

UniCredit Sustainability Bond Framework Implementation in UniCredit Jelzalogbank Hungary

Budapest, 2024

Green and Social Eligible Criteria

Green Buildings



Housing purpose retail mortgage loans

UniCredit Sustainability Bond Framework & EU Taxonomy 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



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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Contact

UniCredit Jelzálogbank Zrt.

A mortgage covered bond issuer specialized financial Institution.

Registered Office and Head Office in Budapest, Hungary: H-1054 Budapest, Szabadság tér 5-6.

Internet: www.jelzalogbank.hu

Phone: +36-1-301-5500

Asset Controller: PricewaterhouseCoopers Könyvvizsgáló Kft., H-1055 Budapest Bajcsy-Zsilinszky út 78.

Public Issuance Lead Manager: UniCredit Bank Hungary Zrt., H-1054 Budapest, Szabadság tér 5-6.



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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.

