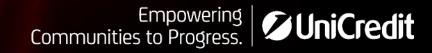
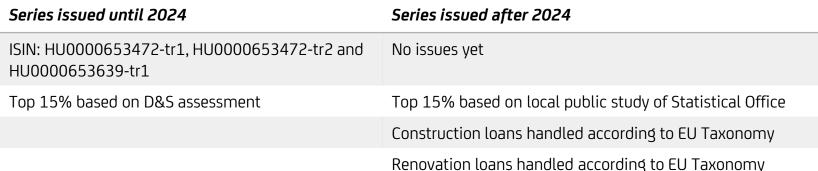
## UniCredit Sustainability Bond Framework Implementation in UniCredit Jelzalogbank Hungary

Budapest, 2025



# Different Series 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 study<sup>1</sup> 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.





The Issuer provides the 100% allocation in case of mortgage bonds issued until 2024. In case ofgreen 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 and Social Eligible Criteria until 2024 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

<u>NZEB - 10%</u> (until 31/10/2023: NZEB=100kWH/sqm/y):

GREEN

Green buildings

- 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

## Renovation of existing buildings

At least 30% reduction of primary energy demand

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

GREEN

Green buildings

<u>NZEB - 10%</u> (until 31/10/2023: NZEB=100kWH/sqm/y):

- PED<=90kWH/sqm/y</li>
- 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

## 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.)")
- Housholds' total consumption by energy carrier types

## Benchmark's $CO_2$ consumption

- Final energy demand
- Weighted CO<sub>2</sub> intensity by energy carrier types (weights from Reg., 9/2023 (V.25.)")
- EU typical emission factors by energy carrier types

## Energy Saving Calculation





# 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



## Contact

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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.