

Impact Report for Bonds and Loans

UNIQA Green Bond Framework

Impact Summary

Sustainalytics has calculated the estimated impact achieved by the green bond issued by UNIQA in December 2021. Since issuance, EUR 110 million have been allocated in the categories Renewable Energy and Pollution Prevention and Control, specifically in technologies including wind, solar and waste-to-energy. The projects are located across various European and non-European countries. For a representative year of the bond's term to maturity, Sustainalytics has calculated 96,910 tonnes of avoided emissions in CO₂e.

Evaluation Date December 06, 2022

Issuer Location Vienna, Austria



€110M
Allocated funds



97
Annual emissions avoided (ktCO₂e)



20
Projects



21K
Cars driven for one year



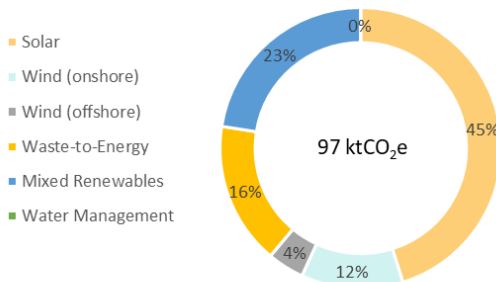
11
Countries



6M
Trees, yearly sequestration



Avoided CO₂e emissions by Technology and Number of Projects by Country



For inquiries, contact the Sustainalytics Corporate Solutions project team:

Simon Vacklen (London)
Project Lead
Simon.Vacklen@morningstar.com

Louisa Mandt (Amsterdam)
Project Support
Louisa.Mandt@morningstar.com

Kibii Sisulu (London)
Client Relations
susfinance.apac@sustainalytics.com

Francesca Placa (Amsterdam)
Commercialization Manager
Francesca.placa@morningstar.com

Introduction

UNIQA Österreich Versicherungen AG, owned by UNIQA Insurance Group AG, is one of the largest health insurance providers in Austria, serving approximately 3.7 million customers in the country. In December 2021, UNIQA issued a green bond and allocated the proceeds according to the UNIQA Green Bond Framework published in 2020. Sustainalytics provided a second-party opinion on the UNIQA Green Bond Framework, evaluating it as credible, impactful and aligned with the Green Bond Principles 2018.^{1,2}

UNIQA engaged Sustainalytics to quantify the environmental benefits of the projects financed with the proceeds from UNIQA's green bond. This report covers the allocation of EUR 110 million raised in the December 2021 issuance.³ Using established methodologies, Sustainalytics has estimated avoided emissions from UNIQA's projects. This report presents the details of our findings, including a description of the methodology used to calculate the impacts.

In addition, UNIQA engaged Sustainalytics to provide an allocation report that summarizes the allocation of the proceeds and their alignment with the UNIQA Green Bond Framework. The allocation report is being published separately.

Scope of Work and Limitations

UNIQA has engaged Sustainalytics to calculate the environmental impacts of the projects financed with proceeds from the green bond issued. For this work, Sustainalytics relied on the data provided by UNIQA on the amount allocated and the technical data on the projects financed.

Sustainalytics' impact reporting is aligned with the ICMA's June 2022 Harmonised Framework for Impact Reporting handbook.⁴ The methodology and assumptions made for the impact calculation are outlined in the methodology chapter.

As part of this engagement, Sustainalytics exchanged information with UNIQA's management team to understand the sustainability impact of its project. Through these exchanges, UNIQA's representatives have confirmed that:

- (1) They understand it is the sole responsibility of UNIQA to ensure that the information provided is complete, accurate and 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 UNIQA Green Bond Framework Second Party Opinion is available at:

https://www.uniqagroup.com/grp/sustainability/downloads/UNIQA_Green_Bond_Framework_Second_Party_Opinion.pdf

² The Green 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/green-bond-principles-gbp/>

³ Multiple project data was expressed in USD. For consistent reporting, these values were converted to EUR based on the USD/EUR conversion rate of 0.9587 on 01 December 2022.

⁴ ICMA, Handbook - Harmonised Framework for Impact Reporting (2022), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Impact Findings

For reporting, Sustainalytics follows the ICMA Harmonised Framework for Impact Reporting,⁵ which synthesizes market expectations and outlines recommendations for impact reporting to create a standardized reporting structure and to enhance the understanding of the impact to all stakeholders including investors.

Table 1 below provides a summary of the impacts at the portfolio level which Sustainalytics calculated from the allocation of proceeds from UNIQA's green bond. Appendix 1 and 2 provide project-level avoided emissions. Tables 2 to 4 provide project level details for the projects financed by the proceeds from the bonds issued under the UNIQA Green Bond Framework. These metrics correspond to a representative year during the bond's term to maturity, and are based on the share of project financing.

Table 1: Summary of Impact - Portfolio Level

| Allocated Amount | Bond Tenor | Financed Generation | Financed Emissions Avoided |
|------------------|------------|---------------------|----------------------------|
| EUR | Years | MWh | tCO ₂ e |
| 109,877,115 | 20 | 326,532 | 96,910 |

Table 2: Summary of Impact – Use of Proceeds

| Use of Proceeds Category | Allocated Amount | Financed Annual Emissions Avoided | Annual Water Distributed |
|----------------------------------|------------------|-----------------------------------|--------------------------|
| | EUR | tCO ₂ e | m ³ |
| Renewable Energy | 84,726,962 | 75,088 | N/A |
| Pollution Prevention and Control | 24,101,019 | 21,822 | N/A |
| Water Management | 1,049,134 | N/A | 16,080,000 |
| Total | 109,877,115 | 96,910 | 16,080,000 |

Table 3: Impact of Renewable Energy Projects by Technology

| Technology Type | Allocated Amount | Financed Generation | Financed Capacity | Financed Emissions Avoided |
|----------------------|------------------|---------------------|-------------------|----------------------------|
| | EUR | MWh | MW | tCO ₂ e |
| Solar (photovoltaic) | 17,109,108 | 106,786 | 50 | 43,772 |
| Wind (onshore) | 65,413,302 | 159,761 | 57 | 11,351 |
| Wind (offshore) | 1,089,384 | 7,084 | 12 | 4,082 |
| Mixed Renewables | 1,115,169 | 33,114 | 27 | 15,883 |

⁵ ICMA, Handbook - Harmonised Framework for Impact Reporting (2022), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Table 4: Impact of Pollution Prevention and Control Projects by Technology

| Technology Type | Allocated Amount | Financed Waste Treated | Financed Generation | Financed Project Emissions | Financed Emissions Avoided |
|-----------------|------------------|------------------------|---------------------|----------------------------|----------------------------|
| | EUR | Tonnes | MWh | tCO ₂ e | tCO ₂ e |
| Waste-to-energy | 24,101,019 | 35,065 | 19,788 | 6,628 | 21,822 |

Methodology

Sustainalytics developed its own methodologies for quantifying GHG avoidance and other metrics, including leveraging publicly available best-in-class methodologies, protocols and frameworks that are currently industry best practice. Our estimation practices and general principles rely on the GHG Protocol.⁶ Our methodologies are based on guidance provided by the International Financial Institutions⁷ on calculation methodology and global emissions. In addition, we rely on the Partnership for Carbon Accounting Financials' Global Accounting Standard⁸ for guidance on estimation where data is not readily available and assumptions must be made. Finally, the UN's Clean Development Mechanism⁹ provides guidance and information, serving as the foundation for these and other methodologies, including those implemented in this report.

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:

- The emissions of the renewable energy projects, which is often (but not always) zero; and
- The baseline emissions or emissions occurring in the absence of the project. For electricity generation, these emissions are based on the energy mix used to supply electricity to the local grid.

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 UNIQA.
- For projects currently under construction, the annual energy generation was based on the best available estimates.
- The baseline emission factors for the countries where projects are located were sourced from IFI.¹⁰
- For zero-carbon technologies such as solar and wind, the emissions per unit of generation are assumed to be 0.
- For projects where annual generation data was available for two consecutive years or two project lifetimes were provided, the average annual generation and project lifetime was used.

⁶ Greenhouse Gas Protocol, About Us, at: <https://ghgprotocol.org/>

⁷ International Financial Institutions, "Members of the International Financial Institutions on Greenhouse Gas Accounting", at: [https://unfccc.int/sites/default/files/resource/IFIs membership for UNFCCC %27white pages%27_0.pdf](https://unfccc.int/sites/default/files/resource/IFIs%20membership%20for%20UNFCCC%20white%20pages%27_0.pdf)

⁸ Partnership for Carbon Accounting Financials, About, at: <https://carbonaccountingfinancials.com/>

⁹ UNFCCC, CDM Methodology Booklet, (2021), at: <https://cdm.unfccc.int/methodologies/documentation/index.html>

¹⁰ UNFCCC, The IFI Dataset of Default Grid Factors, at:

https://unfccc.int/sites/default/files/resource/Harmonized_Grid_Emission_factor_data_set.xlsx

Waste-to-Energy

It is assumed that the waste treated would have otherwise ended up in landfill and other treatment methods, where more greenhouse gases would have been generated. It is also assumed that the new energy generated by the waste crowd out a mix of current and upcoming planned electricity generation capacity. For both the crowded-out waste management and the crowded-out electricity generated, there are associated avoided emissions. The approach taken to derive the carbon avoidance is based on the comparison between:

- a) The emissions of the waste-to-energy project; and
- b) The baseline emissions or emissions occurring in the absence of the project. For the electricity generation, which forms part of the avoided carbon emissions, these emissions are based on the energy mix used to supply electricity to the local grid. For the other part of the greenhouse gas avoided, the emissions originating from waste treatment, the emissions are based on the local treatment of waste.

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 UNIQA, except in two cases where these were unknown and estimates were calculated based on the cost of the projects and national average power generation costs.
- For projects currently under construction, the annual energy generation was based on national average capacity factors.
- The baseline emission factors for the grid in countries where projects are located were sourced from the IFI.¹¹
- The emission factors of the projects were provided by UNIQA.
- The data on the local waste mix and the local waste treatment practices were sourced from the IPCC.¹²
- The model for estimating emissions from waste management was sourced from the EIB.¹³

¹¹ UNFCCC, The IFI Dataset of Default Grid Factors, at:

https://unfccc.int/sites/default/files/resource/Harmonized_Grid_Emission_factor_data_set.xlsx

¹² IPCC, "2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 2 Waste Generation, Composition and Management Data", at: https://www.ipcc-nggip.iges.or.jp/public/2019rf/pdf/5_Volume5/19R_V5_2_Ch02_Waste_Data.pdf

¹³ European Investment Bank, EIB Project Carbon Footprint Methodologies, (2022), at:

https://www.eib.org/attachments/publications/eib_project_carbon_footprint_methodologies_2022_en.pdf

Appendix 1: Impacts of Renewable Energy by Project

| Project Name | Project Type | Country | Signed Amount | Allocated Amount | Share of Total Project Financing | Project Generation | Financed Generation | Project Capacity | Financed Capacity | Project Avoided Emissions | Financed Avoided Emissions ¹⁴ |
|--------------|----------------------|--------------------|---------------|------------------|----------------------------------|--------------------|---------------------|------------------|-------------------|---------------------------|--|
| | | | EUR | EUR | % | MWh | MWh | MW | MW | tCO ₂ e | tCO ₂ e |
| Project A | Solar (photovoltaic) | United States | 4,954,382 | 2,761,047 | 0.75 | 914,256 | 6,857 | 350 | 3 | 424,968 | 3,187 |
| Project B | Solar (photovoltaic) | Canada | 4,128,733 | 2,337,983 | 0.75 | 1,154,000 | 8,655 | 465 | 3 | 400,460 | 3,003 |
| Project C | Solar (photovoltaic) | Spain and Portugal | 8,732,690 | 8,875,363 | 2.27 | 3,251,043 | 73,799 | 1,575 | 36 | 1,270,140 | 28,832 |
| Project D | Wind (onshore) | Germany | 968,499 | 621,460 | 0.14 | 1,881,000 | 2,633 | 1,100 | 2 | 1,190,810 | 1,667 |
| Project E | Wind (onshore) | United States | 1,422,758 | 623,448 | 0.16 | 55,635 | 89 | 800 | 1 | 25,860 | 41 |
| Project F | Wind (onshore) | Sweden | 5,174,460 | 6,217,109 | 0.59 | 2,196,235 | 13,047 | 753 | 4 | 119,973 | 713 |
| Project G | Solar (photovoltaic) | Spain | 1,872,000 | 1,787,488 | 1.69 | 45,752 | 773 | 20 | 0.34 | 18,141 | 307 |
| Project H | Wind (onshore) | Sweden | 42,740,000 | 42,740,000 | 4.91 | 2,196,235 | 107,769 | 753 | 37 | 119,973 | 5,887 |
| Project I | Wind (onshore) | Finland | 3,120,377 | 1,469,702 | 1.03 | 534,360 | 5,504 | 219 | 3 | 132,510 | 1,365 |
| Project J | Solar (photovoltaic) | Spain | 1,856,427 | 12,892 | 1.03 | 400,000 | 4,120 | 250 | 3 | 158,605 | 1,634 |
| Project K | Wind (offshore) | Japan | 2,073,668 | 502,793 | 0.52 | 921,840 | 4,747 | 552 | 3 | 520,233 | 2,679 |
| Project L | Wind (offshore) | South Korea | 1,244,201 | 586,592 | 1.03 | 226,800 | 2,336 | 908 | 9 | 136,198 | 1,403 |
| Project M | Solar (photovoltaic) | United States | 1,481,192 | 663,944 | 0.82 | 83,200 | 686 | 40 | 0.33 | 38,673 | 319 |
| Project N | Solar (photovoltaic) | Chile | 1,974,922 | 670,390 | 1.03 | 1,155,000 | 11,897 | 500 | 5 | 630,148 | 6,491 |
| Project O | Mixed Renewables | EU | 4,097,963 | 966,909 | 1.03 | 3,070,000 | 31,621 | 2,000 | 21 | 1,474,645 | 15,189 |
| Project P | Mixed Renewables | United States | 4,937,305 | 148,259 | 1.03 | 144,903 | 1,493 | 578 | 6 | 67,354 | 694 |
| Project Q | Wind (onshore) | Sweden | 12,182,325 | 13,741,582 | 1.4 | 2,196,235 | 30,718 | 753 | 11 | 119,973 | 1,678 |

¹⁴ Due to rounding, the project level avoidance might not sum up to the total avoidance.

Appendix 2: Impacts of Pollution Prevention by Project

| Project Name | Country | Signed Amount | Allocated Amount | Share of Total Project Financing | Annual Waste Treated | Financed Waste Treated | Financed Electricity Generation | Financed Avoided Emissions |
|--------------|----------------|---------------|------------------|----------------------------------|----------------------|------------------------|---------------------------------|----------------------------|
| | | EUR | EUR | % | Tonnes | Tonnes | MWh | tCO ₂ e |
| Project 1 | United Kingdom | 4,578,892 | 1,350,835 | 0.38 | 480,000 | 1,824 | 1,569 | 882 |
| Project 2 | United Kingdom | 22,384,470 | 22,750,184 | 1.63 | 2,044,261 | 33,241 | 18,219 | 20,940 |

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