

UniCredit Sustainability Bond Framework Implementation in UniCredit Jelzalogbank Hungary

Budapest, 2025

Different Methodology

Relating to the inaugural green bond issuance, the green asset selection methodology was developed by Drees & Sommer (D&S). The Issuer used this methodology until 2024. Since a new study¹ has become publicly available about the Hungarian **top 15%** energy performance buildings, for mortgage bonds issued after 2024, the Issuer has updated the criteria for buildings that can be classified in the top 15% of the Hungarian residential building stock based on energy performance and adapted 7.1., 7.2. and 7.7. of the Annex I of EU Taxonomy Regulation.



Series issued until 2024

ISIN: HU0000653472-tr1, HU0000653472-tr2 and HU0000653639-tr1

Top 15% based on D&S assessment

Series issued after 2024

No issues yet

Top 15% based on local public study of Statistical Office

Construction loans handled according to EU Taxonomy

Renovation loans handled according to EU Taxonomy



The Issuer provides the 100% allocation in case of mortgage bonds issued until 2024. In case of green mortgage bonds issued after 2024, only those assets can be allocated that are not allocated to green mortgage bonds issued until 2024.

¹ Bene M, Ertl A., Horváth Á., Mónus G. Székely J.:

Estimating the Energy Demand of the Residential Real Estate Stock in Hungary Based on Energy Performance Certificate Data, Financial and Economic Review, Vol. 22 Issue 3, September 2023, pp. 123–151.



Green Buildings



Housing purpose retail mortgage loans

UniCredit Sustainability Bond Framework alignment



For houses built before 2020YE

TOP15% of local properties

- EPC label
 - ,B' or better (*EPC -2016*) or
 - ,CC' (built 1991-) or better (*EPC 2016-*)
- PED is 118 kWh/sqm/year or better
- Built year 2013 or newer but before 2020YE

Min ,A' EPC labels

For houses built after 2021YB

NZEB - 10% (until 31/10/2023: NZEB=100kWh/sqm/y):

- PED<=90kWh/sqm/y
- EPC: ,A' or better, due to ,B'= 80-100 kWh/sqm/y

NZEB - 10% (from 01/11/2023: NZEB=76kWh/sqm/y):

- PED<=68,4kWh/sqm/y
- EPC: ,A+' or better

Renovation of existing buildings

At least 30% reduction of primary energy demand or at least two steps improvement in EPC label



Green and Social Eligible Criteria after 2024

Green Buildings



Housing purpose retail mortgage loans

UniCredit Sustainability Bond Framework & EU Taxonomy alignment



For houses built before 2020YE and loan purpose is acquisition of residential building

TOP15% of local properties

- Single family houses
 - PED < 214 kWh/sqm/y or EPC label ,E' or better
- Multifamily houses
 - PED < 133.6 kWh/sqm/y or EPC label ,C' or better

Min ,A' EPC labels

For houses built after 2021YB or houses built before 2020YE and loan purpose is building a new building

NZEB - 10% (until 31/10/2023: NZEB=100kWh/sqm/y):

- PED <= 90 kWh/sqm/y
- EPC: ,A' or better, due to ,B'= 80-100 kWh/sqm/y

NZEB - 10% (from 01/11/2023: NZEB=76kWh/sqm/y):

- PED <= 68,4 kWh/sqm/y
- EPC: ,A+' or better

Renovation of existing buildings

At least 30% reduction of primary energy demand



Measuring Benchmark

 **Benchmark:** Average of total Hungarian residential building stock (*annually re-calculated*)

Benchmark's final energy demand

- Total Hungarian end energy consumption
- Total Hungarian household property's area

Benchmark's Primary energy demand

- Final energy demand
- Weighted primary energy factors by energy types (weights from Reg.,9/2023 (V.25.))
- Households' total consumption by energy carrier types

Benchmark's CO₂ consumption

- Final energy demand
- Weighted CO₂ intensity by energy carrier types (weights from Reg.,9/2023 (V.25.))
- EU typical emission factors by energy carrier types



Energy Saving Calculation



Property's Primary energy demand

vs.

Benchmark's Final Energy demand



Final Energy saving of green property

CO₂ intensity factor

Carbon emission saving of building



Transparency

Public Reports



UniCredit Sustainability Bond Framework

- **Framework**
- **SPO (ISS ESG)**



Local publications

- **Group Criteria for Hungary and UniCredit Jelzalogbank** - Green asset eligibility criteria
- **UniCredit Sustainability Bond Framework Implementation in UniCredit Jelzalogbank (Hungary)** - Methodology summary
- **Sustainability Bond Report & Independent Auditor's report** – Audited annual allocation and impact report
- **Quarterly ESG Bond Report** – Quarterly allocation and impact summary



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Impact calculation

Quantifying emissions related to the funded portfolio presents a number of difficulties: amongst other reasons, data scarcity is typical where data quality and reliability is low, and in the absence of good practices, there is no consensus on how much of the output of the clients they finance. When evaluating the sustainability metrics, it is advisable to take into account the outdated condition of the Hungarian real estate portfolio, and also the fact that without dedicated energy modernization programs, only moderate successes can be achieved in the field of energy renewal of the used residential real estate portfolio.

