

## Second-Party Opinion

# Raiffeisen-Landesbank Tirol Sustainable Finance Framework

## Evaluation Summary

Sustainalytics is of the opinion that the Raiffeisen-Landesbank Tirol Sustainable Finance Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds - Green Buildings, Energy, Clean Transportation, Sustainable Water and Wastewater Management, Affordable Housing, Access to Essential Services, and Education and Vocational Training - are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7 and 11.



**PROJECT EVALUATION AND SELECTION** RLB Tirol has established a Sustainable Finance Committee (SFB) which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The committee comprises representatives from the Treasury, Corporate, Retail and Business Customers, Risk, Credit Risk, Product Management, and Compliance/Legal departments. The SFB conducts an ESG due diligence for all eligible loans and classifies the loans based on their potential environmental or social impact and the EU Taxonomy classification. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of GBP/SBP. This is in line with market practice.



**MANAGEMENT OF PROCEEDS** RLB Tirol's Risk and Credit Management department will be responsible for the management of net proceeds and will track their allocation using a portfolio approach or individual financing portfolios for particular financing instruments. The Bank intends to allocate proceeds within 24 months of each issuance. Pending full allocation, unallocated proceeds will be temporarily invested in short-term money and capital market products from central banks, states, supranational organizations, agencies, development banks, and financial institutions, as well as cash and sustainable bonds. This is in line with market practice.



**REPORTING** RLB Tirol commits to report on the allocation of proceeds and the corresponding impact in reports that will be published on the Bank's website on an annual basis until the maturity of the issued instrument. Allocation reporting will include the total amount and breakdown of outstanding instruments, the total amount and breakdown of proceeds allocated to the portfolio, the proceeds allocated to each category and the residual amount of unallocated proceeds. The allocation of proceeds will be reviewed by an external auditor or independent third party annually until the maturity of the issued instrument. Sustainalytics views RLB Tirol's allocation and impact reporting as aligned with market practice.

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Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



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## Introduction

Raiffeisen-Landesbank Tirol AG (“RLB Tirol” or the “Bank”) is an Austrian cooperative bank with 450 employees. Headquartered in Innsbruck, Tyrol, the Bank provides retail and corporate banking services and is part of the Raiffeisen Banking Group which includes Raiffeisen Bank International, 8 regional banks, and more than 100 independent Raiffeisen banks.

Raiffeisen-Landesbank Tirol has developed the Raiffeisen-Landesbank Tirol Sustainable Finance Framework dated July 2024 (the “Framework”) under which it intends to issue senior bonds, subordinated bonds, covered bonds,<sup>1</sup> private placements<sup>2</sup> and deposits, and use the proceeds to finance and refinance, in whole or in part, existing and future projects that expected to contribute to Austria’s transition to a low-carbon economy and promote socioeconomic development. The Framework defines eligibility criteria in four green and three social areas:

The Framework defines eligibility criteria in four green categories:

1. Green Buildings
2. Energy
3. Clean Transportation
4. Sustainable Water and Wastewater Management

The Framework defines eligibility criteria in three social areas:

5. Affordable Housing
6. Access to Essential Services
7. Education and Vocational Training

Raiffeisen-Landesbank Tirol engaged Sustainalytics to review the Framework dated July 2024 (the “Framework”) and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP) and Social Bond Principles 2023 (SBP).<sup>3</sup> The Framework will be published in a separate document.<sup>4</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>5</sup> opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.16, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of Raiffeisen-Landesbank Tirol to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Raiffeisen-Landesbank Tirol representatives have confirmed that: (1) they understand it is the sole responsibility of Raiffeisen-Landesbank

<sup>1</sup> RLB Tirol has confirmed Sustainalytics that: i) the net proceeds from covered bonds will be directed to eligible green and social assets under the framework; and ii) the amount of eligible assets/loans will at all times exceed all outstanding liabilities/bonds.

<sup>2</sup> RLB Tirol has confirmed to Sustainalytics that private placements are limited to debt instruments.

<sup>3</sup> The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>4</sup> The Raiffeisen-Landesbank Tirol Sustainability Bond Framework is available on Raiffeisen-Landesbank Tirol AG’s website at: <https://www.raiffeisen.at/tirol/rlb/de/meine-bank/investor-relations.html>

<sup>5</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Tirol to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Raiffeisen-Landesbank Tirol.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Raiffeisen-Landesbank Tirol has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Raiffeisen-Landesbank Tirol Sustainable Finance Framework

Sustainalytics is of the opinion that the Raiffeisen-Landesbank Tirol Sustainable Finance Framework is credible, impactful and aligns with the four core components of the GBP and SBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories - Green Buildings, Energy, Clean Transportation, Sustainable Water and Wastewater Management, Affordable Housing, Access to Essential Services, and Education and Vocational Training - are aligned with those recognized by the GBP and SBP.
  - RLB Tirol has defined a look-back period of 36 months for the refinancing of operating expenditures, which Sustainalytics considers to be in line with market practice.
  - RLB Tirol intends to finance or refinance general purpose loans allocated to entities that derive 90% or more of their revenue from activities that comply with the eligibility criteria in the Framework. Sustainalytics believes that project and activity-based lending generally results in more direct environmental or social benefit and ensures compliance with the criteria in the Framework of the issuer, however, the financing of pure play companies through green bonds is a commonly accepted approach, which is likely to generate positive impacts.
  - Under the Green Buildings category, RLB Tirol may finance or refinance the construction, acquisition, ownership and renovation of new and existing residential and commercial buildings in Austria according to the following criteria:
    - Buildings that have achieved one of the following minimum certification levels: i) LEED Gold;<sup>6</sup> ii) BREEAM Excellent;<sup>7</sup> iii) DGNB Gold;<sup>8</sup> iv) ÖGNI Gold;<sup>9</sup> and v) Kilmaaktiv Silver.<sup>10</sup> Sustainalytics views these certification schemes as robust and credible.
    - Buildings that have an energy performance certificate (EPC) A or are in the top 15% of the national or regional building stock expressed as primary energy demand (PED)

<sup>6</sup> LEED: <https://www.usgbc.org/leed>

<sup>7</sup> BREEAM: <https://bregroup.com/products/breeam/>

<sup>8</sup> DGNB: <https://www.dgnb.de/en>

<sup>9</sup> The ÖGNI certifies sustainable buildings and districts according to the European DGNB quality certificate. As such, ÖGNI Gold is viewed as equivalent to DGNB Gold.

<sup>10</sup> Kilmaaktiv: <https://www.klimaaktiv.at/>

- demonstrated by local building codes, year of construction and energy performance certificates.
- Buildings built after 31 December 2020 with PED at least 10% lower than the threshold set for the applicable nearly zero-energy buildings (NZEB).
  - Building retrofits, including insulation of walls, roofs, facades and replacement of boilers that lead to a minimum 30% improvement in energy efficiency compared to pre-renovation levels or a two-step improvement in the EPC along with a 20% reduction in energy demand. Sustainalytics considers market practice to ensure that retrofits will achieve emissions or energy performance improvements of at least 30% but acknowledges that an energy performance improvement of 20% will result in some environmental benefit. RLB Tirol has confirmed to Sustainalytics that retrofits financing will be limited to refurbishment expenditures and will not include the total value of the building.
  - Individual renovation measures, including the installation, maintenance and repair of: i) energy efficiency equipment, such as LED lighting, energy-efficient windows and doors, heating, ventilation and air-conditioning systems, water heating systems with highly efficient technologies, reducing water and energy using efficient kitchen and sanitary water fittings; ii) instruments and devices for measuring, regulating and controlling the energy performance of buildings, such as zoned thermostats, building automation and control systems and smart meters; and iii) on-site renewable energy technologies, including solar photovoltaic systems, hot water systems, wind turbines, electric heat pumps; and iv) equipment such as household appliances, heating, ventilation and air-conditioning and LEDs in the two highest populated classes of the EU energy labels.
  - Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems and RLB Tirol has confirmed that refrigerants used for heat pumps will have a global warming potential (GWP) below 675, which is in line with the EU Taxonomy. The Bank has confirmed that such projects will measure refrigerant leakage and include measures to monitor leaks, such as leak detection alarm systems, regular leak detection inspections, and equipment maintenance and cleaning.
  - RLB Tirol has confirmed to Sustainalytics that energy-efficient windows will have a U-value in alignment with the criteria set by the Austrian Institute of Construction Engineering.<sup>11</sup>
  - Sustainalytics notes that the Framework excludes financing of energy-efficient equipment, appliances and technologies designed or intended for processes that are primarily driven or powered by fossil fuels. This is in line with market practice.
  - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Renewable Energy category, finance or refinance the construction, production, operation, distribution, storage and maintenance of renewable energy generation projects in accordance with the following criteria:
- Onshore wind power.
  - Solar power, including concentrated solar power (CSP) technology. For CSP, the Framework limits financing to facilities that derive at least 85% of the electricity from solar energy.
  - Hydropower facilities that are run-of-river without an artificial reservoir or hydropower facilities that meet one of the following criteria: i) facilities that became operational before the end of 2019 with power density greater than 5 W/m<sup>2</sup> or life cycle carbon intensity below 100 gCO<sub>2</sub>e/kWh; or ii) facilities that became operational after 2019 with power density greater than 10 W/m<sup>2</sup> or life cycle carbon intensity below 50 gCO<sub>2</sub>e/kWh. Sustainalytics notes that all new hydropower projects will be subject to an environmental and social risk assessment to ensure that no significant risk, negative impact or controversy related to the project are identified.
  - Production of electricity, heating and cooling from solid biomass, biogas or liquid biofuels from: i) non-waste feedstock derived from logs and crops with a life cycle

<sup>11</sup> OIB, "OIB-Richtlinie 6", (2019), at: [https://www.oib.or.at/sites/default/files/richtlinie\\_6\\_12.04.19\\_1.pdf](https://www.oib.or.at/sites/default/files/richtlinie_6_12.04.19_1.pdf)

- emissions intensity below 100 gCO<sub>2</sub>e/kWh for electricity production or life cycle emissions at least 65% lower than the fossil fuel baseline for biofuels; and ii) separately collected biowaste, biodegradable garden and park waste, food waste, including fish residues derived from certified aquaculture, and kitchen waste, including ISCC-certified<sup>12</sup> used cooking oil. RLB Tirol has confirmed that: i) feedstock used will meet the criteria defined in Article 29 RED II (EU) 2018/2001;<sup>13</sup> ii) in case of mixed feedstock, the share of non-certified food and energy crops will be lower than 10% of the total weight of the waste; and iii) the following are excluded from financing: waste feedstock derived from sewage sludge from fossil fuel operations, waste from non-RSPO certified palm oil operations, animal fats, oil and other animal processing by-products, animal manure from industrial-scale livestock operations, and peat .
- Bioenergy, biogas and digestate through anaerobic digestion of agricultural and forestry residues, sewage sludge or separately collected biowaste, biodegradable garden and park waste, food including fish residues derived from certified aquaculture and kitchen waste, including ISCC-certified<sup>14</sup> used cooking oil. RLB Tirol has confirmed that the following are excluded from financing: waste feedstock derived from sewage sludge from fossil fuel operations; waste from non-RSPO certified palm oil operations; animal fats, oil and other animal processing by-products; animal manure from industrial-scale livestock operations; and peat.
  - Geothermal projects with direct emissions intensity below 100 gCO<sub>2</sub>e/kWh.
  - Sustainability considers investments under this category to be aligned with market practice.
- Under the Energy Efficiency category, RLB Tirol may finance or refinance projects according to the following criteria:
- Energy efficiency improvements in industrial production processes for milk, grain, granola, timber and bread that lead to at least a 30% energy efficiency improvement. RLB Tirol has confirmed to Sustainability that financing will be limited to energy efficiency projects in individual processes in the production line. Sustainability views positively the inclusion of a defined energy efficiency threshold for the installation of energy-efficient systems, equipment and technologies. RLB Tirol has confirmed the exclusion of equipment and processes that are reliant or powered by fossil fuels.
  - Smart grid technologies, including control mechanisms, interfaces and monitoring systems; and smart grid components, such as transmission and distribution lines, interconnectors, transformers, advanced metering, grid flexibility measures and components for electricity storage facilities and general infrastructure dedicated to support smart grids. RLB Tirol has confirmed to Sustainability that smart grid technologies will be dedicated to connecting renewables.
  - Construction, renovation and refurbishment of electricity grids dedicated to connecting renewables to the grid.
  - Sustainability considers the expenditures under this category to be aligned with market practice.
- Under the Clean Transportation category, the Bank may finance or refinance low-carbon vehicles and related infrastructure in accordance with the following criteria:
- Zero-emission subways, trains, trams, buses, trucks and cars.
  - Hybrid or biofuel-powered buses with emissions intensity up to 50 gCO<sub>2</sub>/pkm.
  - The Bank has confirmed to Sustainability that vehicles used to transport fossil fuels or fossil fuels blended with alternative fuels will be excluded from financing under the Framework.
  - Personal mobility devices powered by physical activity of the user or zero-emissions motor, including bicycles and e-scooters.
  - Supporting infrastructure dedicated to zero-emission rail transportation such as railways, subways, bridges, tunnels, traffic control systems and related third-party services including architectural, engineering, design, construction inspection,

<sup>12</sup> ISCC: <https://www.iscc-system.org/>

<sup>13</sup> EUR-Lex, "Directive (EU) 2018/2001 of the European Parliament and of the Council", (2018), at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32018L2001#d1e3697-82-1>

<sup>14</sup> ISCC: <https://www.iscc-system.org/>

- surveying and mapping services, as well as physical, chemical and other analytical tests of materials and products.
- Supporting infrastructure related to zero-emission public transport and commercial vehicles, including electric vehicle charging stations, hydrogen refuelling stations, expansion of the power grid and electric highways. The Framework confirms the exclusion of construction and retrofitting of parking infrastructure, roads and fossil fuel filling stations.
  - Supporting infrastructure for personal mobility, including sidewalks, bike lanes, pedestrian zones, electric charging and hydrogen refuelling stations for personal mobility devices.
  - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Sustainable Water and Wastewater Management, RLB Tirol may finance or refinance equipment, development, construction, operation and maintenance of water distribution systems that demonstrate a 20% improvement in efficiency over the past three years, wastewater treatment systems and flood mitigation infrastructure. Flood mitigation infrastructure will be based on vulnerability assessments and adaptation plans to identify potential climate risks and relevant management strategies. The Bank has confirmed to Sustainalytics that treatment of wastewater from fossil fuel operations will not be financed
    - Sustainalytics considers investments under this category to be in line with market practice.
  - Under the Affordable Housing category, RLB Tirol may finance or refinance the construction, renovation and maintenance of social and affordable housing through co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises in accordance with the following criteria:
    - Subsidized housing with the aim of providing housing for individuals and families under the criteria defined by the Austrian Federal Act on Charitable Housing<sup>15</sup> which considers the prioritization of housing needs, the size of the household and the income of the applicants in the allocation of social housing units. In addition, the Federal State of Tirol offers monthly grants for housing expenses to support most vulnerable people who already reside in subsidized housing.<sup>16</sup>
    - Sustainalytics notes that the income threshold to access affordable housing in Austria can be relatively high, possibly including middle-income populations.<sup>17,18</sup> As a result, financing under the Framework will not be limited to the most vulnerable persons despite the affordability principles provided by the Austrian Federal Act on Charitable Housing. Nevertheless, Sustainalytics acknowledges that the Austrian social housing supply model has enabled the country to achieve the second-highest share of social housing in its total dwelling stock among OECD countries.<sup>19</sup> Moreover, Sustainalytics recognizes that housing provided by non-profit housing associations plays an essential role in regional development, considering that one in five people in Tyrol lives in a property developed by non-profit housing associations which account for more than 20% of the total housing construction in Tyrol.<sup>20</sup> Additionally, broadly accessible affordable housing has allowed urban centres in Austria to develop more socio-economically diverse neighbourhoods,<sup>21</sup> which is known to improve the quality of life for low-income households, in particular by preventing the development of segregated low-income communities that lack amenities and access to essential services.<sup>22</sup>

<sup>15</sup> Government of Austria, "Bundesrecht konsolidiert: Gesamte Rechtsvorschrift für Wohnungsgemeinnützigkeitgesetz", (2024), at: <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10011509>

<sup>16</sup> Land Tirol, "Wohnbauförderung – Informationsblatt Wohnbeihilfe", at: [https://www.tirol.gv.at/fileadmin/themen/bauen-wohnen/wohnbaufoerderung/downloads\\_2019/mbi-beih.pdf](https://www.tirol.gv.at/fileadmin/themen/bauen-wohnen/wohnbaufoerderung/downloads_2019/mbi-beih.pdf)

<sup>17</sup> City of Vienna, "Flat Allocation Criteria," at: <https://socialhousing.wien/tools/flat-allocation-criteria>

<sup>18</sup> Vienna has the highest concentration of social housing in Austria. OECD, "Housing Sector Country Snapshot: Austria", (2021), at: <https://housingpolicytoolkit.oecd.org/www/CountryFiches/housing-policy-Austria.pdf>

<sup>19</sup> Ibid.

<sup>20</sup> Landdeszeitung, "Gemeinnützige Bauträger machen das Wohnen in Tirol leistbarer", (2022), at:

[https://www.landdeszeitung.at/php/gemeinntzige\\_bautrger\\_machen\\_das\\_wohnen\\_in\\_tirol\\_leistbarer,10987,9972.html](https://www.landdeszeitung.at/php/gemeinntzige_bautrger_machen_das_wohnen_in_tirol_leistbarer,10987,9972.html)

<sup>23</sup> WIFO, "The price-dampening effect of non-profit housing," (2023), at:

[https://www.wifo.ac.at/news/die\\_preisdaempfende\\_wirkung\\_des\\_gemeinnuetzigen\\_wohnbaus](https://www.wifo.ac.at/news/die_preisdaempfende_wirkung_des_gemeinnuetzigen_wohnbaus)

<sup>23</sup> WIFO, "The price-dampening effect of non-profit housing," (2023), at:

[https://www.wifo.ac.at/news/die\\_preisdaempfende\\_wirkung\\_des\\_gemeinnuetzigen\\_wohnbaus](https://www.wifo.ac.at/news/die_preisdaempfende_wirkung_des_gemeinnuetzigen_wohnbaus)

- Beyond the benefits for its tenants, Austria's substantial non-profit housing supply has also been shown to have a dampening effect on private rental prices.<sup>23</sup>
- Assisted housing for people in need of care and support, following the Austrian Federal Act on Charitable Housing<sup>24</sup> that considers rents below market average, and the State of Tirol's Assisted Housing Guidelines<sup>25</sup> for housing allocation.
  - Sustainalytics considers that the scope and the rationale of the Austrian regulatory environment for affordable housing provide a strong framework for expenditures under this category to be socially impactful.
- Under the Essential Services category, RLB Tirol may finance or refinance expenditures on healthcare and necessary basic infrastructure in accordance with the following criteria:
    - Construction, renovation, expansion and maintenance of free or subsidized healthcare facilities, including hospitals, testing and diagnostic laboratory services, rehabilitation clinics, clinics for addiction and mental illnesses, nursing homes and medical centres.
    - Construction, renovation, expansion and maintenance of basic infrastructure in rural regions:
      - Telecommunications and high-speed internet in areas with substantially inadequate connectivity.<sup>26</sup>
      - Expansion of electricity infrastructure to rural areas that currently lack connectivity.
      - Firefighting and rescue equipment in areas with inadequate equipment. RLB Tirol has confirmed to Sustainalytics that the Bank excludes financing of equipment related to retributive justice systems including policing, incarceration and surveillance.
      - Access to clean drinking water including desalination plants that are powered by renewables and have an appropriate waste management plan in place for brine disposal.
    - Sustainalytics considers that investments under this category are expected to enhance access to essential services and provide social impact in Austria.
  - Under the Education and Vocational Training category, RLB Tirol may finance or refinance the construction, renovation and expansion of basic infrastructure for public and publicly subsidized education in accordance with the following criteria:
    - Primary, secondary and tertiary education.
    - Integration of disadvantaged groups to education system. RLB Tirol follows the definition of disadvantaged groups by the European Institute for Gender Equality.<sup>27</sup>
    - Teachers' training.
    - Retraining and vocational education for youth, unemployed, underemployed and individuals over 60 years-old following the definition of the city of Innsbruck.<sup>28</sup>
    - Sustainalytics notes that all facilities and services target students, pupils, people with disabilities, the elderly, unemployed and undereducated populations and are accessible to all regardless of ability to pay.
    - Sustainalytics considers that investments under this category are expected to enhance access to education and deliver social impact in Austria.
  - Sustainalytics notes that the Framework excludes financing towards the following sectors and activities: i) nuclear power plants (including suppliers of core components and related infrastructure, uranium mining and processing) and any investments related to nuclear energy; ii) weapons trade beyond the usual hunting and sports shooting equipment;<sup>29</sup> iii) pornography or prostitution; iv) proven or publicly known violations of environmental protection regulations, human rights or labour standards as per the Universal Declaration of Human Rights of the United Nations; v) proven or

<sup>23</sup> WIFO, "The price-dampening effect of non-profit housing," (2023), at:

[https://www.wifo.ac.at/news/die\\_preisdaempfende\\_wirkung\\_des\\_gemeinnuetzigen\\_wohnbaus](https://www.wifo.ac.at/news/die_preisdaempfende_wirkung_des_gemeinnuetzigen_wohnbaus)

<sup>24</sup> Government of Austria, "Bundesrecht konsolidiert: Gesamte Rechtsvorschrift für Wohnungsgemeinnützigkeitgesetz", (2024), at:

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10011509>

<sup>25</sup> State of Tirol, "Richtlinie des Landes Tirol Betreutes Wohnen", at: [https://www.tirol.gv.at/fileadmin/themen/gesundheit-vorsorge/pflege/richtlinien/Richtlinie\\_-\\_Betreutes\\_Wohnen.pdf](https://www.tirol.gv.at/fileadmin/themen/gesundheit-vorsorge/pflege/richtlinien/Richtlinie_-_Betreutes_Wohnen.pdf)

<sup>26</sup> Areas that have broadband internet speeds lower than 10 Mb/s or no mobile broadband (3G or above) service.

<sup>27</sup> European Institute for Gender Equality, "disadvantaged groups", at: [https://eige.europa.eu/publications-resources/thesaurus/terms/1174?language\\_content\\_entity=en](https://eige.europa.eu/publications-resources/thesaurus/terms/1174?language_content_entity=en)

<sup>28</sup> Landeshauptstadt Innsbruck, "Senior Citizen Card", at: <https://www.innsbruck.gv.at/en/leben/servicecenter/seniorinnenausweis>

<sup>29</sup> Sustainalytics notes that the Framework criteria do not include the financing of hunting and sports shooting equipment.

publicly known labour rights violations according to the ILO core labour standards (including the freedom of assembly and association, forced labour, child labour and discrimination); vi) corruption; vii) coal-fired power plants or coal mining operations and energy providers whose electricity generation is predominantly coal-based; viii) mining companies related to the construction or expansion of coal mines of any kind, unless they involve technical modernizations that improve local ecological or social conditions; ix) controversial hydrocarbon extraction practices (oil and gas), such as Arctic drilling, oil or tar sands extraction, deep-sea drilling, oil drilling in protected areas and ecologically sensitive areas, and fracking; and x) business activities with natural or legal persons dealing with specific goods and technologies (including financial services) affected by sanctions or embargoes and shell banks. Additionally, the Framework excludes any investments related to fossil fuels and specific infrastructure for fossil fuels.

- Project Evaluation and Selection:
  - RLB Tirol has established a Sustainable Finance Committee (SFB) which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The committee comprises representatives from the Treasury, Corporate, Retail and Business Customers, Risk, Credit Risk, Product Management, and Compliance/Legal departments.
  - SFB conducts an ESG due diligence for all eligible loans and classifies the loans based on their potential environmental or social impact and the EU Taxonomy classification. If the committee detects any significant ESG risks, the loan will not be included into the sustainable financing pool. RLB Tirol has also established internal policies and processes to mitigate environmental and social risks commonly associated with the eligible projects. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of GBP/SBP. For additional detail see Section 2.2.
  - Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - RLB Tirol's Risk and Credit Management department will be responsible for the management of net proceeds and will track their allocation using a portfolio approach or an individual financing portfolio for each financing instrument.
  - The Bank intends to allocate proceeds within 24 months of each issuance. Pending full allocation, unallocated proceeds will be invested temporarily in short-term money and capital market products that exclude carbon intensive assets from central banks, states, supranational organizations, agencies, development banks and financial institutions, as well as cash and sustainable bonds.
  - Additionally, for deposits issued under the Framework: i) an amount cap for deposits will apply to ensure that the deposits amount will not exceed the amount of loans at any point in time and the matured loans in the underlying portfolio will be replenished on a continual basis; ii) the allocation timeframe will be shorter than the term of the deposits; and iii) RLB Tirol will ensure that no double allocation of proceeds from deposits and other instruments issued under the Framework occurs.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - The Bank commits to report on the allocation of proceeds and the corresponding impact in an allocation and impact report, which will be published on its website on an annual basis until the maturity of each issued instrument.
  - Allocation reporting will include the total amount and breakdown of outstanding instruments, the total amount and breakdown of proceeds allocated to the portfolio, the proceeds allocated to each category and the residual amount of unallocated proceeds. The allocation of proceeds will be reviewed by an external auditor or independent third party annually until the maturity of each issued instrument.
  - Impact reporting will include relevant environmental impact metrics, where available, such as annual energy savings (MWh), avoided GHG emissions (in tCO<sub>2</sub>e), the number of individuals benefitting from affordable housing and the number of educational facilities financed under the Framework.
  - Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Raiffeisen-Landesbank Tirol Sustainable Finance Framework aligns with the four core components of the GBP and SBP.

## Section 2: Sustainability Strategy of Raiffeisen-Landesbank Tirol

### Contribution to RLB Tirol's sustainability strategy

RLB Tirol's sustainability vision focuses on three key environmental and social areas: i) increasing the amount of sustainable assets in the Bank's portfolio; ii) expanding the sustainable product offering; and iii) financing the transition to a sustainable way of living in the state of Tirol.

RLB Tirol has established a target to reach a minimum 35% share of sustainable products in its customer portfolio by 2025.<sup>30</sup> In 2023, the share of sustainable securities in the Bank's portfolio increased by 22%, and in the same year, 42% of the Bank's product offering consisted of sustainable products.<sup>31</sup> In this context, the Bank provides green and social loans for corporate customers for projects related to green buildings, renewable energy, affordable housing and general and vocational education.<sup>32</sup> For retail customers, the Bank offers a variety of sustainable investment options in the form of pension plans and mutual funds. The products follow the Bank's sustainability criteria, which classify activities based on their positive and negative impact.<sup>33</sup> As of the end of 2023, the size of the sustainable product portfolio was EUR 183 million, and represented 22.5% of the Bank's total retail portfolio.<sup>34</sup> RLB Tirol also offers green mortgages that provide beneficial loan terms for homes with a minimum EPC B.<sup>35</sup> In 2024, RLB Tirol made an estimate of its financed emissions, from which it will develop a decarbonization strategy to be rolled out in the second quarter of 2025.<sup>36</sup>

RLB Tirol cooperates with the State of Tirol and facilitates loans with beneficial terms for companies that invest in plant and process optimization measures, including heat recovery from refrigeration systems and heating optimization in existing buildings, having realized the installation of more than 100 kW capacity of sustainable heating systems, including wood heating, heat pumps and district heating connections.<sup>37</sup>

Based on the above, Sustainalytics recognizes RLB Tirol's overall sustainability performance and notes that the Raiffeisen-Landesbank Bank Sustainable Finance Framework is expected to further the Bank's action on key environmental and social issues. Sustainalytics further notes that RLB Tirol is in the process of developing a decarbonization strategy and encourages the Bank to establish quantifiable and time-bound targets for its sustainability goals.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity associated with large infrastructure projects; ii) waste, emissions and effluents; iii) occupational health and safety of the projects to be financed; iv) community relations issues associated with large-scale infrastructure development and construction; v) predatory lending; and vi) business ethics.

Sustainalytics is of the opinion that Raiffeisen-Landesbank Tirol is able to manage and mitigate potential risks through implementation of the following:

<sup>30</sup> RLB Tirol, "Nachhaltigkeitsbericht 2023", at: [https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/nachhaltigkeitsbericht/\\_jcr\\_content/root/responsivegrid/contentcontainer/contentbox/downloadlist.download.html/0/Nachhaltigkeitsbericht%202023.pdf](https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/nachhaltigkeitsbericht/_jcr_content/root/responsivegrid/contentcontainer/contentbox/downloadlist.download.html/0/Nachhaltigkeitsbericht%202023.pdf)

<sup>31</sup> Ibid.

<sup>32</sup> RLB Tirol, "Nachhaltige Finanzierungen", at: <https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-anbieten/nachhaltige-finanzierung.html>

<sup>33</sup> RLB Tirol, "Nachhaltige Positionierung", at: [https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/\\_jcr\\_content/root/responsivegrid/contentcontainer/contentbox/downloadlist\\_copy\\_co\\_1559655891.download.html/0/Nachhaltige%20Positionierung%20der%20Raiffeisen-Landesbank%20Tirol%20AG.pdf](https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/_jcr_content/root/responsivegrid/contentcontainer/contentbox/downloadlist_copy_co_1559655891.download.html/0/Nachhaltige%20Positionierung%20der%20Raiffeisen-Landesbank%20Tirol%20AG.pdf)

<sup>34</sup> RLB Tirol, "Nachhaltige Geldanlage", at: <https://www.raiffeisen.at/tirol/rlb/de/privatkunden/anlegen/nachhaltige-geldanlage.html>

<sup>35</sup> RLB Tirol, "Willkommen Daheim", at: <https://www.raiffeisen.at/tirol/rlb/de/immobilien/nachhaltiges-wohnen.html>

<sup>36</sup> RLB Tirol has shared this information with Sustainalytics confidentially.

<sup>37</sup> RLB Tirol, "UMWELTFÖRDERUNGEN für Betriebe und Gemeinden", (2024), at: [file:///C:/Users/smatiha/Downloads/2024-05-29-F%C3%B6rderfolder-Umweltprodukte\\_Mai2024.pdf](file:///C:/Users/smatiha/Downloads/2024-05-29-F%C3%B6rderfolder-Umweltprodukte_Mai2024.pdf)

- As part of its transaction approval process, RLB Tirol evaluates all relevant transactions using an ESG scoring tool. The tool shows ESG-related risks at country, issuer and security levels and generates weighted average scores for the environment, social and governance areas. RLB Tirol's Treasury and ALM departments monitor the investments annually to manage country-specific ESG risks. For transactions with a significant reduction in the overall score, the Bank conducts a more detailed examination and implements follow-up actions on a case-by-case basis.<sup>38</sup>
- Regarding risks related to land use and biodiversity loss, projects financed in the EU are expected to comply with Directive 2014/52/EU, which requires projects that are likely to have significant environmental effects to be adequately assessed before approval.<sup>39</sup> It also requires that such projects have in place adequate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For land-intensive projects, the directive mandates that land use-related impacts are identified, described and assessed through an environmental impact assessment. Large-scale projects must also limit impacts on land and soil, including organic matter, erosion, compaction and sealing. Additionally, projects in the EU must follow the EU Habitats Directive and Birds Directive, which are part of the EU's Biodiversity Strategy for 2030 and require EU Member States to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species.<sup>40,41</sup>
- Regarding emissions, effluents and waste generated in construction, the EU regulation on construction and demolition waste requires companies in the EU to carry out waste management without endangering human health or causing harm to the environment.<sup>42</sup>
- Regarding community relations, Directive 2014/52/EU requires that RLB Tirol assesses its projects' impact on surrounding populations, human health and cultural heritage.<sup>43</sup> Furthermore, RLB Tirol maintains dialogue with internal and external stakeholders through surveys, networking meetings, customer service, social media, sustainability campaigns, joint projects and an internal information platform. The Bank has also a complaint management system.<sup>44</sup>
- Regarding predatory lending, the Bank assesses the creditworthiness of its clients and evaluates the suitability of the products for each client.<sup>45</sup> In addition, the Bank aims to ensure fair treatment of clients with payment difficulties in alignment with banking regulations in Austria.<sup>46,47</sup>
- Regarding business ethics, RLB Tirol's Code of Conduct follows the UN Global Compact<sup>48</sup> and outlines the Bank's procedures to prevent, detect, manage and mitigate unethical business practices related to conflicts of interest, corruption, bribery, accepting gifts and invitations, and donations.<sup>49</sup> RLB Tirol has an anonymous whistleblower tool available for internal and external stakeholders.<sup>50</sup> In addition, the Bank has a detailed procedure in place to detect and prevent money laundering and terrorism financing outlined in an internal policy.<sup>51</sup>
- Sustainalytics notes that eligible projects under the Framework will be located in Austria, which is recognized as a Designated Country under the Equator Principles.<sup>52</sup> This indicates the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environment and communities, including stakeholder engagement.

<sup>38</sup> RLB Tirol has shared the details of its ESG risk management system with Sustainalytics confidentially.

<sup>39</sup> European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32014L0052>

<sup>40</sup> European Commission, "Biodiversity strategy for 2030", at: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

<sup>41</sup> European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02009L0147-20190626>

<sup>42</sup> European Commission, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:32008L0098&from=EN>

<sup>43</sup> European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32014L0052>

<sup>44</sup> RLB Tirol, "Beschwerdemanagement", at: <https://www.raiffeisen.at/tirol/rlb/de/meine-bank/raiffeisen-bankengruppe/beschwerdemanagement.html>

<sup>45</sup> RLB Tirol, "Verhaltenskodex", (2024), at: [https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/\\_jcr\\_content/root/responsivegrid/contentcontainer/contentbox/downloadlist\\_copy\\_co.download.html/0/Verhaltenskodex.pdf](https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/_jcr_content/root/responsivegrid/contentcontainer/contentbox/downloadlist_copy_co.download.html/0/Verhaltenskodex.pdf)

<sup>46</sup> RLB Tirol has shared this information confidentially with Sustainalytics.

<sup>47</sup> Financial Market Authority, "Integrated Conduct Supervision of Banks", at: <https://www.fma.gv.at/en/cross-sectoral-topics/integrated-conduct-supervision-of-banks/>

<sup>48</sup> UN Global Compact, "Who we are", at: <https://unglobalcompact.org/what-is-gc>

<sup>49</sup> RLB Tirol, "Verhaltenskodex", (2024), at: [https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/\\_jcr\\_content/root/responsivegrid/contentcontainer/contentbox/downloadlist\\_copy\\_co.download.html/0/Verhaltenskodex.pdf](https://www.raiffeisen.at/tirol/rlb/de/meine-bank/nachhaltigkeit/was-wir-tun/corporate-social-responsibility/_jcr_content/root/responsivegrid/contentcontainer/contentbox/downloadlist_copy_co.download.html/0/Verhaltenskodex.pdf)

<sup>50</sup> Ibid.

<sup>51</sup> RLB Tirol has shared its policy related to combating money laundering and financing terrorism with Sustainalytics confidentially.

<sup>52</sup> Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

Based on these policies, standards and assessments, Sustainability is of the opinion that RLB Tirol has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Section 3: Impact of Use of Proceeds

All seven use of proceeds categories are aligned with those recognized by the GBP or SBP. Sustainability has focused on Green Buildings below where the impact is specifically relevant in the local context.

#### Importance of financing green buildings in Austria

The buildings sector is the largest energy-consuming sector in the EU accounting for approximately 40% of the total energy consumption and one-third of the GHG emissions in the bloc.<sup>53</sup> As part of the Climate Target Plan 2030, the EU aims to reduce GHG emissions by 55% compared to 1990 levels by 2030 and achieve climate neutrality by 2050.<sup>54</sup> To meet these goals, the EU must decrease emissions from its building stock by 60%, lower final energy consumption of buildings by 14%, and reduce energy usage from heating and cooling by 18% compared to 2015 levels.<sup>55</sup> Additionally, the European Commission's Renovation Wave strategy aims to at least double building renovation rates by 2030.<sup>56</sup>

In Austria, GHG emissions have increased since 2014, primarily due to higher energy consumption in the buildings sector and the transport sector.<sup>57</sup> Since 2020, Austria has a target to achieve carbon neutrality by 2040.<sup>58</sup> To achieve this, the Austrian government established the Integrated National Energy and Climate Plan (2021-2030) which aims to reduce emissions from buildings by 3 million tCO<sub>2e</sub> compared to 2016.<sup>59</sup> The plan includes several measures to achieve this goal, such as phasing out fossil fuels for heating and cooling, conducting thermal energy renovations and improving efficiency standards for new buildings.<sup>60</sup> Furthermore, the country's Recovery and Resilience Plan (RRP), initiated during the COVID-19 pandemic and updated due to the war in Ukraine, earmarks more than EUR 4 billion for investments in low-emission buildings and the elimination of oil and gas heating in private homes, supporting the overarching climate goals of Austria.<sup>61,62,63</sup>

Based on the above, Sustainability is of the opinion that RLB Tirol's lending for new green buildings and renovation of existing buildings has the potential to contribute to Austria's GHG emissions targets.

#### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Raiffeisen-Landesbank Tirol Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable

<sup>53</sup> European Commission, "In focus: Energy efficient buildings", (2024), at: [https://energy.ec.europa.eu/news/focus-energy-efficient-buildings-2024-04-16\\_en](https://energy.ec.europa.eu/news/focus-energy-efficient-buildings-2024-04-16_en)

<sup>54</sup> European Environment Agency, "2030 Climate Target Plan", at: <https://www.eea.europa.eu/policy-documents/2030-climate-target-plan>

<sup>55</sup> European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: [https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC\\_1&format=PDF](https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF)

<sup>56</sup> Ibid.

<sup>57</sup> International Energy Agency, "Austria 2020", at: <https://www.iea.org/reports/austria-2020>

<sup>58</sup> Ibid.

<sup>59</sup> Government of Austria, "Integrated National Energy and Climate Plan for Austria (2021-2030)", (2019), at:

[https://energy.ec.europa.eu/system/files/2020-03/at\\_final\\_necp\\_main\\_en\\_0.pdf](https://energy.ec.europa.eu/system/files/2020-03/at_final_necp_main_en_0.pdf)

<sup>60</sup> Ibid.

<sup>61</sup> European Parliament, "Austria's National Recovery and Resilience Plan," (2023), at:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729465/EPRS\\_BRI\(2022\)729465\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729465/EPRS_BRI(2022)729465_EN.pdf)

<sup>62</sup> European Commission, "2023 Country Report – Austria", (2023), at: [https://economy-finance.ec.europa.eu/publications/2023-country-report-austria\\_en](https://economy-finance.ec.europa.eu/publications/2023-country-report-austria_en)

<sup>63</sup> Government of Austria, "Green Investor Report 2022", (2023), at: [https://www.oebfa.at/dam/jcr:b980dbc6-52b9-4786-b6cf-9503646228ba/Republic%20of%20Austria\\_Green%20Investor%20Report.pdf](https://www.oebfa.at/dam/jcr:b980dbc6-52b9-4786-b6cf-9503646228ba/Republic%20of%20Austria_Green%20Investor%20Report.pdf)

		human settlement planning and management in all countries
Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Affordable Housing	11. Sustainable Cities and Communities	11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Access to Essential Services	3. Good Health and Wellbeing	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Education and Vocational Training	4. Quality Education	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

## Conclusion

Raiffeisen-Landesbank Tirol has developed the Raiffeisen-Landesbank Tirol Sustainable Finance Framework under which it may issue senior bonds, subordinated bonds, covered bonds, private placements and deposits, and use the proceeds to finance projects under Green Buildings, Energy, Clean Transportation, Sustainable Water and Wastewater Management, Affordable Housing, Access to Essential Services, Education and Vocational Training. Sustainalytics considers that the eligible projects are expected to provide positive environmental and social impacts.

The RLB Tirol Sustainability Bond Framework outlines processes for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the RLB Tirol Sustainable Finance Framework is aligned with the overall sustainability strategy of the Bank and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7 and 11. Additionally, Sustainalytics considers that RLB Tirol has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Raiffeisen-Landesbank Tirol AG is well positioned to issue sustainability bonds and that that Raiffeisen-Landesbank Tirol Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Social Bond Principles 2023.

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