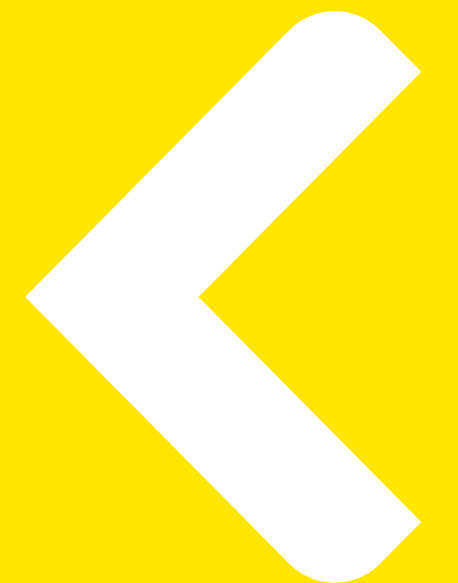


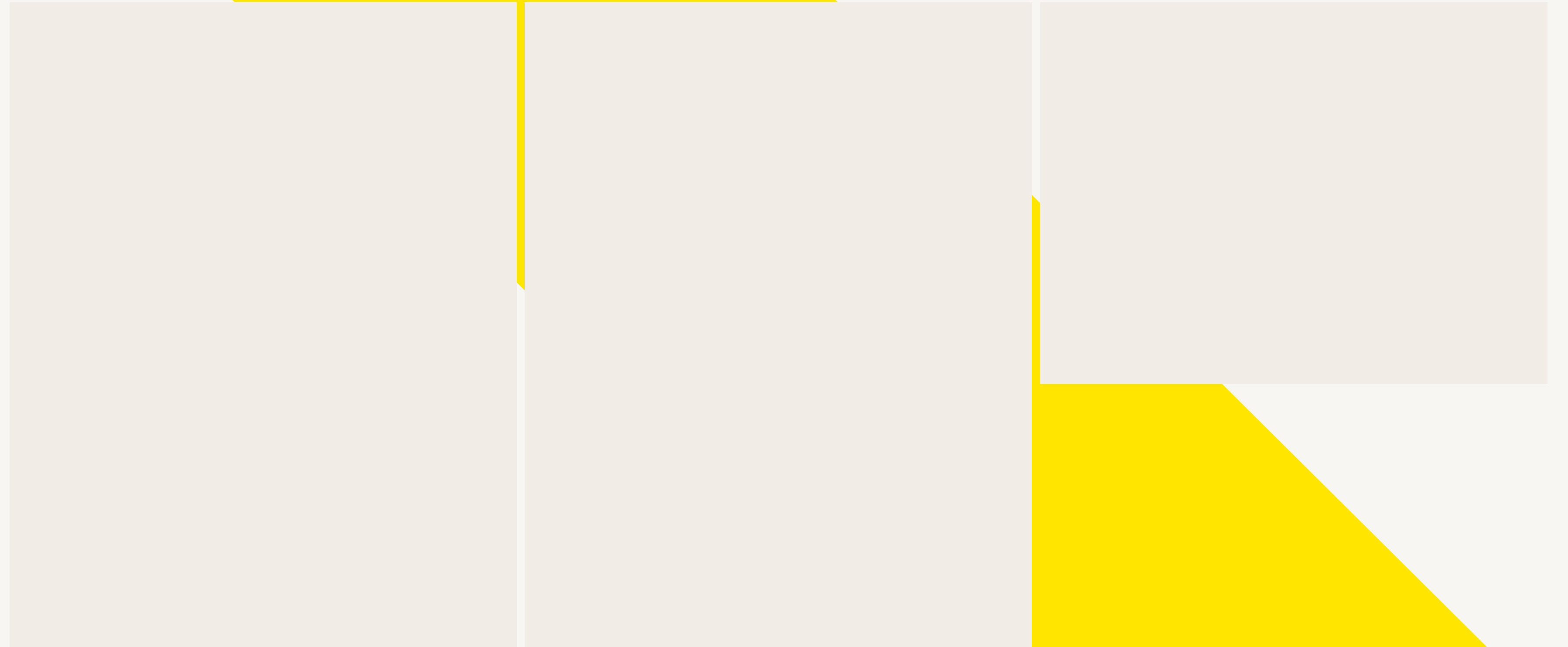
# Sustainability Bond Report

Raiffeisen Bank  
Romania

April 2024



# Contents





# Introduction

**Alina Rus**  
CFO

In our third annual Sustainability Bond Report, we spotlight the solid impact of our green and sustainability bonds, leveraging a dual approach to support both environmental sustainability and social progress.

**At Raiffeisen Bank Romania, we aim to generate a positive social and environmental impact, both through the way we operate and by mobilizing resources towards projects that target sustainable and inclusive growth, mitigate climate change, and strengthen financial stability.**

The financial sector has a major role to play in Romania's shift to a sustainable growth model.

**In 2023, we approved our sustainability strategy, anchored in three pillars: being a Responsible Banker, Fair Partner, and Engaged Citizen.**

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As a **Responsible Banker**, we are committed to fostering economic growth by incorporating environmental and social factors into our fundamental business operations.

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As a **Fair Partner**, we are dedicated to creating open and fair collaborations with all relevant stakeholders, with a specific focus on reducing our environmental footprint.

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In our role as an **Engaged Citizen**, we offer guidance and support to communities involved in the transition to sustainability.



The Sustainability Bond Framework is at the core of our sustainability efforts, by strategically investing in projects that contribute to the transition to a green and sustainable economy.

In 2022, we transformed our Green Bond Framework into a **Sustainability Bond Framework**, expanding our commitment from financing green investment projects to include also social financing.

The current economic and social context marked by financial and geo-political crises has urged the implementation of the new categories. By broadening our focus to include social financing alongside environmental initiatives, we aim to catalyze inclusive economic growth and enhance resilience in underserved regions.

The decision to transition from green bonds to sustainable bonds reflects Raiffeisen Bank's proactive approach to addressing Romania's multifaceted challenges, aligning with Sustainability Development Goals, and also contributing to Romania's efforts to meet current national and European targets.

The Country Climate and Development Report for Romania published last year by World Bank shows Romania's financial sector potential to mobilize private capital in support of the country's decarbonization and climate adaptation. The report puts forward seven priority recommendations to help Romania in meeting the interim goal of Fit for 55, while putting in place the critical foundations for deeper decarbonization that will be needed to achieve net zero emissions by 2050.

A major part of our investments in green loans span into renewable energy, energy efficiency, sustainable agriculture, and pollution control, thus also directly support the recommendations outlined in **The Country Climate and Development Report for Romania**. Furthermore, our commitment to social loans, particularly in fostering employment generation through SME financing in underdeveloped regions and improving access to essential infrastructure and affordable housing, aligns with the report's emphasis on building and protecting human capital.

The ESG developments have also an impact on the country and the bank's credit rating assessment. According to the latest report issued by Moody's, the ESG Credit Impact Score (CIS-3: limited impact on the current credit rating) for Romania's Sovereign credit rating is emphasizing the low exposure to environmental risks, including the physical climate and natural capital risk, a moderate social risk mainly affected by the ageing of the population, net emigration, and soft education performance, while on the governance

This reconfirms the strategic focus of our bond framework to contribute to the system wide effort to solve the country's environmental and social challenged by also being aligned to these priority recommendations.

Our focus on environmental advancements is proven by allocating 48% of the proceeds into green loans—supporting projects that align with the report's findings on the increasing Greenhouse gas emissions savings: 42,054 tCO<sub>2</sub>/year.

side the challenges come from the relative weaknesses in terms of the rule of law, but with an important support in governance coming from the EU membership. Compared with the country assessment, Raiffeisen Bank Romania's credit rating has a more favorable ESG Credit Impact Score (CIS-2: not having a material impact on the current credit rating). These assessments highlight our contribution and the ongoing efforts in addressing the country's environmental and social both opportunities and challenges.

For social loans, we've allocated 45% of the proceeds into social loans - facilitating the employment of 51,287 individuals, directly contributing to reduction in unemployment in underdeveloped regions.

In summary, our third annual Sustainability Bond Report showcases our dedication to creating long-term value for our stakeholders while contributing to the collective effort to support the transition to a green economy and build a more resilient and sustainable future for generations to come.



# Summary



Allocation  
summary

as of December 2023



## Green & Sustainability Bonds issued

ISIN	Format	Currency	Issue size	Issue amount	Issue date	Maturity date	Green allocation	Social allocation
			original CCY	EUR equiv.				
XS2339508587	Green	RON	400,575,000	80,966,770	14-May-21	14-May-26	100%	-
XS2349343256	Green	RON	1,207,500,000	244,067,591	11-Jun-21	11-Jun-28	100%	-
XS2489289053	Green	RON	525,000,000	106,116,344	15-Jun-22	15-Jun-27	100%	-
XS2511879160	Sustainability, with min. 50% social projects and the rest green	RON	500,850,000	101,234,992	17-Aug-22	17-Aug-27	12.7%	87.3%
XS2539944012	Sustainability, with min. 50% social projects and the rest green	RON	325,500,000	65,792,133	18-Oct-22	18-Oct-27	19.6%	80.4%
XS2556373046	Sustainability, with min. 50% social projects and the rest green	RON	488,250,000	98,688,200	07-Dec-22	07-Dec-27	13.1%	86.9%
XS2700245561	Sustainability, with min. 50% social projects and the rest green	EUR	300,000,000	300,000,000	12-Oct-23	12-Oct-27	4.3%	74.3%
<b>Total</b>				<b>996,866,031</b>			<b>48%</b>	<b>45%</b>

Total amount  
of allocated  
sustainable loans:

**EUR 932.7 mn**

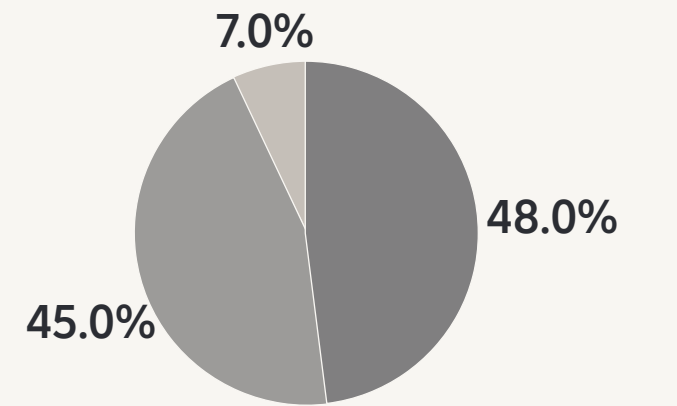
Number of  
allocated loans:

**9,403**

All the ISINs above are listed on Bucharest Stock Exchange [\(BSE\)](#)  
and on Luxembourg Stock Exchange [\(LuxSE\)](#)\*

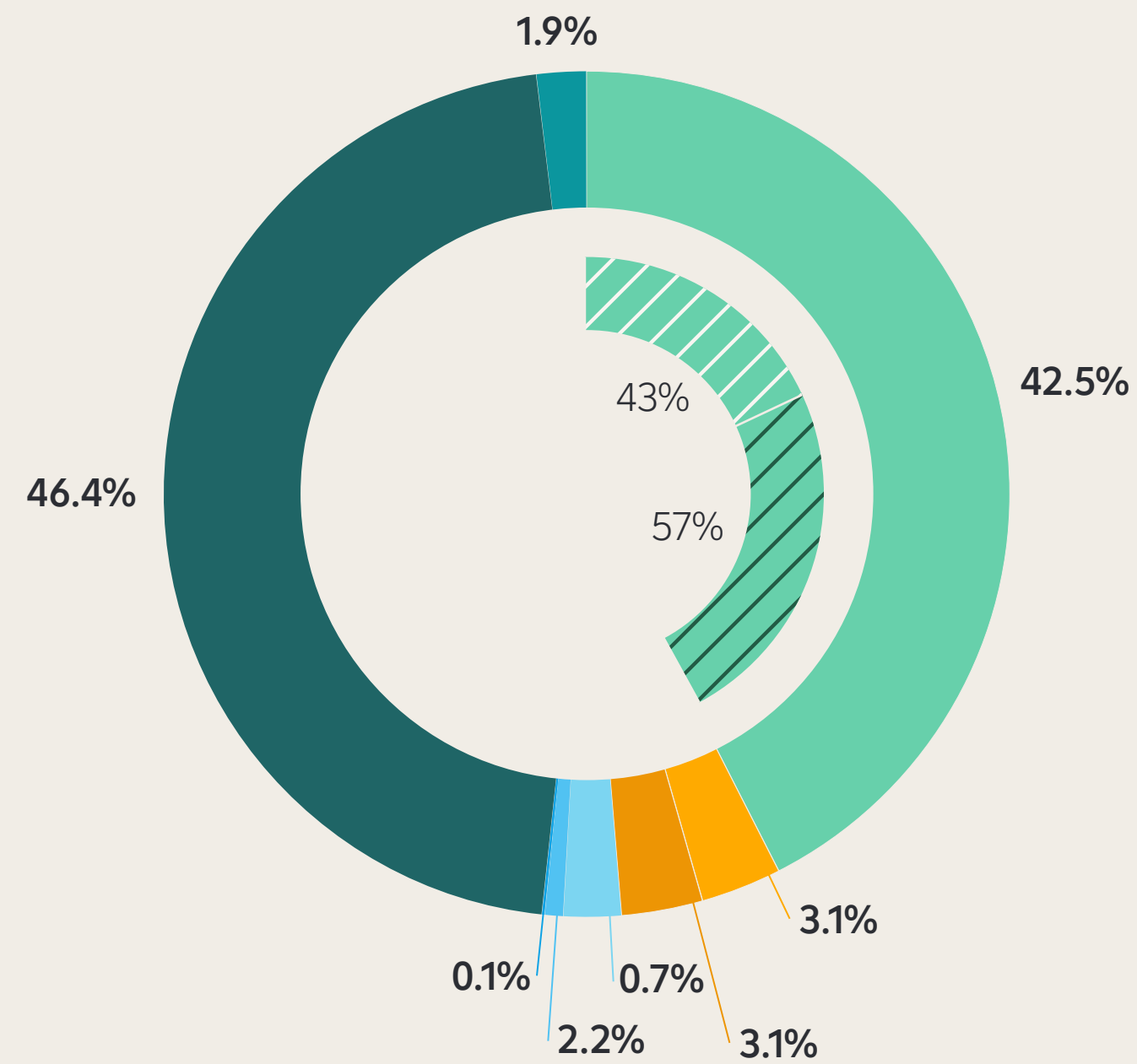
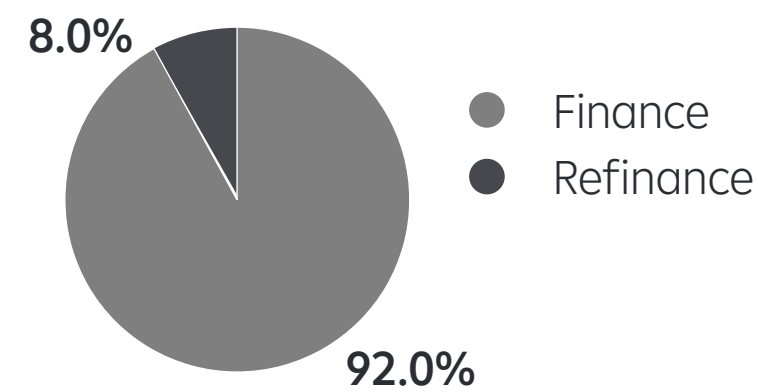
\*except for ISIN XS2700245561 which is listed  
only on Luxembourg Stock Exchange (LuxSE)

Structure of green & sustainability bonds use of proceeds



- Allocated green loans  
**48.0%**  
**EUR 482.74 mn**
- Allocated social loans  
**45.0%**  
**EUR 449.95 mn**
- High quality liquid assets  
**7.0%**  
**EUR 64.17 mn**

Share of finance and refinance loans



- Green Buildings  
42.5%  
EUR 396.3 mn
  - Commercial  
43%
  - Residential  
57%
- Clean Transportation  
3.1%  
EUR 29.3 mn
- Renewable Energy  
3.1%  
EUR 29.1 mn
- Pollution prevention and control  
2.2%  
EUR 20.9 mn
- Circular economy  
0.7%  
EUR 6.5 mn
- Sustainable Agriculture  
0.1%  
EUR 0.7 mn
- Social SME financing  
46.4%  
EUR 432.3 mn
- Social - Access to essential services  
1.9%  
EUR 17.6 mn

Asset category	Category type	Allocated eligible loans at 31 Dec. 2023	Number of loans as of 31 Dec. 2023	Allocated amount at 31 <sup>st</sup> of Dec. 2023	
		EUR mn		%	
Green	● Green Buildings	Apartment	174.5	3,354	18.7%
		House	49.9	706	5.4%
		Warehouse	29.9	2	3.2%
		Office	8.1	3	0.9%
		Production facility	0.3	1	0.0%
		Retail Real Estate	133.6	6	14.3%
	● Clean Transportation	Electric car	17.9	755	1.9%
		Hybrid car	4.1	147	0.4%
		Electric Locomotive	0.9	1	0.1%
		Forklift	6.0	175	0.6%
● Renewable energy	Electric charging stations for cars	0.5	1	0.1%	
	Solar energy	29.1	132	3.1%	
	Production projects	6.5	2	0.7%	
Social	● Sustainable Agriculture	Organic farming	0.7	5	0.1%
	● Pollution prevention and control	Pollution prevention and control	20.8	3	2.2%
	● SME financing	Underdeveloped regions	432.3	4,106	46.4%
	● Access to essential services	Healthcare, Education and Essential Infrastructure	17.6	4	1.9%
<b>Total</b>		<b>(A) 932.7</b>	<b>9,403</b>	<b>100%</b>	

# Impact summary for the allocated green and social loan portfolio

as of December 2023

## Green Financing

**42,054 tCO<sub>2</sub>**  
annually saved through

**EUR 455 mn**  
green loans portfolio\*

Annual CO<sub>2</sub> reduction  
per EUR 1 mn invested:

**92 t**

Equivalent to green-house gas  
emissions from:

**30,189 passenger cars  
driven for 1 year**

Equivalent to green-house gas  
emissions avoided from:

**630,826 tree seedlings  
grown for 10 years**

Annual electricity production from  
solar photovoltaic technology:

**59,990 MWh**

Recycling:

**3,615 t WEEE**

**6,885 t plastic PET**

**2,147 t textile**

\* CO<sub>2</sub> emissions saved calculated for green buildings,  
clean transportation and renewable energy

## Social Financing

Financing in  
underdeveloped regions

**3,194 SME employing  
51,287 individuals**

Access to essential services

### Education & Research:

Construction and rehabilitation of two school campuses featuring 10 buildings (38,360 m<sup>2</sup>), Scientific and Technological Park (6,000 m<sup>2</sup>), renovation of 2 Kindergartens

### Cultural & Recreational:

Rehabilitation and endowment of a municipal library (577 m<sup>2</sup>) and modernization of adjacent park (9,629 m<sup>2</sup>), one multifunctional recreational center

### Healthcare:

One oncologic center supporting treatment of 454 patients in 2023, one multifunctional medical center and equipment, one educational center

### Access to essential infrastructure:

Modernization of public lighting system, replacing 1,446 low energy efficiency lighting system with LED lighting fixtures



## CO<sub>2</sub> emissions and energy savings by asset category

Asset category	Category type	tCO <sub>2</sub> savings per year	CO <sub>2</sub> savings in %	Primary energy savings per year MWh	Primary energy savings in %	Area ha	Capacity/ Production MW / MWh per year	Recycled materials t
● Green Buildings	Residential	2,924	7%	42,726	62%	...	...	...
	Non-residential	8,712	21%	25,909	38%	...	...	...
● Clean Transportation	Passenger cars	779	2%	...	...	...	...	...
	Electric Locomotive	64	0%	...	...	...	...	...
	Forklifts	1,823	4%	...	...	...	...	...
	Charging stations	1,808	4%	...	...	...	...	...
● Sustainable Agriculture	Organic farming	...	...	...	...	984	...	...
● Renewable energy	Solar panels	25,945	62%	...	...	...	63 MW/ 59,990 MWh	...
● Circular economy & Pollution prevention and control	Production projects	...	...	...	...	-	...	3,615 t WEE 6,885 t PET 2,147 t textiles
<b>Total</b>		<b>42,054</b>	<b>100%</b>	<b>68,635</b>	<b>100%</b>	...	<b>63 MW/ 59,990 MWh</b>	<b>3,615 t WEE 6,885 t PET 2,147 t textiles</b>



# Sustainability Bond Framework

As an integral part of Raiffeisen Bank's overall sustainability strategy, green and sustainability bonds play a crucial role in promoting and financing projects that generate positive environmental and social impacts. Over the past three years, the bank has issued a total of 7 bonds, comprising 3 green and 4 sustainability bonds, with a combined nominal amount of EUR 997 million. For the sustainability bonds, at least 50% of the proceeds will be allocated to social categories, with the remaining balance allocated to green eligible projects as defined in the bank's Sustainability Bond Framework.

The bank's trailblazing role in the sustainable finance market has been underscored in 2021 by becoming the first issuer of green bonds on the Romanian capital market. In 2022, the bank continued to innovate by issuing the first sustainability bonds in the Romanian market, while in 2023 it has issued its inaugural Eurobond issuance also in sustainability format. This reaffirms our commitment to supporting the development of a sustainable and inclusive economy, while contributing to the resilience and competitiveness of Romanian SMEs.

The use of proceeds from each bond issuance will be fully allocated to eligible loans within 36 months, following the criteria set out in the bank's two frameworks:

- the Green Bond Framework from 2021 (GBF 2021 [🔗](#)) and
- the Sustainability Bond Framework from 2022 (SBF 2022 [🔗](#)).

The first two green bonds from 2021 were issued under GBF 2021, while the five bonds from 2022 and 2023 were issued under SBF 2022.

Consistent with the approach outlined in last year's report, the bank intends to limit the share of internally refinanced eligible loans to a maximum of 30%. We will also apply a lookback period of up to 3 years when selecting eligible assets and consider the age of the asset and the performing status of the loan as additional selection criteria.

The eligible loan categories under SBF 2022 are divided into two groups:

- A Green loans**, which include green buildings, renewable energy, energy efficiency, clean transportation, sustainable agriculture and forestry, circular economy, pollution prevention and control, and sustainable water and wastewater management, and
- B Social loans**, which comprise employment generation through SME financing in underdeveloped regions, increased access to essential infrastructure and services, and affordable housing.

Sustainalytics issued a Second Party Opinion on the Sustainability Bond Framework [🔗](#) in April 2022. The assessment concluded that the framework is credible, impactful, and aligned with the ICMA's Sustainability Bond Principles 2021, Green Bond Principles 2021, and Social Bond Principles 2021.

Furthermore, Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact, contributing to the advancement of the UN Sustainable Development Goals [🔗](#) (SDGs) 2, 4, 7, 8, 9, 11, 12, 13 and 15.



# Allocation Report

## Green Buildings

RBRO supports the increase in energy efficiency and reduction of the carbon footprint of the Romanian buildings via two types of dedicated lending products:

### ① Retail

green mortgages aimed at acquisition of energy efficient homes, having either level A energy performance certificate (EPC) or ROGBC (Romanian Green Building Council 🏡) standard

### ② Corporate/ Project Finance

loans for development, acquisition and/or ownership of new or existing buildings in commercial and retail real estate sector meeting at least one eligibility criteria from the Sustainability Bond Framework (internationally recognized green building certifications or EPC level A)



Summary statistics of the allocated green building loan portfolio

as of 31<sup>st</sup> December 2023



Outstanding volume:

**EUR 396 mn**

Number of loans:

**4,072**

Floor area:

**830,176 m<sup>2</sup>**

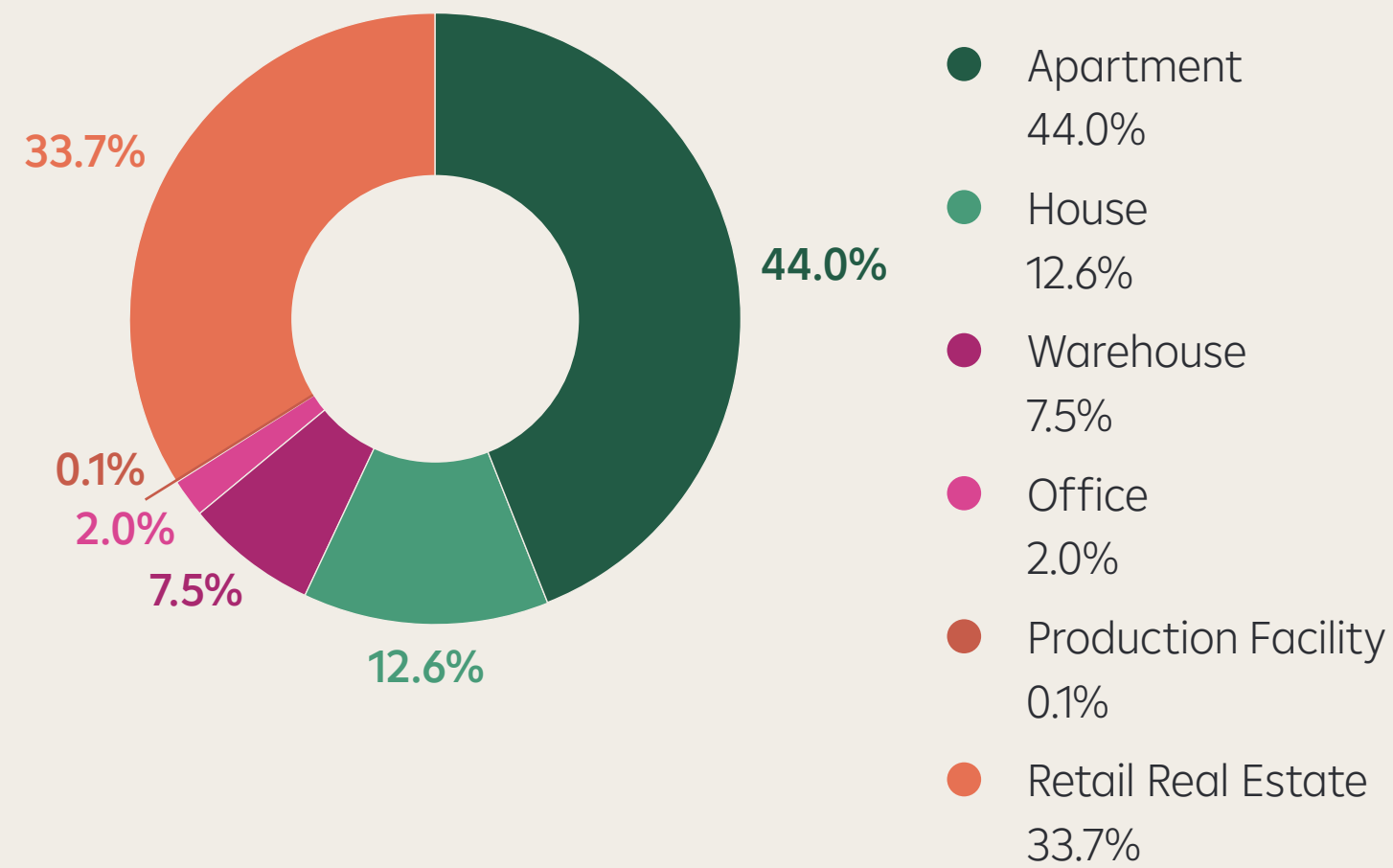
The outstanding amount of allocated green building loans as of 31<sup>st</sup> Dec 2023 stood at EUR 396 mn, representing approximately 42% of the total volume of allocated loans.

Green mortgages represent 57% of the total outstanding portfolio of green buildings, while the remaining 43% went towards financing of warehousing, office and retail (malls) buildings.

Most of the financed buildings have EPC level A certificate (59.4% of the allocated amount) and the rest BREEAM Excellent (13.4%), EDGE Advanced (16.8%) and LEED Gold/Platinum (10.4%) – two buildings out of the total of 4,078 are undergoing the certification process.

Asset category	Lending product	Category type	Allocated green loans	Number of loans	Floor area
			EUR mn		
Green Buildings	Mortgage	Apartment	175	3,354	188,972
		House	50	706	75,661
	Corporate/ Project Finance	Warehouse	30	2	247,633
		Office	8	3	12,994
		Production facility	0	1	5,675
		Retail Real Estate	134	6	299,240

Outstanding amount by category type



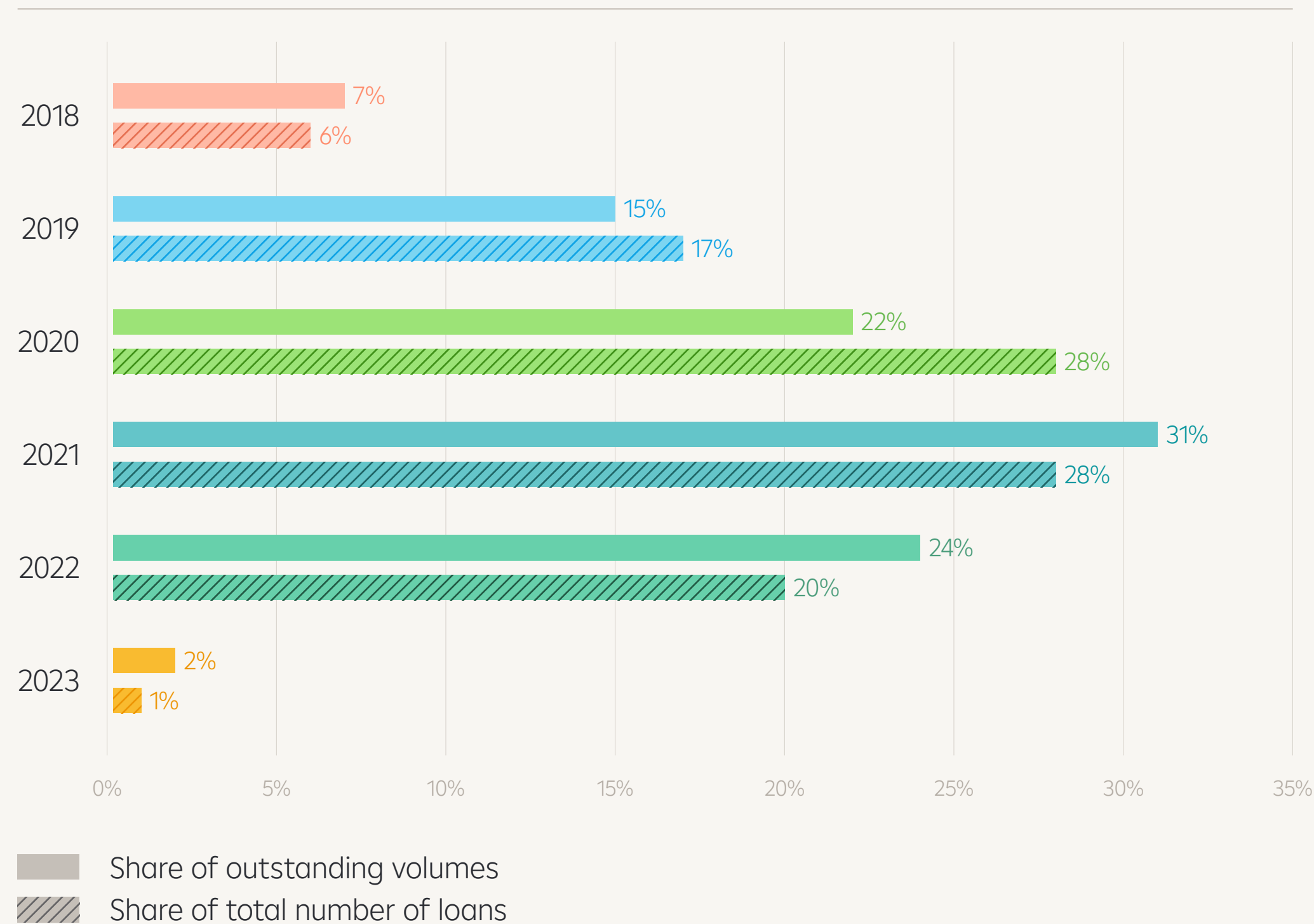
Certification	Allocated amount	Number of certified buildings	Number of buildings undergoing certification
	EUR mn		
BREEAM in use Excellent	53	4	1
EDGE Advanced	67	8	1
EPC A	236	4,064	-
LEED GOLD	25	1	-
LEED PLATINUM	16	1	-
<b>Total</b>	<b>396</b>	<b>4,078</b>	<b>2</b>

In terms of age of the buildings, we have allocated only eligible loans with construction year 2018 or later. For eligible loans originated in 2020, construction year has been estimated based on the assumptions described in the Methodology section [🔗](#).

Most of the buildings (56%) financed by the allocated loans have been built in 2021 and 2020, followed by the ones build in 2022 (20%) and in 2019 (17%) (see below chart).

The total amount allocated to green mortgages stands at EUR 224 mn, out of which EUR 47 mn represents the refinancing share (loans originated in 2020) and the difference of EUR 177 mn represents the amounts originated in years 2021–2023.

### Construction year of green buildings

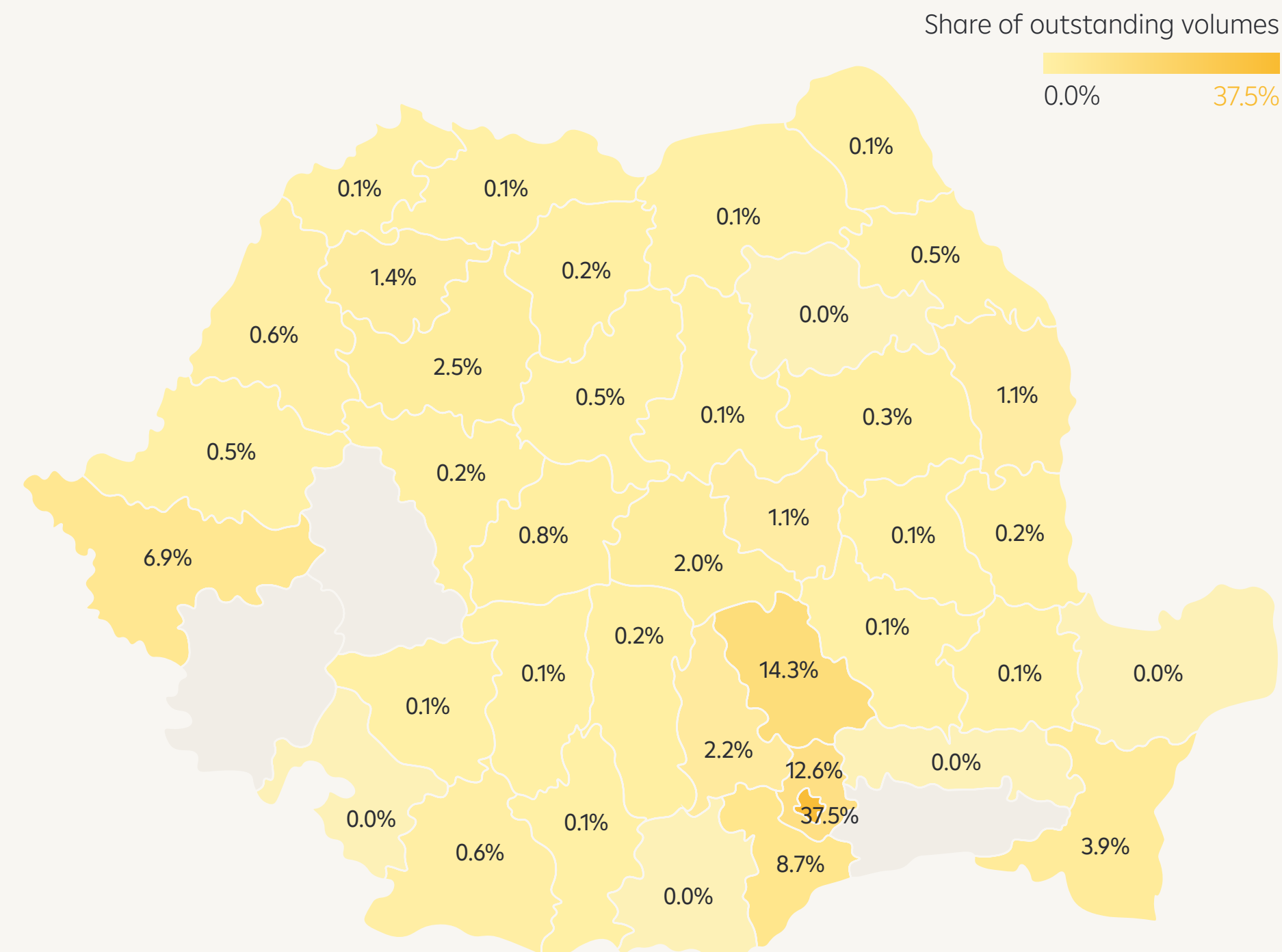


With regards to geographical distribution, 80% of the allocated green buildings loans finance buildings in 5 counties:

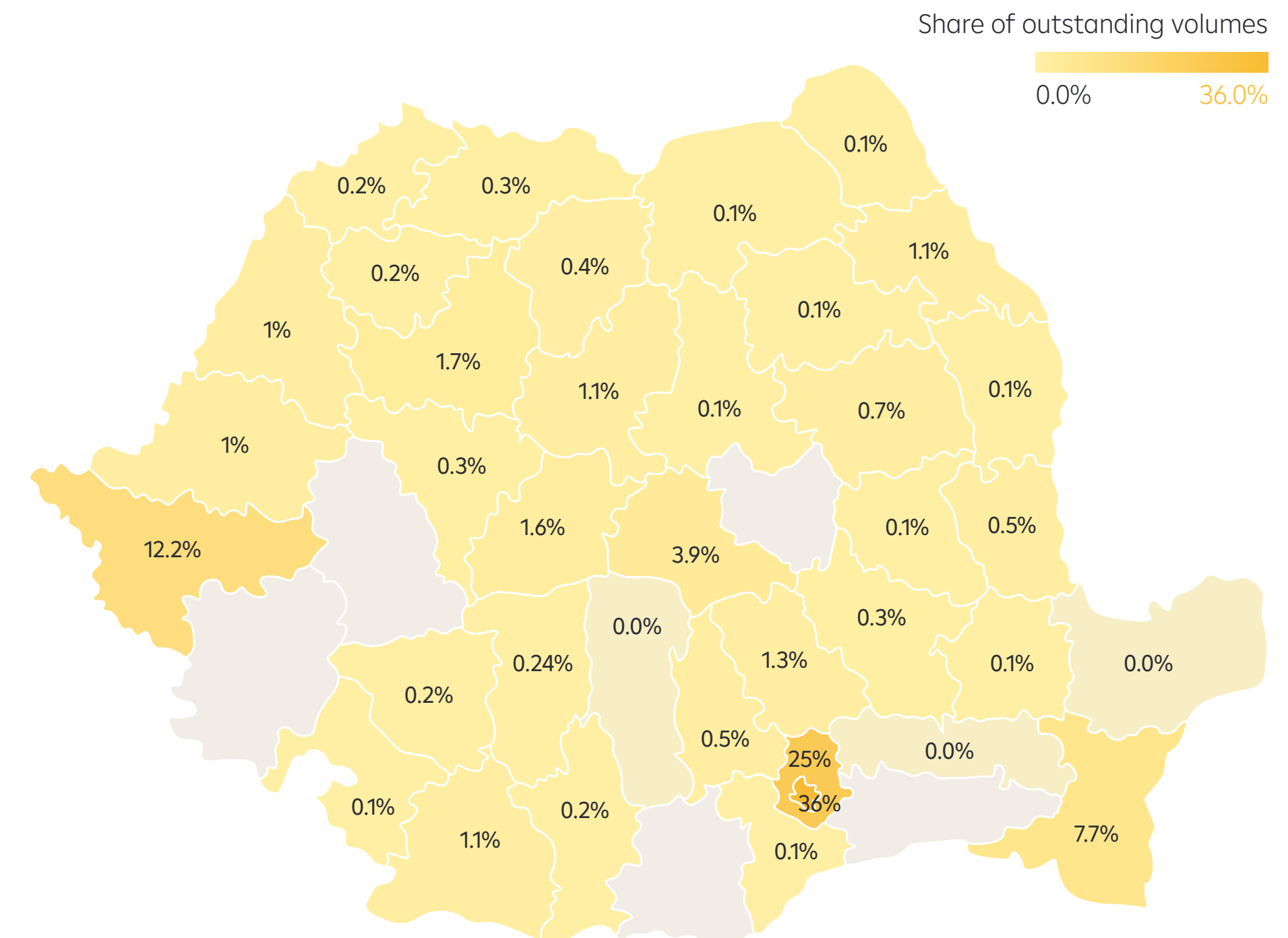
- Bucharest,
- Giurgiu,
- Prahova,
- Timis.
- Ilfov,

The allocated corporate/project finance loans are financing buildings mostly in Bucharest and Prahova (retail malls) (67%), followed by Giurgiu (warehousing) (17%), Dambovita (retail mall) (4%) and Cluj (office) (3%).

### Geographical distribution of total allocated amount of green buildings



### Geographical distribution of allocated amount of green mortgages





## Promenada Sibiu

Within a syndication of EUR 200 million, Raiffeisen Bank Romania directed financial resources attracted from its green/sustainability bond issuances to finance Promenada Sibiu shopping centre (gross leasable area (GLA) of 42,500 m<sup>2</sup>) developed by NEPI Rockcastle through Festival Shopping Center a subsidiary of the group.

Raiffeisen Bank Romania's share in the syndication was 40%, out of which bond eligible was an amount of EUR 20.7 mn with outstanding amount at the end of 2023 of EUR 20 mn.

The building is classified in the category of green buildings, based on its BREEAM In-Use Excellent certification, with a quantified asset performance score of 73.8%, and the energy performance certificate class A. Promenada Sibiu utilizes renewable energy sources from photovoltaic panels installed amongst other sources.

BREEAM certification is a guarantee of building sustainability and represents an advantage for both owners and tenants, ensuring high standards for commercial spaces, especially from the perspective of building energy efficiency.

Among the features of the Promenada Sibiu building are:

- LED lighting system, which consumes much less energy than traditional lighting
- Heat recovery air conditioning system, which reduces energy consumption for heating and cooling
- Solar panels for electricity generation
- Eco-friendly building materials, such as insulation and paint without toxic substances
- Rainwater collection system for irrigation of gardens and green spaces

The Promenada Sibiu mall can be considered an example of a green building, built and designed with ecologically friendly technologies and materials, with the aim of minimizing the impact on the environment and optimizing energy efficiency.



## Clean Transportation

In line with GBF 2021 and SBF 2022, eligible loans can be originated also by Raiffeisen Leasing IFN (RLRO), a wholly owned subsidiary (99.99%) of RBRO. In 2021, RBRO granted a credit facility to RLRO, with outstanding amount of EUR 45.8 mn as of 31<sup>st</sup> December 2023, out of which RLRO financed through financial leasing the acquisition of EV, hybrid cars, forklifts and an electric locomotive with total outstanding amount of EUR 29.3 mn.

Electric cars accounted for the largest share (61%) of vehicles financed by the allocated loans by volume, with Tesla EVs making up the biggest share of electric car sales (63%).

The electric locomotive financed under this category will be used for freight transport with an estimated utilization between 8,000 and 10,000 km per month.

RLRO also financed 175 electric forklifts, which are an important asset for any cargo handling operation. The financed forklifts will have a total estimated utilization of 175,000 to 350,000 hours per year.

In addition to the loans originated by RLRO, RBRO financed 25 electric charging stations for cars, which will help develop the infrastructure of low-carbon road transport and public transport, thus contributing to climate mitigation.



Summary statistics of the allocated loans financing clean transportation

as of 31<sup>st</sup> December 2023



Outstanding volume:

**EUR 29 mn**

Number of loans:

**1,079**

Type of vehicles:

**902 passenger cars**

**175 forklifts**

**1 electric locomotive**

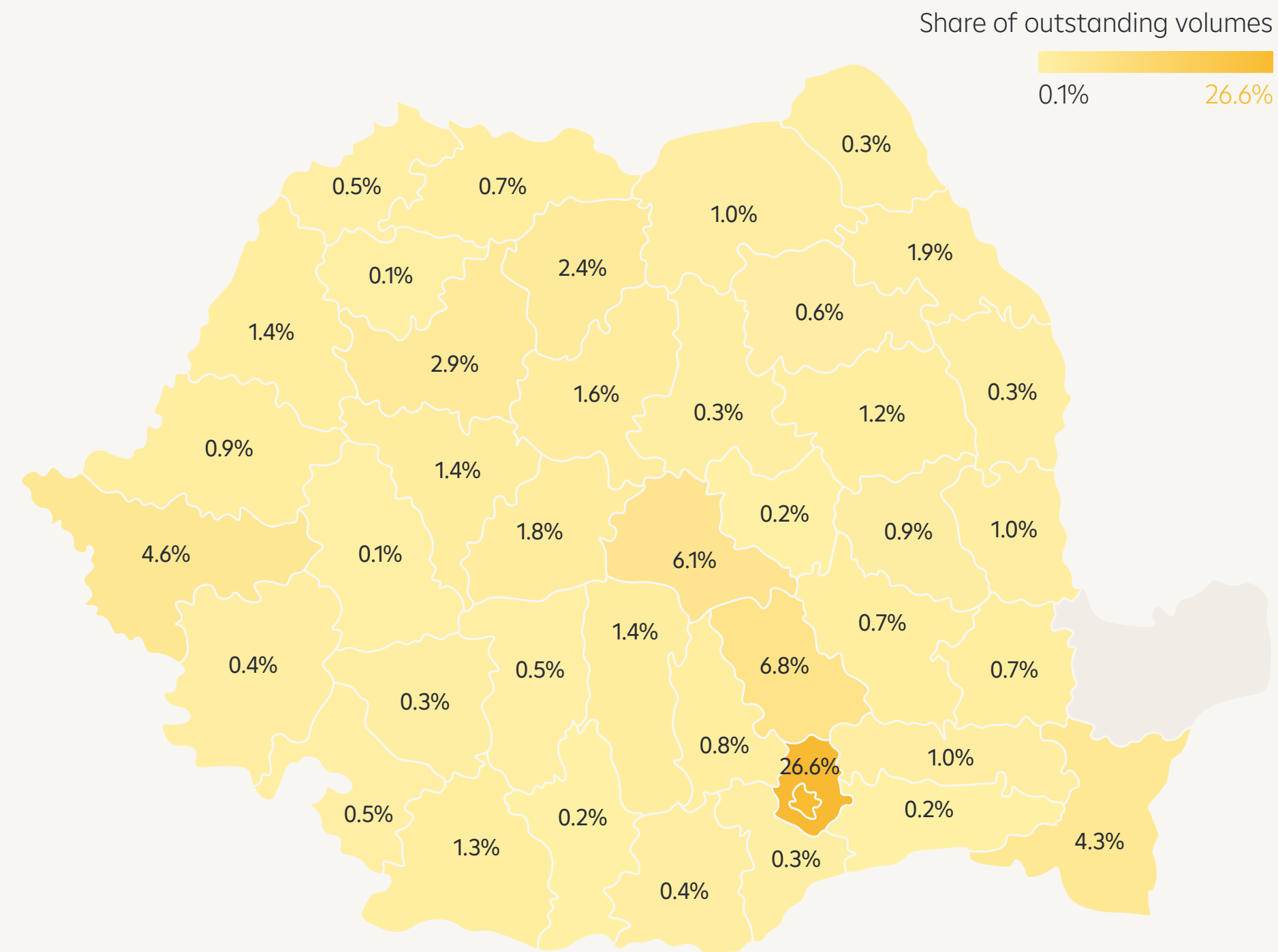
Infrastructure:

**25 electric charging stations for cars**

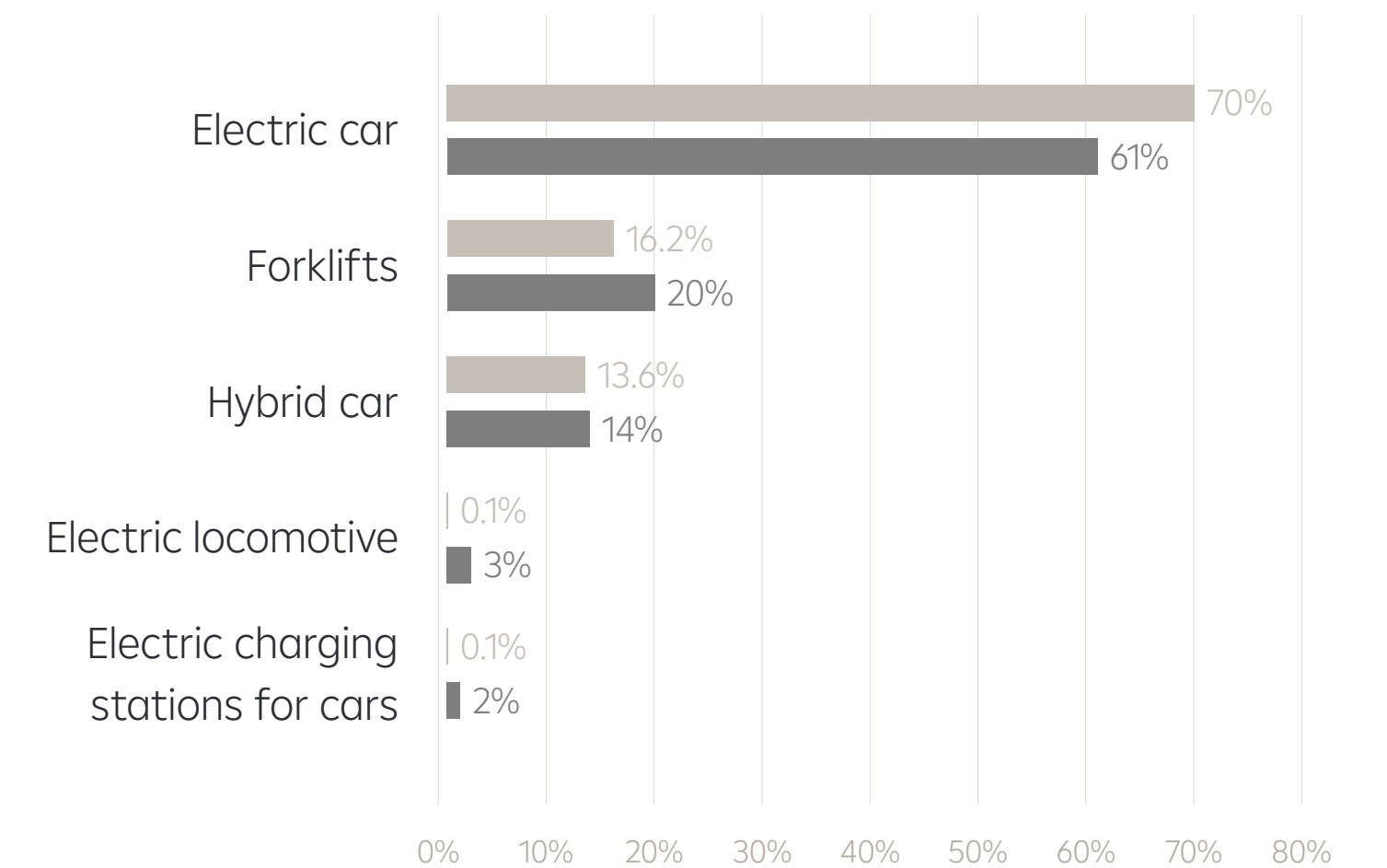
In terms of geographical distribution, 3 counties make up almost 55% of the total loans granted for clean transportation.

Bucharest is the leading county – with 49% share – mainly due to the loans granted for electric cars (60%), the rest representing financing of hybrid cars (17%), the electric locomotive (12%), electric charging stations for cars (6%) and forklifts (5%).

### Geographical distribution for allocated loans by outstanding amount



### Allocated loans by type of vehicle



- Share of total number of loans
- Share of outstanding volumes



# Renewable Energy

showcase

## Ratesti Solar Plant SRL

Raiffeisen Bank has developed a comprehensive lending offer to support the adoption of renewable energy, with a particular focus on financing the development of photovoltaic parks as well as the acquisition and installation of solar panels for small and medium-sized enterprises (SMEs).

By the end of 2023, Raiffeisen Bank has granted 132 loans amounting to EUR 29 mn (outstanding at 31 Dec 2023), financing corporates developing photovoltaic parks or acquisition of solar panels by SMEs. A majority of these loans, 81%, were granted through the bank, while the remaining 19% were facilitated through its leasing subsidiary. This demonstrates the bank's commitment to providing accessible and effective financial solutions to support the growth of renewable energy initiatives and contribute to a sustainable future.

Raiffeisen Bank Romania and Raiffeisen Bank International have granted a EUR 60 million loan for the development of the largest photovoltaic park in Romania and South-Eastern Europe, commissioned in 2023, in Ratesti, Arges County. Raiffeisen Bank Romania's share in this syndicated financing was 33.33%. The facility outlines Raiffeisen Bank's sustained work towards implementing responsible solutions for a more sustainable Planet.

The project, owned in equal proportions by Israeli companies Econergy and Nofar Energy, is developed on an area of 170 ha and has an installed capacity of 155 MW, being carried out with a total investment of 102 million euros.

The PV park's impact is indicated by a significant reduction in CO<sub>2</sub> emissions equal to an estimated 77,000 tonnes annually in Romania from providing green electricity to approximately 100,000 households.

Econergy is an international Independent Power Producer (IPP) of utility-scale renewable energy projects. They develop, own and operate utility-scale renewable energy projects driven by deep industry, regulatory and technology expertise. At the moment, the group has app 1.1 GW of renewable energy projects under construction or ready- to-built and approximately 500 MW energy storage projects in 6 countries (Romania, Poland, the UK, Italy, Spain, Greece). Apart from Ratesti project, Econergy has three other projects in pipeline with

commercial operations expected to start in 2024, namely 92 MW Parau project (Brasov), 87 MW Oradea project (Bihor) and 44 MW Scrutu Mare project (Telorman). On the long term, Econergy intends to invest in 19 solar projects totaling app 1.7 GW.

Nofar, the other Sponsor, is a global leader in renewable energy investments. For the last 12 years, Nofar has been growing rapidly and consistently, with an extensive portfolio of projects and subsidiaries across Middle East, Europe and USA. The group is active in Israel, Spain, Romania, Poland, Italy, The UK and USA. Nofar has 827 MW connected and ready-to-be connected solar projects. In addition, it has 1,024 MW of connected to pre-construction energy storage projects.



Highlights



Outstanding volume:

**EUR 29 mn**

Number of loans:

**132**

Type of energy:

**Solar**

## Circular economy, Pollution prevention and control

The circular economy is a crucial driver in the transition to a sustainable economy. The European Union Taxonomy and the EU Green Deal recognize the importance of the circular economy in reducing resource consumption, waste generation, and greenhouse gas emissions, and promoting the efficient use of resources. By investing in circular economy initiatives, businesses can create value, generate economic growth, and contribute to environmental sustainability.

At Raiffeisen Bank, we acknowledge the importance of the circular economy as a key pillar of sustainability, which aims to shift from the prevalent linear models to circular systems that minimize waste and maximize the reuse and recycling of materials.

This approach reintegrates materials into new products that re-enter the economic cycle, helping to create impact and knowledge around the market segment. We are thus committed to supporting circular economy initiatives in the Romanian market and partnering with local recyclers to promote a sustainable and inclusive economy.

To date, the bank has financed four corporate clients operating in the circular economy sector, with a total approved eligible limit of EUR 39.2 million and an outstanding amount of EUR 27.3 million as of the end of last year.

showcase



### PET Recycling Team Targu Mures S.A.

In 2023, Raiffeisen Bank continued its engagement towards circular economy by financing a project aimed at pollution prevention and control in Mures county. The beneficiary of the investment is PET Recycling Team Targu Mures S.A., a joint venture between Alpla Group from Austria, Ecohelp SRL from Romania and United Polymer Trading from Switzerland. The purpose of the loan facility was the construction of a recycling station for polyethylene terephthalate (PET) and high-density polyethylene (HDPE) plastic, the acquisition of recycling equipment and other plant equipment. The estimated recycling capacity of the new plant stands at approx. 13,750 t of PET granules/year. The PET granules will be obtained from PET recycled flakes (aprox. 14,500 t needed for full capacity).

In a globalized and interconnected economy, recycling plays an increasingly important role. The company produces high-quality PET Regranulate out of PET Bottles which is then again used for the production of food packages, bottles for food and industry films or fibers, leading to a significant reduction of CO<sub>2</sub> emissions.

The PET bottles undergo a recycling process from the customer back to the retailer, being turned into a final product: PET Re-granulate. This material is then sold to PET bottle producers to be used in their production.



Highlights




Outstanding volume:

**EUR 27.3 mn**

Number of loans:

**5**

# Sustainable Agriculture

RBRO supports its SME customers with activity in sustainable agriculture through dedicated working capital facilities, launched in the second half of 2021, aimed at developing or operating organic farms, certified or under certification by an authorized body, in line with [Reg 834/2007](#) .



Highlights



Outstanding volume:

**EUR 0.7 mn**

Cultivated area:

**983.7 ha**

Certification:

**Organic farms "Ecocert"**  
(RO-ECO-007)

## Social Financing

### SME financing in underdeveloped regions

Regional economic disparities in Romania are a significant challenge that requires urgent attention. Bridging these gaps is crucial for promoting overall economic development and enhancing social welfare. Uneven development across regions can lead to imbalanced growth, social inequality, and hindered economic opportunities for individuals residing in underprivileged areas. As such, addressing these disparities is vital to ensure inclusive and sustainable growth for the entire country.

In 2023 we have continued allocating the proceeds from the sustainability bonds towards eligible SMEs in underdeveloped regions. Through the allocated loans we have supported 3,194 SMEs, representing an increase of cca. 88% yoy compared to the eligible SME portfolio reported at the end of 2022. Most of the loans accounted for new financing (98%), while the remaining portion constituted refinancing (loans originated in 2021).

Geographically, the portfolio of allocated loans is distributed across all regions, except for the West (RO42) and Bucharest-Ilfov (RO32) macro-regions, which are not eligible due to their developed status. The top five counties by share of outstanding loans were Constanta, Argeş, Galati, Braşov, and Cluj. The portfolio of allocated loans is ranked by macro-regions (from highest to lowest share) as follows: South-East (RO22), South-Muntenia (RO31), Center (RO12), North-East (RO21), North-West (RO11), and South-West Oltenia (RO41).

Regarding the sectoral distribution of the financed SMEs in eligible regions, the bank has given priority to allocations towards the wholesale trade and agricultural sectors, representing 26% and 23% respectively of the total allocated SME financing portfolio. Agriculture plays a vital role in ensuring food security for the country. As one of the largest sectors of the Romanian economy, agriculture contributes significantly to the production of food for the domestic market and export. By financing SMEs in the agricultural sector, Raiffeisen Bank Romania is not only supporting the growth and development of local farming communities but also helping to ensure that the country has a sustainable and reliable food supply. This is particularly important in times of crisis, such as natural disasters or pandemics, when food security becomes a critical issue. Wholesale and retail trade also plays a crucial role in supporting the distribution of goods and services across the country. By financing SMEs in the trade sector, Raiffeisen Bank Romania is supporting the growth and development of businesses that are essential to

the functioning of the economy. Additionally, financing wholesale and retail trade can also help to promote competition, which can lead to lower prices for consumers and more efficient markets. Finally, by supporting the trade sector, the bank is helping to create employment opportunities and generate income for individuals and communities across the country. The rest of the loans are allocated across various sectors, including retail trade (11%), construction (9%), manufacturing (8%), transportation and motor vehicles trading and repair (7% and 6%), and other services (10%).

By focusing on financing SMEs in underdeveloped regions and directing resources towards critical sectors such as agriculture, Raiffeisen Bank Romania is playing a pivotal role in addressing regional economic disparities and fostering inclusive growth. This approach not only contributes to the overall economic development of the country but also supports social welfare by providing critical financial assistance to businesses that drive local economies and create employment opportunities in underserved areas.



Highlights



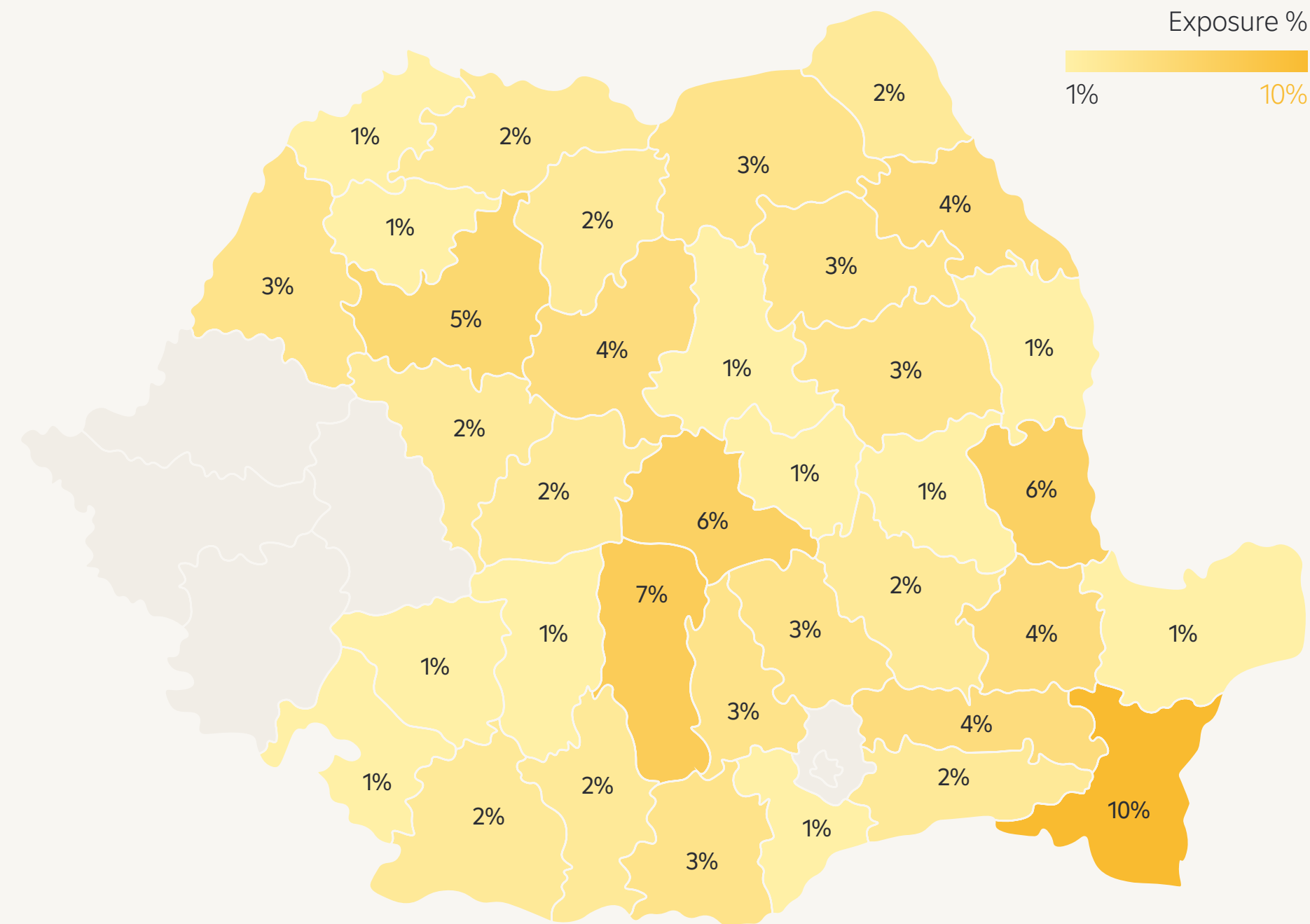
Outstanding volume:

**EUR 432 mn**

Number of SMEs financed:

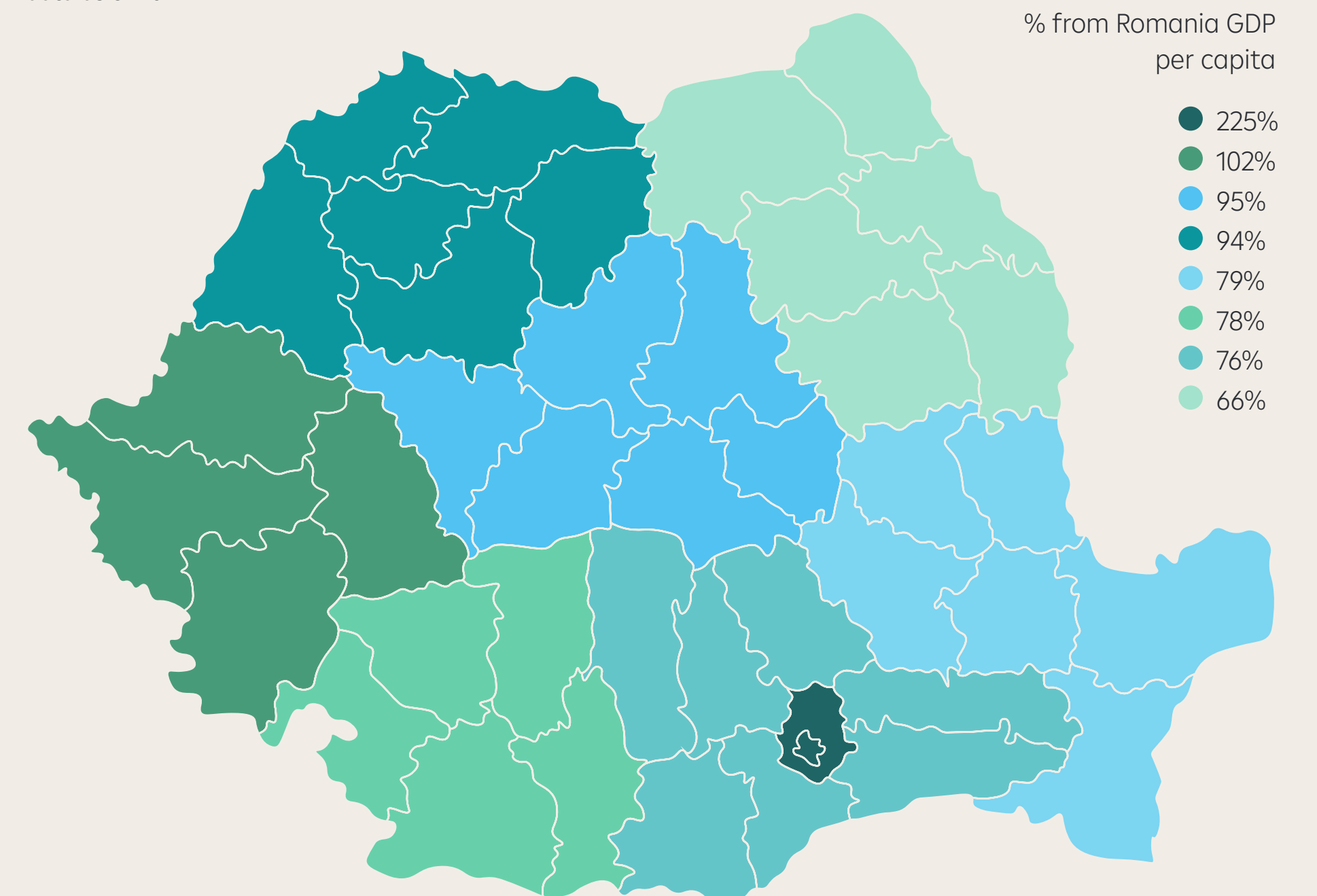
**3,194**

## Share of outstanding volumes

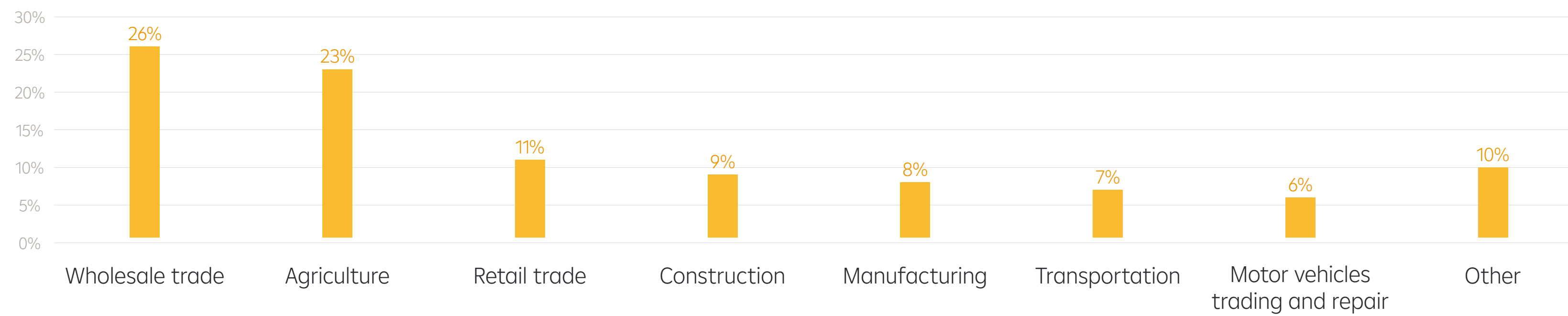


## GDP per capita

data as of 2021



## NACE distribution



## Social Financing

### Access to essential services

The provision of essential services is a critical component of the Romanian economy's development and growth. Ensuring that citizens have access to quality healthcare, education, and affordable basic infrastructure not only enhances their well-being but also promotes a sustainable and inclusive society.

In accordance with the categories outlined in the Sustainability Bond Framework, eligible loans were allocated to all three categories:

- I healthcare,
- II education and
- III development of affordable infrastructure.

The bank has provided financing to three local governments and one non-governmental/non-profit organization, approving a total amount of approximately EUR 35.6 million. As of December 2023, the eligible outstanding amount of these loans stood at EUR 17.63 million.

By financing these essential projects, Raiffeisen Bank Romania is playing a critical role in promoting social welfare and supporting the development of vital infrastructure across the country. This approach not only contributes to the overall economic development of the country but also bolsters the well-being of citizens by ensuring access to essential services.



showcase

## OncoHelp

The OncoHelp Association is a non-governmental organization established in 2005, whose mission is to promote and support any type of activity aimed at supporting people with cancer, at the same time promoting the development of oncological medical services necessary for the diagnosis and treatment of patients.

Raiffeisen Bank Romania and OncoHelp established a financing partnership in 2022, with disbursement occurring subsequently in 2023, having as primary objective the enhancement of the radiotherapy laboratory within OncoHelp's Oncology Center, by constructing of two extra bunkers and procuring advanced equipment for radiotherapy services. This investment will enable Oncohelp to convert the radiotherapy laboratory into the most extensive facility of its kind in the country. The amount financed by Raiffeisen under this partnership stands at RON 12.54 mn and supports

the provision of medical services to cancer patients in Romania, regardless of their financial or social situation.

The OncoHelp Oncology Center is an alternative to the state medical system, working in collaboration with the Ministry of Health and the National Health Insurance House, and covering a wide range of integrated medical services, including oncology, hematology, palliative care, medical imaging, and radiotherapy. By financing the OncoHelp Oncology Center, Raiffeisen Bank Romania is playing a critical role in promoting social welfare and supporting the development of essential medical services for cancer patients across the country. This approach not only contributes to the overall economic development of the country but also bolsters the well-being of citizens by ensuring access to essential healthcare services.



Highlights



Outstanding volume:

**EUR 17.6 mn**

Number of loans:

**4**

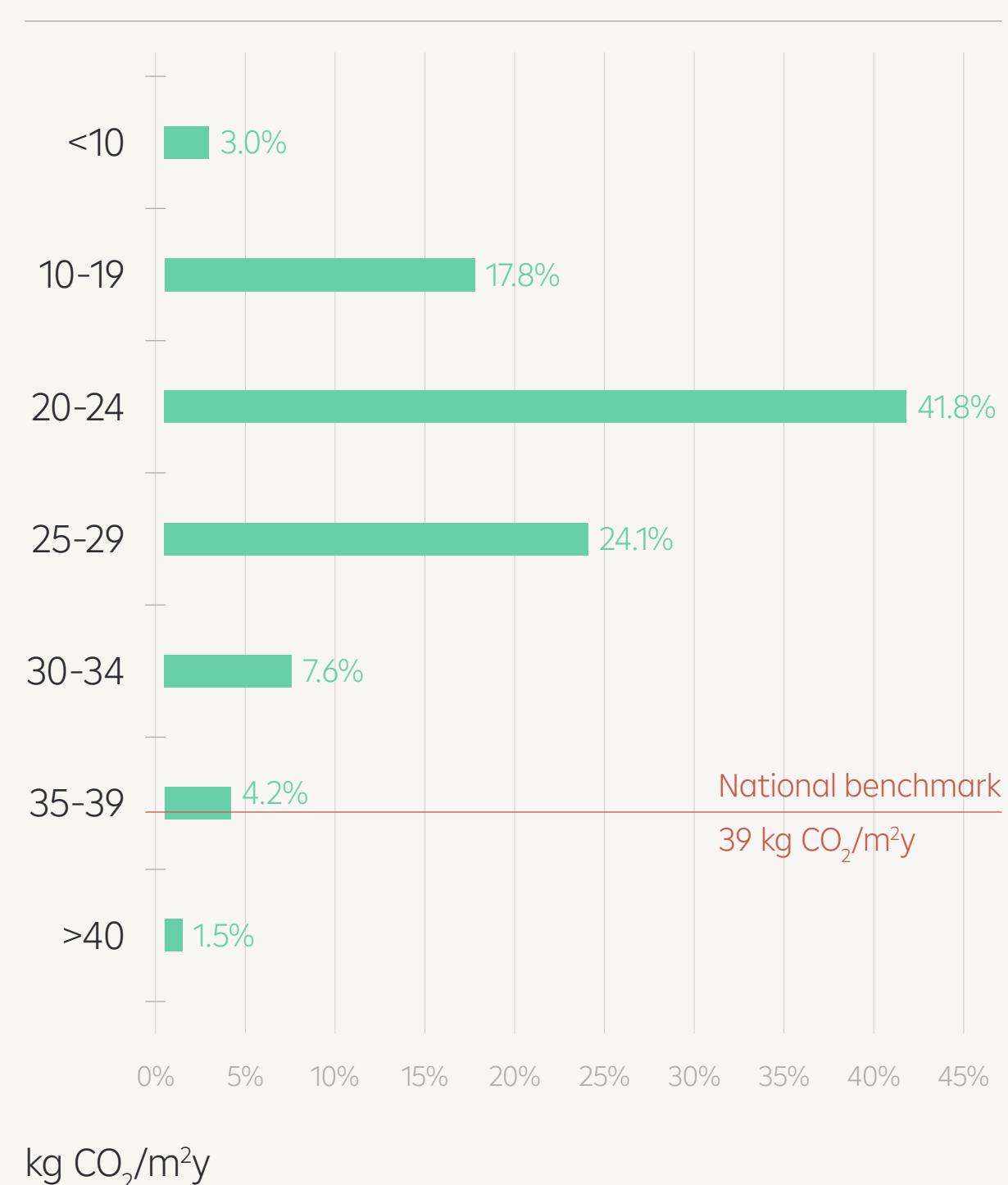
# Impact Report

## Green Buildings

The total annual avoided emissions related to RBRO's allocated green buildings loan portfolio (residential and non-residential) totaled 11,636 tCO<sub>2</sub>/year, representing approx. 29 tCO<sub>2</sub> per EUR 1 mn invested.

In terms of the distribution of CO<sub>2</sub> emissions across the allocated green mortgage portfolio, approx. 63% of the financed residential buildings generate yearly emissions below 25 kgCO<sub>2</sub>/m<sup>2</sup> more than 35% below the national emission benchmark (2021) for residential buildings (39 kgCO<sub>2</sub>/m<sup>2</sup>) (more details in the Methodology section [🔗](#)).

Distribution of CO<sub>2</sub> emissions for EPC A residential green building



Greenhouse gas emissions savings for the allocated green building loans

as of 31<sup>st</sup> December 2023



Total Greenhouse gas emissions savings:

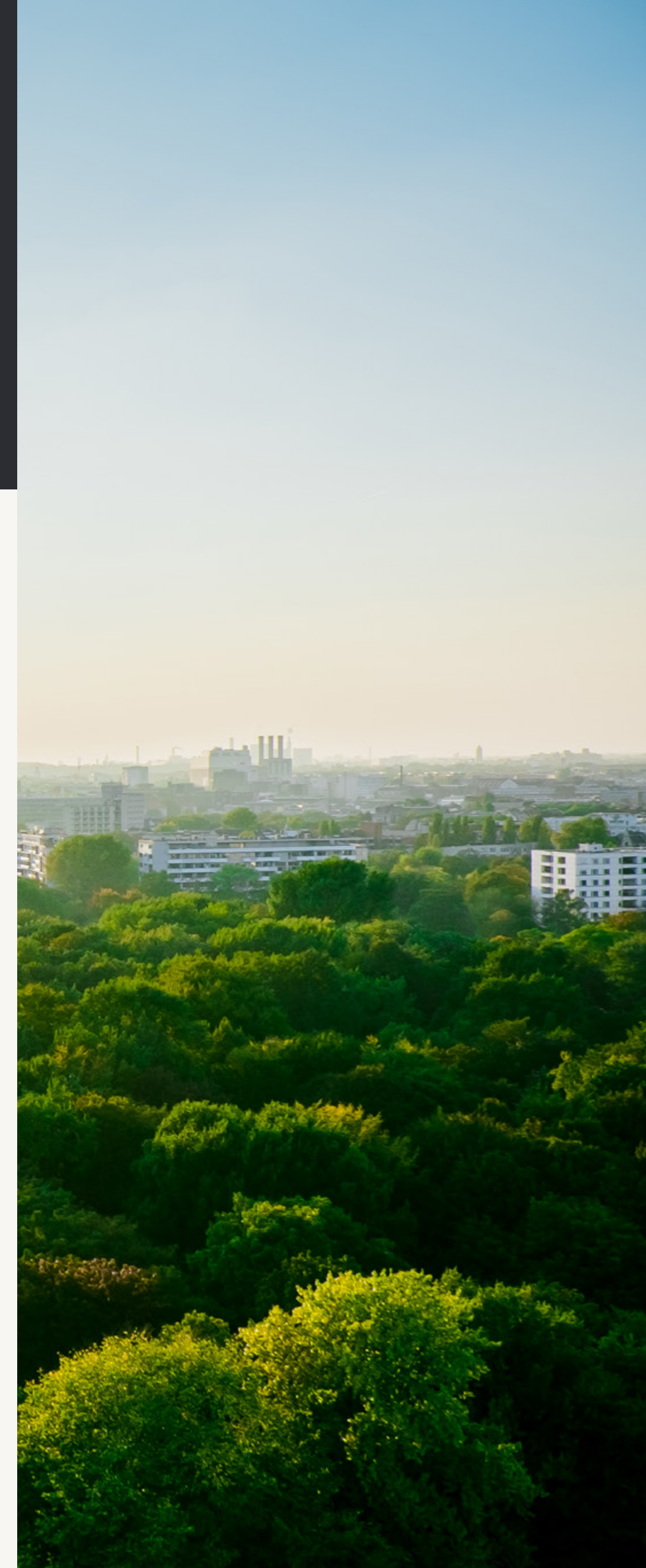
**11,636 tCO<sub>2</sub>/year**

Average GHG savings per residential building:

**0.71 tCO<sub>2</sub>/year**

Average GHG savings per non-residential building:

**484 tCO<sub>2</sub>/year**

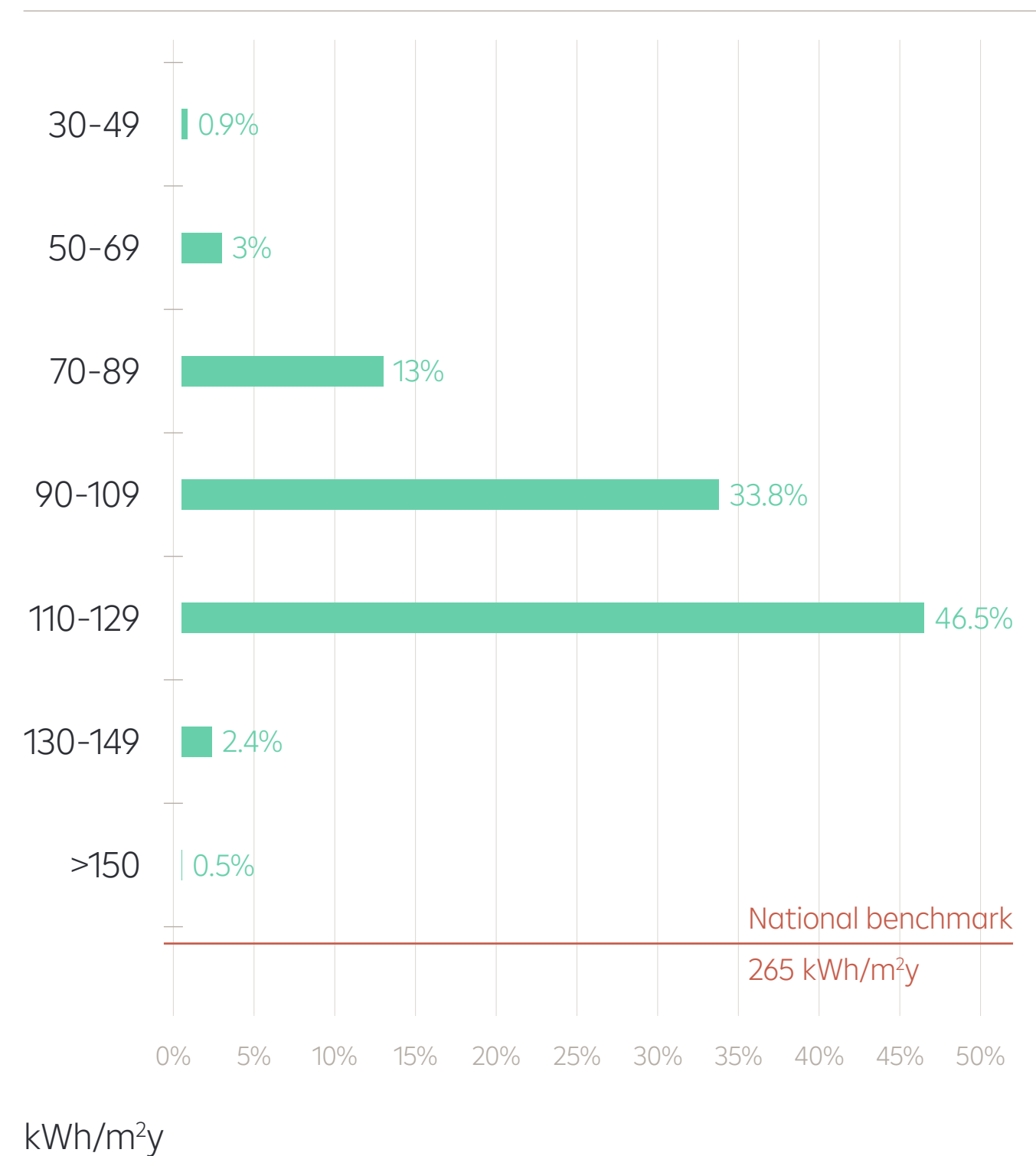


The total final energy savings of the allocated green building portfolio amounted to approx. 52,000 MWh/year, equivalent to an average final saving per residential building of 7.88 MWh/year and an average final saving per non-residential building of 1,088 MWh/year.

In order to derive the primary energy saving a conversion factor of 1.32, derived from ratio final to primary energy intensity of Romanian economy in 2021, was applied to the final energy saving figures.

Regarding the energy consumption distribution for the designated residential green building portfolio, nearly all financed buildings (97.1%) demonstrate a reduction in final energy consumption of over 50% when compared to the 2021 national benchmark (267 kWh/m<sup>2</sup>).

**Distribution of Final Energy Consumption for EPC A residential green buildings**



Furthermore, we have assessed the compliance of the allocated residential green building portfolio with the substantial contribution criteria from the EU Taxonomy for acquisition and ownership of buildings (buildings built before 31<sup>st</sup> December 2020 must have EPC level A or be in top 15% at national level in terms of primary energy demand, while for buildings built after this date the primary energy consumption must be 10% lower than the national NZEB threshold).

Approximately 38% of the allocated green mortgage portfolio at the end of 2023 meets the substantial contribution criteria for the acquisition and ownership of buildings from the EU Taxonomy.

**Compliance of Residential Green Buildings with EU Taxonomy's substantial contribution criteria**

Criteria	Outstanding amount EUR mn 2023	% of total allocated green mortgages 2023
EU Taxonomy substantial contribution compliance	86	38%



**Energy savings of green buildings loan portfolio**

as of 31<sup>st</sup> December 2023



Total final energy savings  
**51,875 MWh/year**

Avg final energy saving per residential building  
**7.88 MWh/year**

Avg final energy saving per non-residential building  
**1,088 MWh/year**

Total primary energy savings  
**68,635 MWh/year**

Avg primary energy saving per residential building  
**10.42 MWh/year**

Avg primary energy saving per non-residential building  
**1,453 MWh/year**



# Clean Transportation

The total annual avoided emissions related to RBRO's allocated clean transportation loan portfolio stood at 4,473 tCO<sub>2</sub>, equivalent to approximately 173 tCO<sub>2</sub> per EUR 1 mn invested. The emissions savings are generated by charging stations (40% of total savings), followed by forklifts (41% of total savings), EVs and eligible hybrid vehicles (17%), while the difference (1%) is coming from the financed electric locomotive.

Investing in electric charging stations and electrical forklifts offers a higher environmental impact per unit of investment when compared to electric vehicles (EVs). Electric charging stations not only support a large number of EVs, but they also incentivize the adoption of cleaner transportation options, leading to a decrease in CO<sub>2</sub> emissions. By providing the necessary infrastructure for EVs, charging stations accelerate the transition to a low-carbon transportation system, contributing to a substantial reduction in emissions at a broader scale.

Electrical forklifts, on the other hand, are an essential component of the logistics and warehousing industry, where the replacement of traditional internal combustion engine (ICE) forklifts with electric alternatives has a considerable positive environmental impact. The shift from ICE forklifts to electric forklifts results in a direct reduction of CO<sub>2</sub> emissions and contributes to improved air quality in indoor environments where forklifts are commonly used.

The financed electric charging station project comprises 25 charging stations, each with a capacity of 50 kW. Operating at an assumed rate of 4 hours per day and taking into account an average energy consumption rate of 15 kWh per 100 km for each EV, the charging stations enable approximately 12 million kilometers to be driven annually. By applying the estimation method described in the [Methodology section](#) we derive a GHG saving of 1,872 tCO<sub>2</sub>/year that can be attributed to the bank's financing of the charging station project.

By investing in electric forklifts, businesses can significantly reduce their carbon footprint and enhance their sustainability profile, all while benefiting from lower operating costs and increased efficiency.

In order to estimate the GHG saving from the financed electric forklifts we use certain assumptions described in the [Methodology section](#), such as usage rate and benchmark emissions for an equivalent ICE forklift. Total annual GHG savings from the portfolio of electric forklifts stands at 1,822 tCO<sub>2</sub>.



## Greenhouse gas emissions savings for the allocated clean transportation loans

as of 31<sup>st</sup> December 2023\*



Total GHG savings:  
**4,473 tCO<sub>2</sub>/year**

Total GHG savings cars:  
**779 tCO<sub>2</sub>/year**

Total GHG savings locomotive:  
**64 tCO<sub>2</sub>/year**

Total GHG savings forklifts:  
**1,822 tCO<sub>2</sub>/year**

Total GHG savings charging stations:  
**1,872 tCO<sub>2</sub>/year**

\*Estimated savings relate to Scope 1 emissions only

# Renewable Energy

Investments in renewable energy projects are key in order to ensure that the Romanian economy achieves its renewable energy sources (RES) quota target by 2030: 36.2% share of RES in gross final consumption of energy up from 29.5% estimated in 2022. This target implies a significant increase in solar production capacity from an estimated 1.4 GW in 2021 to 8.3 GW by 2030.

By providing accessible and effective financial solutions for the acquisition and installation of solar panels, Raiffeisen Bank aims to play vital role in supporting the growth of renewable energy initiatives in Romania.

The 132 loans granted by the bank for the acquisition and installation of solar panels, amounting to EUR 29 million, generate an estimated annual saving of 25,944 tCO<sub>2</sub>. The estimation is based on a total financed production capacity of 62.59 MW and assumptions described in the Methodology section [👉](#).



Highlights



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**63 MW**

financed capacity

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**25,944 tCO<sub>2</sub>**

annually avoided



## Circular economy, Pollution prevention and control

To estimate the environmental impact of bank's circular economy loans, we adjust the reported environmental outputs of the three out of the four\* financed beneficiaries (based on their most recent non-financial disclosures) with the share of the bank's loans in the companies' total funding base.

\*For the fourth beneficiary we do not consider an impact as the financed production facility is not functional yet.



For the first tranche of the loan granted to Green Group (**GreenWeee International**), based on the outstanding amount of the loan at the end of 2023 we estimate an overall impact of 3,615 tonnes of recycled WEEE per year from the total annual recycling production of the company of 57,118 tonnes (based on 2023 data provided by the company).

For the second tranche of the loan granted to Green Group (Green Tech), based on the outstanding amount of the loan at the end of 2023 we estimate an overall impact of 5,485 tonnes of recycled plastic bottles (PET) per year from the total recycled PET volume of 62,003 tonnes (based on 2023 data provided by the company). The conversion rate of PET to flakes for 2023 was estimated by the company to 75%.

For the second loan granted towards a **textile recycling company**, by applying a similar approach to the first loan, we estimate a contribution (based on the outstanding amount of the loan at the end of 2023) of 2,147 tonnes of annually recycled textiles out of a total of 7,665 tonnes annually recycled textiles. When taking into account the full amount of the approved loan, the estimated impact is 3,839 tonnes of recycled textiles.

For the loan granted to PET Recycling Team, we estimate an overall impact, based on the outstanding amount of the loan at the end of 2023, of 1,400 tonnes of recycled plastic bottles from the total annual recycled plastic (PET recycled flakes) capacity of the company of 14,500 tonnes. When taking into account the full amount of the approved loan, the estimated impact is 1,644 tonnes of recycled plastic PET.



Highlights



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**3,615 t**  
of recycled WEEE

---

**6,885 t**  
of recycled plastic PET  
into flakes with a  
conversion rate of 78%

---

**2,147 t**  
of textile recycling

---

# Social Financing

## SME financing

Social financing has become an essential tool in the creation and maintenance of employment opportunities, particularly in regions where economic opportunities are limited. This type of financing plays a crucial role in enabling small and medium-sized enterprises (SMEs) to expand, innovate, and adapt to ever-changing market conditions. By doing so, SMEs can ensure their continued viability, and contribute positively to the local economy.

The bank has supported over 3,100 SMEs in underdeveloped regions through the provision of loans. This has facilitated the employment of 51,287 individuals, thus contributing to the reduction of regional disparities and fostering a more inclusive, resilient, and competitive local economy. The impact of social financing is particularly significant in micro and small companies, which account for almost 60% of the total number of employees working for the SMEs supported through our financing. Additionally, over 5% of employees are based in companies with less than five employees, while over 24% are based in companies with between 25 and 50 employees.

Of the financed companies and their employees, more than 47% are located in macro-regions with the lowest GDP per capita. These regions include the North East, South Muntenia, and South-West Oltenia macro regions, which have a GDP per capita close to 50% of the EU average as of 2021. The targeted support provided by social financing serves to mitigate the adverse effects of regional economic disparities. It empowers local businesses to thrive and create job opportunities in areas that have been historically underserved. Therefore, social financing is an effective tool to promote economic growth and development, especially in underprivileged regions.



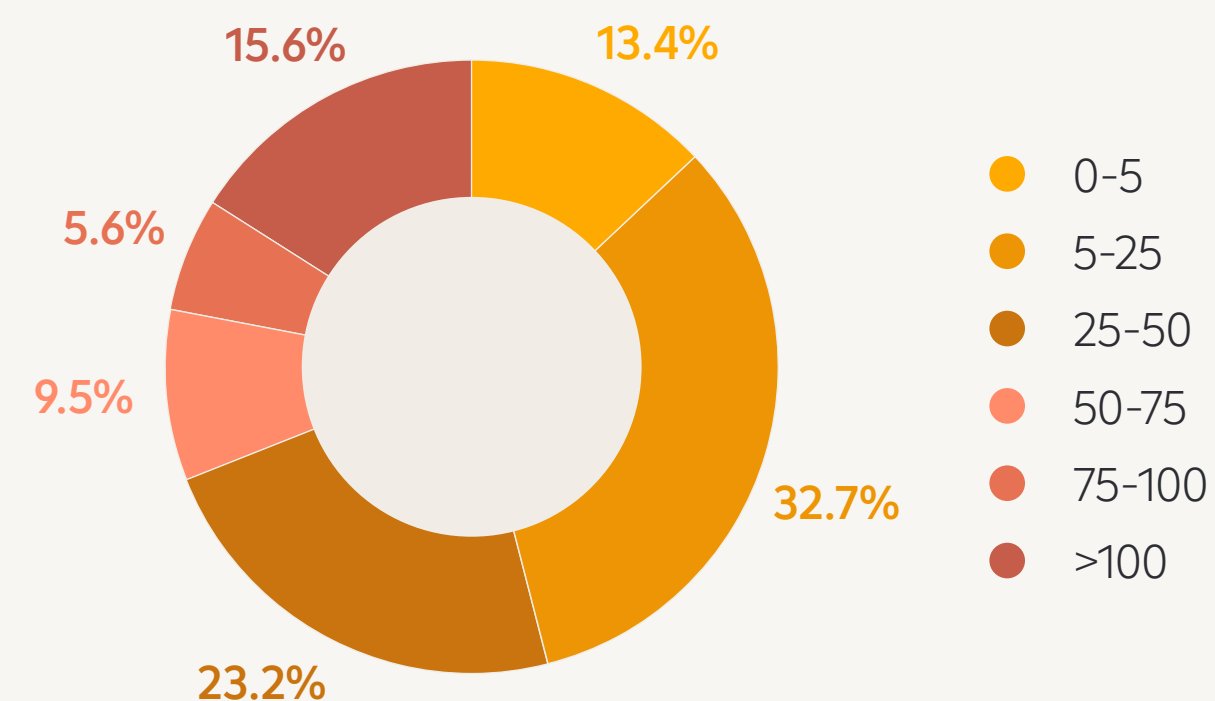
Highlights



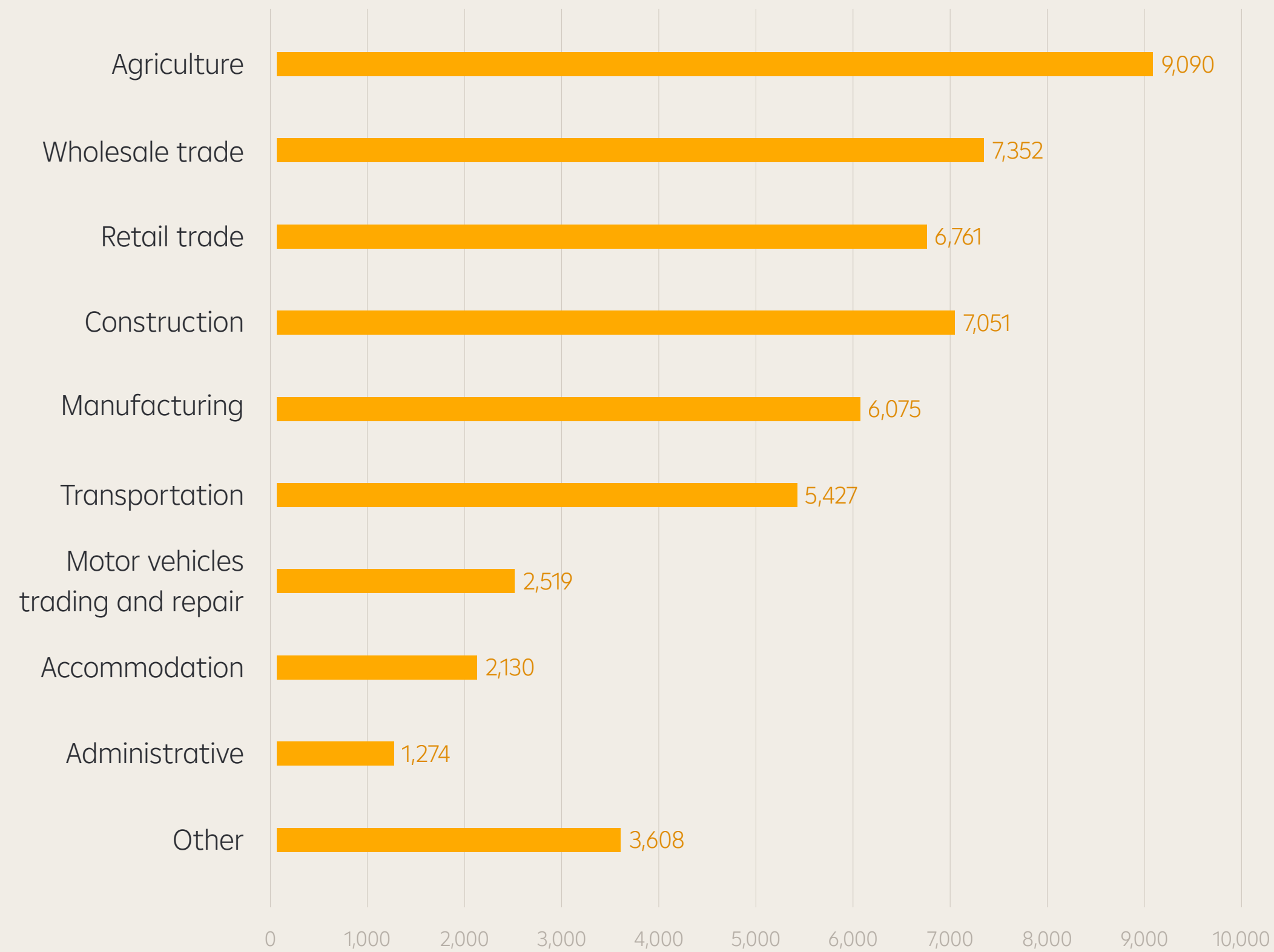
**51,287 employees**

in 3,194 SMEs

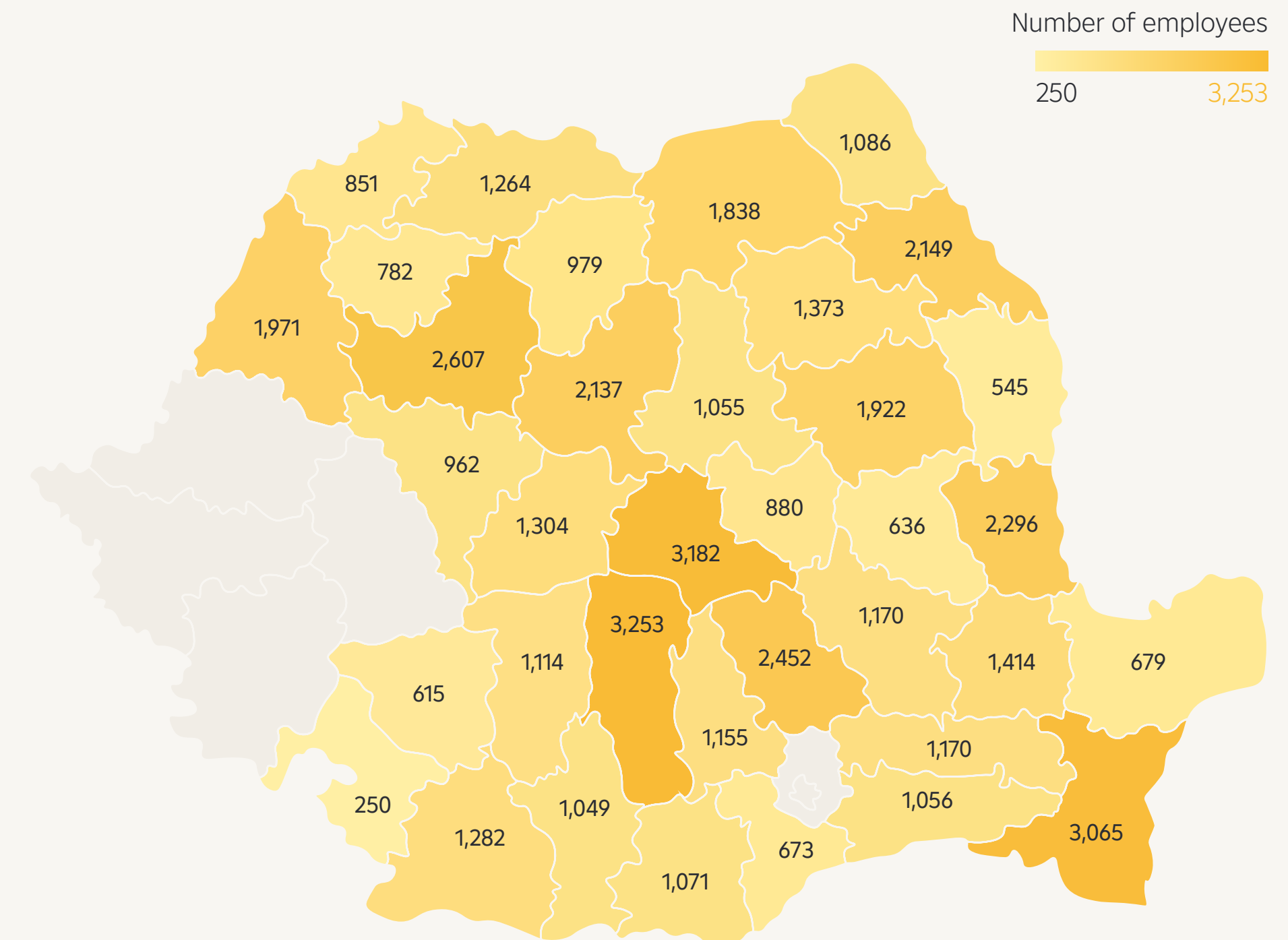
Share of SME financing by number of employees



## NACE distribution - Number of employees



## Teritorial distribution of employees



# Methodology

## Methodology for selecting and allocating green eligible loans

The methodology described below has been developed based on the Green Bond Framework [\(GBF\)](#) dated March 2021 and Sustainability Bond Framework [\(SBF\)](#) dated April 2022 and should be read in conjunction with these.

### General criteria:

① Eligible loans meeting the criteria laid out in GBF/SBF, as approved by the Green Bond Committee/ Sustainability Bond Committee;

② Outstanding amount is calculated based on gross exposure in accordance with IFRS as adopted by EU, as of 31<sup>st</sup> December 2023;

③ Only performing exposures (as of 31<sup>st</sup> December 2023) were included in the allocated portfolio of green loans.

### Specific criteria:

#### ① Green mortgages - residential

- EPC level A collateral;
- Construction year 2018 or later, subject to the assumptions detailed below;
- Origination date: 2020–2023;

Starting with 2020, RBRO is flagging in its core systems, during the underwriting process, mortgages with EPC level A collateral rating. The information is extracted either from the property acquisition contract or from the EPC provided by the customer. The selection of loans granted in 2020 was performed based on the information captured in the core system, based on the documentation presented by the customer at the signing date.

Additionally, starting with 2021, EPCs are collected during the underwriting process and stored in the customer's credit file. Relevant information from the EPCs

for the allocation and impact analysis (energy performance rating, construction year, CO<sub>2</sub> emissions, energy consumption etc.) are extracted by RBRO's document processing/archiving supplier, using a double indexing method, to ensure high accuracy rate (>97%).

For eligible mortgage loans (EPC level A) originated in 2020, the construction year is not available as the EPCs were collected only starting with year 2021. An assumption was made that the 2020 mortgages follow approximately the same distribution across a number of characteristics (year of construction, geographic distribution, floor area) to the one of the 2021 mortgages. Thus, in order to identify eligible loans originated in 2020 with construction year of the collateral 2018 or later, we have used as a proxy the share of green mortgages originated in 2021 with construction year of the collateral 2019 or later (61%) (based on information extracted from the EPCs).

②


## Corporate loans - Green buildings

- EPC level A or international certificates such as BREEAM Excellent, EDGE Advanced, LEED Gold/Platinum; certified or pre-certified (including buildings under construction where the borrower has committed contractually to obtain an eligible certification);
- Construction year 2018 or later;
- Origination year 2018-2023;

Eligible loans are identified and flagged in the core system during the underwriting process and/or periodic review based on EPC or other eligible international certifications in line with the GBF/SBF criteria. The energy performance certificates are collected and stored in the system.

③

## SME loans – Organic Agriculture

- National certification in line with EU standards ([link here](#) 
- Origination year 2021-2022;

Eligible loans are identified based on a distinct product code for financing sustainable agriculture. Relevant certifications are collected and stored during the underwriting process.

④

## Clean Transportation

- Part of the loan granted by RBRO to its leasing subsidiary (RLRO) that is used to finance (through financial leasing) eligible clean transportation in line with GBF/SBF criteria:
  - Zero tailpipe emission vehicles (incl. hydrogen, fuel cell, electric) – e.g. passenger cars, electric forklifts, electric locomotive etc.
  - Vehicles with tailpipe emission intensity of max 50 g CO<sub>2</sub>/km (WLTP) up to year 2025;
- Origination year of the funding line granted by RBRO to RLRO – 2021
- Origination year of the financial leasing facilities by RLRO – 2021-2023, except for Electric locomotive granted in 2020
- Loans granted by the bank for acquisition and installation of electric charging stations, qualifying as infrastructure for low carbon transport, such as: electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways, rail networks, pavements, bike lanes and pedestrian zones.

RBRO flags in its core system the share of the loan granted to RLRO for eligible green financing based on the periodic reports received from RLRO on the use of proceeds.

⑤

## Renewable Energy

- Finance or refinance Eligible Green Loans and/or investments for equipment, development, manufacturing, construction, installation, operation, distribution and maintenance of renewable energy projects, including solar power;
- Dedicated lending product for SME, corporate loans, as well as loans originated by RLRO, with identification based on use of proceeds of the loan;

6

## Circular Economy, Pollution Prevention and Control

### Circular Economy:

- Eligible Green Loans to finance or refinance:
  - I **Circular Design and Production Projects** - Solutions that extend the product life cycle, such as applying modular design or design for disassembly, takeback schemes and redeploying products (reverse logistic), reuse, repair and/or products regeneration and refurbishment; or Production technologies that use recycled resources such as bio-based materials;
  - II **Circular Support and Products** - Circular support through tools and services (e.g. sharing platforms and digital infrastructure/software) that enable circular economy strategies and business models;

### Pollution Prevention and Control:

- Eligible Green Loans to finance or refinance:
  - I **Waste prevention, waste reduction and waste recycling** - This includes the development, operation and upgrade of recycling plants and recycling activities such as for metals, plastic and paper;
  - II **Reduction of industrial air emissions and greenhouse gas control** - The purchase of new and refurbishment of existing equipment, technologies and facilities that provide at least a 20% reduction in carbon emissions and/or serve as fossil fuel replacements.
- All projects financed in this category are aimed at recycling of used plastic PET, electronics WEEE, textiles and paper.

7

## Social SME Financing

- Financing of SMEs identified as per [European Union's definition of Micro, Small and Medium sized enterprises](#) and located in underdeveloped areas in Romania – regions (NUTS2) meeting the following two criteria: GDP per capita of
  - I less than 75% of EU – 27 average and
  - II below Romania's average;

8

## Access to essential services

- Eligible Social Loans to finance or refinance:
  - I **Healthcare:** Construction, acquisition, renovation, expansion or maintenance of health care facilities for provision of free or subsidized health care services. For example: hospitals, pharmacies, diagnostic and other laboratory services, rehabilitation centres, assisted living, homes for the elderly;
  - II **Education:** Access to public and publicly subsidized educational services (e.g. for the youth, unemployed and elderly) as well as investments that support childhood development (e.g. Kindergartens) through the provision of loans for construction/upgrading of facilities and/or equipment;
  - III **Affordable basic infrastructure:** Regional development and/or infrastructure in underserved, underdeveloped regions in Romania (as defined below) (e.g. public transport and related infrastructure, sanitation infrastructure, high speed internet, telecommunications and electricity related infrastructure, fire-fighting and rescue equipment, access to clean drinking water); such infrastructure projects will be eligible only in underdeveloped regions where it is currently not present or is inadequate.
- Eligible loans volumes are identified based on the use of proceeds from the loan application;



# Methodology for calculating the environmental impact (CO<sub>2</sub> and energy savings)

Estimations of the CO<sub>2</sub> and energy savings are calculated for each of the allocated loans, based on the methodology described next.

Residential green buildings →

Non-residential buildings →

Clean Transportation →

Renewable energy →

## Residential green buildings

$$1 \quad \text{CO}_2 \text{ savings} \left( \frac{\text{tCO}_2}{\text{year}} \right) = - \frac{1}{1,000} \sum \left\{ \left[ \text{CO}_2 \text{ emissions per building} \left( \frac{\text{kgCO}_2}{\text{m}^2 \cdot \text{year}} \right) - \text{Emission benchmark} \left( \frac{\text{kgCO}_2}{\text{m}^2 \cdot \text{year}} \right) \right] \cdot \text{Floor area (m}^2) \cdot \text{RBRO Share} \right\}$$

$$2 \quad \text{Final energy savings} \left( \frac{\text{MWh}}{\text{year}} \right) = - \frac{1}{1,000} \sum \left\{ \left[ \text{Final energy per building} \left( \frac{\text{kWh}}{\text{m}^2 \cdot \text{year}} \right) - \text{Energy benchmark} \left( \frac{\text{kWh}}{\text{m}^2 \cdot \text{year}} \right) \right] \cdot \text{Floor area (m}^2) \cdot \text{RBRO Share} \right\}$$

$$3 \quad \text{Primary energy savings} = \text{Final energy saving} \cdot \frac{1}{\text{Ratio of final to primary energy intensity}}$$


☰ **CO<sub>2</sub> emissions, final energy consumption and floor area of residential building (apartment/ house)** – extracted from the energy performance certificate (EPC). For green mortgages originated in 2020 the average CO<sub>2</sub> emissions, average final energy consumption and average floor area of the mortgages originated in 2021-2023 were used as input in the above formulas.

☰ **RBRO Share** – represents the share of RBRO loans in total acquisition value of the apartments/ houses.

☰ **Emission benchmark** – calculated, based on 2021 data for Romania from Odyssee database, by dividing the CO<sub>2</sub> emissions for residential buildings with the average floor area at national level.

☰ **Energy benchmark** – Residential Unit consumption per m<sup>2</sup> with climatic corrections, based on 2021 data for Romania from Odyssee database.

☰ **Ratio of final to primary energy intensity** – data for 2021 Romania, Odyssee database.

\* Odyssee, the European energy efficiency project | Enerdata 

Acquisition and ownership of buildings are compliant with **EU Taxonomy's substantial contribution criteria** to the extent that they meet the following conditions:

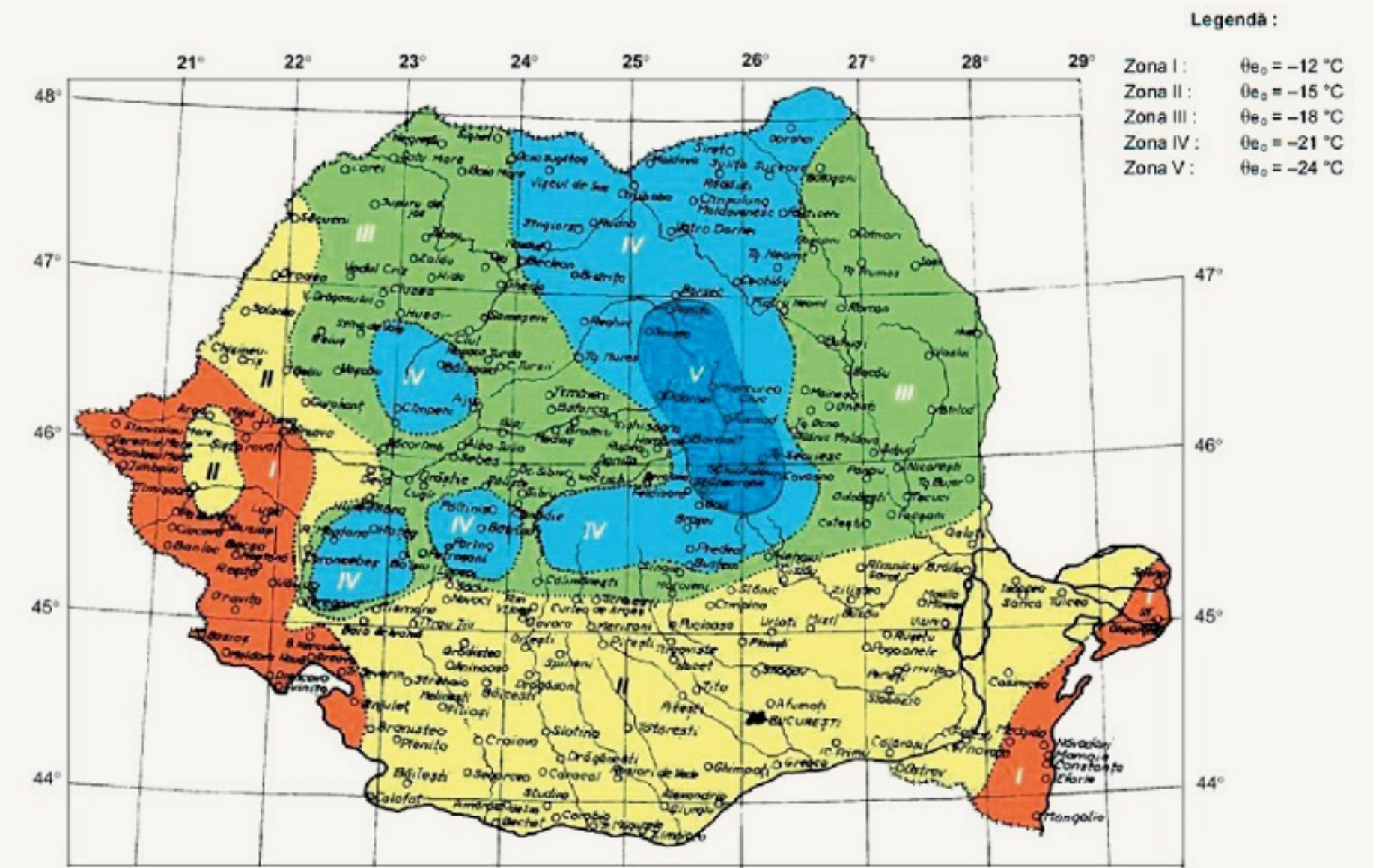
- I Buildings built before 31 December 2020, shall have at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock.
- II Buildings built after 31 December 2020, shall have primary energy use in kWh/m<sup>2</sup> per year at least 10 % lower than the threshold set for the national nearly zero-energy building (NZEB) standards.

EU enforced via EU Directive 2010/31/EU (EU Energy Performance of Buildings Directive) the nZEB standard for all newly constructed buildings starting with 2021. In Romania this requirement has been transposed through Law 101/2020 amending Law 372/2005 on energy performance of buildings. The amended law allows however new buildings not to comply with this standard if the construction of a nZEB is not viable from a technical – economical point.

At national level, the nZEB standards (Primary energy consumption and CO<sub>2</sub> emissions) have been initially defined through Order 368/2016 of Ministry of Regional Development and Public Administration, based on the climatic region and type of building. A phase-in of the standards ensured a gradual transition towards more strict thresholds.

In January 2023, the "Mc 001 - Methodology for calculating the energy performance of buildings" was published in the Official Monitor, significantly tightening the emissions standards for NZEB buildings built starting with 2022 – for example CO<sub>2</sub> emissions standards for residential buildings have decreased on average by 50% across all climate areas in the new methodology. Additional benchmarks were defined for new types of non-residential buildings.

### Climate areas in Romania for NZEB thresholds



ORDER approving the technical regulation "Calculation methodology of the energy performance of buildings, indicative Mc 001-2022", OFFICIAL MONITOR OF ROMANIA, PART I, No 46 bis/17.I.2023

**Maximum allowable limit values for total primary energy consumption (renewable and non-renewable) and CO<sub>2</sub> equivalent emissions for NZEB buildings**

Climate area	Starting with	Primary energy	CO <sub>2</sub> emissions	Primary energy	CO <sub>2</sub> emissions	Primary energy	CO <sub>2</sub> emissions	Primary energy	CO <sub>2</sub> emissions
		kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year	kWh/m <sup>2</sup> , year
		Office buildings		Education buildings		Collective residential buildings		Individual residential buildings	
1	2022	94.7	10.1	61.6	7.3	99.1	12.0	120.1	14.7
2	2022	98.4	10.9	66.8	8.1	103.7	12.8	127.9	16.0
3	2022	98.9	11.5	71.0	8.8	105.9	13.5	133.3	17.1
4	2022	100.6	12.2	76.5	9.7	109.5	14.3	140.6	18.5
5	2022	102.6	13.0	82	10.6	113.1	15.1	147.9	19.9
		Buildings for health system		Buildings for tourism		Commercial Spaces		Buildings for sports activities	
1	2022	162.5	19.0	96.5	11.7	95.5	11.0	93.4	10.4
2	2022	168.8	20.2	101.0	12.5	102.9	12.2	98.2	11.3
3	2022	170.9	21.1	103.7	13.1	107.7	13.3	100.3	12.0
4	2022	174.8	22.3	107.4	13.9	114.5	14.6	103.8	12.9
5	2022	179.3	23.5	111.6	14.7	121.4	16.0	107.5	13.7

For the allocated green mortgages originated starting 2021 both criteria from above were checked in order to determine the compliance with the substantial contribution criteria. The climatic area of each building was determined based on its geographic positioning in order to identify the applicable NZEB benchmark. For the allocated green mortgages originated in 2020, all the loans were considered to meet the substantial contribution criteria as the construction year was 2020 or earlier.

## Non-residential buildings

For the non-residential buildings, the CO<sub>2</sub> and energy savings impact were calculated for each loan using the same formulas as the ones applicable for residential buildings. Relevant data for the financed projects was extracted from the EPCs and/or international certifications. Specific national benchmarks for non-residential buildings were used, as described next:

☒ **Emissions benchmark for buildings in the services sector** – estimated based on total CO<sub>2</sub> emissions in the services sector (Romania 2021 data, Odysee database), rescaled to CO<sub>2</sub> emissions per m<sup>2</sup> based on estimation of floor area (m<sup>2</sup>/employee) in the services sector (Entranze, Odysee, Eurostat).

☒ **Final energy consumption benchmark for buildings in the services sector** – total energy consumption in services sector (Romania 2021 data, Odysee database), rescaled to unit consumption per m<sup>2</sup> based on the same factor as the one mentioned above.

Where available, the operational CO<sub>2</sub> savings and final energy consumption savings from the international eligible certifications were used instead of the savings derived based on EPC and the methodology described above.

## Clean Transportation

For **passenger cars** we derive the CO<sub>2</sub> savings based on the following formula:

$$4 \quad \text{CO}_2 \text{ savings} \left( \frac{\text{tCO}_2}{\text{year}} \right) = - \frac{1}{10^6} \sum \left[ \text{CO}_2 \text{ emissions by car} \left( \frac{\text{gCO}_2}{\text{km}} \right) - \text{Emission benchmark} \left( \frac{\text{gCO}_2}{\text{km}} \right) \right] \cdot \text{Avg distance by car (km)} \cdot \text{No. cars} \cdot \text{RBRO Share}$$

☒ **CO<sub>2</sub> emissions by car** – based on data extracted from the technical specifications of each car. Data is provided by RLRO.

☒ **Emissions benchmark** – average CO<sub>2</sub> emissions for the stock of cars (Odysee database). As the latest available data for Romania is 2010, we have extrapolated the 2010 datapoint based on the EU development of the benchmark between 2010 and 2019.

☒ **Annual average distance travelled by a car** – based on Odysee database. As the available timeseries for Romania is 2010–2015, we have extrapolated the trend until 2019.

☒ **RBRO Share** – represents the share of RBRO/RLRO loans in total acquisition value of the vehicles.

For the **electric locomotive** we derive the CO<sub>2</sub> savings based on the following formula:

$$5 \quad \text{CO}_2 \text{ savings} \left( \frac{\text{tCO}_2}{\text{year}} \right) = - \left[ \text{CO}_2 \text{ emissions of the locomotive} \left( \frac{\text{tCO}_2}{\text{year}} \right) - \text{Emission benchmark} \left( \frac{\text{tCO}_2}{\text{year}} \right) \right]$$

CO<sub>2</sub> emissions for the financed locomotive is 0.

☒ **Emissions benchmark** – calculated based on CO<sub>2</sub> emissions of all rail freight transport in Romania (2019 data, Odysee) divided by the stock of locomotives (National Institute of Statistics, 2019 data). The stock of locomotives represents the number of locomotives registered in the National Register of Vehicles (R.N.V.) administered by the Romanian Railway Authority, at the end of the year.

For the **charging stations**, we derive the CO<sub>2</sub> savings based on the following formula:

$$6 \text{ CO}_2 \text{ savings } \left( \frac{\text{tCO}_2}{\text{year}} \right) = \frac{\frac{1}{10^6} \cdot \text{No. of Charging stations} \cdot \text{Avg. Capacity per Charging station (kW)} \cdot \text{Utilisation rate } \left( \frac{\text{hours}}{\text{year}} \right)}{\text{Avg. Energy consumption per EV } \left( \frac{\text{kWh}}{100 \text{ km}} \right)} \cdot 100 \cdot \text{EV emission benchmark } \left( \frac{\text{gCO}_2}{\text{km}} \right) \cdot \text{RBRO Share}$$

☒ **Utilisation rate** – given the scarcity of charging stations in Romania and considering that the number of EVs in Romania is low but gradually increasing and that the location of the charging stations is petrol stations, we have assumed a conservative average utilization rate of 4 hours/day for 365 days.

☒ **Average energy consumption per EV** – 15 kWh/100 km\*

☒ **RBRO Share** – represents the share of RBRO/RLRO loans in total acquisition value of the vehicles.

For **electric forklifts**, we derive the CO<sub>2</sub> savings by calculating the equivalent emissions for a benchmark ICE forklift:

$$7 \text{ CO}_2 \text{ savings } \left( \frac{\text{tCO}_2}{\text{year}} \right) = \frac{1}{10^3} \cdot \text{No. of Electric forklifts} \cdot \text{Benchmark emission of diesel engine } \left( \frac{\text{kgCO}_2}{\text{liter diesel}} \right) \cdot \text{Benchmark consumption of diesel ICE forklift } \left( \frac{\text{liter diesel}}{\text{hour}} \right) \cdot \text{Usage rate } \left( \frac{\text{hours}}{\text{year}} \right) \cdot \text{RBRO Share}$$

☒ **Benchmark emission of diesel engine** – 2.7 kgCO<sub>2</sub>/liter\*\*

☒ **Benchmark consumption of diesel ICE forklift** – 2.7 liter/hour based on equivalent ICE forklift consumption data

☒ **Usage rate** – 1,500 hours/year

☒ **RBRO Share** – represents the share of RBRO/RLRO loans in total acquisition value of the vehicles.

\*source: [How much power does an electric car use? – Energuide](#)

\*\*source: [Emission Factors for Greenhouse Gas Inventories \(epa.gov\)](#)

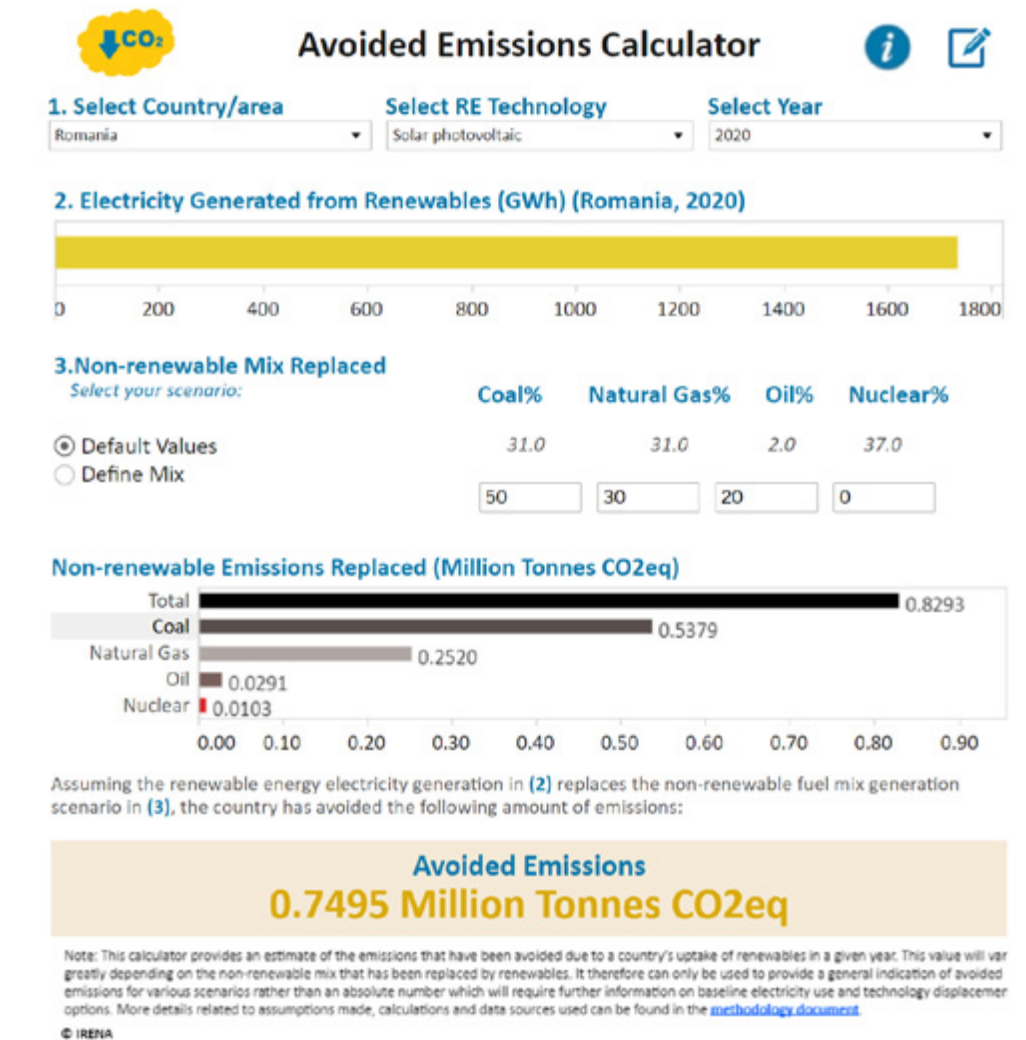
## Renewable energy

We use the avoided emissions calculator (Avoided Emissions Calculator - irena.org) from International Renewable Energy Agency (IRENA) in order to estimate the GHG emissions avoided due to renewable electricity generation using solar photovoltaic technology compared to baseline fossil fuel generated electricity in Romania (benchmark values for 2020).

Based on IRENA data, in Romania in 2020, total electricity generated using solar photovoltaic energy amounted to 1,733 GWh. Assuming, that this energy replaces fossil fuel generated electricity produced using the default mix for Romania provided by IRENA, total avoided emissions benchmark stands at 0.7495 million tonnes CO<sub>2</sub>eq.

$$7 \text{ CO}_2 \text{ savings } \left( \frac{\text{tCO}_2}{\text{year}} \right) = \frac{\text{Annual energy production of financed solar projects (MWh)}}{\text{Annual solar energy production in Romania (MWh)}} \cdot \frac{\text{Avoided Emissions benchmark (tCO}_2)}{\text{RBRO Share}}$$

☒ **RBRO Share** – represents the share of RBRO/RLRO loans in total acquisition value of the vehicles.





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# Independent Limited Assurance Report to the Supervisory Board of Raiffeisen Bank S.A. on Green and Sustainability Bonds use of proceeds information

## Introduction

We were engaged by the Board of Directors of Raiffeisen Bank S.A. (“the Bank”) to report on the *Green and Sustainability Bonds use of proceeds information* as at 31 December 2023, included in the Bank’s Sustainability Bond Report dated April 2024, and marked with the symbol **A** (hereinafter, “Green and Sustainability Bonds use of proceeds information”), in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Green and Sustainability Bonds use of proceeds information is not prepared, in all material respects, in accordance with the criteria described in the Bank’s internal methodology developed based on its Green Bond Framework dated March 2021 and the Sustainability Bond Framework dated April 2022 and disclosed in the Sustainability Bond Report on pages 30-32 (“Relevant Criteria”).

We have not performed any work, and do not express any conclusion, over any information other than the Green and Sustainability Bonds use of proceeds information, contained in the Bank’s Sustainability Bond Report and we do not express a conclusion on the Bank’s Sustainability Bond Report as a whole.

## Management's responsibilities

Management is responsible for:

- the preparation of the Sustainability Bond Report, including the Green and Sustainability Bond use of proceeds information therein, that is free from material misstatement in accordance with the Relevant Criteria, and for the information and assertions contained within it, including the designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Bond Report, including the Green and Sustainability Bond use of proceeds information therein, that is free from material misstatement, whether due to fraud or error;
- developing the Relevant Criteria, including loan eligibility criteria defined in the Bank’s internal methodology;
- compliance of eligible loans set out in the Sustainability Bond Report with the Green and Sustainability Bond eligibility criteria defined in the Bank’s internal methodology, validated by the Second Party Opinions;
- process to ensure that management and personnel involved with the preparation and presentation of the Green and Sustainability Bonds use of proceeds information is properly trained, systems are properly updated and that any changes in reporting relevant to the Green and Sustainability Bonds use of proceeds information encompass all significant business units; and
- preventing and detecting fraud and for identifying and ensuring that the Bank complies with laws and regulations applicable to its activities.

## Our responsibilities

Our responsibility is to examine the Green and Sustainability Bonds use of proceeds information prepared by the Bank and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Green and Sustainability Bonds use of proceeds information is prepared in accordance with the Relevant Criteria, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (*including International Independence Standards*) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### Procedures performed

The procedures selected depend on our understanding of the Green and Sustainability bonds use of proceeds information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

A limited assurance engagement on the Green and Sustainability Bonds use of proceeds information consists of making inquiries, primarily of persons responsible for the preparation thereof and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- inquiries of the Bank's personnel responsible for the Green and Sustainability Bonds use of proceeds information and obtaining an understanding of the process for measuring and reporting the Green and Sustainability Bonds use of proceeds information;
- assessing compliance, on a sample basis, of loans included as eligible in the calculation of the Green and Sustainability Bonds use of proceeds information with the Relevant Criteria, by inspecting the underlying evidence such as energy performance certificates, car registration certificates, business plans, commercial registry excerpts, etc.;
- tracing the inputs used in the preparation of Green and Sustainability Bonds use of proceeds information to the Green and social bonds registry, and, on a sample basis, the exposure of each loan to contractual documentation and system data.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Relevant criteria

The criteria against which the Green and Sustainability Bonds use of proceeds information was measured and evaluated are included in the Bank's internal methodology developed based on its Green Bond Framework dated March 2021 and the Sustainability Bond Framework dated April 2022 and disclosed in the Sustainability Bond Report on pages 30-32.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Green and Sustainability Bonds use of proceeds information of the Bank as at 31 December 2023 is not prepared, in all material respects, in accordance with the criteria described in the Bank's internal methodology developed based on its Green Bond Framework dated March 2021 and the Sustainability Bond Framework dated April 2022 and disclosed in the Sustainability Bond Report on pages 30-32.

The Green and Sustainability Bonds use of proceeds information has been measured and evaluated against the Relevant Criteria. These criteria have been developed only for the Bank and/or are relevant only to the preparation of the Sustainability Bond Report dated April 2024. As a result, the Green and Sustainability Bonds use of proceeds information may not be suitable for another purpose.

### Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Bank, for any purpose or in any other context. Any party other than the Bank who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Bank for our work, for this independent limited assurance report, or for the conclusions we have reached.

#### For and on behalf of KPMG Audit SRL:

Drăgoi Monica-Iuliana

registered in the electronic public register of financial auditors and audit firms under no AF4375

26 April 2024  
Bucharest



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# Sustainability Bond Report

Raiffeisen Bank  
Romania

April 2024