



Sustainable Bond Framework

Tatra banka

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1. Introduction

About Tatra banka

Tatra banka, a.s. (hereinafter “Tatra banka” or “the Bank”) is part of the Raiffeisen Bank International (“RBI”) Group which operates in 12 markets in the Republic of Austria, and Central and Eastern Europe. Tatra banka is a leader in corporate banking, private banking, and the premium and student segment within the Slovakian banking sector. Present in the local market for more than 30 years, at the end of 2022 the Bank reached 1 million clients. Tatra banka’s mission is to turn innovation into a unique client experience which defines a substantial part of its efforts and goals across all segments. Tatra banka understands innovations and digitalization as an opportunity to actively participate in shaping the future of the whole country. The first green bond in the Slovak market was successfully issued by Tatra banka in April 2021, making this EUR 300 million bond also the first publicly syndicated Green Senior Preferred Eurobond issued by a bank in the CEE region. The order book attracted more than 50 investors, well diversified by geography and type. The green bond has been included in the Bloomberg Barclays MSCI Green Bond Index. Moreover, because of Tatra banka’s strong focus on ESG, the Bank has partnered with the Nasdaq Sustainable Bond Network. The proceeds raised by the issuance of green bonds have been allocated into eligible projects from the construction and real-estate category which is mostly represented by residential and commercial buildings, followed by renewable energy and clean transportation.

Tatra banka’s Sustainability Contribution

The underlying principles of Tatra banka’s sustainability contribution are derived from the ideas of Friedrich Wilhelm Raiffeisen which apply to the whole RBI Group and for whom social solidarity, self-help, and sustainability were guidelines for economic activity. Sustainability and corporate responsibility are key components of our identity and corporate culture. We believe that our business goes beyond making profit.

RBI’s sustainability strategy is based on three pillars, deeply rooted in its organisational culture: We are a **Responsible banker**, **Fair partner** and an **Active corporate citizen**. We focus on areas where we can generate value and create change, constantly monitoring our activity and impact. As a member of RBI Group, we complement RBI’s Sustainability report with our data and CSR activities so our impact on society and environment can be measured not only in the Slovak market, but also as a part of a larger impact in Central and Eastern Europe.



RBI supports the development of its core regions and benefits from this success story. That this is done in a sustainable way is part of RBI company principles. Tatra banka supports the RBI Group commitment and is contributing to RBI Group goals on local market.

Tatra banka values the principles of environmental protection in order to reduce the negative impact on the planet. The Bank aims at reducing its direct and indirect emissions through several initiatives at the level of in-house operations, supply chains and business decisions. Multiple activities have been introduced such as the use of renewable energy resources, digitalization, paperless operation, or the use of electric cars for business travel. Tatra banka's business decisions support the goals of Paris Agreement, which contributes to the reduction of indirect emissions.

In 2022, RBI submitted its science-based climate targets to the Science Based Targets initiative in line with the "well below" reduction pathway. RBI has committed to setting CO₂ reduction targets for its core business. RBI has chosen a holistic approach across all customer groups, with the aim of making a significant contribution to RBI's sustainable business growth through responsible banking.

Tatra banka honours ethical principles formalized in the "Tatra banka Group Ethical Conduct Principles", respects the protection of human rights which is also anchored in the internal Human rights policy. On the social side, the Bank supports increasing awareness and engagement of employees in social responsibility through More for Regions (Viac pre regióny^{TB}) employee grant program.

Furthermore, the Bank is a significant contributor mainly to the Art, Education and Technology sector in Slovakia. The Tatra banka Foundation is a prominent philanthropic institution that supports education in secondary schools and universities, original Slovak art, and design. Grant programmes include the Art Grant Programme, Education Grant Programme and Digital Grant Programme. They are all mainly designed for students or educational institutions in the given field. Since its establishment, the value of projects funded by the Tatra banka Foundation has amounted to more than EUR 11 million.

Tatra banka is committed to the sustainable finance transition, therefore it performs a thorough analysis of every application it receives. Additionally, the Bank is striving to introduce future ESG policies to highlight and strengthen its sustainability approach.

ESG Ratings, Partnerships and Awards

Via selected memberships and activities, RBI becomes involved in organisations that promote sustainable business and the relevant framework conditions. They include the United Nations Environment Programme Finance Initiative (UNEP FI) or the United Nations Global Compact (UNGC). In February 2023, Tatra banka was rated "low risk" by Sustainalytics regarding material financial impacts of ESG factors. The strong market position is highlighted in the more than 200 awards granted during the Bank's existence such as the most recent ones "The Most Innovative Banks for Central &

Eastern Europe” awarded by Global Finance, and “Best Domestic Private Bank in Slovakia” awarded by Euromoney in 2023 or “Best Bank in Slovakia” by The Banker received in 2022.

Tatra banka’s contribution to the Sustainable Development Goals

The banking sector plays a vital role in mobilising financial resources that contribute to the sustainable development of Slovak society. Through the nature of our activity, we have undertaken the responsibility of supporting the implementation of the Sustainable Development Goals (SDGs) launched by the United Nations in 2015. Tatra banka currently contributes to 12 of the 17 Sustainable Development Goals (SDGs) defined in the 2030 Agenda with the focus on the Quality Education, Industry Innovation and Infrastructure, Climate Action, Peace, Justice and Strong Institutions.

In view of the long-term positive effects of responsible funding, Tatra banka considers the ESG principles as essential. The path to sustainability is strengthened by the departure from fossil fuel project financing. The RBI Management Board adopted a group policy that requires subsidiary banks, including Tatra banka, to significantly reduce their portfolio of carbon financing. Tatra banka evaluates the impact of its business on the economy, environment, and society. In this way the Bank considers the ecological and social effects of its products and services.



2. Sustainable Bond Framework

Rationale for Establishing a Sustainable Financing Framework

At Tatra banka, we are strongly committed to enhancing sustainability in our entire operations and value chain. This Sustainable Bond Framework (the “Framework”) is an important step in aligning our financing strategy with our sustainability commitments. We consider the alignment of our funding strategy with our sustainability objectives to be core and this Framework will offer a further opportunity to communicate with investors and other market participants on our commitments. The aim will also be to diversify Tatra banka’s investor base and engage in a sustainable dialogue with socially responsible investors.

Alignment with Market Principles

The Framework is aligned with the International Capital Market Association’s (“ICMA”) Green Bond Principles (GBP)¹ published in June 2021 (with June 2022 Appendix 1), Social Bond Principles (SBP)² published in June 2021 (with June 2022 Appendix 1) and Sustainability Bond Guidelines (SBG)³ published in June 2021. 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.

Tatra banka’s Sustainable Bond Framework is designed as an umbrella framework that will allow the Bank to issue Green Bonds, Social Bonds, or Sustainability Bonds (together “Sustainable Bonds”), as the case may be. For each Sustainable Bond issued, Tatra banka 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. The Framework also follows the key recommendation of the ICMA principles with regard to External Reviews.

In formulating the Framework, care was also taken to reflect both the United Nations Sustainable Development Goals (“SDGs”) and whenever is feasible, the technical screening criteria of EU Taxonomy Delegated acts on Climate Change Mitigation and Adaptation⁴ (“EU Taxonomy”) and where feasible, components of the EU proposal for an EU Green Bond Standard⁵ (“EU GBS”).

¹ [ICMA Green Bond Principles \(GBP\) 2021](#) (with June 2022 Appendix 1)

² [ICMA Social Bond Principles \(SBP\) 2021](#) (with June 2022 Appendix 1)

³ [Sustainability Bond Guidelines \(SBG\) 2021](#)

⁴ Final Delegated Act on [Climate Change Mitigation](#), see [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021: Tatra banka intends to update the Framework, and will incorporate the further technical screening criteria when market practices change:](#)

⁵ [EU Proposal for a European Green Bond Standard \(EU GBS\)](#)

Potential changes to voluntary market practices, ICMA principles or developments with regard to the EU GBS or EU Taxonomy will be reflected in future versions of the Framework, which will either keep or improve the current levels of transparency and reporting disclosures and will provide for external review by an entity which is eligible or accredited under any such prevailing principles or standards.


3. Use of Proceeds

An amount equivalent to the Green, Social and/or Sustainability Bond net proceeds will be used to finance and/or re-finance, in part or in full, Eligible Loans in the countries mentioned in the Annex with a positive environmental and/or social impact⁶. Eligible Loans are loans to finance assets dedicated to the Eligible categories depicted within the tables below. Eligible loans may include loans (or similar lending structures) to private individuals, legal entities, municipalities, and public sector. Eligible loans can be loans provided by Tatra banka or loans/leases provided by the 100% owned subsidiary Tatra Leasing, s.r.o. in Slovakia as well as in other countries.

Tatra banka intends to allocate the full amount of net proceeds of Sustainable Bond issuances to projects that have been financed within 3 calendar years following issuance (the look-forward period).

Eligible Green Categories

Within the Eligible Green Categories listed below, substantial contribution criteria under the current version of the EU Taxonomy are considered where feasible.

Eligible Green Category	Eligibility Criteria	UN SDGs
Green Buildings	Financing or refinancing related to the planning, design, construction, operation, maintenance, renovation, acquisition, and ownership of energy-efficient buildings in the residential, commercial, and retail real estate sector ⁷ , fulfilling the criteria presented below: <ul style="list-style-type: none"> ▪ Green commercial or residential buildings which meet at least one of the following criteria: <ul style="list-style-type: none"> - Building has a recognised international certification (at least applied or pre-certified)⁸ with a minimum certification level of LEED Gold, BREEAM Excellent, 	 <p>Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and</p>

⁶ Targeted look-back period for operating expenditures: 3 years.


⁷ May include office, warehousing and logistic, hotels, retail, healthcare, residential properties.

⁸ In case of a denied certification or insufficient final certification the loan will be excluded from the Eligible Loan Portfolio.

Eligible Green Category	Eligibility Criteria	UN SDGs
	<p>DGNB/ÖGNI Gold or EDGE Basic/Advanced⁹ selection of sustainable materials and sustainability clauses included in leasing contracts, or</p> <ul style="list-style-type: none"> - The building belongs to the top 15% of most energy-efficient buildings at national level based on local building codes, building years and Energy Performance Certificate (EPC) (primary energy demand) <ul style="list-style-type: none"> o In cases where an assessment of the top 15% most energy-efficient buildings is not possible, buildings with a min. level A EPC (primary energy demand) are considered eligible. - Thermal-technical assessment (pre-certification which is part of the building permit in Slovakia) can be accepted until the issuance of energy certificate (in case of insufficient final energy performance at the A level, the loan will be excluded from the Eligible portfolio). - New buildings where the PED is at least 10% lower than the threshold set for the Nearly Zero Energy Building (NZEB) requirements in the relevant jurisdiction implementing the EU Energy Performance of Buildings Directive (EPBD). <p>▪ Refurbished buildings (by way of insulation of walls and roofs, facades, replacement of boilers and the like) leading to the fulfilment of at least one of the following criteria:</p> <ul style="list-style-type: none"> - Reduction of net primary energy demand or carbon emissions of at least 30% in comparison with the performance of the building before the renovation. - Refurbishments which comply with the applicable requirements for major renovations¹⁰. 	<p><i>municipal and other waste management.</i></p>



⁹ EDGE Basic buildings achieving minimum energy savings of 30%.


¹⁰ As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

Eligible Green Category	Eligibility Criteria	UN SDGs
	<ul style="list-style-type: none"> ▪ Individual renovation measures including installation, maintenance or repair of following equipment and technologies in buildings: <ul style="list-style-type: none"> - Charging stations for electric vehicles (charging stations in standalone parking facilities are excluded unless such parking spaces are within the building itself). - Thermal or electric energy storage units and the ancillary technical equipment. - High efficiency micro combined heat and power (CHP) plant powered by renewable energy. - Heat exchanger/recovery systems (not intended for use in fossil fuels systems). <p><i>Note: Buildings that are used for the purpose of occupation by fossil fuel extraction or manufacturing of fossil fuel activities are explicitly excluded.</i></p>	
Renewable Energy	Financing or refinancing related to equipment purchase, acquisition, development, manufacturing, construction (including stocks), installation, operation, distribution, and maintenance of renewable energy projects including: <ul style="list-style-type: none"> ▪ Wind power ▪ Solar power¹¹ ▪ Hydropower <ul style="list-style-type: none"> - Run-of-river without artificial reservoir or low storage capacity¹² 	 <p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p>

¹¹ Onshore photovoltaic generation and concentrated solar power (CSP) including solar thermal plants. Financing of CSP projects will be limited to those where at least 85% of the electricity is generated from solar energy sources.



¹² Alternatively, hydropower facilities should either comply with power density above 5 W/m² or direct GHG emissions below 100 gCO_{2e}/kWh. For hydropower facilities in operation after 2020, power density above 10 W/m² or direct emissions below 50 gCO_{2e}/kWh apply.



Eligible Green Category	Eligibility Criteria	UN SDGs
	<ul style="list-style-type: none"> - For all new projects, Environmental Impact Assessment (EIA) by a credible body is to be carried out with no significant risk, expected negative impact or controversy identified. ▪ Geothermal projects (with direct emissions lower than 100g CO₂/kWh according to GHG lifecycle assessment) ▪ Energy storage projects (such as fuel cells). ▪ Construction, renovation, or refurbishment of electricity grids that partly transmit renewable energy: Only assets aimed at increasing the share of renewables in the national electricity grid are eligible. ▪ Energy from biomass (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). Generation of bioenergy from anaerobic digestion or composting of agricultural and forestry residues, sewage sludge and biowaste such as biosoils and animal manure, fats and oils that will not be derived from intensive livestock operations farming; The source of biowaste will be segregated and collected separately. Further, the produced digestate will be used as fertiliser or soil improver and applied directly or after composting. ▪ Hydrogen: through electrolysis powered by renewable energy, and equipment for the production and use of hydrogen powered by renewable energy; limited to green hydrogen projects only. 	
Energy Efficiency	Financing or refinancing related to the development, implementation, maintenance or repair of products or technologies that reduce energy consumption or improve resource efficiency . Examples include, but are not limited to: <ul style="list-style-type: none"> ▪ Improving the energy efficiency of an industrial production process in a factory across various sectors, 	  <p>Target 7.3: By 2030, double the global rate of improvement in</p>

Eligible Green Category	Eligibility Criteria	UN SDGs
	<p>which aim to achieve at least 30% improvement in energy efficiency.</p> <ul style="list-style-type: none"> ▪ Energy efficient equipment (such as LEDs). ▪ Replacement of energy intensive alternative networks with fiber-optic networks with minimal environmental impact. ▪ Data centres or equipment for data centres with annualised PUE less than 1.5 for data processing, hosting, and related activities. ▪ Electric heat pumps¹³, absorption heat pumps driven by solar-heated water or geothermal-heated water and the ancillary technical equipment. ▪ Smart grid technologies for more efficient transmission/distribution of energy as well as monitoring of energy consumption. 	<p>energy efficiency.</p> <p>Target 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.</p>
<p>Clean Transportation</p>	<p>Finance or refinance Eligible Loans for manufacturing, acquisition, and modernisation of zero direct emission vehicles as well as related infrastructure¹⁴ and development, manufacture, or purchase of key components for clean transportation.</p> <p>Financing related to the development, construction, acquisition, operation, maintenance and upgrades of zero-carbon and low-carbon transport assets:</p> <ul style="list-style-type: none"> ▪ Zero-carbon transport: investments in public transportation (buses, trains, trams, ferries etc.) as well 	 <p>Target 11.2: By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding</p>

¹³ Refrigerants used for heat pumps will have a global warming potential (GWP) below 675.

¹⁴ Transportation of fossil fuels or fossil fuels blended with alternative fuels is excluded.

Eligible Green Category	Eligibility Criteria	UN SDGs
	<p>as passenger and freight vehicles with zero tailpipe emissions, such as electric cars, hydrogen cars, trucks, etc.</p> <ul style="list-style-type: none"> ▪ Low-carbon transport: investments in low-carbon public transportation (buses, trains, trams, ferries etc.) and passenger vehicles with tailpipe emissions intensity of max. 50g CO₂/km until 2025 (from 2026 onwards, only vehicles with emission intensity of 0g CO₂/km are eligible). The emission intensity will be calculated based on the World Harmonised Light-duty Vehicle Test Procedure (WLTP) which uses real-driving data to replicate actual driving conditions. ▪ Infrastructure related to electric transportation of passengers and freight, such as electrified railways, charging stations for electric vehicles and bicycle paths. 	<p><i>public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</i></p>
<p>Environmentally Sustainable Management of Living Natural Resources and Land Use, Agriculture and Forestry</p>	<p>Financing related to environmentally sustainable management of living natural resources and land use including:</p> <p>Environmentally sustainable forestry:</p> <ul style="list-style-type: none"> ▪ Afforestation or reforestation, and preservation or restoration of natural landscape providing compliance or alignment with international forest certification standards (FSC, PEFC, SFI) evidenced by a copy of the certification or an audit report by a reputable consulting company confirming alignment with certification standards. Plant and tree species used for afforestation or reforestation will be native or well adapted to local conditions. ▪ Urban greening projects, such as park and green areas development and restoration. <p>Environmentally sustainable agriculture:</p> <ul style="list-style-type: none"> ▪ Acquisition, maintenance, and management of certified agricultural practices under sustainable 	<div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>Target 5.2: <i>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.</i></p> <p>Target 15.1: <i>By 2020, ensure the conservation,</i></p>


Eligible Green Category	Eligibility Criteria	UN SDGs
	<p>certification schemes, EU Organic, and/or equivalent national certification schemes¹⁵, (at least applied or pre-certified)¹⁶.</p> <ul style="list-style-type: none"> ▪ 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 standards. ▪ Land rehabilitation and remediation projects. 	<p><i>restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetland, mountains, and drylands in line with obligations under international agreements.</i></p>
<p>Pollution prevention and control</p>	<p>Financing the development, construction, operation and maintenance of sustainable waste management, sorting, separation and recycling projects, activities, and operations, such as:</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. <p><i>Note: (i) Chemical recycling of plastics will not be financed under the Framework, (ii) recycling of electronic waste will be accompanied by a robust waste management plan to mitigate associated risks, (iii) source segregation of waste will be carried out before waste collection, and (iv) only zero direct emission waste collection vehicles will be financed.</i></p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> </div> <p>Target 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.</p>

¹⁵ Based on the approval by control bodies and authorities for equivalency and in compliance with EEC No. 834/2007 which was replaced in Jan 2022 by Regulation (EU) 2018/848.


¹⁶ In case of denied certification or insufficient final certification the loan will be excluded from the Eligible Loan Portfolio.


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.

Eligible Green Category	Eligibility Criteria	UN SDGs
	<ul style="list-style-type: none"> ▪ Reduction of industrial air emissions and greenhouse gas control: The purchase of new and refurbishment of existing equipment, technologies, and facilities that provide at least a 20% reduction in carbon emissions and/or serve as fossil fuel replacements. ▪ Biogas capture from closed or decommissioned landfills with gas capture efficiency of at least 75% (excl. landfill gas capture for flaring). 	<p>Target 12.4: <i>By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.</i></p>
<p>Eco-efficient circular economy adapted products, production technologies and processes¹⁹</p>	<p>Financing resource use efficiency and circular and / or recyclable products – Circular Design and Production Projects:</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 and refurbishment. ▪ Production technologies and processes that use recycled resources such as bio-based materials (the latter being sustainable sourcing certifications for bio- 	 <p>Target 12.2: <i>By 2030, achieve the sustainable management and efficient use of natural resources.</i></p>

¹⁹ Virgin plastic-based solutions are excluded.

Eligible Green Category	Eligibility Criteria	UN SDGs
	<p>based materials, as Roundtable on Sustainable Biomaterials (RSB) scheme).</p> <ul style="list-style-type: none"> ▪ Production of aluminium-based consumer and end products: at least 90% of inputs will be scrap or recycled aluminium, or at least 75% of input will be scrap or recycled aluminium and the remaining (primary) aluminium will have a carbon intensity below 2.5 tCO₂e/t. Financing will be limited to recycling facilities with robust waste management processes. 	
<p>Sustainable Water and Wastewater Management</p>	<p>Financing related to the development, construction, acquisition, installation, operation, maintenance and upgrades of sanitary and sustainable water and waste-water management projects and facilities, such as:</p> <ul style="list-style-type: none"> ▪ Water collection, treatment, and supply systems with improved energy efficiency – by either decreasing the net average energy consumption of the system or improving the average leakage, by at least 20% compared to own baseline performance averaged for three years. ▪ Wastewater collection and treatment facilities such as pumping stations, force mains, collectors, filtration systems, tertiary treatment. Desalination plants will be powered by low-carbon sources such as renewables and have reasonable assurance of an appropriate waste management program for the disposal of brine. ▪ Flood mitigation infrastructure: based on vulnerability assessments and adaptation plans to identify potential climate risks and relevant management strategies. ▪ Technologies that increase water-use efficiency, water recycling and reuse such as water-management systems for irrigation, water saving systems and water metering. 	 <p>Target 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.</p>



Eligible Green Category	Eligibility Criteria	UN SDGs
Climate change adaptation	Financing adaptation projects focused on enhancing preparedness and resilience to expected changes in climate, as well as any actual changes experienced. Includes projects: <ul style="list-style-type: none"> ▪ Seek to moderate or avoid potential harmful effects on people, nature and/or economic activities and assets (such as infrastructure, buildings). ▪ Investments that provide sustained adaptive solutions and enhance the overall resilience (for example, fireproof roofs, other building elements to withstand higher temperatures, water-management systems for irrigation, and climate change monitoring systems). ▪ Investments in research and development of technologies and equipment that enable adaptation and enhance resilience to climate related hazards. 	 <p>Target 13.1: <i>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</i></p>

Tatra banka intends to finance R&D expenditures (Tatra banka will not allocate more than 10% of the net proceeds raised under the Framework to these activities) under the following categories: Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Agriculture and Forestry, Pollution Prevention and Control and Sustainable Water and Wastewater Management. R&D activities will include those related to an increase in the production of green hydrogen, solar panels performance improvement, CO₂ emission levels measurement and monitoring in transportation and infrastructure through control systems and processes, life cycle and adaptability monitoring of tree species in site condition through spatial technologies and remote sensing, and pollution levels measurement in water and wastewater management processes through control systems.


Financing or refinancing **of project-based lending and general-purpose financing for pure play companies**²⁰ shall be considered eligible.


²⁰ The dedicated businesses are expected to derive more than 90% of their turnover from environmentally friendly activities, which are in line with the Eligible Green Categories from the Sustainable 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 that are on the Exclusion list of the current framework.

Eligible Social Categories

Eligible Social Categories	Eligibility Criteria	UN SDGs
<p>Education and vocational training</p>	<p>Financing or refinancing related to:</p> <ul style="list-style-type: none"> ▪ Access to public, private not-for-profit, and publicly subsidised educational services (for example, children and youth, unemployed, elderly) as well as investments that support childhood development (such as kindergartens) through the provision of loans for construction/upgrading of facilities and/or equipment. 	 <p>Target 4.4: <i>By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.</i></p>
<p>Access to essential services</p>	<p>Financing or refinancing related to:</p> <ul style="list-style-type: none"> ▪ Construction, renovation, expansion, modernisation, equipment purchases or maintenance of health care facilities for provision of free or subsidised healthcare services. For example: hospitals, diagnostic and other laboratory services, rehabilitation centres, treatment centres, nursing homes, assisted living, and homes for the elderly. ▪ Production and distribution of essential medication, medical equipment, and medical supplies in relation to COVID-19 and/or similar public health emergencies, particularly common amongst a vulnerable group such as children, women, and the elderly. ▪ Regional development and/or infrastructure in underserved, underdeveloped regions in the European Union²¹ (for example, public transport and 	 <p>Target 3.8: <i>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.</i></p>

²¹ Underserved, owing to a lack of quality access to essential goods and services in underdeveloped regions (defined in Annex B for social use of proceeds).

Eligible Social Categories	Eligibility Criteria	UN SDGs
	<p>related infrastructure; roads or bridges to enhance access to essential services such as education or healthcare; sanitation infrastructure; high speed internet; telecommunications, and electricity-related infrastructure; firefighting and rescue equipment; access to clean drinking water at residential buildings or those with free public access). Such infrastructure projects will be eligible only in underdeveloped regions where it is currently not present or is inadequate.</p>	
<p>Affordable Housing</p>	<p>Financing or refinancing related to:</p> <ul style="list-style-type: none"> Construction, renovation, and maintenance of social and affordable housing through co-operative housing associations, building societies, non-profit organisations, and public utility housing enterprises with the aim of providing suitable homes for individuals and families. Social and affordable housing is defined as (below market) rents charged in accordance with the relevant regulated rent standards and the regulated consumer standards of housing service. It is highly regulated under national laws and entitled persons must comply with a set of socio-economic criteria to ensure that social and affordable housing is made available to vulnerable persons. <p>In the absence of national affordable housing programs or official government definitions of low-income socio-economic groups in the aforementioned target countries, Tatra banka will apply the definition of families whose income does not exceed 80% of the national median family income as the target population.</p>	 <p>Target 11.1: <i>By 2030, ensure access for all to adequate, safe, and affordable housing and basic services and upgrade slums.</i></p>

Eligible Social Categories	Eligibility Criteria	UN SDGs
<p>Employment generation and protection: Micro-, Small- and Medium-size Enterprises (MSME) financing</p>	<p>To be eligible, the loans must be owned by enterprises that meet all 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 MSME²²). ▪ Micro-, Small- and Medium-size enterprises located in underserved, and underdeveloped regions in European Union. <p><i>Areas defined in Annex where the definition of underserved, underdeveloped areas apply:</i> <i>Definition: regions (NUTS3) meeting the following criteria: (i) the GDP per inhabitant is lower than the country’s GDP per inhabitant, and (ii) the country’s GDP per inhabitant is less than 75% of EU average GDP per inhabitant. Assessment will be done based on latest available annual data from Eurostat.</i></p> <p><i>or</i></p> <ul style="list-style-type: none"> ▪ Meet the definition of Micro Enterprise (in line with the European Union’s definition of MSME²³). ▪ Loan is provided within the program for Employment and Social Innovation (“EaSI”) in cooperation with the European Investment Fund (“EIF”), which aims to enhance access to finance for micro enterprises (including self-employed), supporting the development of a nascent market for inclusivity. 	 <p>Target 10.2: <i>By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</i></p>

²² https://single-market-economy.ec.europa.eu/smes/sme-definition_en

²³ https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en.

Eligible Social Categories	Eligibility Criteria	UN SDGs
	<p><i>Micro-borrowers and micro-enterprises continue to face difficulties in accessing finance to start up and scale up often due to a lack of collateral and credit history, thus they are perceived as high risk by traditional banking channels.</i></p> <p><i>or</i></p> <ul style="list-style-type: none"> ▪ Meet the definition of Micro-, Small- and Medium-size Enterprise (in line with the European Union’s definition of MSME²⁴). ▪ Enterprises are majority owned (at least 50.01%) by women. <p><i>Are not engaged in any of the business activities described in the Exclusions list.</i></p>	

Exclusionary Criteria

For the avoidance of doubt, the Bank will not allocate proceeds from the issuance of Sustainable Bonds to financings related to the following activities:

- Defence and Weapons
- Nuclear Energy
- Fossil Fuel Energy
- Investments related to pure Internal Combustion Engines (ICE)
- Large Hydro > 20MW
- Mining
- Alcohol
- Tobacco
- Gambling

²⁴ https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en.

4. Process for Project Evaluation and Selection

The evaluation and selection process for Eligible Green and Social Loans is a key process in ensuring that amounts equivalent to the net proceeds from Sustainable Bonds are allocated to projects which meet the Eligibility Criteria outlined in this Framework.

All potential Eligible Green and Social Loans are subject to Tatra banka's standard credit process in line with the normal course of business.

Only loans that have been approved through Tatra banka's standard regular credit process can be considered eligible for a Sustainable Bond.

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

Identification of Eligible Green and Social Loans

Eligible Loans are sourced from various eligible sectors and result from the application of the Eligibility Criteria outlined in this Framework which is the responsibility of the Sustainable Finance Committee. The Sustainable Finance Committee is mainly composed of members of the local Asset Liability Management Committee (ALCO) including representatives from Tatra banka's Board, Treasury, Business and Risk. The Sustainable Finance Committee will meet on a quarterly basis, and as required for specific issuances.

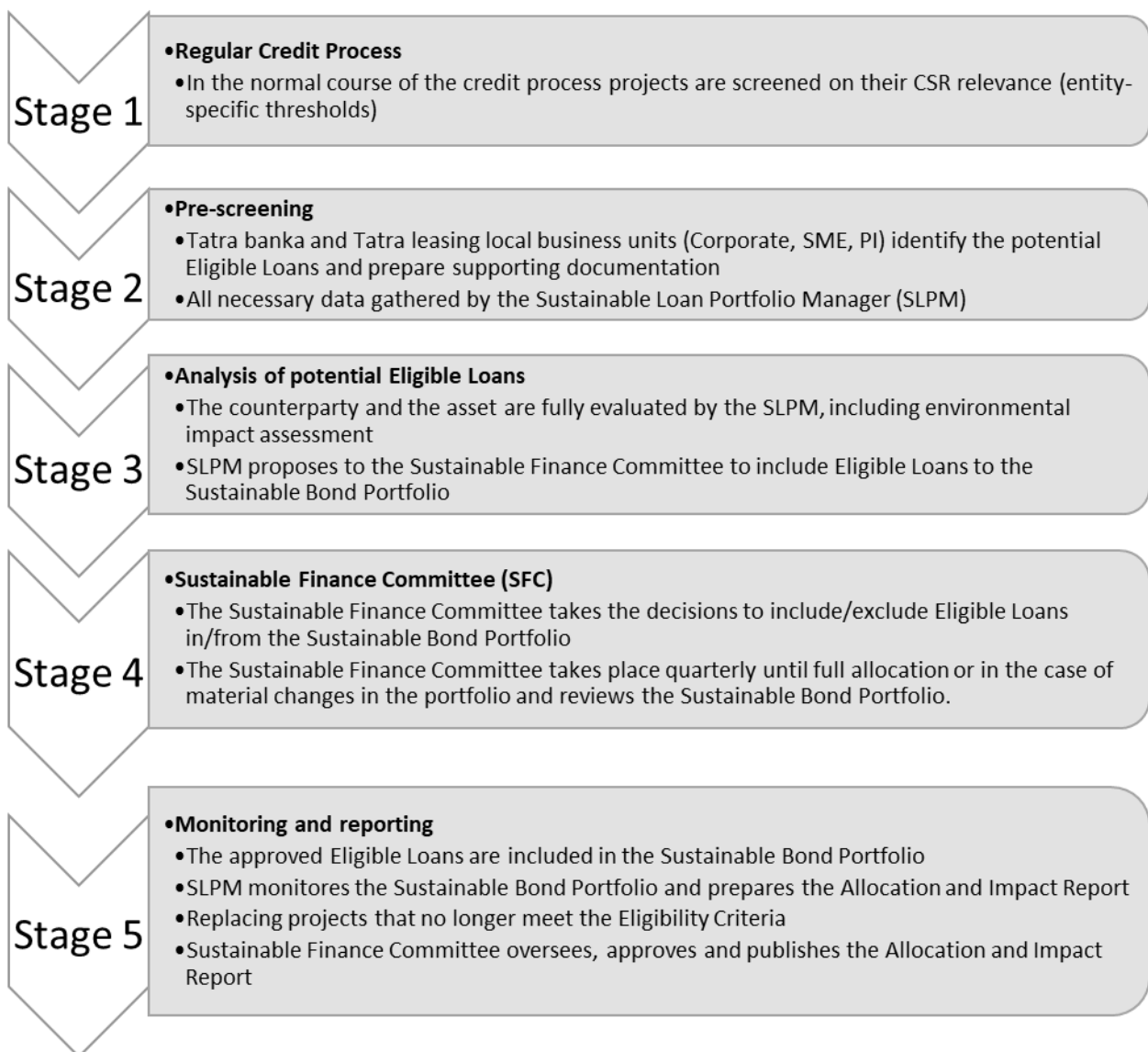
The Sustainable Finance Committee is responsible for:

- Selecting, and validating the Eligible Loans:
 - Members from different project teams will recommend Eligible Loans quarterly to the Sustainable Finance Committee in line with the Eligibility Criteria laid out in this Framework.
 - Ensuring the recommended and potential Eligible Loans are aligned with the categories, Eligibility Criteria and Exclusionary Criteria as specified in the Use of Proceeds section above.
 - Taking the decisions to include/exclude Eligible Loans in/from the Sustainable Bond Portfolio.

- If a loan no longer meets the Eligibility Criteria set forth in this Framework, the loan will be removed from the Sustainable Bond Portfolio and replaced as soon as a substitute has been identified, but no later than within 12 months.

- Ensuring the proposed allocations are aligned with the relevant general policies and Tatra banka’s ESG strategy.
- Overseeing, approving, and publishing the Allocation and Impact Report, including external assurance statements.
- Revising the Sustainable Bond Framework in case of market conditions change.

Key steps in the evaluation and selection process of Eligible Green and Social Loans:



Identification and Mitigation of Environmental and Social Risks

Tatra banka has put in place a strong evaluation and selection process that leverages its existing sustainability and risk management framework to ensure the mitigation of potential environmental and social risks associated with the Eligible Green and/or Social Loans. This is in addition to ensuring that Eligible Loans meet applicable national and international environmental and social standards and regulations.

[Tatra banka has undertaken clear trade-off analysis with regard to the material risk of negative social and environmental impacts from the Eligible Projects. A monitoring process has been established for any risks deemed to be significant.]

In line with the ECB Guidance on climate related and environmental risks issued in its final form in 2020, RBI has proceeded with the enhancement of the lending process for the corporate segment and assigned clear responsibilities for tackling ESG Risks in line with the 3 lines of defence model. In the ESG Risk management framework, RBI focus on the split of responsibilities between corporate business and risk management, the responsibilities of the audit function (as a third line defence) are to be fulfilled by including the ESG process in the yearly audit plan.

The ESG Process Flow is intended to contribute to the identification, evaluation, and management of ESG related risks to minimise the possibility of RBI Group having to assume the costs transferred by them. The process should clarify the necessary information, steps as well as responsibilities around the management of ESG risks. In the first phase particular focus is given to climate-related and environmental risks and their impact on credit risk.

The Environmental Credit Risk Assessment shall reflect both, some quantitative aspects such as the CO₂ footprint/intensity, internal/external ratings, and comparison with peers if available and qualitative aspects focusing on the transaction risk assessment.

The Industry Environmental Related Credit risk part should comprise general transition risk for the whole industry a particular group is operating in. The Business Environmental Related Credit risk part needs to include:

- Description of GHG Reduction targets and plans + comparison to potential country/EU legislation and peers.
- Description of each group's progress in achieving targets as well as critical assessment of current/future investment flows and related needed financing in relation to the transition targets and steps to be achieved.
- Description of overall Group strategy relating to transition to become Climate Neutral.



In cases of S and G relevant aspects being revealed, such as controversies, this shall be also tackled within the risk assessment.

5. Management of Proceeds

An amount equivalent to the net proceeds of any Sustainable Bonds will be managed by the Tatra banka's Sustainable Loan Portfolio Manager on a portfolio basis.

Up until the maturity of the Sustainable Bonds, Tatra banka will strive to maintain a volume of Eligible Green and/or Social Loans in the Sustainable Bond Portfolio that matches or exceeds the balance of net proceeds of outstanding Sustainable Bonds and will continue to finance and promote new Eligible Loans.

All Eligible Green and Social Loans will be registered in Tatra banka's Sustainable Bond Portfolio which will be established to manage the allocation process.

On an annual basis, Tatra banka will review the Sustainable Bond Portfolio to ensure the eligibility of the Eligible Green and/or Social Loans selected. If any allocated Eligible Loans are not deemed eligible anymore and are removed from the Sustainable Bond Portfolio, Tatra banka will strive to substitute these with other Eligible Green and Social Loans on a best-efforts basis, as soon as practicable and within a reasonable time period of 36 months.

Pending full allocation or reallocation, as the case might be, of an amount equivalent to the net proceeds of Tatra banka's Sustainable Bonds to Eligible Green and Social Loans, unallocated net proceeds will be held in the form of temporary investments such as cash, cash equivalents and/or other liquid marketable investments in line with Tatra banka's treasury management policies.

As this framework may evolve from time to time to consider the evolution of market standards and regulation, the loans must meet the Eligibility Criteria at the time they are flagged as Eligible Loans, but subsequent changes to the Framework will not apply to outstanding Sustainable Bonds (grandfathering). Any new Sustainable Bonds shall be aligned with the most recent version of the Framework.

6. Reporting

Tatra banka commits to publish an Allocation and Impact Report that will provide information on the environmental and social impacts of the Sustainable Bond Portfolio, highlighting the progress on allocation of net proceeds.



Each Allocation and Impact Report will be reviewed and approved by the Sustainable Finance Committee and will be made available on Tatra banka’s website.

Reports will be published on an annual basis, starting one calendar year after issuance, until full allocation, and thereafter if there are any material changes to the Sustainable Bond Portfolio, until the maturity of Tatra banka’s Sustainable Bond(s).

Allocation Report

Via the Allocation Report, Tatra banka will disclose information on the allocation of Sustainable Bond net proceeds. The report will contain at least the following details:

- Total volume and net proceeds outstanding of Sustainable Bonds issued.
- Total amount of net proceeds allocated to Eligible Green and Social Loans as defined in the Use of Proceeds section of this Framework.
- Breakdown by net proceeds allocation per Eligible Category.
- Breakdown by geographic distribution, where feasible.
- Balance of unallocated proceeds, if any.

Impact Report

For its Impact Report, Tatra banka intends to align, on a best effort basis, with the reporting recommendations as outlined in ICMA’s “Handbook – Harmonized Framework for Impact Reporting (June 2022)”²⁵.

When relevant and feasible, Tatra banka will provide impact reporting in aggregate at the Eligible Category level, including project level information and case studies to highlight qualitative impacts, where possible. The following table below summarises examples of estimated impact reporting metrics that could be disclosed:

Eligible Green Categories

Eligible Green Categories	Example of Impact Reporting Metrics
Green Buildings	<ul style="list-style-type: none"> ▪ Certification Standards <ul style="list-style-type: none"> ○ Type of scheme, certification level ▪ Level of Energy Performance Certificate (EPC), if applicable ▪ Annual energy savings (MWh) ▪ Final and/or Primary Energy Use (kWh/m²)

²⁵ [ICMA, Handbook – Harmonized Framework for Impact Reporting \(June 2022\)](#)

Eligible Green Categories	Example of Impact Reporting Metrics
	<ul style="list-style-type: none"> ▪ Estimated annual GHG emission reduced/avoided (tCO₂e)
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 reduced/avoided (tCO₂e) ▪ Number of smart meters installed, if applicable
Clean Transportation	<ul style="list-style-type: none"> ▪ Number of people using public mass transportation ▪ Number of retail and/or public transportation vehicles financed ▪ Number of EV charging stations units installed, if applicable ▪ Estimated annual GHG emission avoided (tCO₂e) ▪ Passenger-kilometres (that is, the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (being the transport of one tonne over one kilometre) and/or tonnes ▪ Annual GHG emissions reduced/avoided in tCO₂-e p.a. ▪ Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)
Agriculture and Forestry	<ul style="list-style-type: none"> ▪ Total sustainable agriculture land area certified (such as by FSC, PEFC etc.) ▪ Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed) ▪ Conversion of agricultural land to more diverse cropping systems (for example, agroforestry) (ha and % of acreage farmed) ▪ Estimated annual GHG emissions avoided (tCO₂e) ▪ Agricultural Certifications <ul style="list-style-type: none"> ○ Type of scheme, certification level ▪ maintenance/safeguarding/increase of natural landscape area in urban areas in km² and in % for increase
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Type and annual amount of recycled waste (tonnes) ▪ Amount of waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/ or in absolute amount in tonnes p.a. ▪ GHG emissions avoided from waste management activities (tCO₂-e p.a.)

Eligible Green Categories	Example of Impact Reporting Metrics
Eco-efficient and / or circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> ▪ Annual absolute (gross) amount of secondary raw materials, by-products and/or waste that is recovered in tonnes p.a. and/or in % of total waste that will be used to develop new materials ▪ Estimated annual GHG emissions avoided or reduced (tCO₂e) and/or energy savings (MWh per year), if applicable
Sustainable Water Management and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual absolute (gross) water use before and after the project in m³/a, reduction in water use in % ▪ Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and as % ▪ Area covered by sustainable land and water resources management practices (hectares)
Climate change adaptation	<ul style="list-style-type: none"> ▪ Temperature related: Increase in grid resilience, energy generation, transmission/distribution, and storage in MWh ▪ Temperature related: Reduction in emergency and unplanned rail and tarmac replacement in km ▪ Water related: Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ ▪ Water related: Additional water availability and/or increased water catchment in m³/year ▪ Land related: Reduction in repair costs and/or operating days lost due to landslides ▪ Land related: Increase in area under wetland management in km²

Eligible Social Categories

Eligible Social Categories	Example of Impact Reporting Metrics
Education and vocational training	<ul style="list-style-type: none"> ▪ Number of education facilities ▪ Number of individuals/students enrolled ▪ Number of educational programmes or professional development measures ▪ Number of students attaining standard for the targeted education level

Eligible Social Categories	Example of Impact Reporting Metrics
Access to essential services	<ul style="list-style-type: none"> ▪ Number of new/renovated/expanded health care facilities ▪ Number of patients reached with improved healthcare
Affordable Housing	<ul style="list-style-type: none"> ▪ Number of individuals benefiting from affordable housing ▪ Number of affordable buildings or dwellings constructed or renovated ▪ m² of affordable living space constructed or renovated ▪ Number of individuals/social housing organisations benefiting from housing mortgages
Employment generation and retention: Micro-, Small- and Medium-size Enterprises (MSME) financing	<ul style="list-style-type: none"> ▪ Number of financed enterprises ▪ Breakdown by region and sector of MSME loans ▪ Number of MSME loans ▪ Average amount of the MSME loan ▪ Number of jobs created/supported and split per region, when available

7. External Review of the Framework – Second Party Opinion (“SPO”)

To confirm the transparency and robustness of Tatra banka’s Sustainable Bond Framework, Tatra banka has appointed Sustainalytics to provide a Second Party Opinion (“SPO”), confirming the alignment with the ICMA GBP 2021, SBP 2021 and SBG 2021. The Second Party Opinion is published on Tatra’s website at <https://www.tatrabanka.sk/en/about-bank/economic-results/green/>.

8. External Audit

Tatra banka’s external auditor will provide an assurance report on the allocation of net proceeds of a Sustainability Bond to Eligible Loans on an annual basis, starting one year after issuance and until full allocation of any Sustainability Bond, as defined in this Framework.

9. Annex – Scope of countries

Regions eligible for green and social use of proceeds

EU Member States - Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.



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