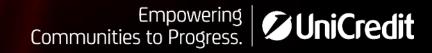
## UniCredit Sustainability Bond Framework Implementation in UniCredit Jelzalogbank Hungary

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 <u>A' EPC labels</u>

#### 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 <u>30% reduction of primary energy demand</u> 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.)")
- Housholds' total consumption by energy carrier types

#### Benchmark's CO<sub>2</sub> 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

#### 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 Könyvvizsgaló Kft., H-1055 Budapest Bajcsy-Zsilinszky út 78. **Public Issuance Lead Manager:** UniCredit Bank Hungary Zrt., H-1054 Budapest, Szabadság tér 5-6.



## Disclaimer

UniCredit Jelzalogbank Zrt. (1054 Budapest, Szabadság tér 5-6., Regulator: Central Bank of Hungary) reserves the right to regularly update the investment recommendation (investment research) published by it or to discontinue it. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. Changes in rates of exchange or interests may have an adverse effect on the value of investments and past performance is not necessarily indicative of future results. In particular, the risks associated with an investment or investment instrument under discussion are not explained in their entirety. Investors must understand themselves and make their own determination (or ask the contribution of an independent advisor) of the risk and the appropriateness of an investment in any instruments referred to herein. UniCredit Jelzalogbank Zrt. excludes its liability for using this document or any part of it as a basis of any investment decision. The organizational and procedural measures aiming to avoid any potential conflicts of interests arising in connection with the publication of investment recommendations (investment research) (including the limitation of the availability of information) are regulated in the Bank's Conflicts of Interests Policy. Inducements of the analysts contributing in the preparation of the analysis published by UniCredit Jelzalogbank Zrt. does not depend directly or indirectly on the recommendations or views contained herein. This analysis is for information purposes only and is based on information provided for UniCredit Jelzalogbank Zrt. The analysis was disseminated for the clients electronically. The information contained herein are based on public information sources that we consider to be reliable but for the completeness and accuracy of which we assume no liability. All estimates and opinions included in the report represent the independent judgment (based upon professional methodology) of the analysts of UniCredit Jelzalogbank Zrt. as of the date of the issue and shall not be considered as offer, investment advice or a commitment for a transaction. UniCredit Jelzalogbank Zrt. does not accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from the decisions of the clients by any use of this document or its contents or otherwise arising in connection therewith. This analysis is under copyright protection according to Act LXXVI of 1999 on Copyright and UniCredit Jelzalogbank reserves all rights in accordance with it. Further information regarding the report are available on the www.jelzalogbank.hu website. We hereby call your attention that this report does not comply with the legal requirements aimed to ensure the independency of investment research, therefore the trading prohibition before the dissemination and publication does not apply.

#### 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.