

BANKING FOR A BETTER TOMORROW.

SUSTAINABILITY BOND FRAMEWORK
RAIFFEISENLANDESBANK NÖ-WIEN AG

04/2024

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WE THINK FURTHER.

1. Company Profile

As RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-W) we operate as a modern universal bank, which offers full commercial banking services in – amongst others – Retail and Private Banking as well as Commercial and Corporate Banking. Our focus is on building and maintaining long-term and sustainable customer relationships.

RLB NÖ-W is the central institution of the Raiffeisen banks located in Lower Austria (NÖ Raiffeisenbanken). While we concentrate on the capital city Vienna, the local Raiffeisen banks form the leading banking group in Lower Austria. In relation to their core business, they rely on the systems and services provided by us and our parent company, Raiffeisen-Holding NÖ-Wien¹. We fulfil our founding mission to support the Lower Austrian Raiffeisen banks in all areas of banking business and to strengthen their position in the market. Through active management of the association with the Lower Austrian Raiffeisen banks, we use synergies to increase the efficiency and quality of the banking business.

As a commercial bank in the eastern part of Austria we serve Austrian companies and institutions. Further, we support our customers on a supra-regional level. We are a reliable partner for the regional economy and act dynamically and solution-oriented in the interest of our customers.

As a large regional bank, located in Vienna, we offer a comprehensive range of services for private and business customers as well as freelance professionals. We provide a balanced mix of personal support and digital service.

2. Sustainability at RLB NÖ-W

We are aware that our business activities have an impact on society and the environment. As a responsible company, we try to minimise such negative impact and contribute actively to improve the conditions for the environment and society.

Our sustainability approach is based on the historic Raiffeisen ideals of solidarity, subsidiarity, regionality and sustainability. Our cooperatively organized shareholder, Raiffeisen-Holding NÖ-Wien, adheres to the United Nations Global Compact. Therefore, we also consider ourselves obliged to comply with the ten principles embodied in the UN Global Compact. These refer to human rights, labour standards, the environment, climate protection and the prevention of corruption. We are committed to these principles and those of the Diversity Charta as well as the climate protection goals of the “Raiffeisen sustainability initiative” (“*Raiffeisen Nachhaltigkeits-Initiative*” (RNI)). RNI’s primary goal is to share information among member organizations on how to introduce and improve climate protection measures. We supplement them with internal guidelines that ensure that projects are implemented, and business relationships are entered into following our sustainability claim. For this reason, every new business relationship is reviewed. We therefore do not participate in projects or business relationships that are not compatible with our values. Besides the regulatory exclusion

¹ RAIFFEISEN HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung.

criteria, we are committed to exit the lending business for mining and processing of coal, as well as for nuclear power for the generation of electricity by 2030.

A key element of the corporate governance of RLB NÖ-Wien is the consideration of sustainability-related opportunities and risks. New EU regulations on non-financial reporting, particularly regarding the impacts of ESG factors on the business model, are consciously considered throughout the group. The goal of RLB NÖ-Wien is to identify and mitigate risks early and to capitalize on opportunities with the right strategy.

RLB NÖ-Wien views ESG risks as one of the main risks currently, and as such, they are integrated into existing structures of the risk management and existing methods are expanded accordingly. The integration of climate-related risks and opportunities and their financial implications into the risk management and disclosure consider the requirements of the NFRD (Non-Financial Reporting Disclosure) the EU Taxonomy Regulation, and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Basically, physical and transitional risks are drivers and integrated within existing risk categories. The risk management function of RLB NÖ-Wien has identified the risk drivers for physical (e.g. actual and chronic risks) and transitional (e.g. market environment & customers, technology & data, regulatory pressure and reputation) risks and evaluated them over short, medium, and long-term periods.

The following graph gives an overview for the ESG risk management process starting with the ESG strategy and ending with the ex-post reporting:

ESG Strategy	<ul style="list-style-type: none"> • Definition of the sustainability strategy as part of the business strategy • Integration into the market strategy of business units • Definition of positive and negative criteria as well as exclusion criteria
EU-Taxonomy	<ul style="list-style-type: none"> • Classification of the business activities according to the EU-Taxonomy
Risk Management Framework	<ul style="list-style-type: none"> • Integration of ESG risks into the risk strategy, risk map and the ICAAP manual • Integration of ESG risks into all main risk categories where the topic of ESG is relevant • Assessment is conducted using a dedicated ESG questionnaire
Risk Management (Loan) Application Process	<ul style="list-style-type: none"> • Assessment of ESG-relevant matters for financed companies or holdings • Collection of energy performance certificates for properties (especially for collaterals) • Evaluation of ESG risks based on soft factors questions within the credit application
Risk Management Monitoring	<ul style="list-style-type: none"> • Identification of ESG risks (with a focus on climate risks) using an ESG questionnaire • ESG scoring using an external software tool (rating from AAA to C) • Risk analysis at portfolio level <ul style="list-style-type: none"> • Physical and transitional climate risks • Materiality and impact analysis / ESG heatmaps • Incorporation of ESG risks into the risk capacity analysis • Climate stress testing activities on regular basis
Reporting	<ul style="list-style-type: none"> • ESG (risk) reporting within the risk committee on overall bank level • ESG risk reporting for executive and/or board meetings • ESG (risk) reporting in supervisory board committees and the sustainability committee • External reporting within the non-financial disclosure and Pillar 3 disclosure

In addition , Raiffeisenlandesbank NÖ-Wien made a commitment to the Partnership for Carbon Accounting Financials ("PCAF")² in November 2022 in order to collect and disclose climate impacts from the portfolio. The international standard provides a method to calculate the greenhouse gas

² PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments.

emissions financed and invested (Scope 3). Since the business year 2022 Raiffeisenlandesbank NÖ-Wien discloses the greenhouse gas emissions on a steady basis for its portfolio.

In addition, an **ESG risk scoring** tool was acquired and adapted to the requirements of Raiffeisenlandesbank NÖ-Wien. On the one hand, this enables a holistic portfolio analysis of environmental, social and governance risks. On the other hand, this tool is integrated into the lending process to measure the customer's ESG performance for new business. This will enable Raiffeisenlandesbank NÖ-Wien to assess its customers in terms of sustainability, both at portfolio level and at individual customer level and it plays a key role within the loan origination process.

We see ourselves as a partner and active companion of our customers on the path to a more sustainable future and finance measures for this transition, such as those specified in the EU Green Deal, to raise ecological standards as well as social projects that are essential for society.

The following policies have been established as part of our corporate culture:

- Our corporate culture is characterised by open, flexible, and cross-divisional cooperation. Transparency, implementation orientation, competence and know-how are central elements of our activities.
- Efficiency, innovation, and sustainability are our responses to changing conditions.
- We are an attractive employer and support our well-qualified employees with a range of measures, especially in the area of education and training as well as preventative health care. We invest in profound and future-oriented training programmes. We live the compatibility of family and career.
- We implemented a clear diversity strategy. Our employees follow the highest ethical principles and are high-performing, professional and loyal. We cultivate an appreciative, respectful, and collegial relationship with and among each other. Our managers act responsibly and are strong decision-makers and implementers.
- Risk awareness characterises the thinking and actions of all employees; we live a conservative and consistent risk policy. We take only acceptable risks, consider risks as a whole, try to identify risks at an early stage and minimise them through effective control.
- We always work in compliance with legal regulations, applicable standards, and our internal guidelines. Our principles of conduct are the foundation of our corporate culture.
- We refuse to discriminate in any form and are mindful of the need to ensure fair conditions for our employees, customers, and business partners.
- We live our ecological, social, and cultural responsibility and are active in a wide range of areas, because we want to actively promote and revitalise the region in which we operate.
- Sustainability is part of our identity and an essential component of our corporate development. We are actively committed to climate protection, not only in the context of our own economic activities and operational environmental protection, but also as part of the RNI. The RNI Climate Goals are in line with the Paris Alignment and support the realization of the global Sustainable Development Goals. Besides goal 7, affordable and clean energy, and goal 13, climate action, which are of significant importance to RLB NÖ-W, the fulfilment of goals 8 (decent work and economic growth), 11 (sustainable cities and communities), 15 (life on land) are considered fundamental. Furthermore, as part of the Partnership for Carbon Accounting Financials, financed emissions are calculated, which is the basis for the prospective achievement of zero net emissions.



3. Sustainability Bond Issuances of RLB NÖ-W

The Sustainability Bond Framework of RLB NÖ-W is a comprehensive framework that allows the issuance of Green, Social or Sustainability bonds. Such bonds can be issued in different forms and structure, in particular with a different status, as provided for in the applicable Final Terms and Terms and Conditions as provided for in the EUR 15 billion Debt Issuance Program of the Issuer dated 5 May 2023. RLB NÖ-W intends to use the full amount of the issued proceeds for projects that are deemed eligible in line with the criteria defined in chapter 3.1. The net proceeds are used to refinance existing business as well as new business. The classified assets may also be managed in the public or mortgage cover pool. RLB NÖ-W plans to issue such bonds either as covered bonds or as senior bonds. In the case of a "senior unsecured" bond, the investors do not bear any direct credit risk of the financed loan receivables and stand "pari-passu" with existing "senior unsecured" investors.

RLB NÖ-W's Sustainability Bond Framework forms the basis for Social, Green or Sustainability bonds. The framework is based on the ICMA Green Bond Principles June 2021 (with June 2022 Appendix 1), the ICMA Social Bond Principles June 2021 (with June 2022 Appendix 1), and the ICMA Sustainability Bond Guidelines June 2021 (together, the ICMA Principles). These are voluntary process guidelines for transparency and disclosure; they promote integrity in the labelled bond market through guidelines on transparency, disclosure and reporting and set out a clear approach to the issue of Green, Social or Sustainability bonds. RLB NÖ-W's Sustainability Bond Framework ("Framework") comprises the following key components:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

These core components are applied in RLB NÖ-W's bonds issued under the Framework and further discussed in the next chapters. From time to time, the Framework will be reviewed and compared with evolving market and regulatory standards. In case of significant amendments, an updated Second Party Opinion be obtained and published together with the amended framework on the website.

On 21 December 2024, regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ("**EUGB Regulation**") will become applicable in the EU. The EUGB Regulation in particular regulates the requirements for bonds designated "European Green Bond" or "EuGB" and, in addition, sets out a framework for voluntary disclosures by issuers of bonds marketed as environmentally sustainable or sustainability-linked bonds in the EU. As at the date of this Framework, many details of the EUGB

Regulation are still open as the deadline for the publication of the delegated regulations and regulatory technical standards set out under the EUGB Regulation is as well 21 December 2024. "Green Bonds", "Social Bonds" and "Sustainability Bonds" as described in the Framework do not qualify as "European Green Bond" or "EuGB" under EUGB Regulation. RLB NÖ-W is committed to monitor the upcoming developments and may decide to adapt this framework in the future to accommodate for the issuance of "European Green Bond" or "EuGB". However, at this time, RLB NÖ-W does not intend to issue any "European Green Bond" or "EuGB" in the future or to comply with any voluntary disclosure framework under the EUGB Regulation.

3.1. Use of Proceeds

This Framework is intended to promote the creation of new Green and Social loans throughout the organization. The funds raised through RLB NÖ-W's Green, Social or Sustainability Bonds are dedicated solely to the partial or full refinancing of Eligible "Green" or "Social" projects.

Eligible Assets are loans that serve to finance projects that correspond to the eligibility categories listed in the in sections 3.1.1. and 3.1.2. These can be loans (and comparable credit structures) granted to private individuals, legal entities, municipalities and the public sector.

The look-back period for the financing of Eligible Green and Social Assets and/or investments is 24 months.

Whenever possible, at the point of issuance or no later than the release of the allocation report, a breakdown of the anticipated fund distribution by project type will be provided.

3.1.1. Eligible Green Projects

Green bonds focus on the use of funds. The proceeds from the issuance of these kind of bonds are used exclusively for the full or partial financing of an eligible pool of financing with an appropriate environmental purpose in line with the ICMA Green Bond Principles. The Framework defines investments in the following areas as Eligible Green Projects:

ICMA / LMA Categories	Definition of eligible category	Alignment with EU Taxonomy activity	Eligibility Criteria	UN SDG specific
Green buildings	Loans and/or investments for the financing or refinancing of green public, commercial or residential buildings	Climate Change Mitigation 7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings in Austria	Investments and financing at least one of the following criteria applies: <ul style="list-style-type: none"> • Recognized international certification with a minimum certification of LEED Gold, BREEAM Excellent, DGNB/ÖGNI Gold or EDGE Advanced³ • Buildings built before 31 December 2020 must belong to the best 15% of low carbon buildings in Austria based on local building codes; building year and Energy Performance Certificate (primary energy demand) <ul style="list-style-type: none"> - In cases where an assessment of the top 15% low carbon buildings is not possible, buildings with an EPC of at least level A (primary energy demand) are considered eligible, complying with: <ul style="list-style-type: none"> ○ Heating energy demand $HWB_{(Ref),sk} \leq 25 \text{ kWh/m}^2_{GFAa}$, or ○ Energy efficiency factor $f_{GEE,(SK)} \leq 0.85$ • Buildings built on or after 1 January 2021: <ul style="list-style-type: none"> - New or existing residential buildings with a primary energy demand of at least 10% lower than the threshold for nearly zero energy buildings (NZEB⁴) ("Niedrigst-energiegebäude") according to the EU directive on the energy performance of buildings. • Refurbished buildings (e.g., insulation of walls and roofs, insulation of facades, replacement of boilers) for which at least one of the following criteria applies: 	  

³ EDGE certified with minimum 40% on-site energy savings.

⁴ The relevant version of NZEB for Austria, Netherlands & Germany are OIB-RL6-"Nationaler Plan, BENZ & GEG 2020 respectively. In accordance with the EU Taxonomy, the net primary energy demand of new constructions (built on or after the 1st of January 2021) must be at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements.

			<ul style="list-style-type: none"> - Reduction of primary energy demand or carbon emissions of at least 30% compared to pre-renovation levels within three years (financing is limited to refurbishment costs)⁵ - Refurbishments in alignment with the applicable requirements for major renovations⁶ • Individual renovation measures such as installation, maintenance or repair of the following equipment and technologies in buildings: <ul style="list-style-type: none"> - Charging stations for electric vehicles⁷ - Electric heat pumps⁸, absorption heat pumps driven by solar-heated water or geothermal-heated water and the related technical equipment - Thermal or electric energy storage units and the related technical equipment⁹ - High efficiency micro combined heat and power (CHP) plants powered by renewable energy - Heat exchanger/recovery systems¹⁰ 	
Renewable energy	Loans and/or investments for the production, appliances, establishment, acquisition, operation, distribution and products of renewable energy	Climate Change Mitigation 4.1 Electricity generation using solar photovoltaic technology 4.2. Electricity generation using concentrated solar power (CSP) technology 4.5. Electricity generation from hydropower 4.8. Electricity generation from bioenergy 4.10. Storage of electricity 4.21. Production of heat/cool from solar thermal heating 4.24. Production of heat/cool from bioenergy	<ul style="list-style-type: none"> • Wind power: wind parks, wind turbines etc. • Hydropower¹¹: Run-of-river without artificial reservoir or low storage capacity¹². For all new projects an environmental impact assessment (<i>Umweltverträglichkeitsprüfung</i>, UVP) must be undertaken by a credible institution. This assessment has to be conducted in order to minimize significant risk of controversies or negative impacts on the environment associated with the project such as impairment of water quality and biodiversity. • Solar energy: photovoltaic (PV), concentrated solar power (CSP)¹³ and solar thermal plants • Bioenergy: generation of bioenergy from anaerobic digestion or composting of agricultural and forestry residues, sewage sludge and biowaste¹⁴ such as bio soils and animal manure, fats and oils that do not originate from intensive livestock farming¹⁵. Financing of biofuel and/or biomass production facilities such as biofuel processing, biomass cogeneration plants, pre-treatment and biorefinery plants (limited to direct emissions of ≤ 100g CO₂e/kWh) • Geothermal energy: Geothermal power plants and geothermal heating/cooling systems (limited to direct emissions of ≤ 100g CO₂e/kWh) • Construction, operation, maintenance or refurbishment of pipelines and related infrastructure for district heating: the financed distribution network is mainly (more than 50%) powered by renewable energy, waste heat or both. The activity may include modification to reduce district heating temperature and advanced pilot systems (control and energy management systems, Internet of Things) 	
Energy efficiency	Loans and/or investments for the establishment, acquisition, expansion and	Climate change mitigation 4.9 Transmission and distribution of electricity	<ul style="list-style-type: none"> • Energy efficiency projects: to increase energy efficiency with regard to electricity, heat, water and other operating resources by at least 30 %, resulting in a decrease in GHG-emissions during the operational performance; aiming at energy savings (e.g. replacing outdated machinery or setting up more energy efficient production processes.) 	

⁵ the initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate

⁶ As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

⁷ Charging stations in standalone parking facilities are excluded unless they are in the building itself.

⁸ In accordance with [KPC criteria](#) for environmental grants. Refrigerants used for heat pumps must not exceed a global warming potential (GWP) of 675.

⁹ Sources of energy for storage: Renewable energy (Wind, Hydro, Solar & Bioenergy)

¹⁰ The heat exchanger/recovery systems are excluded from use in fossil fuel systems.

¹¹ All hydropower projects to be funded will be at a scale <1,000 MW; all financing going towards energy coming from Hydro will not be from facilities overstepping the threshold of <1,000 MW

¹² Alternatively, hydropower facilities should either be in accordance with power density above 5 W/m² or direct GHG emissions below 100gCO₂e/kWh. For hydropower facilities commissioned after 2020, a power density of more than 10W/m² or direct emissions of less than 50 gCO₂e/kWh applies.

¹³ Concentrated solar plants will not have more than 15% fossil fuel backup.

¹⁴ The bio-waste sources are separated and collected separately. In addition, the fermentation residues produced are used as fertilizer or soil conditioner and are applied directly or after composting.

¹⁵ Waste from non-RSPO certified palm oil operations is excluded. The framework restricts sourcing of animal fats and oils to existing livestock operations and excludes sourcing from industrial meat production facilities.

	<p>upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure</p>	<p>4.10. Storage of electricity 7.3. Installation, maintenance and repair of energy efficiency equipment 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6. Installation, maintenance and repair of renewable energy technologies</p>	<ul style="list-style-type: none"> • Energy storage for renewable energy (solar, wind, geothermal, hydro) • Manufacturing, development, installation, maintenance, or repair of products or technologies that reduce energy consumption • Examples are as follows: <ul style="list-style-type: none"> - Reduction of CO2 emissions and/or energy consumption via a new technology, such as smart grid technologies for more efficient transmission/distribution of energy and monitoring of energy consumption - Projects improving the energy efficiency of industrial processes by 30%, measured by verified reduction in primary energy demand¹⁶. - Heat exchanger/ recovery systems¹⁷ - Implementation of energy efficient devices such as LEDs <ul style="list-style-type: none"> o Efficiency 100lm/W o Colour reproduction CRI 80 o Lifetime of 50.000 h L80 B50 - Reduction of Kyoto-greenhouse gases (via e.g., dedusting systems, filters¹⁸, flue gas desulfurization plants) - Use of alternative/natural refrigerants (such as ammonia, hydrocarbons, or CO2) and coolants with a GWP value < 150¹⁹ (Cooling systems are partly not more energy efficient than substitute devices, in this case the reduction of CO2 emissions is calculated over the lifetime.) 	
<p>Clean transportation</p>	<p>Loans and/or investments for the public land transport and clean transportation²⁰</p>	<p>Climate change mitigation 6.1 Passenger rail transport (interurban) 6.2. Freight rail transport 6.3. Urban and suburban transport, road passenger transport 6.4. Operation of personal mobility devices, cycle logistics 6.5. Transport by motorbikes, passenger cars and light commercial vehicles 6.6. Freight transport services by road 6.14 Infrastructure for rail transport 6.15. Infrastructure enabling low-carbon road transport and public transport</p>	<ul style="list-style-type: none"> • Personal mobility devices and vehicles^{21:} <ul style="list-style-type: none"> - Personal mobility devices²² (e.g. bicycles) - Electric vehicles²³ - Low-carbon passenger and light commercial vehicles with an emissions intensity at or below 50 g CO2 e/p-km until December 2025, and 0 g CO2 e/p-km from January 2026 onwards²⁴ - Low carbon passenger trains with an emissions intensity at or below 50 g CO2 e/p-km or 80.47 g CO2/p-mi from 2020 and 0 g CO2 e/p-km from January 2025 onwards²⁵ - Low carbon freight trains, coaches with an emissions intensity at or below 25 g CO2 /t-km or 40.23 g CO2 /t-mi from 2020, 21 g CO2 e/t-km from January 2030 and 18 g CO2 e/t-km from January 2050 onwards²⁶ - Low carbon freight road transportation vehicles, including trucks with an emissions intensity at or below 21 g CO2 e/t-km from January 2030 and 18 g CO2 e/t-km from January 2050 onwards²⁷ <p>The emission intensity is calculated according to the World Harmonized Light-duty Vehicle Test Procedure (WLTP) which utilizes real-driving data to simulate actual driving conditions.</p> <ul style="list-style-type: none"> • Examples of infrastructure:²⁸ <ul style="list-style-type: none"> - Sidewalks, bike lanes and pedestrian areas - Electric charging and hydrogen refueling installations for personal mobility devices, electricity grid connection upgrades - Signalling systems for metro, tram and rail systems - Construction, modernization, operation and maintenance of railways and subways, bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems²⁹ including the 	

¹⁶ type of certification of primary energy demand reduction will be sought dependent on the type of industrial process

¹⁷ In accordance with [KPC criteria](#) for environmental grants

¹⁸ In accordance with [KPC criteria](#) for environmental grants

¹⁹ In accordance with KPC and aws criteria for environmental grants.

²⁰ Activities involving biofuels for road vehicles or rolling stock are excluded per CBI guidelines

²¹ Freight trucks/ trains transporting fossil fuels or fossil fuels mixed with alternative fuels are excluded.

²² Personal mobility devices comes are powered by the user's physical activity, by a zero-emissions motor, or a mix of both.

²³ Financing of non-road vehicles, such as cranes and excavators, is limited to electric vehicles. Trains, passenger coaches and wagons that have zero direct tailpipe CO2 emission when operated on a track with the required infrastructure or which use a conventional engine where such infrastructure is not available (bimode) are included.

²⁴ Including battery electric vehicles, fuel-cell electric vehicles using hydrogen and well performing plug-in hybrid electric vehicles (Regulation (EU) 2023/851 §22)

²⁵ Includes all types of powertrains that meet the legal emission standards (including electric and hydrogen), If the assets to be financed are a new local transport project, an independent project appraisal will demonstrate that emissions in the corridor will be reduced by at least 25 %.

²⁶ Includes all types of powertrains that meet the legal emission standards (including electric and hydrogen), If the assets to be financed are a new local transport project, an independent project appraisal will demonstrate that emissions in the corridor will be reduced by at least 25 %

²⁸ Excluded infrastructure: (i) new construction and existing road infrastructure retrofits (rads, road bridges, parking facilities etc.), (ii) parking facilities (even if charging and alternative fuel infrastructure are included) and (iii) fossil fuel refueling stations and other facilities which extend the life and/or facilitate the use of fossil-fuel vehicles.

²⁹ Refers to railways and subways

			<p>provision of architectural, engineering³⁰, design, construction supervision, surveying and mapping services³¹ as well as the performance of physical, chemical, and other analytical tests on materials and products of all kinds³²</p> <ul style="list-style-type: none"> - Low-carbon airport infrastructure designed to: i) operate aircraft with zero tailpipe CO₂ emissions (electricity charging and hydrogen refuelling), ii) provide zero direct emissions for the airports' own operations (electric charging stations, electricity grid connection upgrades, hydrogen refuelling stations) and iii) provide fixed ground electrical power and preconditioned air for stationary aircraft powered by electricity generated from green hydrogen 	
Pollution prevention and control	Loans and/or investments sustainable waste management and recycling projects, activities, and operations ³³	Climate change mitigation 5.7 Anaerobic digestion of bio waste 5.8 Composting of bio waste 5.9 Material recovery from non-hazardous bio-waste	<p>Investments and financing activities such as:</p> <ul style="list-style-type: none"> ▪ Waste prevention³⁴, waste reduction and waste recycling. This entails the development, operation and modernization of recycling plants and recycling activities, e.g., for metals, plastics and paper³⁵ • Biogas capture from closed or decommissioned landfills with a gas capture efficiency of min. 75% (excl. landfill gas capture for flaring). 	 
Eco-efficient and / or circular economy adapted products, production technologies and processes³⁶		▪	<p>Design of eco-efficient products and production activities that increase resource efficiency. These activities may include:</p> <ul style="list-style-type: none"> • Projects in line with the Environmental Delegated Act and related to the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the transition to a circular economy in the Annex II³⁷. Primarily concerning ecodesign requirements as extending the product life cycle, the implementation of a modular design or the usage of digital product passports. For a variety of product groups, the EU also specifies detailed technical design requirements that must be met³⁸. • Production technologies that use recycled resources³⁹ such as bio-based materials (the latter being sustainable sourcing certifications for bio-based materials, such as the Roundtable on Sustainable Biomaterials (RSB) scheme) • Aluminium-based consumer and end product manufacturing: 100% of inputs will be scrap or recycled aluminium. Financing will be limited to recycling facilities with robust waste management processes 	
Water management and wastewater management	Loans and/or investments for the equipment, development, construction, operation and maintenance of water distribution and water recycling systems	Climate change mitigation 5.1. Construction, extension and operation of water collection, treatment and supply systems 5.2. Renewal of water collection, treatment and supply systems 5.3. Construction, extension and operation of waste water collection and treatment	<p>Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and water metering technologies</p> <ul style="list-style-type: none"> • Sewer pipes, mechanical wastewater treatment systems, sewage networks • Water collection, treatment, and supply systems with improved energy efficiency – either by reducing the system's net average energy consumption or by improving the average leakage by at least 20% compared to its own baseline performance averaged over the last three years • Wastewater treatment plants (mechanical, biological, advanced wastewater treatment, septic tanks) • Wastewater collection and treatment facilities such as pumping stations, force mains, collectors, filtration systems, tertiary treatment. Desalination plants⁴⁰ are powered by low-carbon energy sources such as 	

³⁰ Refers to railways and subways

³¹ Refers to railways and subways

³² Only applicable for projects linked with rail infrastructure

³³ Projects intended for fossil fuel operations are excluded.

³⁴ Waste Prevention are practices that limit or cut down the amount and/or the toxicity of wastes prior to recycling, treatment or disposal. Waste Prevention is also referred as Source Reduction and Waste Minimization.

³⁵ Chemical recycling of plastics is excluded from financing under the Framework, (ii) recycling of electronic waste will be accompanied by a sound waste management plan to mitigate associated risks, (iii) waste is segregated at source prior to waste collection, and (iv) only zero direct emission waste collection vehicles will be financed.

³⁶ Virgin plastic-based solutions are excluded.

³⁷ [EU Taxonomy Environmental Delegated Act](#)

³⁸ [Energy-efficient products - European Commission \(europa.eu\)](#)

³⁹ [The material used should be 100% recycled](#)

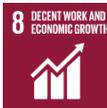
⁴⁰ [The average carbon intensity of the electricity that is used for desalination is below 100g CO₂e/kWh](#)

		<p>5.4. Renewal of waste water collection and treatment</p> <p>5.6. Anaerobic digestion of sewage sludge</p>	<p>renewable energy and have adequate guarantees for an appropriate waste management program regarding the disposal of brine</p> <ul style="list-style-type: none"> Flood control infrastructure which is based on vulnerability assessments and adaptation plans to identify potential climate risks and corresponding management strategies 	
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3.1.2. Eligible Social Projects

Social bonds are distinguished by their use of funds. The proceeds from the issuance of this kind of bond are used exclusively for the full or partial financing of an eligible pool of financing with a social purpose, in line with the ICMA Social Bond Principles.

The Framework defines investments in the following areas as Eligible Social Projects:

ICMA / LMA Categories	Definition of eligible category	Objectives and target population	Eligibility Criteria	UN SDG specific
Education	Loans and/or investments for the construction or modernization of essential educational facilities and equipment	Promote access to crucial educational services for children and families, school and university students, and individuals from diverse cultural backgrounds.	<p>Investments and financing activities such as:</p> <ul style="list-style-type: none"> The construction or modernization of essential educational facilities and equipment that facilitate access to publicly owned or a private non-profit, or publicly subsidized educational services (e.g., for youth, the unemployed, and the elderly), as well as investments to promote child development (e.g., Kindergarten) by providing loans for the construction or modernization of facilities and/or equipment 	 
Access to essential services	Loans and/or investments in social infrastructure with focus on healthcare	<p>Promote access to essential health services for both the ill or disabled in need of care and the general population</p> <p>Support access to digital infrastructure for general population</p>	<p>Investments and financing activities such as:</p> <ul style="list-style-type: none"> Healthcare facilities and services⁴¹ (e.g., doctor's offices, hospitals, nursing homes, diagnostic and other laboratory services, rehabilitation centres, assisted living facilities⁴², production and distribution of essential medicines⁴³, medical equipment, and medical supplies related to public health emergencies that are particularly prevalent among vulnerable groups, e.g., children, women, elderly, etc. Investments in social focused firms⁴⁴ or associations (e.g., sheltered housing, caritas, women's shelters) Infrastructure: Regional development and/or basic infrastructure in underserved, underdeveloped regions in Austria⁴⁵ (e.g., telecommunications⁴⁶, , sanitation infrastructure, access to clean drinking water, fire and rescue equipment). Such infrastructure projects are eligible only in underdeveloped regions where they are currently non-existent or inadequate Municipal infrastructure projects in Austria such as water supply and treatment (no hydropower plants), sanitation facilities (e.g., sewage treatment plants) or sports facilities. 	 
Affordable housing	Loans and/or investments in affordable social housing according to local or regional subsidy criteria	Supports access to housing supply for low and middle-to-low-income population	<p>Financing⁴⁷ of construction, operation, renovation, and maintenance of:</p> <ul style="list-style-type: none"> Non-profit housing⁴⁸ Subsidized housing and housing renovation with social and family policy objectives⁴⁹ Provision of population in the core market with demand-oriented, affordable, and quality housing 	 

⁴¹ Healthcare facilities and services must be accessible to all population groups; public healthcare

⁴² With a nursing focus

⁴³ The list of essential medicine is available at <https://list.essentialmeds.org/>

⁴⁴ Firms defined as providing social services; corporates are excluded from this category

⁴⁵ Underserved, owing to a lack of quality access to essential goods and services in underdeveloped regions (see [EU Regional 2022-2027 aid map](#) for Austria)

⁴⁶ List of financed renewable energy systems as defined in 3.1.1.

⁴⁷ Financing provided to companies providing affordable housing

⁴⁸ In accordance with [WGG](#)

⁴⁹ In accordance with [WWFSG](#) and [NÖ WFG](#)

			<p>Social and affordable housing⁵⁰ is defined as rents (below market rate) collected in accordance with relevant regulated rental standards and regulated consumer standards for housing services⁵¹. They are heavily regulated in national laws, and eligible individuals must meet a range of socio-economic criteria to ensure that social and affordable housing is provided to those in need.</p> <p>Non-profit housing providers, as defined by the Housing Promotion Act (WGG), are characterized as follows:</p> <ul style="list-style-type: none"> • Non-profit orientation • Asset commitment: Future profit is dedicated to non-profit housing purposes • Business scope: Construction, renovation, and management of housing • Cost coverage: The ongoing rent (cost-based rent) should cover the actual costs incurred, including: <ul style="list-style-type: none"> - Construction costs (land, building, and ancillary costs) - Financing costs - Ongoing property management costs - Maintenance and improvement contributions - Contributions to reserves <p>Allocation of housing: depending on housing needs, household size, and income conditions of applicants.</p>	
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3.1.3. Sustainability Bonds

A Sustainability bond (re-)finances a mixture of the possible Eligible Green and Social Assets as defined in sections 3.1.1 and 3.1.2.

3.2. Project evaluation and selection process

The evaluation and selection process for Green and Social loans is a key process in ensuring that the amount equivalent to the net proceeds from Green, Social or Sustainability Bonds is allocated to Eligible Assets⁵² which meet the criteria in the Framework.

RLB NÖ-W intends to allocate within 24 months the full amount of net proceeds of a Green, Social and/or Sustainability Bond issue to assets that have been financed within the 24 months prior to the allocation decision in relation to a specific Bond.

As an initial step, all potential Green and Social loans go through RLB NÖ-W's standard credit procedures as part of its standard business processes, which include the following:

- The Know-Your-Customer (KYC) process to verify the identity of customers.
- Compliance checks to ensure adherence to legal and regulatory standards.
- Credit risk analysis to assess the borrower's ability to repay the loan.
- ESG relevance assessment to assess the compliance of the loan with corporate social responsibility objectives.
- Sector policy that governs lending in sensitive business areas such as war materials, nuclear power, coal and gambling through specific regulations.
- Compliance with the Code of Conduct, which sets out the ethical and professional standards for all business relationships.

Only loans that have successfully passed the credit assessment process are considered for inclusion in the Green or Social Bond portfolio, to be assessed by the Sustainability Bond Committee.

The **Investor Relations & Long Term Funding (ILF)** department and the Sustainable Products & Sales (SSP) department of RLB NÖ-W plays a crucial role in collecting and monitoring all necessary data for

⁵⁰ Eligibility for affordable housing is based on net household income, although the criteria vary from region to region. In Lower Austria, for example, people with an annual net income of less than 55,000 euros are entitled to subsidized housing loans. Detailed information on the specific criteria for each province can be found on the relevant [website](#).

⁵¹ In accordance with [WGG](#)

⁵² Eligible Loans are loans to finance assets dedicated to the Eligible Green and Social Categories depicted within this Framework.

the evaluation and selection of eligible green and social loans by the Sustainability Bond Committee, and in managing the portfolio of Green, Social and Sustainability bonds. Key steps in the evaluation and selection process of these loans include:

- a) **Regular Credit Process** (see details above)
- b) **Screening** includes an initial preliminary review, the identification of potentially eligible green and social loans by local business units and the collection of all necessary data by the Sustainable Products & Sales (SSP) department.
- c) **Analysis of potential Eligible Green and Social Loans** performs a comprehensive assessment of both the counterparty and the asset, including an environmental impact assessment, and proposes the inclusion of eligible green/social loans in the eligible loan portfolio to the Sustainability Bond Committee (SBC).
- d) **Monitoring and Reporting** monitors the portfolio of eligible green and social loans, includes approved loans in the portfolio, prepares the allocation and impact report, replaces non-compliant assets and obtains SBC approval for the report.

Sustainability Bond Committee (SBC)

The Sustainability Bond Committee (SBC) is the body responsible for assessing the screened projects/loans for their alignment to the Eligibility criteria in this Framework, and for selecting eligible assets to be included in the pool of eligible green or social assets. The Sustainability Bond Committee sits within the wider Sustainability Committee and is responsible for:

- Reviewing whether potentially eligible loans proposed by the ILF department meet the categories and eligibility criteria outlined in the Use of Proceeds section and approving changes to the eligible green/social loan portfolio when loans no longer meet eligibility criteria.
- Continuous monitoring of the portfolio of eligible green and/or social loans throughout the life of the green, social and/or sustainability bonds issued.
- Propose replacement of assets that no longer meet eligibility criteria.
- Ensure that the proposed allocations are in line with the relevant general corporate policies and the Bank's ESG strategy.
- Approve the allocation and impact report.
- Monitoring and approve any changes and future updates of the Framework

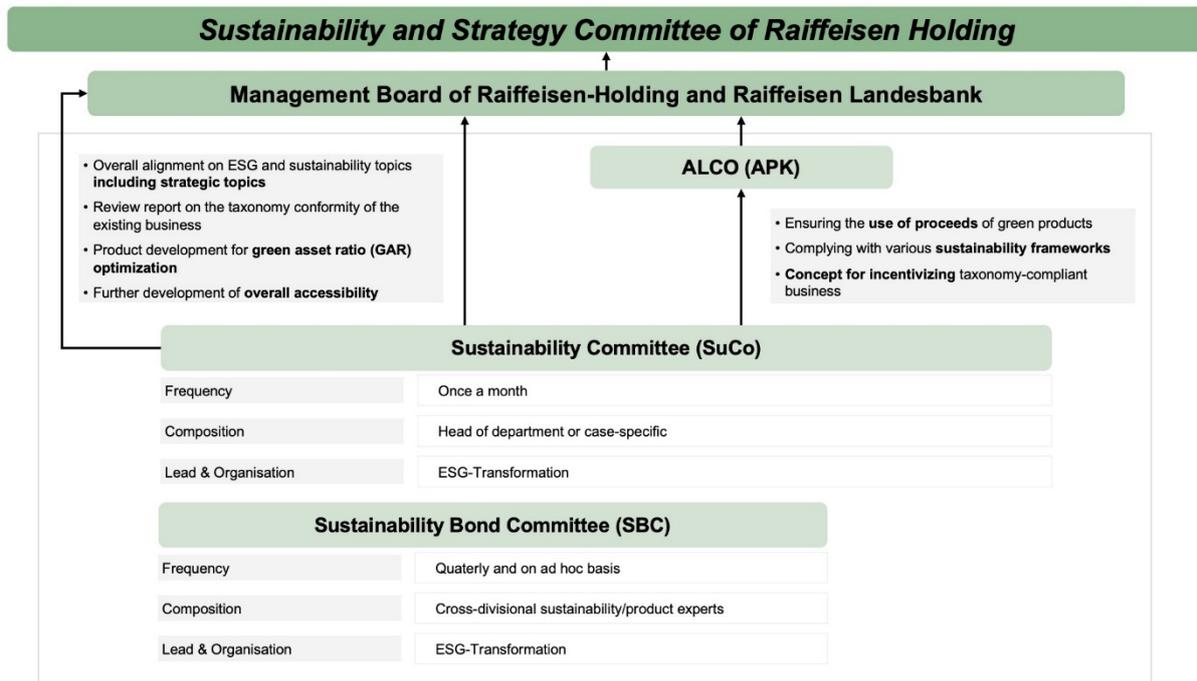
The SBC prepares the basis for decision for the Sustainability Committee to approve the inclusion or exclusion of projects/loans in the eligible pool of Green and Social Assets.

Sustainability Committee (SuCo)

The Sustainability Committee (SuCo) is the body that is responsible for the overall process and in which selected projects/loans are approved as Eligible Green/Social Assets and relevant decisions are made. The SuCO is chaired by the department head of ESG Transformation.

The Sustainability Committee (SuCo) will meet once a month (or at least quarterly) and comprises of relevant department heads, or a representative appointed by the head of department, from Compliance, Strategy & Innovation, Human Resources, Treasury Steering & Support, Operational Risk Management, Sales Planning & Support PF & SMEs, Finance, Strategic Risk Management, Product

Management, Corporate Customer Services, Corporate Communications, Infrastructure & Security Management, ESG & IR Management.



3.2.1. Exclusions

Under the following circumstances, we, therefore, generally refrain from initiating or continuing a business relationship:

- Known information about serious deficits in corporate governance which are not remedied even after request:
 - Lack of concessions and licences to carry out a significant field of business.
 - Non-compliance with significant environmental regulations or persistent activities that are harmful / hazardous to the environment.
 - Non-compliance with human rights, e.g., in the supply chain or with labour standards, employee health and safety, product safety, as well as negative references concerning management or owner, e.g., criminal past, dubious reputation.
 - Current proceedings or judgements that have a serious, negative effect on the solvency or reputation of the company.
- (Sector) exclusions generally apply to the following categories. RLB NÖ-W will not allocate proceeds received from the issuance of Green, Social or Sustainability bonds to loans for companies operating with the following activities:
 - Production of and trade in electricity from nuclear energy as the main business field.
 - Construction, operation, infrastructure of / for nuclear power plants incl. suppliers of nuclear components as well as uranium enrichment and processing.
 - Mining, processing, storage of and trade in nuclear fuels.
 - Disposal infrastructure and storage of nuclear waste.
 - Mining and processing of coal and conflict minerals. Current operations are scheduled to be phased out by 2030.

- Coal-based energy generation, including the supply of machinery and equipment, spare parts and engineering services for power plants and industrial plants that burn or process coal.
- Controversial hydrocarbon extraction practices (oil, gas) such as oil sands mining, tar sands mining, arctic drilling, fracking, deep sea drilling
- Ethically questionable activities, such as embryo research, trade in protected animals.
- Production of and trade in war material and controversial weapons, arms wholesale as defined by the War Material Act.
- Activities in / for the benefit of belligerent states in accordance with AML / financial sanctions requirements.

By complying with these guidelines, RLB NÖ-W can effectively measure, assess and manage potential ESG (environmental, social and governance) risks in connection with Eligible Green and/or Social Assets.

3.3. Management of proceeds

An amount equal to the net proceeds of each Green, Social or Sustainability bond issued by RLB NÖ-W is managed by the Treasury Liquidity Management department on a portfolio basis. RLB NÖ-W will strive to maintain a volume of Eligible Assets in the Green and Social loan portfolio that is at least equal to the net proceeds of the bonds and will continue to finance and promote new Eligible Green and Social Assets.

All Eligible Green and Social assets will be included in RLB NÖ-W's green and social bond portfolio. RLB NÖ-W will review the suitability of green and social loans on an annual basis. RLB NÖ-W aims to replace repaid or redeemed eligible green and social loans with other eligible green and social loans as soon as possible and/or to replace loans that lose their suitability as soon as a suitable replacement has been identified. Pending the allocation or reallocation of a credit equivalent to the net proceeds of the RLB NÖ-W's Green/Social/Sustainability bonds into the suitable Eligible Green and Social Assets, RLB NÖ-W will hold the balance of the net proceeds as cash or cash equivalents as part of its treasury activities.

If RLB NÖ-W is unable to use the net proceeds from its Green, Social or Sustainability Bonds entirely for Eligible Green and Social Assets, the institution reserves the right to temporarily invest the unallocated funds in money market instruments, cash or cash equivalents ("Substitute Assets"), ensuring that these alternatives comply with RLB NÖ-W's sustainability guidelines. It is emphasized that even temporary funds are not used for activities that fall under the section 3.2.1 exclusions.

The Sustainability Committee of RLB NÖ-W annually reviews the appropriateness and availability of Eligible Green or Social Assets and, if necessary, replaces them with others that meet the criteria, in particular if the original loans are repaid, mature or no longer meet the eligibility criteria.

RLB NÖ-W reserves the right to withdraw loans from the Green and Social Investment Portfolio at any time, whereby the total value of the portfolio must always equal or exceed the net proceeds of the outstanding Green, Social and Sustainability Bonds.

3.4. Reporting

RLB NÖ-W intends to publish an Allocation and Impact Report on a portfolio basis that will provide information on the green and social impacts of the Eligible Green and Social Loan Portfolio ("ESG Loan

Pool”) highlighting the progress on allocation of use of proceeds. Reporting will be provided on an annual basis until full allocation, and thereafter if there are any material changes to the Eligible Green Loan portfolio, until the maturity of RLB NÖ-W’s Green, Social or Sustainability Bonds.

The Sustainability Committee will review and approve the annual report before publication.

3.4.1. Allocation reporting

The purpose of reporting on the allocation is to verify that the proceeds have been distributed in accordance with the current criteria of the Sustainability Bond Framework for eligible green and/or social loans. Where possible, the following information is published therein:

- The total proceeds of Green, Social or Sustainability bonds outstanding
- The total proceeds allocated to the ESG Loan Pool
- The total amount of Green, Social or Sustainability bond proceeds that cannot be allocated to the ESG Loan Pool (replacement coverage)
- An analysis of the ESG Loan Pool by appropriate categories
- Share of financing vs refinancing

3.4.2. Impact reporting

RLB NÖ-W intends to publish an impact reporting which contains information on the environmental impact (avoided greenhouse gas emissions t CO₂) of the Eligible Green and Social Assets by category. The reporting will be done on an annual basis until full allocation, and thereafter if there are any material changes regarding the eligible green loans, until the maturity of RLB NÖ-W’s Green, Social or Sustainability Bonds.

RLB NÖ-W AG will report on several Key Performance Indicators (KPIs) in aggregate at the eligible category level for RLB NÖ-W AG Green / Social / Sustainability Bonds. The following table below summarizes examples of impact indicators that could be disclosed.

Eligible Green Categories

Eligible Categories	Examples of Possible Key Performance Indicators
Green Buildings	<ul style="list-style-type: none"> • Annual energy savings (MWh) • Estimated annual GHG emission avoided (t CO₂e)
Renewable Energy	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW) • Expected annual renewable energy generation (MWh) • Estimated annual GHG emissions avoided (t CO₂e)
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh) • Estimated annual GHG emissions avoided (t CO₂e)
Clean Transportation	<ul style="list-style-type: none"> • Number of applicable personal mobility devices and vehicles financed • Estimated annual GHG emissions avoided (t CO₂e)
Pollution prevention and control	<ul style="list-style-type: none"> • Type and annual amount of recycled waste (tonnes) • Energy generation (MWh per year)
Eco-efficient and / or circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> • Annual savings of relevant resources (e.g. tonnes raw material/year) • Estimated annual GHG emissions avoided or reduced (tCO₂e) • Energy savings (MWh per year)
Water Management and Wastewater Management	<ul style="list-style-type: none"> • Annual water savings (m₃) • Volume of wastewater treated (m₃)

Eligible Social Categories

Eligible Categories	Example of Possible Key Performance Indicators
Education	<ul style="list-style-type: none"> • Number of education facilities • Number of individuals / students enrolled • Number of educational programmes or professional development measures • Number of students attaining standard for the targeted education level
Access to essential services	<ul style="list-style-type: none"> • Number of medical facilities • Number of patients reached with improved healthcare
Affordable housing	<ul style="list-style-type: none"> • Number of individuals benefiting from affordable housing • Number of affordable buildings or dwellings constructed or renovated • m₂ of affordable living space constructed or renovated

4. External review

An external reviewer will provide a **Second Party Opinion** which will analyse the alignment of RLB NÖ-W's Sustainability Bond Framework with the ICMA Principles.

An **external auditor** will review annually starting one year after issuance and until maturity (or until full allocation) that RLB NÖ-W has properly followed the established approval procedures of the Sustainability Committee and that an amount equal to the net proceeds of all Green, Social or Sustainability Bonds of RLB NÖ-W has been allocated to the ESG Loan Portfolio.

Both reports will be published on the website of RLB NÖ-W.

Pursuant to the EUGB Regulation, external reviewers for European Green Bonds must - after a transitional period from 21 December 2024 to 21 June 2026 - be registered with ESMA before taking up their activities. The Second Party Opinion is not provided by an external reviewer registered in accordance with EUGB Regulation and, at this time, RLB NÖ-W does not intend to rely on external reviewers registered in accordance with EUGB Regulation for the purposes of issuing any Second Opinion.

5. Disclaimer

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