

SUSTAINABILITY BOND FRAMEWORK

Raiffeisenbank Croatia

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1. Introduction

General

Raiffeisenbank Austria d.d. Zagreb, Magazinska cesta 69, Croatia, PIN 53056966535 (the "Bank" and/or "Raiffeisenbank Croatia") was established in December 1994 as the subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft ("RZB", the legal predecessor of Raiffeisen Bank International AG – "RBI") and was the first foreign-owned bank in Croatia, with the strategic objective of building a comprehensive financial services offering to clients. Since 1999, the Bank has built a sales network and, parallel to the opening of branches, has established subsidiaries which provide a comprehensive range of banking and other financial services to its customers. As of 31 December 2021, the Bank had 1,649 employees and has provided customer service through 62 branches in 36 Croatian cities, digital sales channels and 428 ATMs in the Bank's own network. The development of digital sales channels accelerated in 2020 and continued to grow in 2021 due to reduced population mobility during the lockdown periods, while the number of users of direct bank services via the Internet and mobile applications reached 53 thousand businesses and 272 thousand in the retail segment. The Issuer's sole shareholder is Raiffeisen SEE Region Holding GmbH ("RSRH") (with a stake of 100% of the shares of the Issuer). RSRH is indirectly held by RBI.

Approach to Sustainability

Raiffeisenbank Croatia follows the principles integrated into the values of the whole RBI Group and therefore has incorporated comprehensive sustainability measures into its business. The underlying principles are derived from the ideas of Friedrich Wilhelm Raiffeisen for whom social solidarity, self-help and sustainability were guidelines for economic activity. Sustainability and corporate responsibility are key components of identity and corporate culture of Raiffeisenbank Croatia.

The Bank's sustainability strategy is based on three pillars, deeply rooted in its organizational culture: a Responsible banker, Fair partner and an Engaged citizen. Raiffeisenbank Croatia focuses on areas where it can generate value and create change, constantly monitoring its activity and impact.

In 2020, Raiffeisenbank Austria d.d. launched Yellow goes Green, a new CSR platform of the bank, which provides employees with various volunteering and ecological initiatives. The goal of the platform is to sensitize employees to socially responsible behaviour at and outside the workplace. The Yellow goes Green platform has two key components. The first component represents employees who are encouraged to take part in socially responsible projects through corporate volunteering with the aim of investing in the local

community and enhancing a sense of inclusion. The second key component is raising awareness and promoting sustainable concept as well as behavior in day-to-day business.

Through 2021 the Bank has defined its general sustainability strategy promoting three key areas: business through investment transition into green and sustainable products and clients; Corporate social responsibility, both towards the society (donations and sponsorship strategy) and towards the employees (benefits, education, work home balance); and environmental projects (reduction of CO2 emissions, green office initiative, education of employees of sustainable way of life). The Bank's aim is to be a responsible member of the society, by using its resources to shape better and greener future for the society we live and work in.

Since 2009, RBI annually publishes and transparently communicates Groups sustainability results and performance, aiming to improve the process every year. The Bank plans to issue its own independent sustainability report in 2023, communicating 2022 results.

Raiffeisen Bank International (RBI) Group is a signatory of the UN Global Compact (UNGC) and shows its commitment to consistently complying with the ten UNGC principles of responsible business. In this context, global responsibility is expected of all employees and managers within the Group as well as from partners and suppliers of the RBI Group.

2. Sustainability Bond Framework

Raiffeisenbank Croatia has established this Sustainability Bond Framework ("SBF" or "the Framework") as a part of its broader sustainability strategy with the aim to focus on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable future.

The Framework is aligned with the ICMA Green Bond Principles (GBP)¹, ICMA Social Bond Principles (SBP)² and ICMA Sustainability Bond Guidelines (SBG)³. These subsequently are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the Green, Social and Sustainability bond markets.

In formulating the Framework care was also taken to reflect both the United Nations Sustainable Development Goals (SDGs) and, on the best effort basis, the requirements of the EU Taxonomy for sustainable economic activities presented by the European Commission. The SDGs the Bank aims to target within the Framework can be found in the Annex, B.

¹ [Source](#), 2021.

² [Source](#), 2021.

³ [Source](#), 2021.

Potential changes of the GBP, developments with regards to the EU Green Bond Standard ("EU GBS")⁴ and EU Taxonomy for sustainable economic activities will be reflected in future versions of the Framework, which will either keep or improve the current levels of transparency and reporting and will provide for external review by an entity which is eligible or accredited under any such prevailing principles or standards.

Raiffeisenbank Croatia's Sustainability Bond Framework is designed as an umbrella framework that will allow Raiffeisenbank Croatia to issue Green Bonds, Social Bonds, or Sustainability Bonds, as the case may be.

For each Green, Social or Sustainability Bond issued, Raiffeisenbank Croatia asserts that it will adhere to (1) Use of Proceeds, (2) Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting, as set out in this Framework.

Any new Green, Social or Sustainability Bonds shall be aligned with the most recent version of the Framework.

3. Use of Proceeds

An amount equivalent to the net proceeds raised by the issuance of Green, Social and/ or Sustainability Bonds shall be used to finance or re-finance, in part or in full, new or existing Eligible Loans providing distinct environmental and social benefits⁵.

Eligible Loans can be loans originated by Raiffeisenbank Croatia or loans/ leases originated by its subsidiary Raiffeisen Leasing d.o.o. Zagreb, Magazinska 69, Croatia, PIN 75346450537, ("Raiffeisen Leasing Croatia"). Eligible Loans may include loans or leases to private individuals (mortgages), legal entities, municipalities and public sector (project finance or investment finance).

Raiffeisenbank Croatia will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Loans and will strive to replace maturing Eligible Loans with the new ones and will provide transparency on the Eligible Loan origination timeframe in its annual reporting.

Eligible Loans are loans to finance assets dedicated to the Eligible Categories depicted within the tables below.

Eligible Green Categories

⁴ [Source](#), 2021.

⁵ Targeted look-back period: 3 years.

Eligible Category	Eligibility Criteria
Green Buildings	<p>Finance or refinance Eligible Green Loans or investments in green assets or projects related to the construction, acquisition and ownership or renovation of buildings in the commercial and retail real estate sector⁶. Eligible loans may include both loans to private individuals (mortgages) or to legal entities, fulfilling the criteria presented below:</p> <ul style="list-style-type: none"> ▪ Commercial or residential green buildings, which meet at least one of the following criteria: <ul style="list-style-type: none"> - Building has a recognized certification (at least applied or pre-certified)⁷ with a minimum certification level of LEED Gold, BREEAM Excellent, DGNB/ ÖGNI Gold or EDGE Advanced; - Building belongs to the top 15%⁸ of low carbon buildings at national level based on local building codes, building years and EPC certificates; - Refurbishments leading to the reduction of primary energy demand or carbon emissions of at least 30% in comparison with the performance of the building before the renovation. <p>Buildings that are used for the purpose of storage, occupation by fossil fuel extraction or manufacturing of fossil fuel activities are explicitly excluded.</p>
Renewable Energy	<p>Finance or refinance Eligible Green Loans and/or investments to equipment, development, manufacturing, construction, installation, operation, distribution and maintenance of renewable energy projects:</p> <ul style="list-style-type: none"> ▪ Wind power, ▪ Solar power, ▪ Hydropower: <ul style="list-style-type: none"> ○ Run-of-river without artificial reservoir or low storage capacity⁹; and ○ For <u>new</u> projects subject to an Environmental Impact Assessment (EIA) and assessment of environmental and social risks, EIA by a credible body is to be carried out with no significant risk or expected negative impact identified. ▪ Geothermal projects (with direct GHG emissions < 100gCO₂/kWh), ▪ Energy from biomass, from forestry and agricultural residues (excluding biomass from sources depleting biomass and carbon pools, sources grown on land with high biodiversity and sources that use land that competes with food sources),

⁶ Sector may include office, warehousing & logistic, hotels, retail, healthcare, residential.

⁷ In case of a denied certification or a not sufficient final certification the loan will be excluded from the Eligible Green Loan Portfolio.

⁸ In cases where an assessment of the top 15% low-carbon buildings is not possible, Raiffeisenbank Croatia will define buildings with the EPC with a min. level A (primary energy demand) as eligible.

⁹ Alternatively, hydropower facilities should either comply with power density above 5 W/m² or direct GHG emissions below 100gCO₂e/kWh. For hydropower facilities in operation after 2020, power density above 10W/m² or direct emissions below 50 gCO₂e/kWh apply.

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> Waste-to-energy¹⁰.
Energy Efficiency	<p>Finance or refinance Eligible Green Loans related to the development and implementation of products or technology that reduce energy consumption. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> Projects improving the energy efficiency of industrial production process in a factory¹¹ aiming to achieve at least 30% improvement in energy efficiency; Construction, renovation or refurbishment of electricity grids that partly transmit renewable energy: Only assets aimed at increasing the share of renewables in the Croatian electricity grid are eligible; Individual renovation measures including installation, maintenance or repair of : <ul style="list-style-type: none"> Energy efficiency equipment (e.g. LED lighting), Charging stations for electric vehicles in buildings, Instruments and devices for measuring, regulation and controlling energy performance of buildings (e.g. zoned thermostats, building automation and control systems, smart meters).
Clean transportation	<p>Finance or refinance Eligible Green Loans related to purchase, rental, leasing and operation of zero- direct emission vehicles, such as bicycles, cars, vans, trucks, trams, trains, vessels and other zero direct emission vehicles, as well as related infrastructure (e.g. electric charging points)¹².</p>
Sustainable Agriculture and Forestry	<p>Eligible Green Loans to finance or refinance environmentally sustainable management of living natural resources and land use including:</p> <ul style="list-style-type: none"> Environmentally sustainable forestry¹³: including afforestation or reforestation, and preservation or restoration of natural landscape providing compliance or alignment with international forest certification standards (e.g. FSC/PEFC) evidenced by a copy of the certification or an audit report by a reputable consulting company confirming alignment with certification standards; Environmentally sustainable agriculture^{14 15}.

¹⁰ Where the main goal for waste incinerations is to produce renewable energy and a ‘substantial’ reduction in net GHG emissions is achieved, compared to the alternative of waste management and disposal.

¹¹ Excluding fossil fuel-powered equipment or improvements within carbon-intensive heavy industries (e.g., steel, cement, refining, etc.).

¹² Excluding vehicles that are used for the purpose of transportation of fossil fuels. Eligible infrastructure does not include parking facilities.

¹³ Excluded activities: Transformation of rain fed agricultural land into irrigated land; Commercial concessions over and logging on tropical natural forest; Purchase of logging equipment for use in tropical natural forests or high nature value forest in all regions; and activities that lead to clear cutting and/or degradation of tropical natural forests or high nature value forest; Palm oil or tobacco plantations; Destruction of Critical Habitat; Establishment of permanent irrigation systems; Purchase of agricultural or forest land; Conversion of natural forest to a plantation.

¹⁴ Excluded activities: Excluding non-zero emissions vehicles.

¹⁵ Examples: purchase, installation, maintenance, implementation of techniques and practices (such as: crop rotation, Permaculture, Cover Crops, Soil enrichment, Natural pest predators, Integrated Pest Management (IPM), Polyculture farming, no-till farming systems, Agroforestry, Biodynamic farming, water management).

Eligible Category	Eligibility Criteria
	<ul style="list-style-type: none"> - Certified agricultural practices under sustainable certification schemes, such as EU Organic and/ or equivalent national certification schemes¹⁶; - Support the adoption, promotion and implementation of conservation agriculture practices^{17,18}, meeting the requirements of the Food and Agriculture Organization of the United Nations (FAO) or equivalent national or international standard;
Pollution prevention and control	<p>Loans and/or investments to (re)finance development, construction, operation and maintenance of sustainable waste management and recycling projects, activities and operations:</p> <ul style="list-style-type: none"> ▪ Waste prevention, waste reduction and waste recycling. This includes the development, operation and upgrade of recycling plants and recycling activities such as for metals, plastic and paper.
Eco-efficient and / or circular economy adapted products, production technologies and processes¹⁹	<p>Loans and/or investments to (re)finance resource use efficiency and circular and / or recyclable products:</p> <ul style="list-style-type: none"> ▪ Solutions that extend the product life cycle, such as applying modular design or design for disassembly, take-back schemes and redeploying products (reverse logistic), reuse, repair and / or products regeneration / refurbishment, ▪ Production <u>technologies</u> that use recycled resources such as bio-based materials, the latter being sustainable sourcing certifications for bio-based materials, such as RSB²⁰ or other equivalent scheme are considered eligible.
Sustainable Water and Wastewater Management	<p>Loans and/or investments to (re)finance development, construction, operation and maintenance of sustainable water and wastewater management projects and facilities:</p> <ul style="list-style-type: none"> ▪ Water treatment facilities, activities and technologies that increase water quality, sanitation facilities, ▪ Upgrades to wastewater treatment plants to remove nutrients, wastewater discharge infrastructure, ▪ Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and technologies and water metering.

¹⁶ Based on the approval by [control bodies and authorities for equivalency for Croatia](#) and in compliance with EEC No. 834/2007.

¹⁷ [Conservation Agriculture](#) (CA) promoted by Food and Agriculture Organization of the United Nations (FAO)' main three principles: minimum tillage and soil disturbance [the disturbed area must be less than 15 cm wide or less than 25% of the cropped area (whichever is lower)], permanent soil cover with crop residues and live mulches [min. 30% cover], crop rotation and intercropping [min. 3 different crops].

¹⁸ Projects constructed on land with high biodiversity [\[link\]](#) and/ or protected land [\[link\]](#) are excluded.

¹⁹ Virgin plastic-based solutions are excluded.

²⁰ [Roundtable on Sustainable Biomaterials \(RSB\)](#).

Financing or refinancing of project-based lending and general-purpose financing for Pure Players companies²¹ shall be considered eligible.

Eligible Green Categories respond to the following EU Taxonomy Objective (-s): **Climate Change Mitigation, Pollution Prevention and Control, the Transition to a Circular Economy as well as the Sustainable Use and Protection of Water and Marine Resources.**

Eligible Social Categories

Eligible Category	Eligibility Criteria
Access to essential services	<p>Eligible Social Loans to finance or refinance:</p> <p>Healthcare:</p> <ul style="list-style-type: none"> Construction, renovation, expansion or maintenance of health care facilities for provision of free or subsidized health care services. For example: hospitals, diagnostic and other laboratory services, rehabilitation centres, assisted living, homes for the elderly. Production and distribution of vital medication, medical equipment and medical supplies in relation to COVID-19 and/or similar public health emergencies, particularly among vulnerable populations such as children, women, the elderly, etc.. <p>Education:</p> <ul style="list-style-type: none"> Access to public and publicly subsidized educational services (e.g. for the youth, unemployed and elderly) as well as investments that support childhood development (e.g. Kindergartens) through the provision of loans for construction/ upgrading of facilities and/ or equipment. <p>Affordable basic infrastructure:</p> <ul style="list-style-type: none"> Affordable basic infrastructure: Regional development and/or infrastructure in underserved, underdeveloped and rural counties in Croatia²² (e.g. public transport and related infrastructure (bridges, roads), sanitation infrastructure, high speed internet, basic telecommunications, electricity-related infrastructure, fire-fighting and rescue equipment, access to clean drinking water, etc.). Installment of elevators and supporting infrastructure that enables access in existing buildings, in which at least one person (resident) has disability, or at least 20% of building residents are older than 60 years.

²¹ The dedicated businesses are expected to derive more than 90 % of their turnover from environmentally friendly activities, which are in line with the Sustainability Bond Framework. Moreover, the part of the turnover that is not classified as "green" is not allowed to be in any of the excluded sectors as mentioned in Annex A of the current framework.

²² Counties with the lowest GDP shall be supported with social projects designated to counties having the most impactful outcome due to current socio-economic conditions, for the purposes of this Framework respective counties are defined as those with GDP below Croatia average (pure average).

Eligible Category	Eligibility Criteria
Employment generation and protection: Micro-, Small- and Medium-size Enterprises (MSME) financing	<p>To be eligible, the loans must meet the following criteria:</p> <ul style="list-style-type: none"> ▪ Meet the definition of Micro-, Small- and Medium-size Enterprises (in line with the European Union's definition of MSME²³); ▪ Micro-, Small- and Medium-size enterprises located in underserved, underdeveloped counties in Croatia²⁴; and ▪ Not be engaged in any of the business activities described in the Exclusions List (Annex A.).

Eligible loans will not be provided to assets which may have adverse impact and risks, such as: a) involuntary resettlement, b) risk of adverse impacts on indigenous peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or d) significant occupational health and safety risks.

4. Process for Asset Evaluation and Selection

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

All potential Eligible Loans are subject to the Bank's standard credit process in line with the normal course of business and only loans that have been approved through this process can be considered for Green, Social and/ or Sustainability Bond eligibility.

RBHR Risk function is actively working, together with RBI, on implementation of ECB guidance on climate-related and environmental risks into business strategy and risk internal procedures: revising Rating model and underwriting process to include ESG and EU Taxonomy for sustainable economic activities, considering ESG risk when thinking about market liquidity and operational risks, as well Bank's needs to find the ways how to measure and integrate ESG risk into the Bank's internal steering (KPIs). Process-wise, ESG risks have been clearly positioned as key factors for credit decision-making and are considered within the underwriting process from industry and country perspective. In addition, respective sectoral strategies and related special credit policies for the ESG

²³ [Source](#).

²⁴ Counties with the lowest GDP shall be supported with social projects designated to these counties having the most impactful outcome due to current socio-economic conditions, for the purposes of this Framework respective counties are defined as those with GDP below Croatia average (pure average).

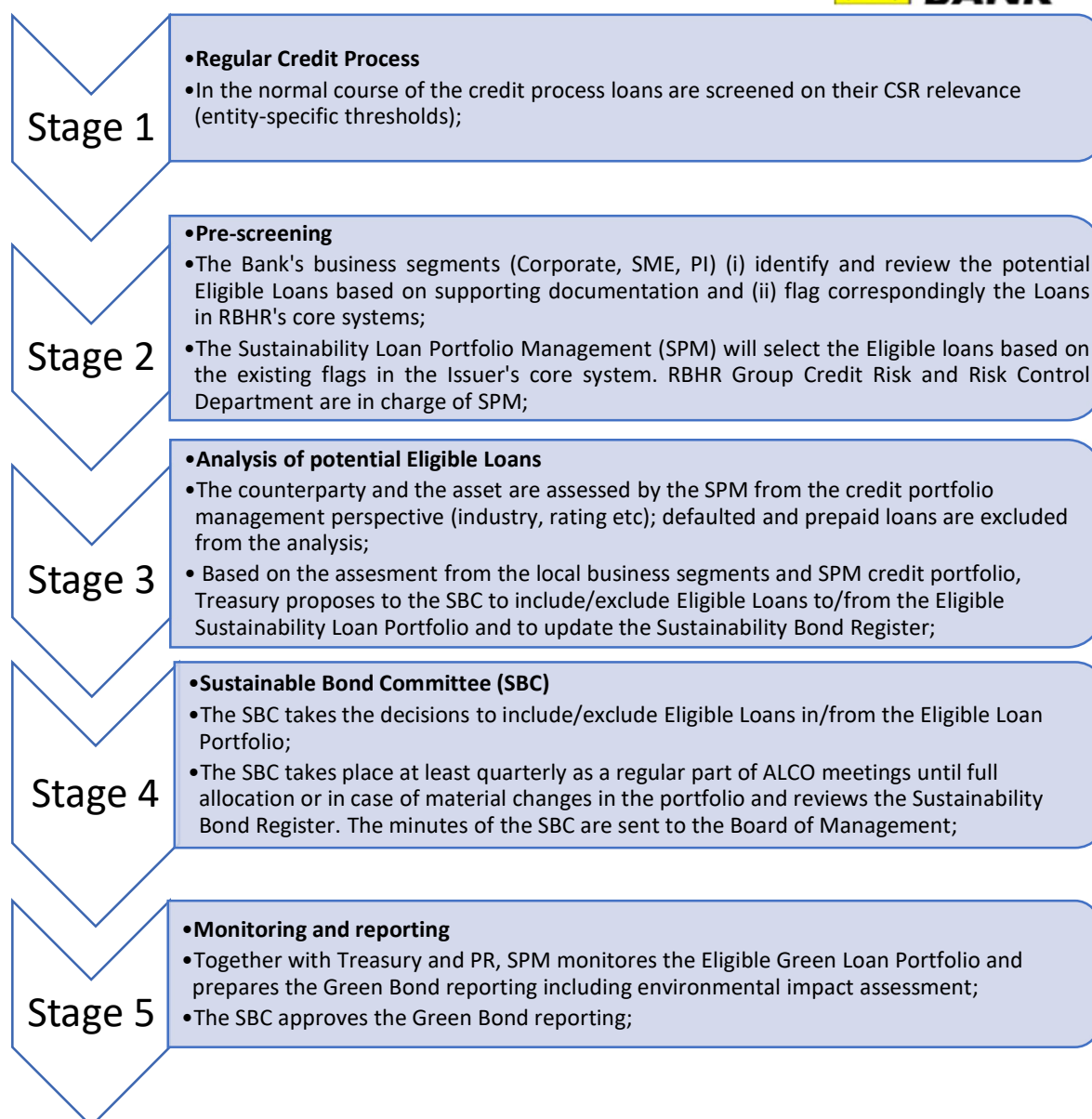
relevant industries are currently under development, which will govern the lending practice and will be fully integrated in the underwriting process.

The Bank's Sustainability Bond Committee ("SBC") is responsible for ensuring that allocations are made to Eligible Loans as specified in the use of proceeds section above and to oversee the entire issuance process. The SBC is composed of members of the Asset Liability Management Committee (ALCO) which includes representatives from Risk, Business, Treasury. Hence SBC represents a sub-committee of ALCO and meets on a quarterly basis in the frame of the ALCO meeting and until full allocation of the proceeds.

The Sustainability Bond Committee will be responsible for:

- Ensuring the potential Eligible Loans are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the Eligible Loan Portfolio in the event that the Loans no longer meet the eligibility criteria;
- Ensuring the proposed allocations are aligned with the relevant general company policies and company's ESG strategy; and
- Approving the Allocation and Impact report.

The loans are assessed in accordance with their social and environmental impact based on a several stages selection process:



5. Management of Proceeds

An amount equivalent to the net proceeds of any Raiffeisenbank Croatia Green, Social and/ or Sustainability Bonds will be managed by the Sustainable Portfolio Manager (SPM) on a portfolio basis. SPM is responsible for collecting and monitoring all relevant data for the evaluation and selection of Eligible Loans which will then be presented to the SBC on regular basis.

Raiffeisenbank Croatia will strive to regularly add Eligible Loans to the Eligible Loan Portfolio so that a full allocation of an amount at least equal to the proceeds of the Green, Social and/or Sustainability bonds is achieved until maturity of the bonds, but at the latest 36 months after the issue. All Eligible Loans to be included in the Eligible Loan Portfolio are entered in Raiffeisenbank's Croatia Sustainability Bond Register managed by the SPM. The Sustainability Bond Register assures that the Eligible Loans are not externally refinanced.

On an annually basis the SPM will check the eligibility and availability of the Eligible Loans in the Sustainability Bond Register. Raiffeisenbank Croatia will strive to substitute any redeemed or maturing Eligible Loans with other Eligible Loans and/or if any such loans cease to be an Eligible Loan, as soon as practicable once an appropriate substitution option has been identified.

Pending the allocation or reallocation, as the case might be, of an amount equivalent to the net proceeds of Raiffeisenbank Croatia Green, Social and/or Sustainability Bonds to the Eligible Loans, the Bank will invest the balance of the net proceeds in money market instruments, cash and/or cash equivalents instruments.

6. Reporting

Raiffeisenbank Croatia has the ambition to publish an annual Allocation and Impact Report on the use of proceeds from any Green, Social and/ or Sustainability Bonds outstanding under this framework, including a description of its Eligible Loan Portfolio. Reporting will be provided on an annual basis until full allocation and thereafter (including any material changes to the Eligible Loan portfolio) until the maturity of Raiffeisenbank Croatia's Green, Social and/ or Sustainability Bonds on the issuer's website (link to the website to be added).

The Raiffeisenbank Croatia Allocation and Impact Report is expected to disclose the amount of the Green, Social and/ or Sustainability Bond proceeds outstanding, the total amount of the proceeds allocated to Eligible Loans and the unallocated amount. It shall also disclose, qualitative and where possible, quantitative indicators of the Eligible Loan Portfolio, such as:

- Total volume of Green, Social and/ or Sustainability bonds issued,
- Total amount and number of Eligible Loans,
- Total amount of proceeds allocated to Eligible Loans,
- Breakdown by Eligible Categories, and
- Balance of unallocated proceeds, if any.

Within its annual Allocation and Impact Report, when relevant and feasible, the Bank will report on several Key Performance Indicators (KPIs) in aggregate form at the Eligible Category level for Green, Social and/ or Sustainability Bonds. A list of potential indicators is presented below.

Eligible Green Categories

Green Eligible Categories	Example of Possible Key Performance Indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Estimated annual energy savings (MWh) ▪ Estimated annual reduced and/ or avoided GHG emissions (tCO₂e) ▪ Type of scheme, certification level, if applicable
Renewable Energy	<ul style="list-style-type: none"> ▪ Installed renewable energy capacity (MW) ▪ Expected annual renewable energy generation (MWh) ▪ Estimated annual GHG emission avoided (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Annual energy savings (MWh) ▪ Estimated annual GHG emission avoided (tCO₂e)
Clean Transportation	<ul style="list-style-type: none"> ▪ Number of people using public mass transportation ▪ Estimated annual GHG emission avoided (tCO₂e)
Sustainable Agriculture and Forestry	<ul style="list-style-type: none"> ▪ Total land area certified ▪ Estimated annual GHG emissions avoided (tCO₂e)
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) and/or energy savings (MWh per year), if applicable
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual absolute (gross) water savings (in m³ or in %) ▪ Annual absolute (gross) amount of wastewater treated, reused or avoided (in m³ or in %)

Eligible Social Categories

Social Eligible Categories	Example of Possible Key Performance Indicators
Access to essential services	<ul style="list-style-type: none"> ▪ Number of medical facilities built/ upgraded ▪ Number of patients reached with improved healthcare ▪ Number of educational programs or professional development measures
Employment generation and retention	<ul style="list-style-type: none"> ▪ Number of financed enterprises and split per region/ sector if available ▪ Number of jobs created / supported and split per region if available ▪ Number and average amount of the MSME loans ▪ Number of financed enterprises with 50% women share

In addition, the Allocation and Impact Report will include a number of case studies to highlight the qualitative impact of some of the Eligible Loans.

7. External review (pre-issuance)

To confirm the transparency and robustness of Raiffeisenbanks's Croatia Sustainability Bond Framework, it is verified and approved by an external second opinion provider, [Sustainalytics GmbH](#), confirming the alignment with the ICMA GBPs, SBPs and SBGs and EU Green Bond Standard, where applicable. The Second Party Opinion will be published on the Bank's webpage <https://www.rba.hr/o-nama>.

8. External Audit (post-issuance)











Raiffeisenbank Croatia's external auditor will verify on an annual basis until full allocation of any Green/ Social/ Sustainability Bonds issued under this Framework that Raiffeisenbank Croatia duly applied the defined procedures of approval of the Sustainability Bond Committee and that an amount equal to the net proceeds of any Green, Social and/ or Sustainability Bond has been allocated to Eligible Loans as defined in the present Framework.

Annex A – Exclusions List







Raiffeisenbank Croatia will not allocate proceeds received from the issuance of Green/Social/Sustainability Bond to loans for companies operating in the following sectors:


- ✗ Defence and Weapons
- ✗ Nuclear Energy
- ✗ Fossil Fuel Energy
- ✗ Mining
- ✗ Alcohol
- ✗ Tobacco
- ✗ Gambling

Annex B – SDG Alignment

Eligible Category	Contribution to UN SDGs	UN SDGs specific target(-s) ²⁵
Green Buildings	 	<ul style="list-style-type: none"> 11.3. Ensure inclusive and sustainable urbanization, planning and management. 13.1. Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.
Renewable Energy		<ul style="list-style-type: none"> 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency	 	<ul style="list-style-type: none"> 7.3. Double the global rate of improvement in energy efficiency by 2030. 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Clean Transportation		<ul style="list-style-type: none"> 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 Forestry and Agriculture	 	<ul style="list-style-type: none"> 15.2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally. 2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
Pollution prevention and control	 	<ul style="list-style-type: none"> 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

²⁵ The mapping is in line with the ICMA document “Green, Social & Sustainability Bonds: A High-Level Mapping To The Sustainable Development Goals”. [Link](#) to the document.

Eligible Category	Contribution to UN SDGs	UN SDGs specific target(-s) ²⁵
		<ul style="list-style-type: none"> 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
Eco-efficient and / or circular economy adapted products, production technologies and processes		<ul style="list-style-type: none"> 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Sustainable Water and Wastewater Management	 	<ul style="list-style-type: none"> 11.5. By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters. 6.1. By 2030, achieve universal and equitable access to safe and affordable drinking water for all. 6.2. By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations. 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. 6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
Access to essential services	  	<ul style="list-style-type: none"> 3.7. By 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programs. 3.8. Achieve universal health coverage (UHC), 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.

Eligible Category	Contribution to UN SDGs	UN SDGs specific target(-s) ²⁵
		<ul style="list-style-type: none"> ▪ 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. ▪ 4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education ▪ 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Employment generation and retention		<ul style="list-style-type: none"> ▪ 8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors ▪ 8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services. ▪ 8.6 by 2020 substantially reduce the proportion of youth not in employment, education or training.

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