

# Raiffeisen Bank Zrt.

**Type of Engagement:** Annual Review

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**Engagement Team:**

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## Introduction

Between July 2022 and May 2024, Raiffeisen Bank Zrt. ("Raiffeisen" or the "Bank") issued two green bonds (collectively the "Green Bonds") and raised EUR 348.13 million to finance or refinance projects related to green buildings, renewable energy and clean transportation. In April 2025, Raiffeisen engaged Sustainalytics to review the projects financed with proceeds from the Green Bonds (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and whether Raiffeisen complied with the reporting commitments in the Raiffeisen Bank Zrt. Sustainability Bond Framework (the "Framework").<sup>1,2</sup> Sustainalytics provided a Second-Party Opinion on the Framework in March 2024.<sup>3</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Raiffeisen's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

**Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs**

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
<b>Green Buildings</b>	<p>Finance or refinance Eligible Loans or investments in green assets or projects related to the construction, acquisition, or renovation of buildings in the commercial and residential real estate sector.<sup>4</sup> Eligible loans may include loans either to private individuals (mortgages) or to legal entities, fulfilling the criteria presented below:</p> <ul style="list-style-type: none"> <li>• <b>Green commercial, logistic, manufacturing, or residential buildings</b> that meet at least one of the following criteria: <ul style="list-style-type: none"> <li>- Building has a recognized certification (at least applied or pre-certified)<sup>5</sup> with a minimum certification level of LEED Gold, BREEAM Excellent, DGNB/ ÖGNI Gold or EDGE Advanced.</li> <li>- Building belongs to the top 15% of energy performing buildings on a</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Estimated annual energy savings (MWh)</li> <li>• Estimated annual reduced and/ or avoided GHG emissions (tCO<sub>2</sub>e)</li> <li>• Type of scheme, certification level, if applicable</li> </ul>

<sup>1</sup> Raiffeisen Bank Zrt., "Raiffeisen Bank Zrt. Sustainability Bond Framework", (2024), at: <https://www.raiffeisen.hu/documents/d/bank/raiffeisen-bank-hungary-sustainability-bond-framework>

<sup>2</sup> Raiffeisen issued one green bond in July 2022 under the 2022 Sustainability Bond Framework, and one green bond in 2024 under the updated 2024 Sustainability Bond Framework. All the Nominated Projects were aligned with the updated 2024 Sustainability Bond Framework.

<sup>3</sup> Sustainalytics, "Second-Party Opinion, Raiffeisen Bank Zrt. Sustainability Bond Framework", (2024), at:

<https://www.raiffeisen.hu/documents/d/bank/raiffeisen-bank-zrt-sustainability-bond-framework-second-party-opinion>

<sup>4</sup> Sector may include office, industrial & logistic (e.g., manufacture, factory, logistic center), hotels, retail, healthcare, residential properties, excluding buildings used for the purpose of extraction, storage, or transportation of fossil fuels.

<sup>5</sup> In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Green Loan Portfolio.

	<p>national basis based on primary energy demand.</p> <ul style="list-style-type: none"> <li>- In cases where an assessment of the top 15% low carbon buildings is not possible, Raiffeisen Bank will define buildings with the Energy Performance Certificate (EPC) issued after 31 December 2023 with a minimum level A (primary energy demand) or EPC issued before 31 December 2023 with a minimum level BB as eligible.</li> <li>• <b>Refurbished buildings</b> leading to one of the following criteria being fulfilled: <ul style="list-style-type: none"> <li>- Reduction of Primary Energy Demand or carbon emissions of at least 30% in comparison with the performance of the building before the renovation,<sup>6</sup></li> <li>- At least two classes of improvement in the EPC energy label and at least 30% improvement in energy efficiency.</li> <li>- Only if the refurbishment results in an eligible certification can the refurbishment and asset value be financed.</li> </ul> </li> </ul> <p>Buildings that are used for the purpose of occupation by fossil fuel extraction or manufacturing of fossil fuel activities are explicitly excluded.</p>	
<p><b>Renewable Energy</b></p>	<p>Finance or refinance Eligible Loans and/ or investments to equipment, development, manufacturing, construction, installation, operation, distribution, and maintenance of <b>renewable energy projects</b> such as:</p> <ul style="list-style-type: none"> <li>• Wind power</li> <li>• Solar power: <ul style="list-style-type: none"> <li>- In the case of concentrated solar heat and power (CS) and other solar thermals, the majority of the electricity (85%) has to be generated in the facility sourced from solar energy.</li> </ul> </li> <li>• Hydropower: <ul style="list-style-type: none"> <li>- Run-of-river without artificial reservoir or with low storage capacity; or</li> <li>- For hydropower facilities in operation before 2020: power density above 5 W/m<sup>2</sup> or direct GHG emissions below 100gCO<sub>2</sub>e/kWh apply; or</li> <li>- For hydropower facilities in operation after 2020, power density above 10W/m<sup>2</sup> or direct emissions below 50 gCO<sub>2</sub>e/kWh apply.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Installed renewable energy capacity (MW)</li> <li>• Expected annual renewable energy generation (MWh)</li> <li>• Estimated annual GHG emission avoided (tCO<sub>2</sub>e)</li> </ul>

<sup>6</sup> Calculation is done based on the comparison of the energy demand values on the certificates (before/ after).

	<ul style="list-style-type: none"> <li>- For new projects subject to an Environmental Impact Assessment (EIA), EIA by a credible body is to be carried out with no significant risk or expected negative impact identified.</li> <li>- For new projects subject to an Environmental Impact Assessment (EIA), EIA by a credible body is to be carried out with no significant risk or expected negative impact identified. Projects where there is significant controversy surrounding the project cannot be Eligible Loan.</li> <li>• Geothermal projects (with direct GHG emissions &lt; 100gCO<sub>2</sub>/kWh)</li> <li>• Energy from biomass (excluding biomass from sources depleting biomass and carbon pools, sources grown on land with high biodiversity and sources that use land that competes with food sources). There are two types of biomasses:             <ul style="list-style-type: none"> <li>- Waste, which means agricultural or forestry residues, wastewater and sewage sludge that are not sourced from fossil fuel operations.<sup>7</sup></li> <li>- Non-waste biomass                 <ul style="list-style-type: none"> <li>(i) Agricultural biomass used as a raw material for biofuels produced from waste and residual materials directly from agricultural areas, liquid bio-energy carriers and fuels produced from biomass can only and exclusively be grown on land for which an annual nutrient management plan has been created.<sup>8</sup></li> <li>(ii) Palm oil can only be sourced from RSB (Roundtable on Sustainable Biomaterials)- or RSPO (Roundtable on Sustainable Palm Oil)-certified palm oil operations).</li> <li>(iii) Biomass feedstock is sustainably sourced (guaranteed by certification schemes issued based on Hungarian Government Decree 821/2021. (XII. 28.)<sup>9</sup>).</li> <li>(iv) Production feedstock does not take place on land with high biodiversity (at least within the last 10 years) or peat.</li> <li>(v) A Food Security Impact Assessment (FSIA) is needed to demonstrate no competition with food/feed.</li> </ul> </li> </ul> </li> </ul>	
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<sup>7</sup> The source of waste will be segregated and collected separately.

<sup>8</sup> 34/2021 on certain rules for the sustainable cultivation of biomass for the production of renewable energy. (X. 6.) is detailed in Decree AM.

<sup>9</sup> Hungarian Government Decree 821/2021, (2021), at:

<https://net.jogtar.hu/getpdf?docid=A2100821.KOR&targetdate=&printTitle=821/2021.%20%28XII.%2028.%29%20Korm.%20rendelet>

	<ul style="list-style-type: none"> <li>• For the production of electricity, projects are limited to those with lifecycle carbon emissions below 100gCO<sub>2</sub>e/kwh. For production of biofuels, there is an expected percentage lifecycle carbon emissions improvement from fossil fuel baseline - which varies if the biofuel will be used for (i) transport 94gCO<sub>2</sub>e/Mj; (ii) electricity 183gCO<sub>2</sub>e/Mj; or (iii) heat 80gCO<sub>2</sub>e/Mj. The specific percentage depends on the year of construction:             <ul style="list-style-type: none"> <li>- At least 50% for biofuels, biogas consumed in the transport sector, and bioliquids produced in installations in operation on or before 5 October 2015.</li> <li>- At least 60 % for biofuels, biogas consumed in the transport sector, and bioliquids produced in installations starting operation from 6 October 2015 until 31 December 2020.</li> <li>- At least 65% for biofuels, biogas consumed in the transport sector, and bioliquids produced in installations starting operation from 1 January 2021.</li> <li>- At least 70% for electricity, heating and cooling production from biomass fuels used in installations starting operation from 1 January 2021 until 31 December 2025, and 80 % for installations starting operation from 1 January 2026.</li> </ul> </li> </ul>	
<p><b>Clean Transportation</b></p>	<p>Finance or refinance Eligible Loans for manufacturing, acquisition, and modernization of zero direct emission vehicles (including light commercial vehicles (such as vans), or zero emission public transport (such as bus, truck, rail), etc.)<sup>10</sup> as well as related infrastructure and development, manufacture or purchase of key components for clean transportation (for e.g., copper foil for EV battery production) exclusively for zero direct emission vehicles and infrastructure (excluding components wholly dedicated to or intended for ICE and CNG passenger cars and supply chain).<sup>11</sup></p> <p>For infrastructure: Financing of low carbon transport infrastructure such as, but not limited to, electric charging points, electricity grid connection upgrades, hydrogen fueling stations, rail networks, highspeed railway lines, electric railway lines, pavements, bike lanes and pedestrian zones.</p> <p>The following projects are excluded from the category:</p>	<ul style="list-style-type: none"> <li>• Number of people using public mass transportation</li> <li>• Estimated annual GHG emissions avoided (tCO<sub>2</sub>e)</li> </ul>

<sup>10</sup> Exclusion applies to: i) Products and technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels; li) Energy-efficient technologies designed or intended for production processes in heavy industries, such as steel, cement, aluminum, etc; andiii) oil or gas fired boilers, CHP, and cogeneration facilities.

<sup>11</sup> Suppliers are not allowed to be in any of the excluded sectors that are on the Exclusion list of the current Framework.

	<ul style="list-style-type: none"><li>- Parking facilities<sup>12</sup></li><li>- New construction and existing road retrofits (roads, road bridges, parking facilities etc.)</li><li>- Fossil fuel filling stations and other assets that may prolong the life and/or facilitate the use of fossil fuel powered transport.</li></ul>	
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## Issuer's Responsibility

Raiffeisen is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Raiffeisen's Green Bonds. The work undertaken as part of this engagement included collection of documentation from Raiffeisen and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Raiffeisen. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Raiffeisen.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>13</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Raiffeisen has disclosed to Sustainalytics that the proceeds from the Green Bonds were fully allocated as of February 2025.

<sup>12</sup> Including standalone facilities, even if linked to charging and alternative fuel infrastructure.

<sup>13</sup> Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Raiffeisen reported on at least one KPI per use of proceeds category.	None

## Appendices

### Appendix 1: Allocation of Proceeds

Table 3: Allocation of proceeds from the proceeds of Green Bonds

Use of Proceeds Category	Project Description	Project Name <sup>14</sup>	Amount Allocated (EUR million)
<b>Green Buildings</b>	These projects provide financing for the development, acquisition, and/or ownership of new or existing buildings across both residential and non-residential sectors.	Green Buildings Project 1	0.62
		Green Buildings Project 2	0.65
		Green Buildings Project 3	0.40
		Green Buildings Project 4	0.47
		Green Buildings Project 5	1.01
		Green Buildings Project 6	1.00
		Green Buildings Project 7	23.55
		Green Buildings Project 8	14.76
		Green Buildings Project 9	26.47
		Green Buildings Project 10	3.90
		Green Buildings Project 11	45.82
		Green Buildings Project 12	26.88
<b>Renewable Energy</b>	These projects provide financing exclusively for solar energy generation.	Renewable Energy Project 1	0.13
		Renewable Energy Project 2	1.52
		Renewable Energy Project 3	1.71
		Renewable Energy Project 4	13.76
		Renewable Energy Project 5	17.92
		Renewable Energy Project 6	3.42
		Renewable Energy Project 7	0.55
		Renewable Energy Project 8	8.76
		Renewable Energy Project 9	2.59
		Renewable Energy Project 10	5.61
		Renewable Energy Project 11	12.97
		Renewable Energy Project 12	3.10
		Renewable Energy Project 13	7.53
		Renewable Energy Project 14	10.97
		Renewable Energy Project 15	12.60
<b>Clean Transportation</b>	This project includes the manufacturing of batteries for electric vehicles.	Clean Transportation Project 1	100.00

<sup>14</sup> Raiffeisen shared the project details with Sustainalytics confidentially.

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<b>Total Amount Allocated</b>	<b>348.67<sup>15</sup></b>
<b>Total Unallocated Proceeds</b>	<b>0</b>
<b>Total Proceeds Raised</b>	<b>348.13</b>

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<sup>15</sup> Sustainalytics notes that funds allocated to the Nominated Expenditures exceed the net proceeds of the Green Bonds by EUR 0.54 million. Raiffeisen has communicated to Sustainalytics that it has intentionally overallocated funds to the Nominated Expenditures, creating a buffer against potential decrease in allocation amount due to amortizing loans.



## Appendix 2: Reported Impact

Table 4: Reported Impact from the Green Buildings Use of proceeds Category

Use of Proceeds Category	Project Name	Building Type	Certification Type	Certification Level	tCO <sub>2</sub> e Savings
<b>Green Buildings</b>	Green Buildings Project 1	Commercial	EPC	BB	0.42
	Green Buildings Project 2	Commercial	EPC	BB	0.37
	Green Buildings Project 3	Commercial	EPC	BB	5.60
	Green Buildings Project 4	Commercial	EPC	BB	5.42
	Green Buildings Project 5	Commercial	EPC	BB	7.32
	Green Buildings Project 6	Commercial	EPC	BB	0.18
	Green Buildings Project 7	Logistics	BREEAM	Excellent	191.20
	Green Buildings Project 8	Logistics	BREEAM	Outstanding	189.35
	Green Buildings Project 9	Logistics	BREEAM	Outstanding	181.67
	Green Buildings Project 10	Office	BREEAM	Excellent	28.49
	Green Buildings Project 11	Office	LEED	Gold	72.33
	Green Buildings Project 12	Hotel	LEED	Gold	23.90

**Table 5: Reported Impact from the Renewable Energy Use of proceeds Category**

Use of Proceeds Category	Type of Project	Project Name	Annual Renewable Energy Production (MWh)	tCO <sub>2</sub> e Savings
Renewable Energy	Solar Power Generation	Renewable Energy Project 1	155.00	37.2
		Renewable Energy Project 2	4,443.00	1,066.0
		Renewable Energy Project 3	9,658.82	2,317.5
		Renewable Energy Project 4	75,060.86	9,004.9
		Renewable Energy Project 5	237,103.78	11,463.2
		Renewable Energy Project 6	Not yet available. <sup>16</sup>	Not yet Available. <sup>17</sup>
		Renewable Energy Project 7	1,770.90	424.9
		Renewable Energy Project 8	5,600.68	1,343.8
		Renewable Energy Project 9	Not yet available. <sup>18</sup>	Not yet Available. <sup>19</sup>
		Renewable Energy Project 10	30,630.00	3,674.6
		Renewable Energy Project 11	20,922.00	2,510.0
		Renewable Energy Project 12	9,300.00	2,231.4
		Renewable Energy Project 13	16,231.74	3,894.6
		Renewable Energy Project 14	Not yet Available. <sup>20</sup>	Not yet Available. <sup>21</sup>
		Renewable Energy Project 15	Not yet Available. <sup>22</sup>	Not yet Available. <sup>23</sup>

**Table 6: Reported Impact from the Clean Transportation Use of proceeds Category**

Use of Proceeds Category	Project Name	Number of Electric Batteries Manufactured	Annual GHG Emissions Avoided (tCO <sub>2</sub> e)
Clean Transportation	Clean Transportation Project 1	18,876	11,677

<sup>16</sup> Raiffeisen has communicated to Sustainalytics that this project became operational in February 2025. Therefore, the impact of this project is not yet available.

<sup>17</sup> Ibid.

<sup>18</sup> Raiffeisen has communicated to Sustainalytics that this project became operational in November 2024. Therefore, the impact of this project is not yet available.

<sup>19</sup> Ibid.

<sup>20</sup> Raiffeisen has communicated to Sustainalytics that this project became operational in February 2025. Therefore, the impact of this project is not yet available.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

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