



Impact Report for Bonds & Loans

UNIQA Green Bond Framework

Impact Summary

Evaluation Date SEPTEMBER 2021
Issuer Location VIENNA, AUSTRIA

Sustainalytics has calculated the estimated impact achieved by the Green Bond issued by UNIQA Group in June 2020. Since Issuance, 202 million Euros have been allocated in the categories *Renewable Energy* and *Pollution Prevention and Control*, specifically in technologies including wind, solar and waste-to-energy. Projects are located across various European countries. For the period from June 2020 to June 2021, Sustainalytics has calculated avoided emissions of 804 kilotons of CO₂eq.



202M

Allocated funds (EUR)



804

Annual emissions avoided (KT CO₂eq)



11

Projects



175k

Cars driven for one year



4

EU Countries

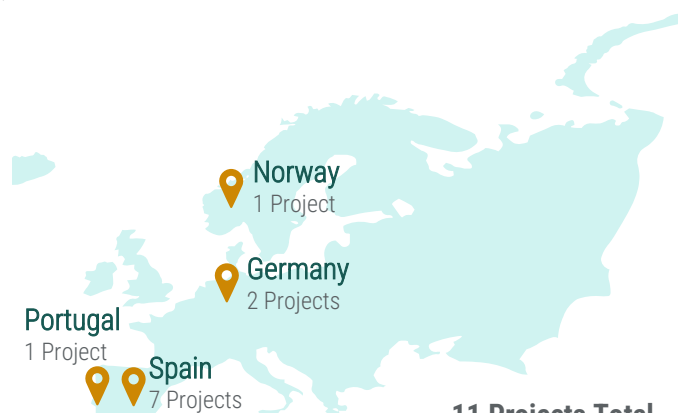
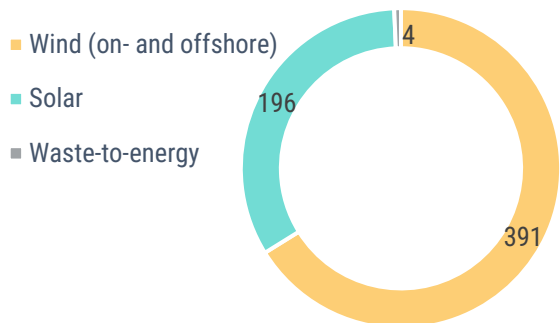


1M

Acres of forest, yearly sequestration



Financed Generation Capacity by Technology (MW)* & Number of Projects by Location



* On average, UNIQA is financing 40% of the total projects finance. Values in this chart represent the pro-rata share of the capacity financed by UNIQA

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Introduction

UNIQA Österreich Versicherungen AG, owned by UNIQA Insurance Group AG, is one of the largest health insurance providers in Austria, serving approximately 3.5 million customers in the country.

In 2020, UNIQA issued a Green Bond and allocated the proceeds according to the Green Bond Framework published in 2020. Sustainalytics provided a Second-Party Opinion on the Bond framework proposed by UNIQA, evaluating it as credible, impactful and aligned with the Green Bond Principles 2018 (GBP).¹

In June 2021, Sustainalytics provided an allocation report that summarized the allocation of the proceeds and their alignment with the UNIQA Green Bond Framework. This report has been published separately. In addition, UNIQA engaged Sustainalytics to quantify the environmental benefits of their Green Bond. Using established methodologies, Sustainalytics has estimated avoided emissions from UNIQA's renewable energy projects. These projects include solar, wind and waste-to-energy fuels. The total size of these projects is 2,324 MW, with the majority split between solar and wind. This report presents the details of our findings, including a description of the methodology used to calculate the impacts.

Scope of Work and Limitations

UNIQA has engaged Sustainalytics to calculate the environmental impacts of the projects financed through the Green Bond issued in June 2020. For this work, Sustainalytics relied on the data provided by the issuer on the amount allocated and the technical data on the projects financed.

Sustainalytics' impact reporting is aligned with the June 2021 ICMA Handbook Harmonised Framework for Impact Reporting². The methodology and assumptions made for the impact calculation are outlined in the methodology chapter.

As part of this engagement, Sustainalytics exchanged information with various members of UNIQA's management team to understand the sustainability impact of their projects. Through these exchanges, we have come to the following agreements:

- (1) They understand it is the sole responsibility of the issuer to ensure that the information provided is complete, accurate or up to date;
- (2) They have provided Sustainalytics with all relevant information;
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/greensocial-and-sustainability-bonds/green-bond-principles-gbp/>

² ICMA Handbook Harmonised Framework for Impact Reporting, June 2021 at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

Impact Findings

For reporting, Sustainalytics follows the ICMA *Harmonised Framework for Impact Reporting*.³ This framework synthesizes market expectations and outlines recommendations for impact reporting in order to create a standardized reporting structure to enhance the understanding of the impact to all stakeholders including bond investors.

Table 1 below provides project level details for the allocated projects, by technology, financed under this bond. Table 2 provides a summary at the portfolio level. Project level avoided emissions can be found in the Appendix. These metrics represent the time period from June 2020 to June 2021.

Table 1: Impacts by Technology

Use of Proceeds	Technology Type	Invested Amount	Average Project Lifetime*	Financed Generation	Financed Capacity	Annual Emissions Avoided, project share
		EUR	Years	MWh	MW	CO ₂ eq tonnes
Renewable Energy	Wind (onshore and offshore)	87 628 980	25	1 272 011	391	698 855
Renewable Energy	Solar (PV)	96 516 810	30	29 445	196	100 103
Pollution Prevention and Control	Waste-to-Energy	17 823 000	-	24 935	4	4 661

Table 2: Summary of Impacts – Portfolio Level

Invested Amount	Average Project Lifetime*	Financed Generation	Financed Capacity	Annual Emissions Avoided, project share
EUR	Years	MWh	MW	CO ₂ eq tonnes
201 968 790	28	1 589 392	591	803 619

*Average for projects where available

³ Harmonised Framework for Impact Reporting at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

Methodology

Methodologies for quantifying GHG avoidance and other metrics are developed by Sustainalytics but leverage publicly available best-in-class methodologies, protocols and frameworks that are currently industry best practice. Firstly, our conservative estimation practices and general principles rely on *The GHG Protocol*⁴. Our methodologies are based on guidance provided by the International Financial Institutions' (IFIs)⁵ *Approach to GHG Accounting for Renewable Energy Projects*⁶, notably on calculation methodology and global emissions. In addition, we rely on the Partnership for Carbon Accounting Financials (PCAF) *Global Accounting Standard*⁷ for guidance of estimation where data is not readily available and assumptions must be made. Finally, the UN's Clean Development Mechanism⁸ provides guidance and information serving as the foundation that other methodologies, including those implemented in this report, are built upon.

Renewable Energy

It is assumed that new energy generated by the projects crowd out a mix of current and upcoming planned generation capacity, and therefore associated emissions. The approach taken to derive the carbon avoidance is based on the comparison between:

- a) The emissions of the Renewable Energy projects, which is often (but not always) zero, to; and
- b) Baseline emissions, which are based on emissions from the grid energy in the projects' location (i.e. country). The emission factors used, and recommended by IFI, blend a *Combined Margin*, which is a combination of the *Build Margin* (emissions of prospective/future power plants) and the *Operating Margin* (emissions of existing power plants). The split of operating to build margin is 75%/25% for variable generation (i.e. wind and solar), and 33%/67% for firm generation (i.e. WTE and biomass).⁹

Data Sources and Assumptions

- For the projects included in this report, energy generation (measured in MWh) and capacity (measured in MW) data was provided by the issuer.
- For zero-carbon technologies such as solar and wind, the emissions per unit of generation are assumed to be 0.
- For the WTE projects, the emission factors were provided by the issuer.
- The baseline emission factors for the countries where projects are located were sourced from IFI.¹⁰
- In the case of the Nordic countries, the grids are highly interconnected and a common emission factor is recommended by the Nordic Position Paper¹¹, which is 315 g CO₂e/kWh.
- The diverging of waste from landfill to produce electricity has the potential to avoid methane emissions that would otherwise be released into the atmosphere. In this analysis we focus on energy generation, thus do not take this into account, and therefore makes our estimates more conservative.

⁴ The Greenhouse Gas Protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions (<https://ghgprotocol.org/>)

⁵ Close to 25 institutions are currently members of the [IFI Technical Working Group](#), and include multilateral development banks such as the Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, and the World Bank Group. The UNFCCC secretariat has been a member of the IFI TWG since 2015.

⁶ The IFI Approach to GHG Accounting for Renewable Energy is in accordance with the [International Approach to Greenhouse Gas Accounting](#). A technical working group of IFI's have agreed to a common [methodology](#) and set of [emissions factors](#) for GHG accounting of electricity production from Renewable Energy (RE) projects.

⁷ PCAF is a group of leading international financial institutions that launched a global initiative to develop a global GHG accounting standard to increase the number of financial institutions applying the standard and ultimately make GHG accounting common practice within the financial industry. <https://carbonaccountingfinancials.com/>

⁸ CDM Methodology Booklet at <https://cdm.unfccc.int/methodologies/documentation/index.html>

⁹ The full methodology can be accessed at: https://unfccc.int/sites/default/files/resource/Renewable%20Energy_GHG%20accounting%20approach.pdf

¹⁰ Harmonized Grid Emission factor data set can be accessed at: https://unfccc.int/sites/default/files/resource/Harmonized_Grid_Emission_factor_data_set.xlsx

¹¹ A number of Nordic public sector issuers recommend an alternative emission factor at https://www.kuntarahoitus.fi/app/uploads/sites/2/2020/02/NPSI_Position_paper_2020_final.pdf

Appendix: Impacts by Project

Project Name	Technology	Country	Invested Amount	Share of total project financing	Project Lifetime	Project Generation	Financed Generation	Project Capacity	Financed Capacity	Annual Emissions Avoided	Financed Annual Emissions Avoided
			EUR	%	Years	MWh	MWh	MW	MW	CO ₂ eq tonnes	CO ₂ eq tonnes
N1	Wind (onshore)	Norway	30 000 000	21%	25	550 000	115 500	155	33	173 250	36 383
N2	Wind (onshore)	Norway	3 285 600	2%	25	550 000	12 650	155	4	173 250	3 985
G1	Wind (offshore)	Germany	38 792 170	68%	25	1 546 255	1 051 453	465	316	921 386	626 542
S1	Solar (PV)	Spain	25 254 000	91%	30	174 582	158 870	127	116	59 759	54 381
S2	Solar (PV)	Spain	32 458 000	75%	30	63 127	47 345	43	32	21 608	16 206
S3	Solar (PV)	Spain	17 082 000	78%	30	53 669	41 862	30	23	18 371	14 329
S4	Solar (PV)	Spain	7 405 000	78%	30	12 523	9 768	7	5	4 287	3 344
S5	Solar (PV)	Spain	14 317 810	39%	-	89 600	34 600	50	19	30 670	11 844
S6	Wind (onshore)	Spain	9 841 944	18%	-	443 400	79 027	181	32	151 775	27 051
P1	Wind (onshore)	Portugal	5 709 267	1%	-	2 268 000	13 381	1 041	6	829 584	4 895
S7	Waste-to-Energy	Spain	11 882 000	5%	-	102 400	4 864	20	1	15 415	732
G2	Waste-to-Energy	Germany	5 941 000	6%	-	337 900	20 071	50	3	66 138	3 929

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