

RBI – Sustainable Actions & Experience of a private Banking Group in CEE

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RBI at a Glance



ATX LISTED	17.2 MN. CUSTOMERS
45,414 EMPLOYEES	1,857 BUSINESS OUTLETS
TOTAL ASSETS EUR 166 BN	~ 1,000 AWARDS FROM FINANCIAL MAGAZINES
SUCCESSFUL IN CEE SINCE 1987	PRESENCE IN 25 COUNTRIES

RBI's Sustainability Strategy

RBI joined the world's largest initiative on Corporate Sustainability and sustainable development, the **UN Global Compact**, in 2010. According to its mission statement, RBI acts in a socially responsible manner, fostering the long-term welfare of the people and businesses in its markets.

We understand sustainability to mean responsible corporate activities for a long-term, economically positive result in consideration of key societal and environmental aspects. We therefore commit to aligning our policies and processes with this attitude, acting as a:

- **Responsible banker:** stimulating economic growth while embedding both environmental and social considerations into our core business
- **Fair partner:** demonstrating fairness and transparency towards employees, engaging with all stakeholders and reducing our own resource footprint
- **Engaged citizen:** Helping to develop an active civil society by encouraging environmental sustainability and sustainable entrepreneurship



RBI's Transformation Goal

RBI's goal is to offer sustainable financial products and services in order to support its customers in their transformation to a more sustainable future, and thus also to make a positive contribution to society



RBI's NFI Reporting & Published ESG Milestones

- RBI as the **largest Austrian issuer of Green Bonds** and **no 2 bookrunner in sustainable issuance** in RBI's home markets
- **ESG KPIs** introduced on **board level**: Annual tangible and measurable ESG objectives for each board member
- Signing of UNEP FI's **Principles for Responsible Banking** and RBI's respective **positioning as pioneer**
- Extensive Revision of the existing **Thermal Coal Policy**
- First publication of the **CO₂ emissions of corporate loans** and **sustainable funds**
- Awarded for the sixth time as best Austrian financial company for **climate risk management** by the NPO **CDP**
- **Reduction** of the group wide CO₂ emissions in the **inhouse ecology by 13 percent** compared to 2019
- First publication of an **index** referring to the **TCFD** (Task Force on Climate-related Financial Disclosures) recommendations



UNEP FI's Principles for Responsible Banking Signatory



PRINCIPLES FOR
**RESPONSIBLE
BANKING**

Signing the global UN Principles for Responsible Banking as the **first Austrian banking** group in January 2021, RBI has demonstrated its pioneering role particularly in Austria



A single framework for a sustainable banking industry developed through an innovative partnership between banks worldwide and United Nations Environment Programme Finance Initiative.

Signatory banks commit to aligning their business with sustainability goals:

The principles embed **sustainability at the strategic, portfolio and transactional levels, and across all business areas.**

Eighteen months after signing, **signatory banks must report on their impact, how they are implementing the Principles, the targets they have set, and the progress they have made.**

RBI Green Bonds & Environmental Effects

- **Green bond issues for corporate customers:**

In 2020, RBI AG acted as bookrunner in various green bond issues for its customers with a total volume of € 1,451 million

- **RBI own green bond issues:** With a total volume of € 1,289 million RBI is already the largest green bond issuer in Austria and intends to become a regular issuer of green bonds on the international capital market and in the retail segment in Austria and CEE

- ✓ **Green Bond framework:** environmentally friendly buildings, renewable energies, water and wastewater management, energy efficiency, and clean transport

- The **RBI Green Bonds Portfolio** amounts **€ 1,359 m** (as of end of Feb. 2020) → this portfolio saves **60,281 tons CO₂ per year**

Environmental effects of the first RBI green bond:

CO ₂ SAVINGS BY ASSET CATEGORY			
Asset category		CO ₂ savings per year in tons	CO ₂ savings in percent
Green Buildings	Green Buildings	26,671	44
Clean Transportation	Electric vehicles	2,471	4
	Batteries for electric vehicles	31,139	52
Total		60,281	

EQUIVALENT TO ANNUAL GREENHOUSE GAS EMISSIONS¹



13,023
Passenger vehicle
driven for one year

or



6,956
Households supplied
with energy for one year

or



139,563
Tree seedlings
grown for ten years

¹ Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

€ 1,359 m
Portfolio saves

60,281
tons CO₂
per year

Annual CO₂ savings
per € 1 m investment

44 tons

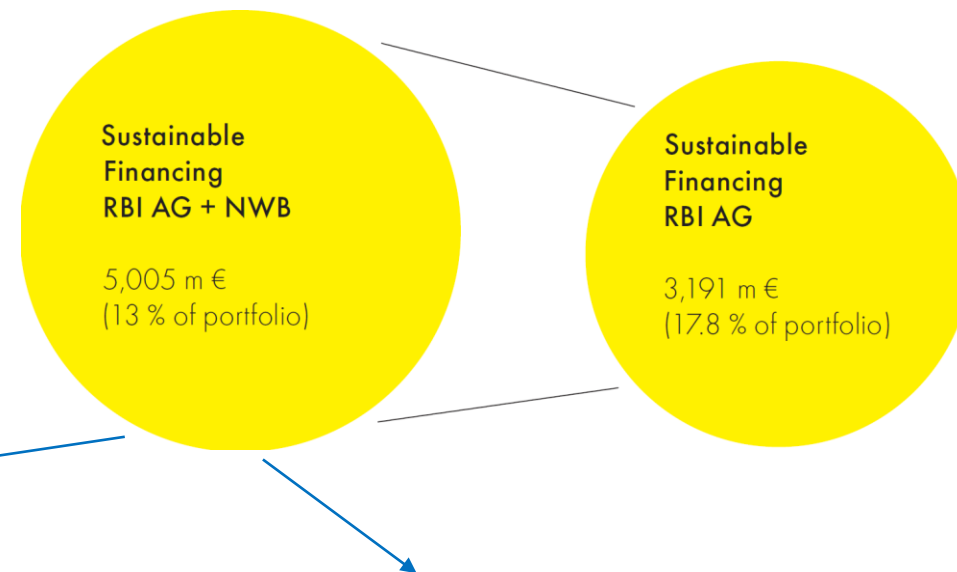
or

Annual CO₂ savings
per € 500 m
outstanding green bonds

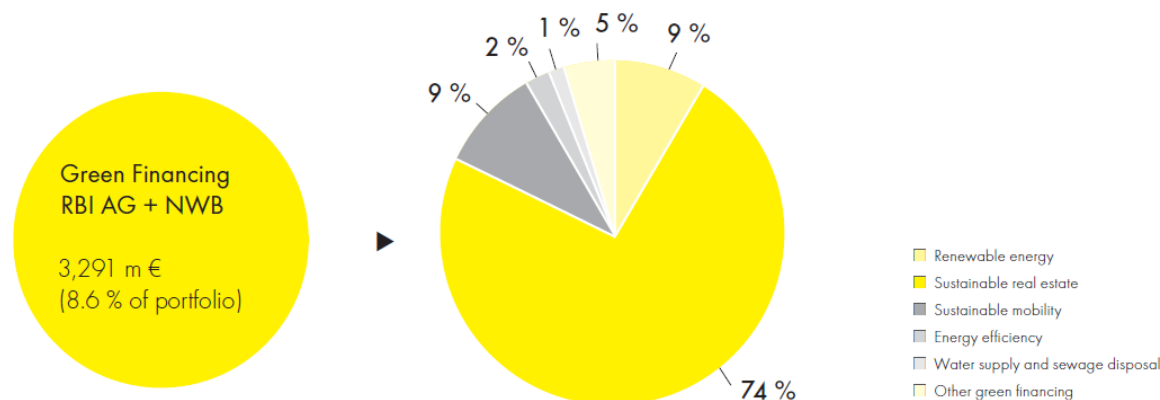
22,187 tons

Volume of RBI's Sustainable Financing as of 31.12.2020

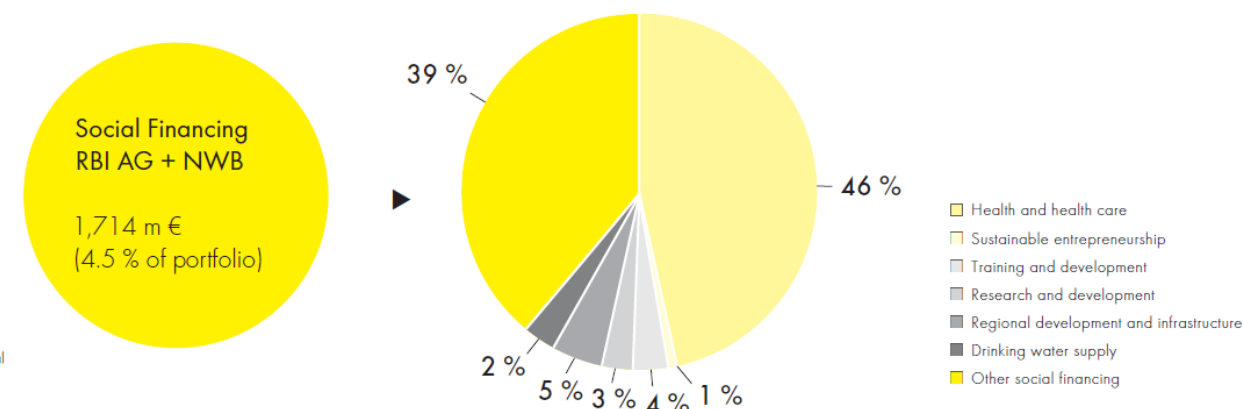
- The **volume of sustainable financing** (excluding Corona financing of € 1,285 million) at **RBI AG** and the **network banks** amounted to **around five billion Euro** in 2020 (around 13 per cent of the total portfolio of corporate customer loans and project financing at RBI AG and the network banks)
 - **€ 3,291 million** is attributable to **green financing**
 - **€ 1,714 million** is attributable to **social financing**



Breakdown of RBI* green financing by sustainability criteria



Breakdown of RBI* social financing by sustainability criteria



RBI's Focus on Renewable Energy & Phase-out of Thermal Coal



Around one-third of **Austrian corporate loans for ESG-compliant investments** by 2025



No new loans for customers with more than 25 per cent thermal coal sales, outstanding balance to be repaid by 2030 at the latest



Effective immediately, no new financial services for new or existing thermal coal-fired power plants or mines

New Thermal Coal Policy towards achieving the Paris Agreement Goals:



Financing green transition and phase out from thermal coal by latest 2030 by amortization of existing coal-related portfolio



Restrictive to customers with **revenues from thermal coal business** and **no clear strategy to phase out**

CO₂ Emissions of RBI's Corporate Loans as per 31.12.2020

- In total, just over **20 million metric tons of CO_{2eq}** can be attributed to RBI through the financing under the PCAF approach
- This figure covers **89.2 percent** of RBI's **corporate** and **project financing portfolio**
- The **largest emitters** come from the industrial sectors of basic and raw materials, utilities, energy, capital goods and transportation → these account for around **84 percent** of RBI's total financed emissions
- Compared to the **emissions intensity**, which averages **0.35 t CO_{2e}/1,000 euros** of corporate financing, the largest CO₂ emitters come from the utilities, energy, materials, and consumer durables & apparel sectors

CO₂ Emissions of Corporate Loans

GICS Codes	Industry View incl. Individual Data Financed Emissions in 1,000 t CO _{2e}	Financed Emission Intensity in t CO _{2e} /1,000 EUR
Materials	7,454	0.85
Utilities	4,074	1.44
Energy	2,810	0.88
Capital Goods	2,608	0.40
Transportation	886	0.27
Food, Beverage & Tobacco	604	0.11
Food & Staples Retailing	544	0.16
Consumer Durables & Apparel	404	0.77
Others	247	0.25
Automobiles & Components	183	0.05
Real Estate	172	0.02
Consumer Services	60	0.07
Health Care Equipment & Services	46	0.02
Retailing	41	0.03
Telecommunication Services	28	0.02
Technology Hardware & Equipment	28	0.09
Commercial & Professional Services	24	0.03
Household & Personal Products	20	0.06
Software & Services	14	0.02
Media & Entertainment	6	0.02
Pharmaceuticals, Biotechnology & Life Sciences	6	0.01
Semiconductors & Semiconductor Equipment	4	0.01
Insurance	0	0.00
Total	20,264	0.35

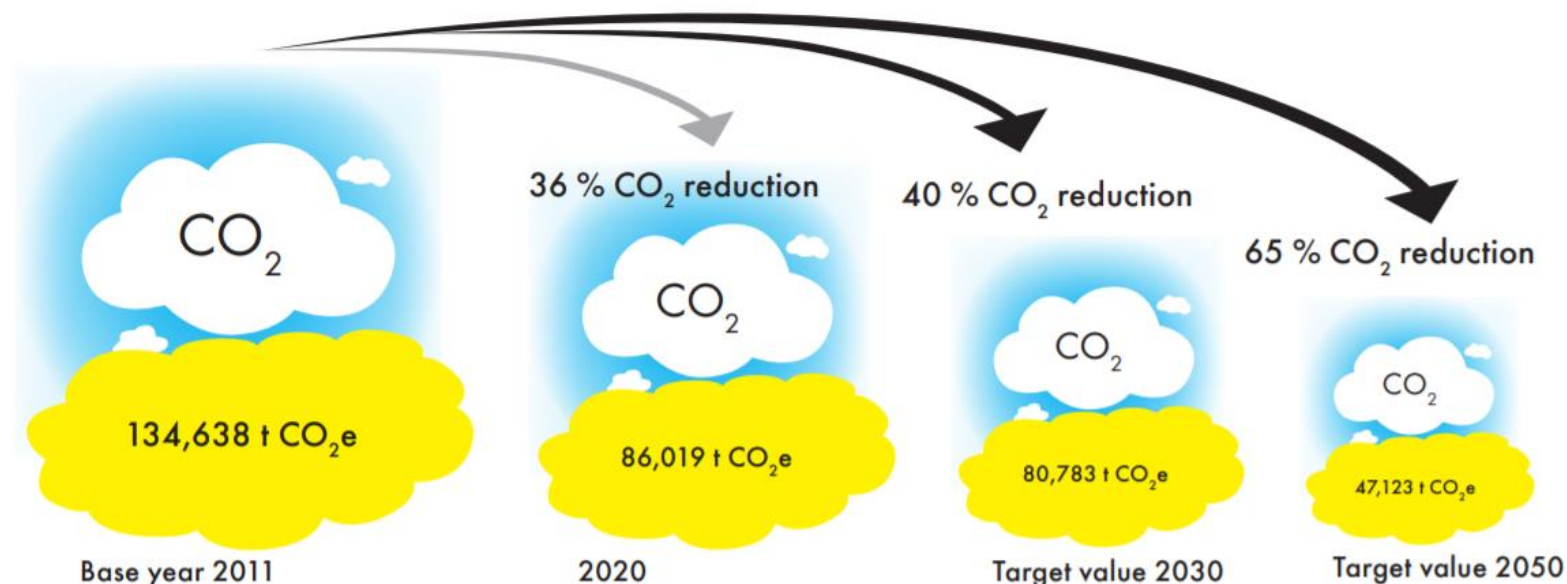
Working on Science Based Targets (SBT)

- SBT are **reduction targets of CO2 emissions** (esp. Scope 3 emissions) calculated on a scientific basis
- For the preparation of a corresponding greenhouse gas balance of "**financed emissions**" in the **financial sector**, a new global standard was published in October 2020, the Global Carbon Accounting Standard of the Partnerships for Carbon Accounting Financials (PCAF)
- RBI signed the SBT **commitment letter** in 2018
- Work in RBI is currently underway on the initial **collection of "financed emissions"** in line with the standard and the calculation of the science based targets
- RBI intends to submit **corresponding targets** to SBTi at the end of 2021



RBI's CO₂ Reduction Target Path in the Inhouse Ecology

- Since 2011, **CO₂ emissions** have already been **reduced by 35 per cent in Scope 1 and Scope 2** and by **38 per cent in Scope 3**. Overall (Scope 1-3), emissions have fallen by 36 per cent since 2011. This means RBI is well on the way to achieving the defined reduction targets by 2030.
- **Energy consumption** makes up about **77 per cent of emissions** with 65,896 t CO₂e (minus seven per cent on the previous year or minus 31 per cent on 2011) and is the biggest cause of RBI's emissions.
- At **38 per cent**, RBI's proportion of **green electricity** is above the EU target, which stipulates that the proportion of renewable energy should increase to 27 per cent by 2030.



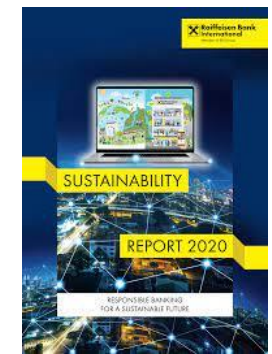
Results of CDP's Environmental Disclosure and Assessment Process

- The annual **CDP disclosure** is recognized as the **gold standard** of environmental transparency for publicly traded companies
- To rate companies, CDP assigns a **score from A to F** based on comprehensive disclosure, awareness and management of environmental risks, and best practices such as setting ambitious and meaningful targets
- Only **776 companies worldwide** were able to achieve a place on **CDP's Leadership List** (score A and A-) in 2020
- With an "**A**" score, **RBI** is one of the **top five companies in Austria** to feature in this ranking and is also the **top-rated company in the Austrian financial sector** in climate risk management for the sixth time
- Thanks to its extensive **climate protection measures**, **RBI** is a leader in terms of its environmental ambitions, the measures it has taken and its transparency
- Once again, **RBI** was also identified as a leader for its cooperation with its suppliers and included in the **CDP Supplier Engagement Leaderboard**



Upcoming Challenges

- **Defining goals including related monitoring and data governance** → for Principles for Responsible Banking, Reporting (e. g. Taxonomy aligned, Disclosure regulation, Risk reporting, Impact reporting), Science Based Targets, ESG Rating requirements
- **ESG risk integration** into all processes → Principles for Responsible Banking, Green Finance Agenda, Supervisory authorities
- **New requirements** in the **NFRD/CSRD reporting** and ongoing changes through the Taxonomy





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