



# INVESTOR PRESENTATION

GREEN BOND UPDATE | JUNE 2021



- I. HYPO NOE AT A GLANCE
- II. SUSTAINABILITY STRATEGY
- III. GREEN BOND FRAMEWORK
- IV. GREEN BOND PORTFOLIO
- V. KEY CONTACTS
- VI. APPENDIX



# HYPO NOE AT A GLANCE



## DEPENDABLE COMMERCIAL BANK

### Focus of business activities

- Public Sector
- Real Estate
- Retail and Corporate Customers



## STABLE STATE BANK

### 100% owner State of Lower Austria

- Austria's largest federal state
- Long-term orientated



## SPECIALISED MORTGAGE BANK

### Low-risk business model

- Classical and social infrastructure
- Multi and single-family residential housing
- Real estate projects

## FACTS & FIGURES 31 Mar. 2021

**1888**

Date of establishment

**EUR 16.5bn**

Total assets

**17.28%**

CET1 ratio

**0.78%**

NPL ratio

**'A' stable**

S&P issuer credit rating

**'C+' Prime**

ISS ESG

- **AUSTRIA'S LARGEST AND OLDEST-ESTABLISHED STATE MORTGAGE BANK<sup>1</sup>**

Successfully established on the market for more than 130 years

- **STRONG MARKET POSITION IN THE CAPITAL REGION OF LOWER AUSTRIA & VIENNA**

Core market: Lower Austria & Vienna, also targeted: selected EU markets

- **ONE OF AUSTRIA'S LARGEST COVERED BOND ISSUERS**

Benchmark bond issues - secured and unsecured, solid customer deposit base

- **SUSTAINABILITY IN THE GROUP'S CORE BUSINESSES**

Strict ethical guidelines and business principles, portfolio with a strong sustainable profile

<sup>1</sup> By total assets (2019 consolidated financial statements) and date of establishment

# OUR MARKETS

## HOME MARKET LOWER AUSTRIA & VIENNA<sup>1</sup>

- approx. **40% of Austria's population** live and work in Lower Austria and Vienna
- approx. **41% of the Austrian GDP** is generated in Lower Austria and Vienna
- Region with highest population growth potential
- Lower Austria #1: gross income from employment and purchase power

## CORE MARKET AUSTRIA & GERMANY<sup>1</sup>

- GDP per capita<sup>2</sup> significantly above the Eurozone average
- One of the lowest unemployment rates within the EU
- Public debt still below the Eurozone average
- Level of household indebtedness below Eurozone average

## STRONG MARKET POSITION

**28%**

MARKET SHARE  
(LOWER AUSTRIA)<sup>3</sup>

**29%**

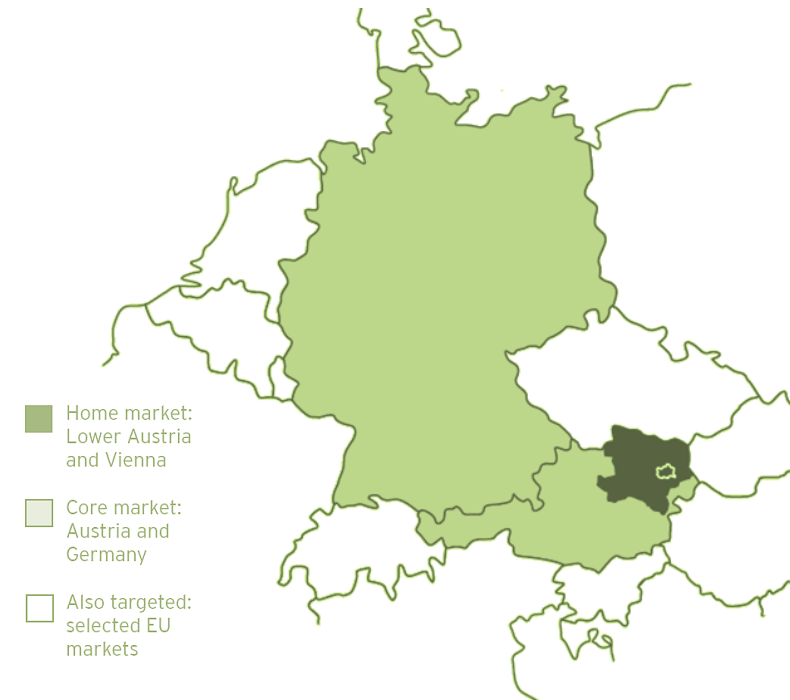
MARKET SHARE  
STATE MORTGAGE  
BANKS (AT)<sup>3</sup>

**Top 3**

ISSUER PUBLIC  
SECTOR COVERED  
BONDS (AT)<sup>4</sup>

**~450**

OF 573 LOWER  
AUSTRIAN  
MUNICIPALITIES  
AS CUSTOMERS

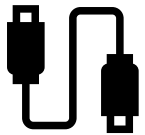




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## ORGANIC GROWTH

- Focus on core business
- Emphasis on Austria and Germany



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## DIGITALISATION

- Best-in-class core products
- Partnerships for add-on products



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## PROFITABILITY

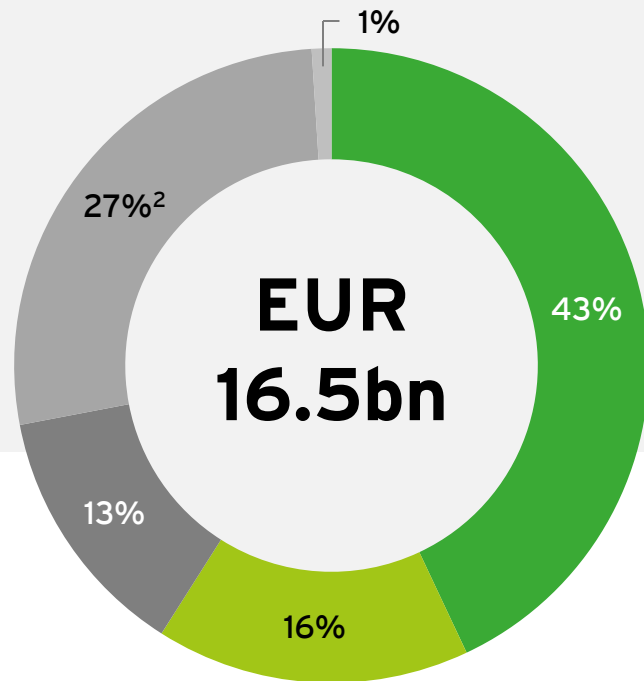
- Growth and diversification of core income streams
- Maintaining a conservative risk and capital profile

# BUSINESS SEGMENTS as at 31 Mar. 2021

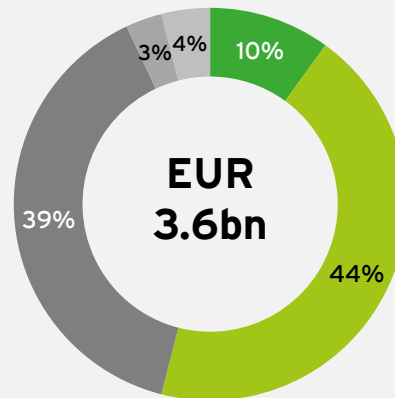
Segment reporting reflects core competencies



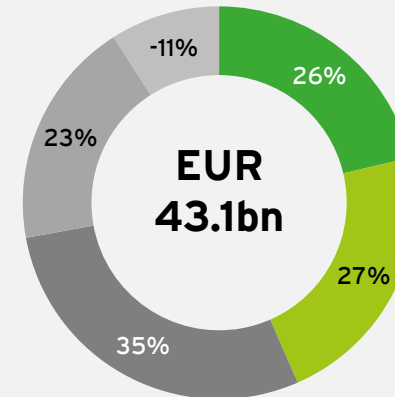
## BY ASSETS



## BY RWA (CREDIT RISK)



## BY OPERATING INCOME



Operating segments with a share of green buildings:

- Public Sector
- Real Estate

Other operating segments:

- Retail and Corporate Customers
- Treasury & ALM

In addition:

- Corporate Center<sup>1</sup>

### Financing, leasing and investment solutions for

- Local and regional authorities
- Public agencies
- Infrastructure businesses
- Religious communities and institutions

### Financing and investment solutions

- Cooperative housing development
- Housing and commercial properties
- Real estate projects
- Real estate services

### Financing, investment, payment and insurance solutions for

- Retail customers
- Corporate customers

27 branches in Lower Austria and Vienna

## OVERVIEW OF BUSINESS SEGMENTS

### PUBLIC SECTOR

### REAL ESTATE

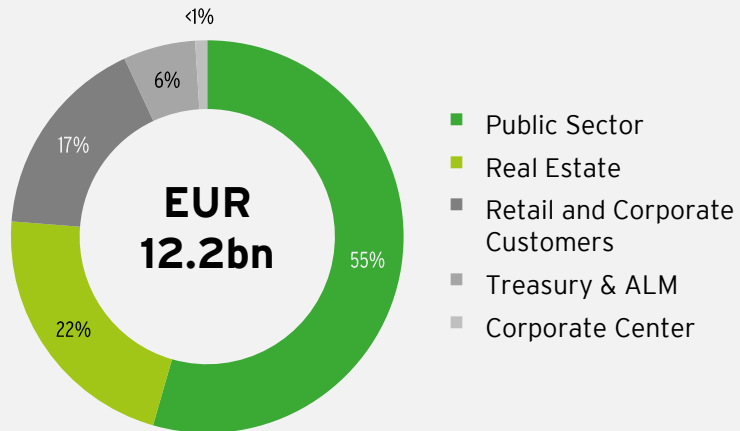
### RETAIL AND CORPORATE CUSTOMERS

<sup>1</sup> Includes commercial activities that are not allocated to other segments and consolidation effects from intra-group transactions, where these cannot be recognised in other segments. | <sup>2</sup> Temporary increase through the participation in ECB's TLTRO III programme as of June 2020.

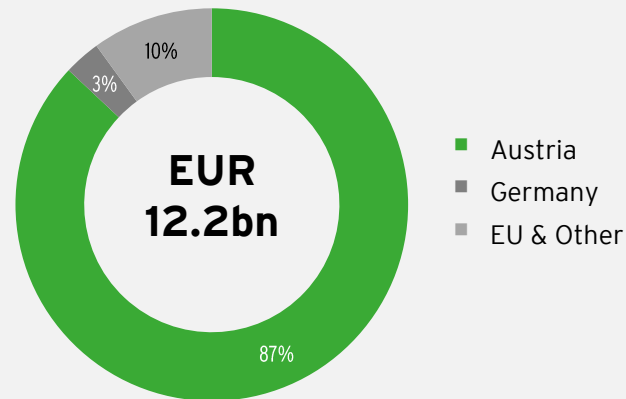
# HIGH QUALITY AC PORTFOLIO

Financial assets – AC (excl. banks) as at 31 Mar. 2021

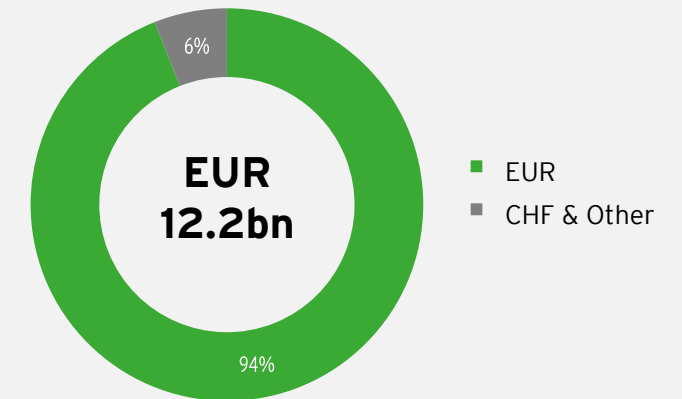
BY SEGMENT



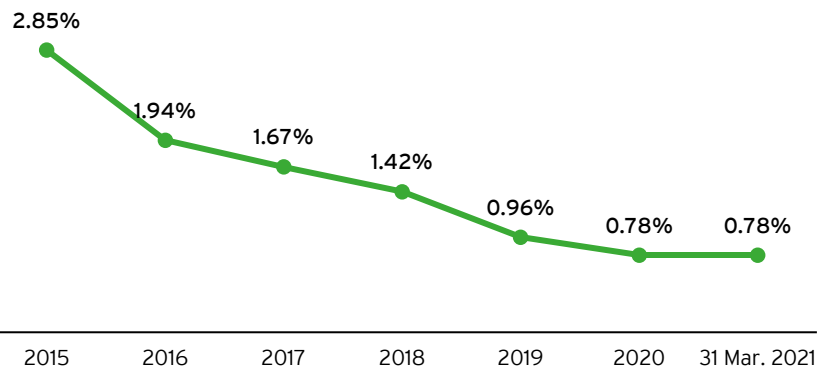
BY COUNTRIES



BY CURRENCY



NPL-RATIO<sup>1</sup> IN %



## NPL RATIO FURTHER REDUCED AT A HISTORICALLY LOW LEVEL

31 Mar. 2021: 0.78% (31 Dec. 2020: 0.78%)

- Continuous reduction due to active intensive care management
- NPL coverage ratio remains at a high level 76.45% (31 Dec. 2020: 75.18%)
- CHF legacy portfolio | further push for reduction

## GREEN BOND ASSETS WITHIN THE AC PORTFOLIO

### GREEN BUILDINGS

- within the segments: Public Finance (social infrastructure) and Real Estate (cooperative housing development)
- 100% in Austria
- 100% in EUR

<sup>1</sup> Carrying amounts of non-performing financial assets – AC (excl. banks) / financial assets – AC (excl. banks)

# BROAD REFINANCING BASE

## STABLE DEPOSIT BASE

EUR '000	31 Mar. 2021	31 Dec. 2020
Savings, demand and time deposits ①	4,971,369	5,044,549
TTLTRO III	1,837,319	1,841,492
Debts evidenced by certificates ②	7,722,857	7,388,489
Public sector & mortgage covered bonds	4,587,753	4,657,887
Unsecured bonds	3,135,103	2,730,602
<b>Financial liabilities - AC</b>	<b>14,531,545</b>	<b>14,274,540</b>

### ① Refinancing from deposits

- Deposit base largely stable at a high level compared to year-end 2020
- Share of deposits in total refinancing volume significantly expanded since 2013

### ② Debt capital markets funding

#### Strong and stable ratings

- On 11 May 2021, S&P Global affirmed single A rating, outlook “stable”
- In Q1 2020, ISS ESG upgraded the ESG rating of to 'C+', status “Prime”

#### Successful benchmark issues since start of COVID-19

- May 2020: EUR 500mn mortgage covered bond benchmark bond
- June 2020: EUR 500mn Green Bond Senior Preferred benchmark bond
- March 2021: EUR 500mn Senior Preferred benchmark bond

#### Funding Planning 2021

- Planned funding volume up to EUR 1.5bn
- No need to issue senior non-preferred bonds
- Complementary private placements for fine-tuning
- Use of alternative sources of funding (e.g. ECB tender, EIB, KfW)

## COMFORTABLE LIQUIDITY POSITION

LCR: 31 Mar. 2021 / Reserve: Apr. 2021

**215%**

LIQUIDITY  
COVERAGE RATIO  
(LCR)

**3.4**

EUR BN  
LIQUIDITY  
RESERVE



# CREDIT & ESG RATINGS

## STRONG AND STABLE RATINGS

STANDARD & POOR'S		MOODY'S	
ISSUER CREDIT RATING	OUTLOOK	PUBLIC SECTOR COVERED BONDS	MORTGAGE COVERED BONDS
A	stable	Aa1	Aa1

ISS ESG	SUSTAINALYTICS	V.E VIGEO EIRIS	IMUG	DZ BANK
SUSTAINABILITY RATING	ESG RISK RATING	SUSTAINABILITY RATING	SUSTAINABILITY RATING	SEAL OF APPROVAL
C+   Status "Prime"	22.9 (Medium Risk)	52 (Robust)	Positive BB	Sustainability seal



# COMPREHENSIVE SUSTAINABILITY PROGRAMME

## SUSTAINABILITY STRATEGY

### PORTFOLIO

#### FINANCING WITH SOCIAL VALUE ADDED

- Green buildings & social infrastructure
- Extensive exclusion criteria
- Green products (certified: Austrian Ecolabel UZ49)

### CO<sub>2</sub>

#### REDUCING OWN ECOLOGICAL FOOTPRINT

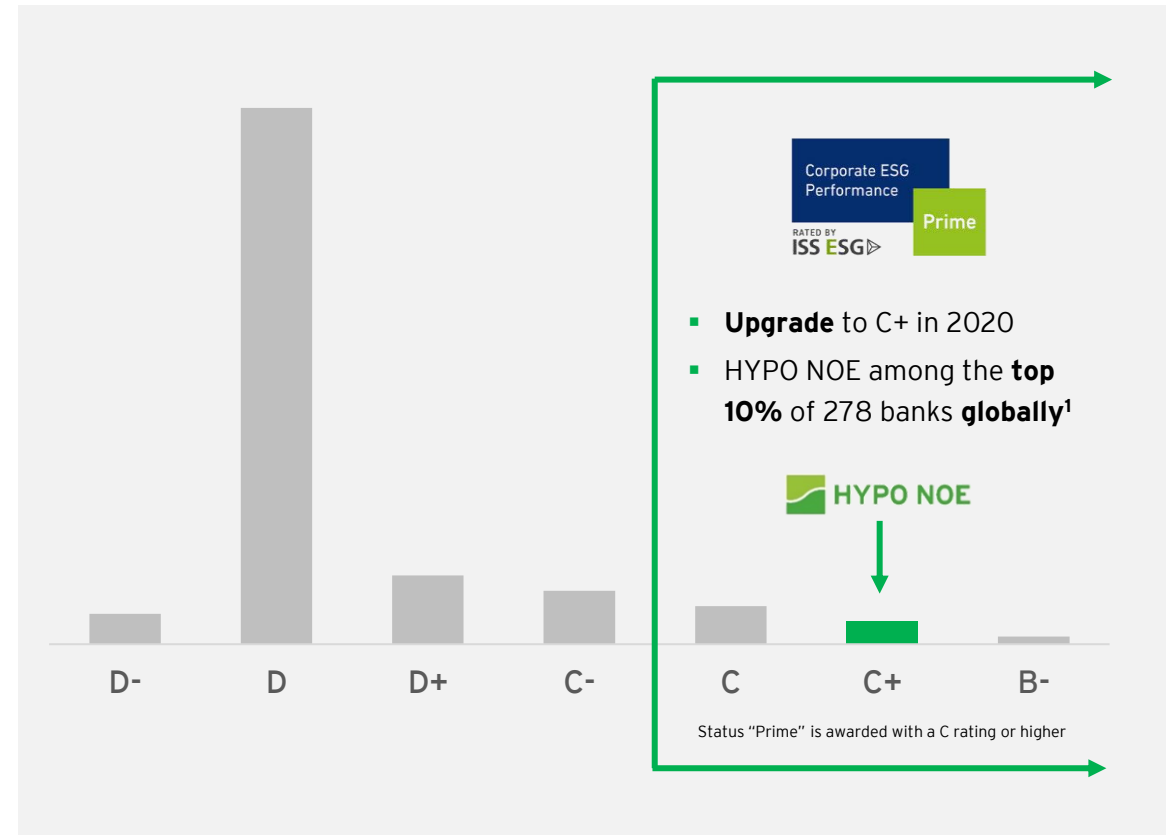
- CO<sub>2</sub> emissions: -57% since 2016
- Environmental & climate strategy (until 2025)
- Vehicle fleet, e-mobility, land and paper consumption

### EMPLOYER

#### RESPONSIBLE EMPLOYER

- Professional and personal further development
- Operational health management for employees
- Stable and secure jobs in the region

## ISS ESG RATING DISTRIBUTION



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# SUSTAINABILITY STRATEGY - AT A GLANCE

The three pillars of HYPO NOE's sustainability strategy



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## FINANCING WITH SOCIAL VALUE ADDED

- Green buildings and social infrastructure
- Ethical guidelines and business principles



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## RESPONSIBLE EMPLOYER

- Operational health management for employees
- Professional and personal further development



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## REDUCING THE OWN ECOLOGICAL FOOTPRINT

- Environmental and climate strategy  
(participation in the Austrian "klimaaktiv" pact)
- Task force "sustainability"

# SUSTAINABILITY STRATEGY - PILLAR I

Financing with social value added



## Ethical Guidelines & business principles

### POSITIVE CRITERIA

- Social infrastructure
- Socially & environmentally sound housing projects
- Education and culture
- Sustainable energies & environmental protection



### SENSIBLE ECOLOGICAL AND SOCIAL SECTORS

- Energy production
- Raw material extraction
- Forestry
- Agriculture
- Water



### EXCLUSION CRITERIA

- Nuclear power plants
- Environmental hazard
- Arms
- Pornography and prostitution
- Warring countries
- Human rights abuses
- Labour rights violations
- Suspected corruption
- Coal
- Animal experiments
- Genetically modified organisms
- Tobacco
- Destructive mining practices (e.g. MTR)
- Controversial hydrocarbon production practices (e.g. Arctic drilling)



# SUSTAINABILITY STRATEGY - PILLAR II

## Responsible Employer

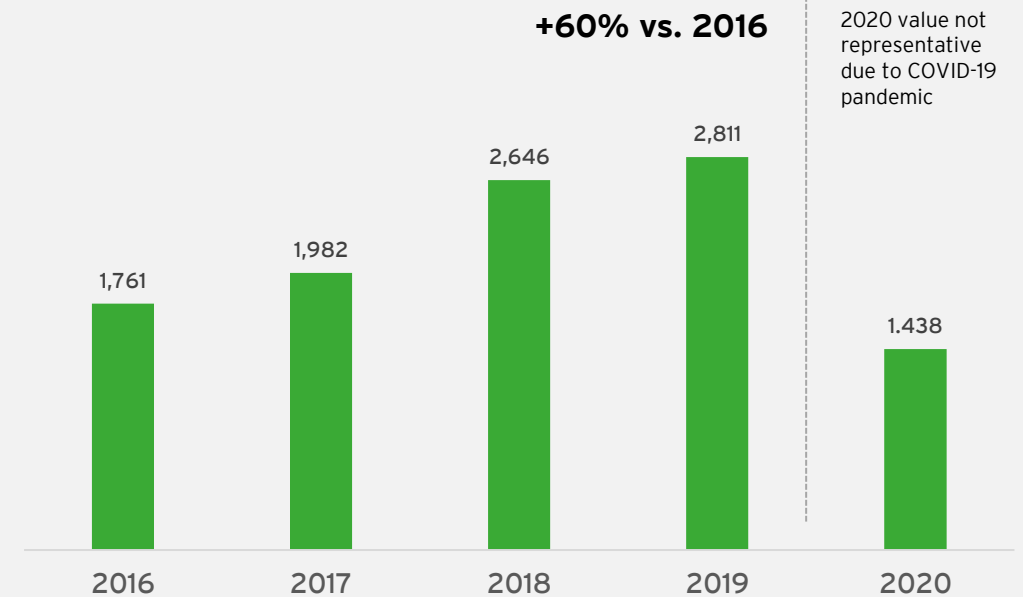


Focus on health and training

### MEASURES

- Professional and personal continuing education
- Fitness and health checks on a regular basis for employees, current focus on back health
- “Employee Assistance Service”<sup>1</sup> free of charge
- Company pension plans
- Regular employee surveys
- Working conditions compatible with different life stages  
Works agreements on home office and flexible working hours
- Part-time working models

Training days at HYPO NOE Group



<sup>1</sup>Anonymous coaching and confidential advice for employees and individuals living in the same household on professional and private matters

# SUSTAINABILITY STRATEGY - PILLAR III

Reducing the own ecological footprint



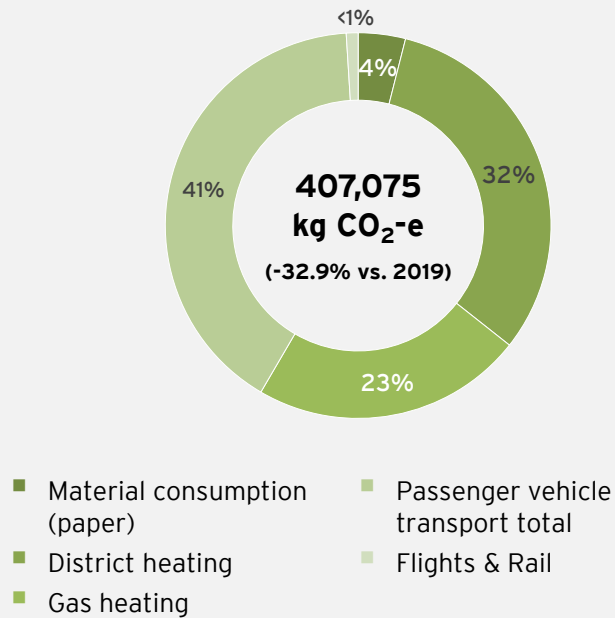
## Environmental and climate strategy

### TARGETS FOR 2025<sup>1</sup>

Reduction of CO<sub>2</sub> emissions by 50%

- Reduction of vehicle pool by 50%
- Increase share of e-mobility by 15%
- Reduction of land use by 30%
- Reduction of paper consumption by 50%

HYPO NOE: Distribution of CO<sub>2</sub> emissions per source (2020)



CO<sub>2</sub> emissions of HYPO NOE (in CO<sub>2</sub>-e)



<sup>1</sup> starting from the year 2015 as basis

# SDG - HYPO NOE'S OBJECTIVES

## SDG 3: GOOD HEALTH AND WELL-BEING

Ensuring a healthy life for all people of all ages

## SDG 7: AFFORDABLE AND CLEAN ENERGY

Ensuring access to affordable, reliable, sustainable and modern energy for all

## SDG 8: DECENT WORK AND ECONOMIC GROWTH

Promoting sustained, broad-based and sustainable economic growth, full and productive employment and humane working conditions for all

## SDG 9: INDUSTRY, INNOVATION UND INFRASTRUCTURE

Building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation

## SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

Making cities and settlements inclusive, safe, resilient and sustainable

## SDG 13: CLIMATE ACTION

Taking immediate action to combat climate change and its effects





# SDG - HYPO NOE'S CONTRIBUTION



- Financing of **health infrastructure projects**: hospitals, nursing homes, medicine and research centres
- **Operational health management**



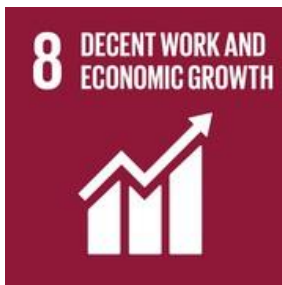
- Financing of **public infrastructure projects with social value added** in the areas of health, education and culture
- being important building blocks for a sustainable development



- Financing **renewable energy**
- Increasing energy efficiency
- Reduction of own **ecological footprint**: own **environmental and climate strategy** (ISO 14001)



- Financing of public **projects in municipalities, regions and cities**: nurseries, schools, universities, hospitals, care centres



- As a regional bank, HYPO NOE **contributes to value creation**
- and secures **jobs** in Lower Austria and Vienna



- **Environmental and climate strategy** with clear, measurable targets (participation in the Austrian "klimaaktiv" pact)  
Greening of the Car Policy, ethical guidelines and business principles including exclusion criteria

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## ENVIRONMENT

- Environmental and climate strategy (participation in the Austrian “klimaaktiv” pact)
- Environmental management system (ISO 14001)
- Ongoing evaluation of further exclusion and positive criteria
- **Green Bond Committee**
- Groupwide task force “sustainability”

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## SOCIAL

- Public finance
- Non-profit housing finance
- Corporate health management
- Continuing education of employees
- Working conditions compatible with different life stages

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## GOVERNANCE<sup>1</sup>

- Compliance
- Fight against money laundering & corruption
- Code of Conduct
- Signatory of the Diversity Charter
- women@hyponoe (special programme aimed at supporting women)
- “Fit & Proper” trainings

<sup>1</sup>Handbooks and compulsory training courses in the fields of money laundering, corruption, financing terrorism and fit & proper training courses for identified staff

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# GREEN BOND FRAMEWORK - FOUR PILLARS

Oriented along the ICMA Green Bond Principles



## EXTERNAL REVIEW:



SPO (ISS ESG)



Austrian Ecolabel (UZ 49)

Independent auditor

# GREEN BUILDINGS - TOP 15% OF AUSTRIA

Criteria for „HYPO NOE Green Buildings“



USE OF  
PROCEEDS

GREEN BUILDINGS

## Top 15% most carbon-efficient buildings in Austria:

- EPC classes B or better
- Mortgages for assets built in compliance with the Austrian construction standards OIB RL 6 2011/2015/2019, in line with the NZEB directive
- Mortgages for assets built in compliance with the Lower Austrian housing subsidy directive (Wohnbauförderrichtlinien) 2011 or 2019

built after 1 January 2016

- Mortgages for assets with the following classifications:
  - LEED: Platinum, Gold
  - BREEAM: Outstanding, Excellent, Very Good
  - DGNB-Family, meaning DGNB, ÖGNI oder SGNI: Platinum, Gold
  - “klimaaktiv“
  - other comparable international green building certifications

# GREEN BOND FRAMEWORK - PROJECT EVALUATION AND SELECTION



## PROCESS FOR PROJECT EVALUATION AND SELECTION

GREEN BOND  
COMMITTEE (GBC)

### HYPO NOE Green Bond Committee (GBC)

The HYPO NOE Green Bond Committee is responsible for reviewing any sustainability aspects during the loan application process as well as the correct allocation in the Bank's core banking system.<sup>1</sup>

### The GBC members are made up of representatives of the following entities:

- Corporate Customers
- Real Estate Customers
- Public Sector
- Strategic Risk Management
- Credit Risk Management
- Sustainability Officers
- Treasury



## MANAGEMENT OF PROCEEDS

TREASURY

- An amount equivalent to the sum of the net proceeds generated from the Green Bonds is managed by HYPO NOE treasury under a portfolio approach
- Until final maturity of the Green Bonds, HYPO NOE ensures that the Green Portfolio is at least equal in size to the net proceeds of the Green Bonds outstanding
- For this purpose, HYPO NOE flags Eligible Green Loans included in its Green Portfolio within its core banking system

<sup>1</sup> According to the categories and criteria defined in the Green Bond Framework

# GREEN BOND FRAMEWORK - REPORTING (I)

## Allocation and impact reporting



### IV

#### REPORTING

HYPO NOE publishes an annual report on the use of net proceeds for Green Bonds issued under this framework until full allocation.

The HYPO NOE Green Bond Framework defines eight categories of financing eligible for green bonds (based on the EU Green Bond Standard, the EU taxonomy for sustainable activities and best practice programmes at the time the framework was drawn up):

Eligible category	Output indicators	Impact indicators
Green Buildings	Total areas (m <sup>2</sup> ) Energy savings (MWh)	Carbon emissions avoided (tCO <sub>2</sub> )
Renewable Energy	Expected energy production (MWh)	Carbon emissions avoided (tCO <sub>2</sub> )
Environmentally sustainable management of living natural resources and land use	Number of agricultural business financed Total surface financed (ha)	Volume of farming input avoided (t/year)
Energy Efficiency	Energy savings (MWh)	Carbon emissions avoided (tCO <sub>2</sub> )
Clean Transportation	Total tonne.km or pax.km	Carbon emissions avoided (tCO <sub>2</sub> )
Water and Waste Water Management	Water and Waste Water Management technology type	Volume of treated water (m <sup>3</sup> /year)
Climate Change Adaptation	Climate Change Adaptation project type	Carbon emissions avoided (tCO <sub>2</sub> )
Pollution Prevention	Waste Management technology type	Volume of treated/recycled waste (m <sup>3</sup> /year)

# GREEN BOND FRAMEWORK - REPORTING (II)

## Allocation and impact reporting



### IV

Example: Carbon Impact Methodology - Green Buildings acc to. HYPO NOE Green Bond Framework:

#### REPORTING

	Client number	Account number	Outstanding loan amount	Loan maturity	Location	EPC class	EPC date of certification	Other energy certification	OIB RL	fGEE (energy efficiency)	HWB (heating demand) (KWH/m <sup>2</sup> )	Top 15% of most energy efficient buildings	Energy savings (kWh/m <sup>2</sup> *y)	HYPO NOE financed carbon savings (tCO <sub>2</sub> /y)	Carbon intensity (tCO <sub>2</sub> /€m)
EXAMPLE	000	000	10,000,000	31.12.2030	AT	A	31.1.2020	A+ (fGEE)	OIB RL 6 2015	0.5	22.8	Yes	139.8	13.2	16



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# GREEN BOND IMPACT REPORTING (I)

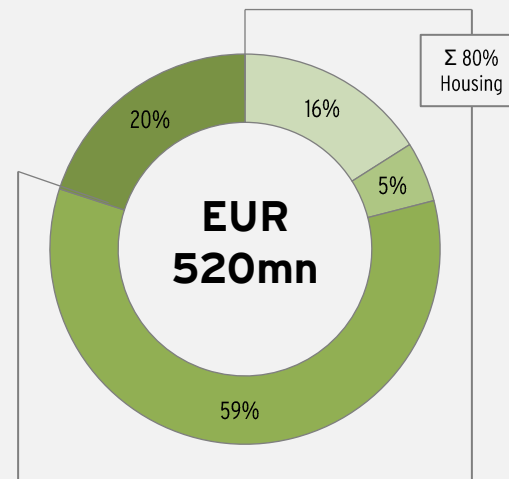


## Green Asset Pool as at 31 Mar. 2021

### FACTS ABOUT THE GREEN ASSET POOL

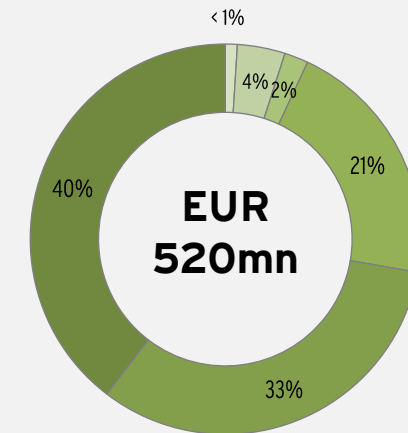
- Total usable floor space financed: ~ **465,000 m<sup>2</sup>**
- Total CO<sub>2</sub> savings: > **9,000 t**
- Categories - affordable housing and social infrastructure - in line with HYPO NOE's core competencies
- Predominantly loans with longer-term maturities of over 20 years (Ø remaining term at just under 29 years)
- Exclusively properties in Austria
- Only buildings with energy efficiency class B or better
- Only properties built after 01.01.2016 (already over 78% comply with the newer OIB-RL 6 2015)

### BY CATEGORY



- Cooperative housing development (subsidised)
- Cooperative housing development (non-subsidised)
- Subsidised housing loans
- Social infrastructure (education, health, culture)

### BY MATURITY



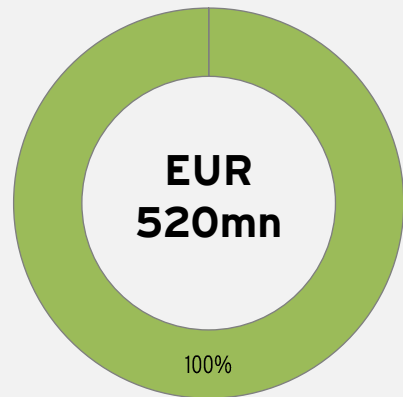
- 5 - 10 years
- 10 - 15 years
- 15 - 20 years
- 20 - 25 years
- 25 - 30 years
- 30 - 35 years

# GREEN BOND IMPACT REPORTING (II)



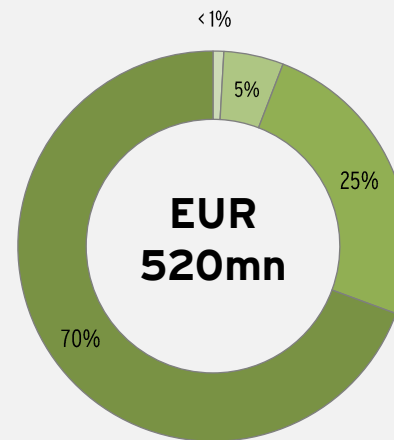
Green Asset Pool as at 31 Mar. 2021

## BY COUNTRY



■ Austria

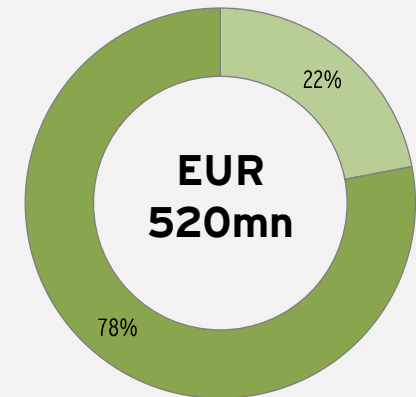
## BY ENERGY EFFICIENCY (EPC)



■ EPC Class A++  
■ EPC Class A+  
■ EPC Class A  
■ EPC Class B

EPC = Energy Performance Certificate

## BY BUILDING REGULATIONS (OIB RL 6)



■ OIB RL 6 2011  
■ OIB RL 6 2015

OIB = Austrian Institute of Construction Engineering



**EXAMPLE:** Housing complex  
Passive house in Pfaffstätten/Lower Austria

- 19 flats for “assisted living”
- 10 flats for “young living”
- 5 family apartments

## HYPO NOE Green Bond Eligibility Criteria

= **Passive house EPC: A++**

= **OIB RL 6 2011, built after January 2016**

Energy efficiency score (EPC) fGEE: 0.5

Energy efficiency score (EPC) HWB: 9.7

Energy savings (kWh/m<sup>2</sup>\*y): 152.9

Carbon savings (kgCO<sub>2</sub>/m<sup>2</sup>\*y): 49.0

**Total carbon savings (tCO<sub>2</sub>/y): 93.7**

= HYPO NOE financed carbon savings (tCO<sub>2</sub>/y): 25.9

## MULTI-GENERATION PASSIVE HOUSE (EPC: A++)



**PASSIVE  
HOUSING COMPLEX  
PFAFFSTÄTTEN**

**Intergenerational project:**

- 34 flats
- 19 flats “assisted living”
- 10 flats “young living”
- 5 family apartments



## EXAMPLE: State Hospital Mauer/Lower Austria - Finance Leasing

- According to the energy efficiency requirements of Lower Austria
- Optimisation of electricity consumption through LED-lighting
- Use of ventilation equipment for cooling
- Photovoltaic facility
- New water well for self-sufficiency
- Use of long-lasting natural building materials

### HYPO NOE Green Bond Eligibility Criteria

= EPC: B

= OIB RL 6 2015, built after January 2016

Energy efficiency score (EPC) fGEE: 0.62

Energy efficiency score (EPC) HWB: 40

Energy savings (kWh/m<sup>2</sup>\*y): 122.6

Carbon savings (kgCO<sub>2</sub>/m<sup>2</sup>y): 39.3

**Total carbon savings (tCO<sub>2</sub>/y): 678.3**

= HYPO NOE financed carbon savings (tCO<sub>2</sub>/y): 678.3

## STATE HOSPITAL - LOW-ENERGY HOUSE (EPC: B)



STATE HOSPITAL  
MAUER, HOUSES 49-52

### Optimisation energy requirements:

- Multifunctional bed house
- Forensic
- Child and youth psychiatry
- Drug therapy station

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# KEY CONTACTS



## INVESTOR RELATIONS & RATING

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### MARCO REITER

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## TREASURY & CAPITAL MARKETS

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# GREEN BOND FRAMEWORK - USE OF PROCEEDS (I)

ELIGIBLE GREEN CATEGORIES		SUSTAINABLE DEVELOPMENT GOALS (SDG UN)	GREEN BOND PRINCIPLES (ICMA)
GREEN BUILDINGS	<p><b>Financing or refinancing of the Top 15% most carbon-efficient buildings in Austria:</b></p> <ul style="list-style-type: none"> <li>EPC classes B or better</li> <li>Mortgages for assets built in compliance with the Austrian construction standards OIB RL 6 2011/2015/2019, in line with the NZEB directive</li> <li>Mortgages for assets built in compliance with the Lower Austrian housing subsidy directive (Wohnbauförderrichtlinien) 2011 or 2019 built after 1 January 2016</li> <li>Mortgages for assets with the following classifications:                             <ul style="list-style-type: none"> <li>LEED: Platinum, Gold</li> <li>BREEAM: Outstanding, Excellent, Very Good</li> <li>DGNB-Family, meaning DGNB, ÖGNI oder SGNI: Platinum, Gold</li> <li>“klimaaktiv“</li> </ul> </li> </ul>	<p><b>SDG 11: Sustainable cities and communities:</b></p> <ul style="list-style-type: none"> <li>Making cities and settlements inclusive, safe, resilient and sustainable</li> </ul> <p><b>SDG 13: Climate action:</b></p> <ul style="list-style-type: none"> <li>Taking immediate action to combat climate change and its effects</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>
RENEWABLE ENERGY	<p><b>Financing or refinancing of production, appliances, establishment, acquisition, operation, distribution and products of renewable energy, such as:</b></p> <ul style="list-style-type: none"> <li>Wind energy</li> <li>Solar energy</li> <li>Bio energy</li> <li>Geothermal energy</li> </ul>	<p><b>SDG 7: Affordable and clean energy:</b></p> <ul style="list-style-type: none"> <li>Ensuring access to affordable, reliable, sustainable and modern energy for all</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>
ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE	<p><b>Financing or refinancing of environmentally sustainable management of living natural resources and land use projects, such as:</b></p> <ul style="list-style-type: none"> <li>Forests and forestry: Forest land certified in accordance with the Forest Stewardship Council (FSC) standards and/or the Programme for the Endorsement of Forest Certified (PEFC)</li> <li>Agriculture: Organic farming, certified in compliance with the EU and national regulation</li> </ul>	<p><b>SDG 13: Climate action:</b></p> <ul style="list-style-type: none"> <li>Taking immediate action to combat climate change and effects</li> </ul> <p><b>(SDG 15: Life on land:</b></p> <ul style="list-style-type: none"> <li>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss)</li> </ul>	<ul style="list-style-type: none"> <li>Conservation of natural resources</li> <li>Biodiversity conservation</li> </ul>

# GREEN BOND FRAMEWORK - USE OF PROCEEDS (II)

ELIGIBLE GREEN CATEGORIES		SUSTAINABLE DEVELOPMENT GOALS (SDG UN)	GREEN BOND PRINCIPLES (ICMA)
ENERGY EFFICIENCY	<p><b>Financing or refinancing the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure:</b></p> <ul style="list-style-type: none"> <li>Energy efficiency projects, e.g. improving the energy efficiency of industrial production process in a factory</li> <li>Energy storage efficiency projects</li> <li>Smart grid solutions for more efficient transmission/distribution of energy</li> </ul>	<p><b>SDG 7: Affordable and clean energy:</b></p> <ul style="list-style-type: none"> <li>Ensuring access to affordable, reliable, sustainable and modern energy for all</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>
CLEAN TRANSPORTATION	<p><b>Financing or refinancing public land transport and clean transportation loans such as:</b></p> <ul style="list-style-type: none"> <li>Public transport (e.g. subways, trains, trams, electric, biofuel or hybrid buses), including:                             <ul style="list-style-type: none"> <li>Infrastructure (e.g. rail networks, station upgrades)</li> <li>Non-diesel rolling stock (excluding fossil fuel transportation)</li> </ul> </li> <li>E-mobility solutions for commercial and retail operations (e.g. lorry fleets, automobiles, charging infrastructure)</li> </ul>	<p><b>SDG 9: Industry, innovation and infrastructure:</b></p> <ul style="list-style-type: none"> <li>Building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation</li> </ul> <p><b>SDG 11: Sustainable cities and communities:</b></p> <ul style="list-style-type: none"> <li>Making cities and settlements inclusive, safe, resilient and sustainable</li> </ul> <p><b>SDG 13: Climate action:</b></p> <ul style="list-style-type: none"> <li>Taking immediate action to combat climate change and its effects</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>

# GREEN BOND FRAMEWORK - USE OF PROCEEDS (III)

ELIGIBLE GREEN CATEGORIES		SUSTAINABLE DEVELOPMENT GOALS (SDG UN)	GREEN BOND PRINCIPLES (ICMA)
WATER AND WASTE WATER MANAGEMENT	<p><b>Eligible Green Loans are loans financing or refinancing the equipment, development, construction, operation and maintenance of:</b></p> <ul style="list-style-type: none"> <li>Water distribution systems with improved efficiency</li> <li>Water recycling and wastewater treatment plants</li> <li>Flood mitigation infrastructure</li> </ul>	<p><b>SDG 9: Industry, innovation and infrastructure:</b></p> <ul style="list-style-type: none"> <li>Building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation</li> </ul> <p><b>SDG 11: Sustainable cities and communities:</b></p> <ul style="list-style-type: none"> <li>Making cities and settlements inclusive, safe, resilient and sustainable</li> </ul>	<ul style="list-style-type: none"> <li>Pollution prevention and control</li> </ul>
CLIMATE CHANGE ADAPTION	<p><b>Eligible Green Loans are loans financing or refinancing the equipment, development, construction, operation and maintenance of infrastructure increasing the local resilience regarding the consequences of climate change, such as:</b></p> <ul style="list-style-type: none"> <li>Dams and dykes</li> <li>River basin management</li> <li>Protection against forest fires</li> </ul>	<p><b>SDG 9: Industry, innovation and infrastructure:</b></p> <ul style="list-style-type: none"> <li>Building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>
POLLUTION PREVENTION	<p><b>Eligible Green Loans are loans financing or refinancing the equipment, development, construction, operation and maintenance of:</b></p> <ul style="list-style-type: none"> <li>Waste collection and treatment facilities</li> <li>Waste recycling facilities</li> </ul>	<p><b>SDG 9: Industry, innovation and infrastructure:</b></p> <ul style="list-style-type: none"> <li>Building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation</li> </ul> <p><b>SDG 11: Sustainable cities and communities:</b></p> <ul style="list-style-type: none"> <li>Making cities and settlements inclusive, safe, resilient and sustainable</li> </ul>	<ul style="list-style-type: none"> <li>Pollution prevention and control</li> </ul>

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