectiveness (PUE) below 1.5.

Analytical Commentary

Global energy efficiency improved by only 1% between 2023 and 2024. Accelerating energy efficiency improvements across various sectors can reduce CO₂ emissions by more than one-third by 2030 compared to 2024 and significantly contribute to achieving net zero emissions (NZE) by 2050. The NZE scenario requires an average annual improvement of 4% in global energy intensity until 2030, which could result in avoiding 10 gigatonnes of CO₂ emissions each year.²² Achieving the NZE scenario will also require 120 GW of additional energy storage capacity annually by 2030 and 80 million kilometres of new or upgraded grids by 2040.^{23,24} Meanwhile, electricity demand from data centres, which accounted for 240-340 TWh in 2022, or 1-1.3% of the global electricity use, is expected to more than double to 945 TWh by 2030.^{25,26} The widespread adoption of energy-efficient technologies, including smart grids, advanced building systems and industrial equipment, is therefore essential to improving operational energy efficiency across sectors.

The Bank may also finance the replacement of equipment and technologies in industrial production processes with the best available alternatives or solutions that can reduce energy consumption by at least 30% below a pre-retrofit baseline. The broad range of intended equipment type and industrial processes, as well as the lack of reference to external industry standards or market-wide benchmarks for best available technology, implies varying degrees of ambition and contribution to improvements in energy efficiency. While some projects may result in substantial energy savings, others may realize modest improvements, depending on initial performance. Expenditures related to technologies and equipment dedicated to improving the energy efficiency of buildings can lead to lower energy consumption in buildings.

Investments in the construction and renovation of T&D infrastructure dedicated to renewable energy facilitate the integration of renewables into electricity grids. In addition, smart grid

²² IEA, "Energy Efficiency", (2024), at: <https://iea.blob.core.windows.net/assets/f304f2ba-e9a2-4e6d-b529-fb67cd13f646/EnergyEfficiency2024.pdf>

²³ IEA, "Grid-scale Storage", at: <https://www.iea.org/energy-system/electricity/grid-scale-storage>

²⁴ IEA, "Electricity Grids and Secure Energy Transitions", (2023), at: <https://iea.blob.core.windows.net/assets/ea2ff609-8180-4312-8de9-494bcf21696d/ElectricityGridsandSecureEnergyTransitions.pdf>

²⁵ This excludes energy used for cryptocurrency mining, which was 110 terawatt hours in 2022.

IEA, "Data Centres and Data Transmission Networks", (2023), at: <https://www.iea.org/energy-system/buildings/data-centres-and-data-transmission-networks>

²⁶ IEA, "AI is set to drive surging electricity demand from data centres while offering the potential to transform how the energy sector works", (2025), at: <https://www.iea.org/news/ai-is-set-to-drive-surging-electricity-demand-from-data-centres-while-offering-the-potential-to-transform-how-the-energy-sector-works>

technologies designed to reduce energy consumption, excluding applications to direct connections to fossil fuel power plants, can increase energy efficiency and reduce network losses in T&D systems. Eligible expenditures will also include the installation of fibre optic networks to replace copper-based broadband, which is expected to significantly contribute to reducing the energy intensity of data transmission and decrease GHG emissions associated with energy demand for network cooling and maintenance.^{27,28} Additionally, investments may be directed towards energy-efficient data centres with a PUE below 1.5, which is a key measure of a data centre's energy efficiency.

Collectively, investments under this category will strongly contribute to advancing energy efficiency and accelerating the transition to a low carbon economy.

Clean Transportation



We have assessed the Sustainability Contribution of the Clean Transportation category as **Strong**. Investments in zero-emission passenger and freight vehicles, personal mobility devices and associated infrastructure are critical to reducing emissions from the transportation sector. Investments in low carbon vehicles meet credible performance standards, though they still rely on fossil fuels. In this context, zero-emission alternatives are a more effective solution in reducing transportation-related emissions.

Category Expenditures

Expenditure	Description
Road transportation vehicles	- Zero-direct-emission vehicles. - Personal mobility devices, such as bicycles. - Passenger and light commercial vehicles with emissions intensity at or below 50 gCO₂/km until December 2025 and 0 gCO₂/km from January 2026 onwards. - Freight transportation vehicles, including trucks, with emissions intensity at or below 25 gCO₂/km. - Excludes vehicles dedicated to the transportation of fossil fuels.
Infrastructure for road transportation and personal mobility and essential components for clean transportation	- Pavements, bike lanes and pedestrian zones. - Electrical charging and hydrogen refuelling stations, including electricity grid connection upgrades. - Manufacture of batteries.
Low carbon rail transportation	- Passenger trains with emissions intensity at or below 50 gCO₂e/pkm or 80.47 gCO₂/pmi. - Freight trains and coaches with emissions intensity at or below 25

²⁷ German Broadband Association BREKO indicates that copper-based broadband networks consume up to seventeen times more electricity than full-fibre networks. BREKO, "Expert opinion confirms - real fibre optic networks consume significantly less electricity than conventional copper networks", (2020), at: <https://brekoverband.de/en/2020/05/28/breko-press-release-expert-opinion-confirms-real-fiber-optic-networks-consume-significantly-less-electricity-than-conventional-copper-networks/>

²⁸ World Broadband Association, "Fixed Networks Energy Efficiency Toolkit", at: https://worldbroadbandassociation.com/wp-content/uploads/2024/07/WBBA_WG3_Fixed-Networks-Energy-Efficiency-Toolkit.pdf

	gCO ₂ /tkm or 40.23 gCO ₂ /tmi.
	× Manufacture of unpowered wagons. × Financing of vehicles dedicated to the transportation of fossil fuels is excluded.
Infrastructure for rail transportation	× Signalling systems for metro, tram and rail systems. × Railways and subways, bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems. Includes the provision of architectural services, engineering services, drafting services, building inspection services, and surveying and mapping services, as well as physical, chemical and other analytical testing of performance for all types of materials and products.
Low carbon airport infrastructure	× Infrastructure dedicated to the: i) operation of aircraft with zero tailpipe CO₂ emissions (electricity charging and hydrogen refuelling); ii) zero direct emissions performance of the airports' own operations (electric charging points, electricity grid connection upgrades, hydrogen refuelling stations); and iii) provision of fixed electrical ground power and preconditioned air to stationary aircraft that run on electricity generated from green hydrogen.

Analytical Commentary

The global transportation sector accounted for 37% of CO₂ emissions from end-use sectors in 2022 and relied on oil products for nearly 91% of its final energy use.^{29,30} Road transportation was the largest contributor, generating 73% of global transportation emissions in 2022, followed by aviation, shipping and rail. To achieve climate neutrality by 2050, transportation emissions must decline by 25% by 2030, which will require scaling up the electrification of vehicles and the use of low-emission fuels.

With transportation volumes projected to double by 2050, investments in zero-emission road and rail transportation, personal mobility devices and associated infrastructure and components are critical to decarbonizing the sector.³¹ Investments in hybrid vehicles or vehicles that are low carbon in line with the eligibility criteria may still rely on fossil fuels. As such, zero-emission alternatives are a more effective solution in reducing transportation-related emissions. Also, eligible investments in low carbon transportation systems will use the Worldwide Harmonized Light Vehicles Test Procedure to identify assets, which replicates realistic driving conditions and yields more accurate emissions results compared to other procedures. Collectively, investments in this category are expected to strongly contribute to the decarbonization of the sector.

Pollution Prevention and Control



We have assessed the Sustainability Contribution of the Pollution Prevention and Control category as **Strong**. RBI may finance the separate collection, transportation and recycling of non-hazardous waste, supported by appropriate environmental and social risk management systems. Investments

²⁹ UN Environment Programme Finance Initiative, "Climate Risks in the Transportation Sector", (2024), at: <https://www.unepfi.org/wordpress/wp-content/uploads/2024/05/Climate-Risks-in-the-Transportation-Sector-1.pdf>

³⁰ IEA, "Transport", (2023), at: <https://www.iea.org/energy-system/transport>

³¹ World Economic Forum, "7 Reasons Why Global Transport is so Hard to Decarbonize", 2021, at: <https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise/>



will also be directed toward landfill gas recovery, which is an interim measure due to the continued reliance on landfills but is expected to substantially reduce emissions from waste handling. Collectively, these investments are expected to strongly contribute to the improvement of waste management practices and the reduction of greenhouse gas emissions.

Category Expenditures

Expenditure	Description
Recycling of non-hazardous waste	× Construction, operation, maintenance and upgrade of recycling facilities that convert input into original materials or facilities for the sorting or processing of separately collected non-hazardous waste streams into secondary raw materials. Waste types will include metal, plastic and paper. × A robust waste management plan will accompany the recycling of electronic waste to mitigate associated risks. × Recycling of plastic will be mechanical and not be intended for single use.
Collection and transportation of non-hazardous waste	× Separate collection and transportation of non-hazardous waste for reuse or recycling. × Includes the acquisition of zero-direct-emission or hybrid vehicles.
Capture of landfill gas	× Landfill gas recovery facilities that: i) have at least 75% gas capture efficiency; ii) operate on landfills closed or decommissioned since 2020; and iii) are equipped with controls and monitoring systems to manage methane emissions and leakages from landfill gas capture. × Excludes gas capture for flaring.

Analytical Commentary

In 2020, 2.1 billion tonnes of municipal solid waste were generated globally, with the amount projected to rise by 56%, reaching 3.8 billion tonnes by 2050, driven by population and economic growth. Of the total waste generated, 19% was directed to recycling centres, 30% was sent to landfills and 13% was processed in waste-to-energy facilities, while the remaining portion was either dumped or openly burned.³²

Recycling rates vary greatly between countries and by material. For example, an estimated 73% of worldwide paper products are recycled annually,³³ whereas only 9% of the global plastic waste generated to date has been recycled.³⁴ Improving waste management practices has the potential to reduce global GHG emissions by 15-25%, highlighting the importance of recycling measures.³⁵ Additionally, landfills generated an estimated 44 million tonnes of methane in 2020.³⁶ Landfill gas-to-energy projects have the potential to curb these methane emissions depending on system design and operational effectiveness.³⁷ In this context, recycling and waste reduction efforts and

³² United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: <https://wedocs.unep.org/handle/20.500.11822/44939>

³³ United Nations Economic Commission for Europe (UNECE) and Food and Agriculture Organization (FAO), "UNECE/FAO Data Brief 2023 Pulp, paper and paperboard", (2023), at: https://unece.org/sites/default/files/2023-11/2023-data-brief-pap-final-web_1.pdf

³⁴ United Nations Environment Programme, "Plastic Recycling: An Underperforming Sector Ripe for a Remake", (2019), at: <https://www.unep.org/news-and-stories/story/plastic-recycling-underperforming-sector-ripe-remake>

³⁵ United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: <https://wedocs.unep.org/handle/20.500.11822/44939>

³⁶ Nickolas J. T., "How much methane is generated by the global landfilling of urban wastes?", International Solid Waste Association, at: <https://waste-management-world.com/resource-use/how-much-methane-is-generated-by-the-global-landfilling-of-urban-wastes/>

³⁷ United States Environmental Protection Agency, "Benefits of Landfill Gas Energy Projects", at: <https://www.epa.gov/lmop/benefits-landfill-gas-energy-projects>

landfill gas capture can play a key role in reducing emissions from waste generation.

Expenditures in material recovery, recycling, collection and transportation of waste, including the procurement of zero-emission or hybrid waste collection vehicles, can help reduce the disposal of waste in landfills, enhance waste management practices and reduce dependence on virgin raw materials. Robust waste management systems will accompany the recycling of e-waste to prevent the leakage of toxic substances into the environment and to mitigate health hazards. Mechanical recycling facilities will exclude the recycling or production of single-use products.

In addition, the Framework allows for financing of gas capture from decommissioned landfills, where gas is captured with at least 75% efficiency and systems are in place to control methane emissions and prevent leakages from gas collection. While such facilities can reduce methane emissions in the short term and enable the use of captured gas for energy production, reducing reliance on landfills remains critical.

Overall, investments under this category are expected to strongly improve waste management practices and contribute to GHG emissions reduction.

Circular Economy

Significant



We have assessed the Sustainability Contribution of the Circular Economy category as **Strong**. Investments in projects to extend product life cycle, integration of modular design and take-back schemes that facilitate disassembly, repair, reuse and refurbishment help reduce waste and reliance on virgin raw materials. Meanwhile, reverse vending machines (RVMs) facilitate proper collection of recyclable waste streams, but they may still accept single-use plastic packaging, which should be phased out in favour of alternative materials. In conjunction with using certified materials and recycled or low carbon inputs for manufacturing, these expenditures are expected to strongly contribute to reducing resource consumption and mitigating GHG emissions.

Category Expenditures

Expenditure	Description
Product reuse, repair and refurbishment	× Projects that extend the product life cycle, including reuse, repair, regeneration or refurbishment. This includes take-back schemes and reverse logistics. × The materials and components collected will be reused where feasible. Otherwise they will be recycled. If recycling or reuse are not viable, they will be disposed of as per national legislation. × Integration of modular design to facilitate reuse, repair or refurbishment. × Production or installation of RVMs.
Manufacture of bio-based products	× Products that have all inputs certified to Roundtable on Sustainable Materials (RSB). × Includes production of bio-based sorbents, waste sanitation products and bio-fertilizers from vines or fish waste.
Manufacture of aluminium-based	× Products that have at least 90% of scrap or recycled inputs or products that have at least 75% of scrap or recycled inputs and the remaining (primary)

consumer and end products	aluminium will have a carbon intensity below 2.5 tCO ₂ e/tonne of aluminium.
	× Includes production of beverage cans, furniture and fixtures, building materials and automotive components.

Analytical Commentary

The majority of materials that enter the economy is sourced from virgin inputs, with secondary inputs (recycled, recovered or reused) representing 7.2% in 2023.³⁸ This leads to a significant amount of emissions, as the extraction and processing of virgin raw materials account for about 55% global GHG emissions and more than 90% of total biodiversity loss and water stress. As urbanization and industrialization accelerate, resource use is expected to increase by 60% from 2020 levels by 2060, which would result in a corresponding increase in environmental impact.³⁹

In this context, projects that enable reuse, repair, refurbishment and the use of recycled or sustainable materials as inputs will reduce waste and reliance on natural resources and contribute to a circular economy, thereby reducing emissions and other environmental impacts. The integration of modular design makes products easier to disassemble, repair or upgrade, extending a product's life and end-of-life management. Similarly, take-back schemes and reverse logistics promote the proper collection of products and materials at the end of their initial use phase. The production and installation of RVMs provide the infrastructure for end consumers to return used products and packaging. However, while such RVMs promote recycling and reuse, they may accept single-use plastic packaging, which, in order to achieve long-term sustainability goals, will need to be phased out in favour of alternative materials that can be reused or recycled without quality loss and managed appropriately.

Products made with certified sustainable materials – such as those certified to RSB – as well as products containing a high proportion of recycled materials, scrap inputs or low carbon primary materials that have emissions intensities aligned with decarbonization pathways, reduce resource consumption and help mitigate GHG emissions. Collectively, these expenditures are expected to strongly contribute to better waste management and a circular economy.

³⁸ Circle Economy Foundation, "The Circularity Gap Report 2024", (2024), at: <https://admin.circl.nl/wp-content/uploads/2024/02/CGR-Global-2024-Report.pdf>

³⁹ UNEP, "Global Resources Outlook 2024", (2024), at: <https://www.unep.org/resources/Global-Resource-Outlook-2024>

Education and Vocational Training



Significant

We have assessed the Sustainability Contribution of the Education and Vocational Training category as **Significant**. The financed educational and childcare facilities and equipment will be accessible to the general population free of cost or at subsidized rates across the EU and CEE. Although these investments do not target underserved areas or groups facing substantial unmet needs, they are nonetheless expected to significantly enhance equitable access to education and early childhood development in the target countries.

Category Expenditures

Expenditure	Description
Construction of educational and childcare facilities	× Construction and upgrade of educational and childcare facilities and equipment intended for the general population, including: i) schools; ii) kindergartens; and iii) vocational training centres. × Financing is limited to publicly owned or subsidized and private not-for-profit institutions. × Eligible facilities will be accessible to all free of cost or at subsidized rates through government funding and social programmes. × Financing under this category will be limited to the EU and target countries in the CEE.

Analytical Commentary

The majority (70%) of children in low- and middle-income countries face learning poverty, lacking the ability to read and comprehend a simple text by the age of 10.⁴⁰ Although European countries generally have well-resourced education systems and near-universal school enrolment, disparities between students still exist. Underachievement in education is particularly pronounced in rural and less-developed regions of Eastern and Southern Europe, where schools often face teacher shortages and limited access to learning materials and digital tools.⁴¹ In the EU specifically, students from disadvantaged backgrounds face the greatest barriers and are almost six times more likely to fall behind in their learning compared to their more advantaged peers. This gap is further exacerbated by lower participation rate in pre-school education among children from low-income families.⁴²

Expenditures under this category do not target underserved areas with recognized gaps in access to educational infrastructure or disadvantaged population groups that have the highest unmet need.⁴³ In terms of affordability, RBI will finance publicly subsidized and private not-for-profit educational and childcare facilities that provide services free of cost or at reduced cost, often supported by government funding programmes, ensuring equitable access for all segments of the population. Nonetheless, these expenditures are expected to make a significant contribution to expanding access to education and early childhood development in the target countries.

⁴⁰ UNICEF, "70 per cent of 10-year-olds in 'learning poverty', unable to read and understand a simple text", (2022), at: <https://www.unicef.org/press-releases/70-cent-10-year-olds-learning-poverty-unable-read-and-understand-simple-text>

⁴¹ European Parliament, "Regional inequalities in the EU", at: https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282019%29637951

⁴² Eurostat, "SDG 4 - Quality education", at: <https://ec.europa.eu/eurostat/statistics-explained/index.php?oldid=676804>

⁴³ UNDP, "Human Development Index," at: <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

Access to Essential Services

Significant



We have assessed the Sustainability Contribution of the Access to Essential Services category as **Significant**. RBI intends to finance essential services, including healthcare, medical equipment and supplies, as well as infrastructure related to telecommunications, electricity, water and public transportation, which will be available for all, regardless of the ability to pay. While financing for medicines will be limited to companies primarily focused on the production of generic medication, which is typically more affordable, this may not be the case for financed medicines, thereby limiting affordability for the low-income and vulnerable population. Additionally, investments will be directed to the EU and the CEE, where the degree of unmet needs is limited. Nonetheless, the Bank's targeting of underserved groups in these regions, together with other investments, are expected to significantly contribute to enhancing access to such services in the target countries.

Category Expenditures

Expenditure	Description
Provision of healthcare facilities and services	× Construction, renovation, expansion or maintenance of publicly owned or private not-for-profit health care facilities, including: × Hospitals, diagnostic and other laboratory services. × Rehabilitation centers for people in need of rehabilitation, such as: i) individuals recovering from physical injuries, surgeries or chronic conditions; ii) people with disabilities requiring physical, occupational or neurological therapy; iii) elderly individuals in need of mobility restoration or post-acute care; iv) people with musculoskeletal or neurological disorders; and v) vulnerable groups facing barriers to healthcare access, such as low-income individuals, migrants or socially excluded populations. × Assisted living facilities for: i) people with disabilities; ii) elderly individuals; iii) individuals with reduced mobility; and iv) vulnerable groups, such as low-income or socially isolated individuals without family support. × Elder-care homes for individuals over 60 years of age, as defined by the United Nations. × Provision of rescue and medical emergency services, including emergency helicopters and medical vehicle services. × Healthcare investments will be limited to target countries listed in the Framework. × All facilities and services will be available for public use and provided free of cost or at subsidized rates, ensuring accessibility for all, regardless of the ability to pay.
Production and distribution of essential medicines and medical supplies	× Production and distribution of essential medication and medical supplies in relation to Covid-19 and/or similar public health emergencies or diseases that are considered infectious, rare or particularly common among a vulnerable group, such as children, women and the elderly.

	× Essential medicines refer to pharmaceutical products that the World Health Organization or national health authorities identify as critical for addressing the priority healthcare needs of a population. × Financing is limited to manufacturers of essential medicines that generate at least 90% of their revenue from affordable generic medication. × Production and distribution of medical equipment and medical supplies will only be financed when accessibility regardless of the ability to pay is guaranteed.
Regional development and/or provision of basic infrastructure in underserved or underdeveloped regions.	× Development of basic infrastructure in underserved, underdeveloped and rural regions in the target countries, including: × Telecommunications infrastructure. × Electricity-related infrastructure. × Sanitation and clean drinking water infrastructure. × Public transportation and related infrastructure. × Underserved, underdeveloped and rural regions are identified based on the latest available data for NUTS2 regions, where: i) the GDP per inhabitant is lower than the country's GDP per inhabitant; and ii) the GDP per inhabitant is less than 75% of the EU average GDP per inhabitant. × Within these regions, financing will be limited to areas where infrastructure is currently not present or is considered to be inadequate based on RBI's internal process to assess adequacy on a case-by-case basis. × Financing of firefighting and rescue equipment will not be limited to underserved, underdeveloped and rural regions.
Additional details	
	× Financing under this category will be limited to the EU and target countries in the CEE.

Analytical Commentary

Although many European countries have well-established public healthcare systems and basic infrastructure, investments are needed to improve their accessibility and quality.^{44,45} In 2023, life expectancy in several countries, especially in Eastern and Southern Europe, remained below the EU average, highlighting ongoing challenges in healthcare systems. Regional disparities in access to healthcare persist due to low physician density, an ageing workforce and uneven distribution of specialist services.⁴⁶ Socio-economic health inequalities are also a significant concern, with adults from low-income groups consistently reporting poorer health compared to those in higher-income brackets.⁴⁷

Regarding access to basic infrastructure, many countries within Europe have made significant progress in ensuring access to infrastructure such as telecommunications, electricity, sanitation

⁴⁴ WHO, "UHC Service Coverage Index," at: <https://www.who.int/data/gho/data/indicators/indicator-details/GHO/uhc-index-of-service-coverage>

⁴⁵ European Central Bank, at: https://www.europarl.europa.eu/doceo/document/A-9-2022-0210_EN.html?utm

⁴⁶ OECD, "State of Health in the EU" (2024), at: <https://www.oecd.org/health/health-at-a-glance-europe>

⁴⁷ Ibid.

and public transport.⁴⁸ However, disparities persist in rural and less-developed regions of Eastern and Southern Europe, which may hinder the social inclusion and limit opportunities for residents.⁴⁹

Eligible healthcare expenditures will be financed in countries in the EU and CEE, which are generally considered to have adequate access to healthcare and where the barriers to access are lower than those for underserved regions or populations with substantially unmet needs.⁵⁰ Nonetheless, the expenditures are expected to significantly contribute to increasing access to healthcare for those with unmet needs, as financing will be directed toward public or subsidized healthcare facilities that are accessible to all, regardless of the ability to pay.

Similarly, expenditures related to essential medicines, medical equipment and supplies for health emergencies and diseases will be directed toward countries that are generally considered to have adequate access to these services, as described above. While these investments contribute to improving access to medicines and medical supplies, the lack of prioritization of underserved regions or diseases with a demonstrable lack of access to treatment, especially for R&D expenditures, limits the potential impact. In addition, the Framework's definitions of "health emergencies" and "diseases" are relatively broad. Regarding affordability, RBI includes mechanisms to ensure equitable access to medical equipment and medical supplies. Although financing will be limited to manufacturers that generate at least 90% of their revenue from generic medication, it does not guarantee affordability of medicines that may be financed under the Framework.

In addition to the eligibility criteria for underserved or underdeveloped regions, RBI will conduct an additional assessment within each target country to identify underserved regions to ensure that investments are in regions that have no or inadequate access to the intended infrastructure. However, the absence of clear thresholds for "inadequate" access, especially in the context of the EU and CEE, means the degree to which unmet needs may be addressed is uncertain. Nonetheless, the targeting of relatively less well-served areas in the EU and CEE are expected to improve access to basic infrastructure for the target population.

Overall, expenditures in this category are expected to significantly contribute to the accessibility of essential services in Europe.

Affordable Housing



We have assessed the Sustainability Contribution of the Affordable Housing category as **Significant**. RBI intends to finance the construction, renovation and maintenance of social and affordable rental housing⁵¹ across the EU and CEE region in accordance with national programs or government definitions of low income individuals. In their absence, the Bank will target households with total income below 80% of the national median income. While the housing units may not be allocated exclusively to the low-income or vulnerable population, the rents will be calculated according to the tenant's ability to pay, helping ensure affordability for the target

⁴⁸ European Parliament "Report on economic, social and territorial cohesion in the EU: the 8th Cohesion Report" at: https://www.europarl.europa.eu/doceo/document/A-9-2022-0210_EN.html?utm

⁴⁹ Publications Office of the European Union, at: <https://op.europa.eu/en/publication-detail/-/publication/231f48f7-713c-11e9-9f05-01aa75ed71a1/language-en>

⁵⁰ WHO, "UHC Service Coverage Index," (2024), at: <https://data.who.int/indicators/i/3805B1E/9A706FD>

⁵¹ The Framework defines social and affordable housing as below market rents charged in accordance with the relevant regulated rent standards and the regulated consumer standards of housing service.

population. These investments are expected to significantly improve access to social and affordable housing in the target countries.

Category Expenditures

Expenditure	Description
Construction, renovation and maintenance of social and affordable housing	× Provision of financing to co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises for the construction, renovation and maintenance of social and affordable rental housing. × The target population will be selected in accordance with national affordable housing programmes or the low-income population will be selected in accordance with target countries' definitions. Where such programmes or definitions are absent, housing will be offered to individuals or families with incomes below 80% of the national median income. × Housing units will be rented at below market rates following national regulated rent standards and consumer protection laws. Rents will also be adjusted based on the socio-economic status of eligible tenants, including income thresholds, housing size and regional cost-of-living indicators. × Eligible housing schemes will be comparable to or exceed other schemes in terms of affordability offered nationally. × Financing under this category will be limited to the EU and target countries in the CEE.

Analytical Commentary

Between 2010 and the end of 2024, rents in the EU rose by 26.7%, while home prices surged by 55.4%.⁵² These increases have left 10% of people spending more than 40% of their income on housing.⁵³ This growing unaffordability contributes to homelessness, housing insecurity and financial strain.^{54,55} Despite the rising numbers of vulnerable people, the share of social housing in the EU's total supply has declined since 2010, accounting for only 8% in EU Member States.^{56,57} Underlying causes include a shortage of affordable and social housing providers, limited access to capital for these providers and soaring costs driven by regulatory barriers.⁵⁸ To meet the rising demand and ensure affordability, it is estimated that the EU would need to increase social housing to at least 15% of total housing stock by 2030.⁵⁹ Achieving this would require an estimated EUR 57 billion in public investment per year to close the gap.⁶⁰ In this context, expanding investments in affordable housing is therefore essential to easing the housing cost burden.

While RBI may finance affordable housing schemes that adhere to local government housing programmes, national definitions of low-income thresholds or broader vulnerability factors, these

⁵² Eurostat, "Housing price statistics - house price index", (2025), at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_price_statistics_-_house_price_index#Long_term_trends_in_house_prices_and_rents

⁵³ European Investment Bank, "Why is there a housing crisis and how do we fix it?", (2025), at: <https://www.eib.org/en/essays/housing-crisis-solutions-europe>

⁵⁴ Ibid.

⁵⁵ European investment Bank, "Why is there a housing crisis and how do we fix it?", (2025), at: <https://www.eib.org/en/essays/housing-crisis-solutions-europe>

⁵⁶ Ibid.

⁵⁷ OECD, "Social Rental Housing Stock", at: <https://www.oecd.org/content/dam/oecd/en/data/datasets/affordable-housing-database/ph4-2-social-rental-housing-stock.pdf>

⁵⁸ European Investment Bank, "Innovation Integration and Simplification in Europe – Social inclusion as a path to well-being and competitiveness", (2024), at: https://www.eib.org/files/documents/lucalli/20240354_investment_report_2024_chapter4_en.pdf

⁵⁹ European Youth Forum, "More than a roof The European Youth Forum's position on housing", at: <https://www.youthforum.org/files/250414-PP-Housing-A5.pdf>

⁶⁰ Ibid.

may not always prioritize vulnerable households with the lowest incomes. Targeting vulnerable households would yield a higher social impact, as they face the greatest unmet housing needs due to access barriers. Regarding affordability, the units will have below-market rents, further adjusted to reflect tenants' socio-economic status. In addition, RBI will ensure that eligible schemes are at least comparable to local housing schemes in terms of affordability.

Overall, these investments are expected to significantly contribute to improving access to social and affordable housing in Europe for those whose housing needs are unmet by the existing market.

Employment Generation and Protection: Micro-, Small and Medium-Size Enterprises (MSME) Financing



Significant

We have assessed the Sustainability Contribution of the Employment Generation and Protection category as **Significant**. RBI intends to finance loans with financial advantages to MSMEs in the EU and CEE. Loans provided to MSMEs based on their presence in underserved regions and ownership by disadvantaged or vulnerable populations are expected to enhance access to finance for such MSMEs. However, financing to MSMEs owned by veterans may have a limited positive impact without further targeting. Additionally, while the Bank will incorporate several affordability mechanisms in the financed loans, the degree of affordability ensured by these measures remains somewhat unclear. Overall, loans extended under this category are expected to significantly improve access to finance for MSMEs in target countries.

Category Expenditures

Expenditure	Description
MSME financing	× Provision of loans to MSMEs, as defined by the European Commission,⁶¹ that meet one of the following eligibility criteria: × Located in underserved, underdeveloped and rural regions are identified based on the latest available data for NUTS2 regions, where: i) the GDP per inhabitant is lower than the country's GDP per inhabitant; and ii) the GDP per inhabitant is less than 75% of the EU average GDP per inhabitant. × Majority owned (at least 50%) by women. × Majority owned (at least 50%) by young people (younger than 35 years). × Self-employed individuals or micro enterprises with fewer than 10 employees. × Majority owned (at least 50%) by veterans and/or people with disabilities. × Affordability mechanisms include public guarantees, interest rate subsidies and simplified access to sustainable finance tools. × Excludes MSMEs in accordance with the exclusion list in the Framework. × Responsible lending practices will be implemented in accordance with the Bank's Code of Conduct.⁶²

⁶¹ European Commission, "SME Definition," at: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

⁶² RBI, "Code of Conduct," at: <https://www.rbinternational.com/en/raiffeisen/sustainability-esg/responsible-banking/code-of-conduct.html>

Additional detail

× Financing under this category will be limited to the EU and target countries in the CEE.

Analytical Commentary

MSMEs are an important driver of employment generation across Europe. In 2024, MSMEs accounted for 99.8% of all enterprises in the non-financial business sector, employing 89.8 million people, representing 65% of total employment.⁶³ While there are large disparities in financing conditions across the region, MSMEs in Europe continue to face difficulties accessing finance. In 2024, one in four SMEs in the Euro area reported significant financing challenges, with as many as half considering bank loans relevant but inaccessible.⁶⁴

The provision of loans to MSMEs based on well-defined targeting, such as those in underdeveloped regions in target countries or those owned by disadvantaged or vulnerable populations, makes a significant contribution in enhancing access to finance for those who have historically faced higher financing barriers, thereby fostering socio-economic development.^{65,66} However, the positive social impact of financing for micro-enterprises and companies that are majority owned by veterans, without further targeting within these groups, may be limited. Regarding affordability, while the loans will be offered with affordability mechanisms, such as interest rate subsidies, the degree of affordability provided by these measures remains unclear.

Overall, RBI's financing under this category is expected to significantly contribute to increasing access to bank credit to MSMEs and support socio-economic development in Europe.

⁶³ European Commission, "Annual Report on European SMEs 2024/2025," at: https://single-market-economy.ec.europa.eu/smes/sme-strategy-and-sme-friendly-business-conditions/sme-performance-review_en

⁶⁴ European Investment Fund, "The European Small Business Finance Outlook," (2024), at: https://www.eif.org/news_centre/publications/eif-working-paper-2024-101.pdf

⁶⁵ Eurochambers Women Network, "Eurochambers Women Entrepreneurs Survey 2025," at: <https://www.eurochambres.eu/wp-content/uploads/2025/04/Eurochambres-Women-Entrepreneurs-survey-2025-Unveiling-insights-from-the-women-entrepreneurs.pdf>

⁶⁶ EIF, "The European Small Business Finance Outlook," (2024), at: https://www.eif.org/news_centre/publications/eif-working-paper-2024-101.pdf

Environmental and Social Risk Management

We have identified the following areas of environmental and social risk associated with the expenditures eligible under the Framework: land use and biodiversity associated with infrastructure development; emissions, effluents and waste management; community relations; occupational health and safety; and predatory lending. RBI has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Due diligence and risk management measures	× RBI integrates sustainability risk analysis into its credit risk assessment process for all corporate loans and investments. This includes an assessment of clients' impacts on the climate, their governance structures and transition plans. Under this process, the Bank implements an assessment at the borrower level to identify and measure clients' exposure to material sustainability risks with a focus on biodiversity, occupational health and safety, and business ethics.⁶⁷ × RBI assess the ESG risks of all eligible transactions. This includes environmental social and governance factors; company and project-related negative impact on key sustainability issues and their mitigation measures; past and current controversies and incidents; and the legal environment to ensure high environmental and social standards are met through EU regulations. Additionally, for ESG critical transactions, RBI also evaluates industry impact based on the UN Principles for Responsible Banking (PRB)⁶⁸ Impact Radar. × RBI is integrating European Central Bank guidance⁶⁹ on climate-related and environmental risks and is revising its rating model and underwriting process to include ESG factors and the EU Taxonomy. × The Bank is developing sector-specific strategies and credit policies for ESG sensitive industries. This includes a thermal coal phase-out plan and RBI's environmental and social responsibility commitments governing its lending practices as described in its Code of Conduct.⁷⁰ × RBI requires its borrowers to adhere to national regulations on environmental, social, labour and safety. Borrowers must also report any related incidents to the bank through investigation and formal reporting. × The Bank is a signatory to the UN PRB and the UN Global Compact,⁷¹ which indicates its commitment to the core values of responsible banking, human rights, labour rights, environmental protection and anti-corruption. × Austria is recognized as a Designated Country under the Equator Principles. Designated countries are deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect people and the natural environment.⁷²
Land use and biodiversity	× RBI has developed a Group Biodiversity Policy,⁷³ which addresses exclusions, material assessment results, proposed mitigation actions and next steps, and expected timelines for financed projects.

⁶⁷ RBI International, "Annual Report 2024", at: <https://www.rbinternational.com/en/investors/results-reports/annual-reports.html>

⁶⁸ UNEP Finance Initiative, "Principles for Responsible Banking", at: <https://www.unepfi.org/banking/bankingprinciples/>

⁶⁹ European Central Bank, "Guide on climate-related and environmental risks", (2020), at:

<https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks-58213f6564.en.pdf>

⁷⁰ RBI International, "Code of Conduct", at: <https://www.rbinternational.com/en/raiffeisen/sustainability-esg/responsible-banking/code-of-conduct.html>

⁷¹ United Nations, "About the UN Global Compact", at: <https://unglobalcompact.org/about>

⁷² Equator Principles, "Designated Countries", at: <https://equator-principles.com/about-the-equator-principles/designated-countries/>

⁷³ RBI International, "Annual Report 2024", at: <https://www.rbinternational.com/en/investors/results-reports/annual-reports.html>

	× The Bank intends to align with international standards, such as the Nature Target Setting Framework, and will set biodiversity targets for 2026 after implementation.⁷⁴
Community relations	× The Bank engages with its stakeholders through various forums, such as conferences, meetings, advisory sessions, formal committees and surveys. The engagement is decentralized, wherein each unit within RBI, including ESG and sustainability management, corporate communications, legal and compliance, engages with their respective stakeholder groups. × Due diligence for projects involving Export Credit Agencies (ECA) financing or development finance institutions is performed by the respective institutions or through external third-party providers.
Occupational health and safety; emissions, effluents and waste management	× RBI complies with all applicable environmental, and health and safety regulations in countries where it conducts its business operations. The Bank considers emissions, effluents and waste management and occupational health and safety in financing and investing activities as part of its internal assessment.⁷⁵
Predatory lending	× RBI's Code of Conduct⁷⁶ sets out procedures to prevent, identify and manage unethical business practices, including bribery, corruption, market manipulation and insider trading. It also provides guidance for employees and other stakeholders on reporting fraud and other irregularities. × The Bank addresses predatory lending by promoting responsible lending practices and protecting customers from financial hardship due to over-indebtedness. The Bank is committed to offering products and services in a responsible and fair manner by providing clear, transparent and objective information to enable borrowers to make an informed decision.

⁷⁴ Finance for Biodiversity Foundation, "Nature Target Setting Framework for Asset Managers and Asset Owners", at: <https://www.financeforbiodiversity.org/publications/nature-target-setting-framework-for-asset-managers-and-asset-owners-2/>

⁷⁵ RBI International, "Annual Report 2024", at: <https://www.rbinternational.com/en/investors/results-reports/annual-reports.html>

⁷⁶ RBI International, "Code of Conduct", at: <https://www.rbinternational.com/en/raiffeisen/sustainability-esg/responsible-banking/code-of-conduct.html>

Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.

Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.⁷⁷ This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- × **Aligned:** Meets all requirements across the four components.
- × **Partially Aligned:** Meets requirements on two or three of the four components.
- × **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

⁷⁷ These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainability and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainability for the purpose of this Second Party Opinion.

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