ČSOB GREEN BOND ALLOCATION AND IMPACT REPORT 2025

August 2025

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ČSOB jdeme vám naproti

Business name	Československá obchodní banka, a. s.
Registered office	Radlická 333/150. Praha 5, Postal Code 150 57, Czech Republic
Legal status	Joint-stock company
Registration	Registered in the Commercial Registry of the Municipal Court in Prague, ection B XXXVI, Entry 46
Date of registration	21 December 1964
Business activities	Bank pursuant to the Act No. 21/1992 Coll., on banks
ID No.	00001350
Tax registr. No.	CZ699000761 (for VAT), CZ00001350 (for other taxes)
Bank code	0300
SWIFT	CEKOCZPP
Data box	8qvdk3s
Telephone	+420 224 111 111
Internet address	https://www.csob.cz
E-mail	info@csob.cz
Supervisory body	Czech National Bank (CNB), Na Příkopě 28, Praha 1. Postal Code 115 03, Czech Republic

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INTRODUCTION

As the largest bancassurance group on the Czech market, we focus on supporting and strengthening the resilience of individuals, businesses, and society. We are leaders in business decarbonization, assisting companies and households in transitioning to a zero-emission economy and embracing digitalization. We are expanding our portfolio of sustainable products and services[1] in areas such as lending, investment, insurance, leasing, and more, thereby helping the Czech economy prepare for the future and enhance its competitiveness.

We strive to ensure that our business activities align with the United Nations Sustainable Development Goals (UN SDGs), which have played a key role in shaping our group sustainability strategy and our own ESG targets. In interviews with partners from the corporate world, retail clients, suppliers, employees, representatives from the government and non-profit sectors, as well as people from academia, we asked for their views and recommendations on where and in which areas ČSOB should focus its efforts. As a result, we identified five key areas where we can achieve the greatest results:

- SDG 3 Good Health and Wellbeing: We support the work-life balance of our employees. We also focus on affordable healthcare, quality of life and road safety in our banking and insurance product portfolio.
- SDG 7 Affordable and clean energy: We contribute to increasing the share of Renewable Energy generation and its efficient use through loans and insurance.
- SDG 8 Decent Work and Economic Growth: We support entrepreneurs and accelerate innovative start-ups. Through our start-up accelerators, we stimulate entrepreneurship among women and young talented entrepreneurs. For young entrepreneurs, especially students, we have developed a special Start it @UNI program, where we teach them to avoid the biggest risks and increase their chances of successful sustainable entrepreneurship.
- SDG 12 Responsible consumption and production: we support innovation and the transformation to low-carbon or zero-emission operations for businesses and households. We also promote responsible investment (RI).
- SDG 13 Climate action: We have strict rules on lending, investment, and insurance offerings with respect to environmental protection. In line with our commitment to the Paris Agreement, we strive to reduce the impact of our business and meet ambitious climate targets. Considering the local context, we have projected expected decarbonisation developments for individual portfolios and sectors and set group targets that are binding not only for ČSOB but for the entire KBC Group.

We further critically examined the results of the stakeholder dialogue in terms of the materiality of the impact on our operations and added to the five SDG17 targets other topics that form the backbone of our responsible behaviour and on which we focus in our daily work:

- Fair, understandable, and transparent information for clients.
- Long-term resilience of our business model.
- Ethical business conduct and responsible behaviour.
- Sustainable and responsible service and product offering.
- Sustainable and responsible asset management and investment.
- Data protection and cyber security.
- Promoting financial literacy.

Sustainable investing plays a key role at ČSOB, both in terms of client investments and our own. By 2030, we aim to reduce the carbon footprint of our investments by 50% compared to 2019 and continue increasing the share of responsible investments. The goal of the KBC Group (of which ČSOB is a part) is for responsible investment funds to account for at least 55% of the total client investment portfolio by 2030.

All responsible mutual funds managed by KBC and ČSOB comply with the requirements of Articles 8 or 9 of the Sustainable Finance Disclosure Regulation (SFDR). Funds managed under Article 8 promote environmental and social characteristics and pursue clear objectives, such as reducing carbon footprints. These funds must:

- Promote the integration of sustainability considerations into the decision-making processes of issuers (i.e., companies, governments, supranational borrowers, or government-linked agencies) by prioritizing those with higher ESG scores.
- Support the mitigation of climate change impacts by favouring issuers with lower carbon footprints, thereby more easily achieving predefined targets.
- Contribute to sustainable development by including issuers that help achieve the UN SDGs.
- Foster sustainable development of the surrounding environment through investments in bonds that finance green or social projects.

KBC's eco-thematic funds and impact investing funds are classified under Article 9. These funds select companies that deliver real and tangible benefits. In practice, this includes firms offering climate-friendly technologies–from alternative energy sources to efficient energy use–as well as those that generate positive social or environmental impacts through their products or services.

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[1] Before labeling any loan or service as "Green" or "Sustainable" or "Eco" ČSOB consistently ensures that a clear framework is in place – including defined criteria and governance.

In accordance with SFDR disclosure requirements, we also publish how we integrate sustainability risks into investment decisions and financial advisory services. We further explain how we consider principal adverse impacts.

By this report we tried to briefly summarize the most important aspects from ČSOB's approach to ESG issues, however, if you are interested in more detail, we heartily recommend you reading our ČSOB Group Social Responsibility and Sustainability report.[2]

OVERVIEW OF THE ISSUANCE IN 2024

Name	ISIN	Amount Issued (in CZK)	Maturity
ČSOB ZELENÝ LIKVIDNÍ DLUHOPIS 6M 05/2027	CZ0003708943	1,000,000,000	10/5/2027
ČSOB ZELENÝ LIKVIDNÍ DLUHOPIS 6M 09/2027	CZ0003709164	300,000,000	17/9/2027
ČSOB ZELENÝ LIKVIDNÍ DLUHOPIS 6M 04/2028	CZ0003709180	400,000,000	30/4/2028
ČSOB WO ZELENÝ LIKVIDNÍ DLUHOPIS 6M 06/2028	CZ0003709636	300,000,000	16/6/2028

ALLOCATION REPORT

Introduction

In December 2022, ČSOB published its Green Bond Framework[3] followed by the launch of initial Green Bond in May 2023. It was the first Green Bond issued by a bank offer to retail customers in the Czech Republic. Since then, ČSOB issued up to December 31st, 2024, Green Bonds amounting to CZK 4,000,000. We are proud to be the leaders, and we strive to continue with our mission to be the movers in responsible financing.

This report provides investors and stakeholders with information on the allocation of proceeds from the issuance of ČSOB Green Bonds and their estimated realised and expected climate impacts.

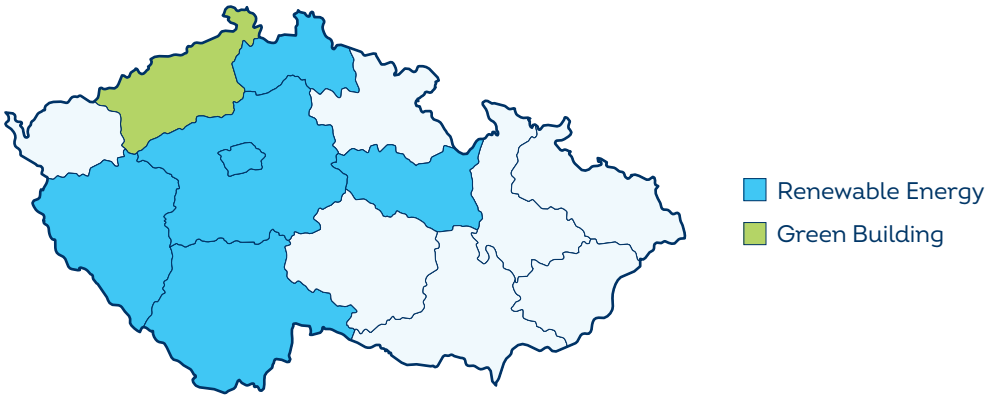
In 2024, ČSOB issued a total of four Green Bonds for its clients. According to our Green Bond Framework the net proceeds of the bonds are to be used to finance or refinance eligible projects as defined there, too. As of December 31st, 2024, the Total net proceeds raised through these four Green Bonds amounted to CZK 2,000,000,000. The period covered for financing investments by the proceeds of the 2024 Green Bond is a look-back period of 36 months and a look-forward period of 36 months. For the allocation and impact figures in this first Allocation & Impact Report, the starting point was January 1st, 2022, and the cut-off date was set at April 30th, 2025. Up until the cut-off date of April 30th, 2025, all net proceeds (100%) were fully allocated in the form of refinancing to existing projects, i.e. projects financed before the bond issuance.

Eligible Green Asset Portfolio – Key Highlights

Within the perimeter of this report which means allocation for 2024, 100% of net proceeds were allocated out of which 50% of the allocated amount has gone into Green Buildings and 50% into Renewable Energy that met the use of proceeds and green technical criteria as defined in the ČSOB Green Bond Framework (2022).

- One hundred percent (100%) of total net proceeds were allocated to projects that obtained EU Taxonomy approved Green Loan.

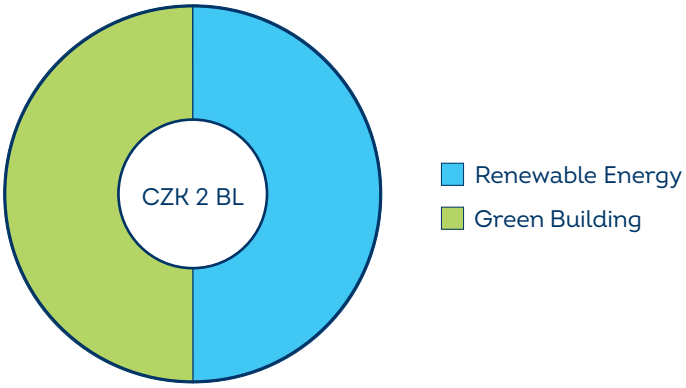
Green Asset pool allocation by region



[2] https://www.csob.cz/documents/10710/619935/csob-csr-2024-cz.pdf

[3] https://www.csob.cz/documents/10710/25791461/green-bond-framework.pdf

Green Asset pool allocation split by category



Green Buildings

Financing green buildings is a strategic lever in the transition to a low-carbon economy, particularly in light of the construction sector's significant contribution to global greenhouse gas (GHG) emissions.

In 2023, the construction and operation of buildings continued to be a major source of global CO_2 emissions, accounting for 34 per cent of total emissions, making it the sector with the highest contribution[4]:

- ~34% of global energy-related CO_2 emissions, split into:
  - Operational emissions (~26%) from heating, cooling, lighting, etc.
  - Embodied carbon (~3%) from materials like concrete, steel, and glass, as well as from construction processes.

    further responsible for:

    - Significant waste generation and resource depletion, including water, land, and raw materials.
    - High energy consumption, especially in older, inefficient buildings.

The United Nations Environment Programme (UNEP) Emissions Gap Report[5] highlights the critical need for accelerated action in the buildings sector to meet global climate goals. World Green Building Council claims that cities with green building strategies can reduce embodied emissions by 30–50%, and operational emissions by up to 70%. Investment into environmentally responsible real estate is therefore essential which is why ČSOB pays close attention into creating green building portfolio reflecting this commitment by financing properties achieving EPC A label/belonging to the top 15% of the national building stock in the country and or new buildings having Primary Energy Demand (PED) at least 10% lower than the threshold set in the national Nearly Zero Energy Buildings (NZEB) requirements defined.

Eligible project category	Green Buildings
Number of loans	1
Eligible Portfolio (€ mln)	70
Issued Amount (€ mln)	40
Allocated Amount (%)	100
Building Type	Green Industrial Buildings
Location	Karlovy Vary region
Total Gross Floor Area (m^2)	117 500

[4] https://globalabc.org/sites/default/files/2025-03/Global-Status-Report-2024_2025.pdf

[5] https://www.unep.org/interactives/emissions-gap-report/2024/

Green Buildings by Energy Certification Type

Certification	Total allocated amount in EUR mio	Proportion from Green Buildings
BREEAM Outstanding/EPC A*	40	100%

* Targeted certification as the project is in the construction phase.

Green Buildings by year of construction

Year of Construction	Total allocated amount in EUR mio	Proportion from Green Buildings
2025*	40	100%

* Estimated year of usage permit.

Renewable Energy

Financing Renewable Energy is essential for accelerating the global shift to a low-carbon economy, reducing dependence on fossil fuels, and strengthening long-term energy security. In 2024, Renewable Energy saw record growth: the world added 585 GW of new capacity, accounting for over 90% of all new power generation, bringing the global total to 4,448 GW. Solar and wind dominated these additions, with solar alone contributing 451.9 GW, led by China[6].

Despite this progress, the pace remains insufficient. To meet the global pledge made at COP29 in Baku, countries must triple Renewable Energy capacity by 2030[7]. This requires an average annual growth rate of 16.6%, compared to the current 15.1% The International Energy Agency (IEA) estimates that achieving this goal will demand annual investments of around USD 4.5 trillion by 2030.

In support of this global effort, ČSOB has actively financed large-scale Renewable Energy projects, including solar PV, concentrated solar power (CSP), and offshore and onshore wind farms. These investments not only contribute to emissions reduction but also enhance energy resilience and support technological innovation.

Eligible project category	Renewable Energy
Number of loans	1
Number of Financed Projects	7
Eligible Portfolio (€ mln)	51
Issued Amount (€ mln)	40
Allocated Amount (%)	100
Energy Type	Solar Energy
Location	Czech republic – multiple regions

	Type	Licenced capacity MW	Installed capacity (kWp)	Eligible for FIT of the year	Average* Energy yield MWh
Project 1–2	Rooftop	5.476	5,422.51	2010	5,643
Project 3–7	Ground-mounted	20.877	20,857.67	2010	21,727.3
SUM	–	26.353	26,298.18	–	27,370.3

* Average output calculated based on historical energy yield.

[6] https://ember-energy.org/latest-insights/whats-new-with-national-renewable-targets-not-much/#some-major-electricity-markets-have-yet-to-update-

[7] https://unfccc.int/news/cop29-un-climate-conference-agrees-to-triple-finance-to-developing-countries-protecting-lives-and

CONFIRMATION OF EXTERNAL REVIEWER

The Green Bond Allocation and Impact report has been approved by ČSOB Green Bond Committee for publication.

For Green Bonds issued in 2024, a post-issuance Second Party Opinion was delivered by Sustainalytics. In this report, Sustainalytics verified the company's overall CSR and sustainability strategy, performance, and sustainability risk management in relation to use of proceeds, the Green Bond Framework alignment with the four components of the Green Bond Principles 2021 (GBP) developed by the International Capital Markets Association (ICMA) and the credibility and anticipated positive impacts of the use of proceeds.

ČSOB Green Bond Framework does require an External verification of the instrument issued under this framework, ČSOB thus provides assurance to its investors in the form of Annual Review provided by Sustainalytics as presented in the document.

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Československá obchodní banka

Type of Engagement: Allocation Review
Date: 27 August 2025
Engagement Team:
Tomya Sardana, tomya.sardana@moringstar.com

Introduction

In 2024, Československá obchodní banka ("CSOB" or "the Bank") issued four green bonds (the "2024 Green Bonds") and raised a total of CZK 2 billion to finance and refinance renewable energy and green buildings projects. In 2025, CSOB engaged Sustainalytics to review the projects and assets funded with proceeds from the 2024 Green Bonds and provide an assessment as to whether the projects and assets meet the use of proceeds criteria outlined in the 2022 Green Bond Framework (the "Framework").[1]

Sustainalytics has calculated the estimated impact achieved by the 2024 Green Bonds in a separate report. Sustainalytics provided a Second Party Opinion on the Framework in December 2022.[2] This is Sustainalytics' second annual review of the allocation of the instruments issued under the Framework, following a previous review in June 2024.[3]

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2024 Green Bonds based on whether the projects and assets met the use of proceeds and eligibility criteria of the Framework.

Table 1: Use of Proceeds, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Sub-Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy	Renewable energy power generation	Loans to finance purchase of equipment related to wind, solar, geothermal, biomass and waste-to-energy, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources: • Onshore and offshore wind energy. • Solar energy, for Solar thermal plants or concentrated solar power systems min 85% of generated electricity derived from solar energy. • Geothermal energy (with direct emissions ≤ 100g CO_2/kWh). • Energy from biomass, that is: – not grown in areas converted from land with previously high carbon stock such as wetlands or forests; – not obtained from land with high biodiversity such as	• Installed renewable energy capacity in GW or MW • Expected or actual annual renewable energy generation in MWh • Estimated annual GHG emissions avoided (in tCO_2e)

[1] ČSOB, "Green Bond Framework", (2022), at: https://www.csob.cz/documents/10710/25791461/green-bond-framework.pdf
[2] Sustainalytics, "Second-Party Opinion, Československá obchodní banka Bond Framework", (2022), at: https://www.csob.cz/documents/10710/25791461/green-bond-framework-second-party-opinion.pdf
[3] ČSOB, "Green Bond Allocation and Impact report", (2024), at: https://www.csob.cz/documents/10710/25791461/green-bond-allocation-and-impact-report-2024.pdf

		primary forests or highly biodiverse grasslands; – not suitable for human consumption; – and subject to sustainable transport: no excessive transport of input material or end product. • Waste-to-energy, that is: – Waste incineration – Recyclables (especially plastics) should be segregated before conversion. Waste not to include plastics, rubber and tire-derived fuels.	
Green Buildings	Residential Real Estate	Real estate loans for new or recently constructed energy-efficient residential buildings belonging to the top 15% of the residential real estate in the country of location, represented as buildings with an EPC label of A or B.	• Date of construction • Certification level • Estimated annual energy savings in MWh or GWh compared to a baseline • Estimated annual GHG emissions avoided/reduced in tons of CO_2e
	Commercial Real Estate	New or recently built commercial real estate buildings belonging to the top 15% of the commercial real estate building stock in terms of energy performance in the country of location, or which have obtained any of the following green building certificates: • LEED Gold or higher[4] • BREEAM Excellent or higher[5] • HQE Excellent or higher[6]	

Issuer's Responsibility

CSOB is responsible for providing accurate information and documentation relating to the projects and assets funded, including a description of projects, assets and amounts allocated.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings to investors, conducted the verification of the use of proceeds from the CSOB's 2024 Green Bonds. The work undertaken as part of this engagement included collection of documentation from CSOB and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and facts presented by CSOB with respect to the funded projects and assets. Sustainalytics is not responsible, nor shall it be held liable, for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by CSOB.

Sustainalytics made all efforts to ensure the highest quality and rigour during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

[4] LEED: https://www.usgbc.org/leed
[5] BREEAM: https://www.breeam.nl/wat-is-breeam-nl-1
[6] HQE: https://www.behqe.com/presentation-hqe/what-is-hqe

Conclusion

Based on the limited assurance procedures conducted,[7] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not meet the use of proceeds criteria outlined in the Framework. CSOB has disclosed to Sustainalytics that the proceeds from the 2024 Green Bonds were fully allocated as of December 2024.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects and assets funded with proceeds from the 2024 Green Bonds to determine if the projects meet the use of proceeds criteria outlined in the Framework.	All projects and assets reviewed complied with the use of proceeds criteria.	None

[7] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of projects, including description, estimated and realized costs, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation Reporting

Table 3: Allocation of proceeds from the 2024 Green Bonds

Use of Proceeds Category	Sub-Category	Amount Allocated (CZK million)
Renewable energy	Solar photovoltaic	1,000
Green Buildings	Commercial Real Estate - BREEAM Outstanding/EPC A[8]	1,000
Total Allocated Amount		**2,000**
Total Unallocated Amount		**0**
Net Proceeds Raised		**2,000**

[8] CSOB has communicated to Sustainalytics that this is targeted certification as the project is in the construction phase.

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds, which incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. For more information, visit www.sustainalytics.com.

IMPACT REPORT

The issuance of Green Bonds to finance both green buildings and Renewable Energy projects marks a significant step toward sustainable development. In line with the ČSOB Green Bond Framework 2022, the financed assets are selected based on strict environmental criteria, ensuring they contribute to reducing carbon dioxide (CO_2) emissions and accelerating the transition to clean energy.

This includes investments not only in energy-efficient buildings but also in Renewable Energy sources such as solar and wind power. Together, these initiatives support global climate goals by lowering emissions and reducing reliance on fossil fuels.

In this section, we present the environmental benefits achieved through these investments. The analysis highlights the specific reductions in CO_2 emissions attributable to both green buildings and Renewable Energy projects, reinforcing our commitment to environmental stewardship, community well-being, and sustainable growth.

Our Green Bond Allocation and Impact Report 2025 reflects the impact reporting requirements per ČSOB's Green Bond Framework 2022 which has been externally assessed by Sustainalytics.

For Green Buildings, these impact metrices amongst others are reported:

- Estimated annual energy consumption or energy reduction in MWh/year;
- Estimated annual reduced and/or avoided emissions in tons of CO_2 equivalent.

For Renewable Energy, these impact indicators amongst others are reported:

- Installed Renewable Energy capacity in GW or MW;
- Expected or actual annual Renewable Energy generation in MWh;
- Estimated annual GHG emissions avoided (in tCO_2e).

The impact calculations have been prepared by an external consultant – Sustainalytics, a Morningstar Company and are presented in the Appendix hereinafter.

Impact Report for Bonds

ČSOB Green Bond Framework

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IMPACT REPORTING

Impact Summary

Evaluation Date August 21, 2025

Issuer Location Prague, Czechia

Sustainalytics has calculated the estimated impact achieved from the projects financed by the green bonds issued by Československá obchodní banka in 2024. ČSOB has allocated CZK 2 billion (EUR 80 million) to projects in Czechia in the Renewable Energy and Green Buildings categories. For a representative year of the bonds' term to maturity, Sustainalytics has calculated 19,665 tonnes of avoided GHG emissions in CO_2e.

2B
Allocated amount, CZK

19.7K
Annual emissions avoided (tCO_2e)

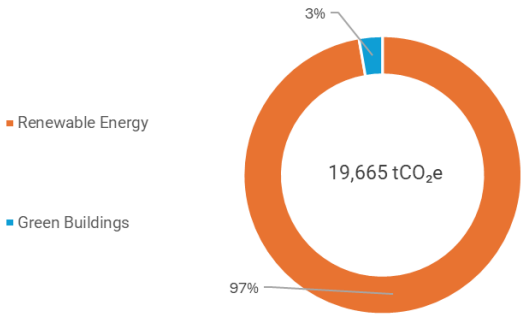
2
Projects

4.3K
Cars driven for one year

1
Country

1.3M
Trees, yearly sequestration

Avoided CO_2e emissions by Use of Proceeds and Location of Projects by Country



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Introduction

Československá obchodní banka, a.s. ("ČSOB" or the "Bank") is a commercial bank headquartered in Prague, Czechia. ČSOB provides daily banking, home financing, building savings, company and affluent client banking, investments, financial markets operations, brokerage, leasing and other services. ČSOB is a subsidiary of KBC Group NV, a Belgian banking and insurance group founded in 1998. The Bank has 8,125 employees and 4.29 million clients as of December 2024.[1]

ČSOB engaged Sustainalytics in August 2025 to quantify the environmental benefits of the renewable energy and green building projects financed with the proceeds from the green bonds issued under ČSOB's 2022 Green Bond Framework.[2] This report covers the allocation of proceeds, CZK 2 billion (EUR 80 million) raised from the four green bonds issued in 2024. Using established methodologies, Sustainalytics has estimated avoided emissions from the projects. This report presents the details of our findings, including a description of the methodology used to calculate the impacts.

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

Scope of Work and Limitations

ČSOB has engaged Sustainalytics to calculate the environmental impact of the projects financed with proceeds from the 2024 green bonds. For this work, Sustainalytics relied on the data provided by ČSOB on the amount allocated and the technical data on the projects financed.

Sustainalytics' impact reporting is aligned with ICMA's June 2024 Handbook - Harmonised Framework for Impact Reporting.[3] The methodology and assumptions made for the impact calculation are outlined in the methodology chapter.

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

(1) They understand it is the sole responsibility of ČSOB to ensure that the information provided is complete, accurate and up to date.

(2) They have provided Sustainalytics with all relevant information.

(3) Any material information provided has been duly disclosed in a timely manner.

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

[1] ČSOB, "Annual Report 2024", at: https://www.csob.cz/documents/10710/550083/ar-csob-2024.pdf
[2] ČSOB, "Green Bond Framework", (2022), at: https://www.csob.cz/documents/10710/25791461/green-bond-framework.pdf
[3] ICMA, "Handbook: Harmonised Framework for Impact Reporting", (2024), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf

Impact Findings

For reporting, Sustainalytics follows the ICMA Harmonised Framework for Impact Reporting, which synthesizes market expectations and outlines recommendations for impact reporting to create a standardized reporting structure and enhance the understanding of the impact for all stakeholders, including investors.[4]

Table 1 below provides a summary of the impact at the portfolio level, calculated by Sustainalytics based on the allocation of proceeds from ČSOB's four green bond issuances in 2024. Table 2 provides a summary of the allocation and calculated impact by use of proceeds categories. Appendices 1-2 provide impact data at the project level. These metrics correspond to a representative year of the bond's term to maturity and are based on the share of project financing.

Table 1: Summary of Impact – Portfolio Level[5]

Allocated Amount	Weighted Average Bond Tenor	Financed Emissions Avoided	Financed Emissions Avoided/M CZK
M CZK	Years	tCO_2e/year	tCO_2e/year/M CZK
2,000	3.2	19,665	9.83

Table 2: Summary of Impact – Use of Proceeds Category

Use of Proceed	Technology Type	Allocated Amount	Financed Generation	Financed Capacity	Gross Building Area	Average Energy Reduction[6]	Financed Emissions Avoided	Financed Emissions Avoided/M CZK
		M CZK	MWh	MW	m^2	%	tCO_2e/year	tCO_2e/year/M CZK
Renewable Energy	Solar photovoltaic	1,000	20,719	20	-	-	19,129	19.13
Green Buildings	Industrial	1,000	-	-	209,000	60	536	0.54

[4] ICMA , "Handbook: Harmonised Framework for Impact Reporting", (2024), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf
[5] Due to rounding, the summarized amounts might not match the exact amounts in other tables.
[6] This metric represents energy savings by comparing the project's energy consumption to a modelled baseline scenario with buildings of the same type, size and geographic location.

Methodology

Sustainalytics developed its own methodologies for quantifying GHG avoidance and other metrics, including leveraging publicly available best-in-class methodologies, protocols and frameworks that are currently industry best practice. First, our estimation practices and general principles rely on the GHG Protocol.[7] Our methodologies are based on guidance provided by International Financial Institutions' (IFI)[8] Approach to GHG Accounting for Renewable Energy Projects,[9] notably on calculation methodology and global emissions. In addition, we rely on the Partnership for Carbon Accounting Financials' (PCAF) Global Accounting Standard[10] for guidance on estimation where data is not readily available and assumptions must be made. Finally, the UN's Clean Development Mechanism[11] provides guidance and information, serving as the foundation for these and other methodologies, including those implemented in this report.

Renewable Energy

It is assumed that energy generated by the projects crowd out a mix of current and upcoming planned generation capacity and therefore associated emissions. The approach taken to derive the greenhouse gas emissions avoidance uses:

a) The emissions of the renewable energy projects, which are often (but not always) zero.
b) The baseline emissions or emissions occurring in the absence of the project. For electricity generation, these emissions are based on the energy mix used to supply electricity to the local grid.
c) Financed project avoided emissions are calculated by using the share of project financing of the total project emissions avoided from the above calculations.

Data Sources and Assumptions

- For the projects included in this report, ČSOB provided the annual electricity generation (measured in MWh).
- The baseline emissions factors for the country where projects are located were sourced from IFIs.[12] To account for emissions from upstream activities, Sustainalytics applies an additional indirect emissions factor.[13]
- For zero-carbon technologies, such as solar energy, the emissions per unit of generation are assumed to be 0 $kgCO_2e/kWh$.

[7] The Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard", at: https://ghgprotocol.org/
[8] Close to 25 institutions are currently members of the IFI Technical Working Group. They include multilateral development banks, such as the Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank and the World Bank Group. The UNFCCC secretariat has been a member of the IFI TWG since 2015.
[9] The IFI Approach to GHG Accounting for Renewable Energy is in accordance with the International Approach to Greenhouse Gas Accounting. A technical working group of IFIs have agreed to a common methodology and set of emissions factors for GHG accounting of electricity production from renewable energy projects.
[10] PCAF, "About PCAF", at: https://carbonaccountingfinancials.com/
[11] CDM, "Methodologies Booklet", at: https://cdm.unfccc.int/methodologies/documentation/index.html
[12] UNFCCC, "The IFI Dataset of Default Grid Factors", available at: https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies
[13] Sustainalytics calculated this based on the UK government's conversion factors, the IEA's country profiles and GHG accounting standards. Government of the UK, "Government conversion factors for company reporting of greenhouse gas emissions", (2025), at: https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting, https://www.iea.org/countries.

Green Buildings

It is assumed that green buildings consume less energy than a mix of existing buildings and new construction. The avoidance of GHG emissions is then calculated using:

a) The emissions of the green building projects. To the extent available, the reporting is based on metered energy consumption. If such information is not available, estimates for the relevant projects are based on the building certificates, standards or country-level averages.
b) The baseline emissions or emissions occurring in the absence of the projects. This figure is based on the estimated energy intensity of comparable buildings or prior emissions in the case of refurbishments.
c) The financed project's avoided emissions are calculated by using the share of project financing of the project's total emissions avoided from the above calculations.

Data Sources and Assumptions

- For the project included in this report, building data, including gross building area, location and relevant green building certificates, was provided by ČSOB and used as inputs for the calculations. Where relevant and available, Sustainalytics performed calculations based on the expected green building certificates or energy performance certificates for the property, as the project has not yet reached the operational phase.
- Based on location and building characteristics, such as type and size, the energy intensity of a baseline building is estimated using a combination of country averages and publicly available statistical models.[14,15]
- The emissions factors for the project and baseline properties are based on the average energy mix for buildings in the relevant country and building type.
- The grid emissions factors for the country in which the project is located were sourced from IFIs.[16] To account for emissions from upstream activities, Sustainalytics applies an additional indirect emissions factor.[17]

[14] IFC's Edge model is used for statistical modelling of buildings.
Edge, "About EDGE: Green Building Standard, Software & Certification System", at: https://edgebuildings.com/about/about-edge/
[15] CRREM, "Global Decarbonization Pathways", at: https://crrem.org/crrem-pathways/
[16] UNFCCC, "IFI TWG – List of methodologies", at: https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies
[17] Sustainalytics calculated this based on the UK government's conversion factors, the IEA's country profiles and GHG accounting standards.
Government of the UK, "Government conversion factors for company reporting of greenhouse gas emissions", (2025), at: https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting, https://www.iea.org/countries

Appendix 1: Impact of the Renewable Energy Project

Project Name	Country	Technology	Allocated Amount	Share of Total Project Financing [18]	Project Generation	Financed Generation	Project Capacity	Financed Capacity	Direct Emissions Avoided[19]	Indirect Emissions Avoided[20]	Financed Emissions Avoided	Financed Emissions Avoided/ M CZK
			M CZK	%	MWh	MWh	MW	MW	tCO_2e/year	tCO_2e/year	tCO_2e/year	tCO_2e/year/ M CZK
Project FVE 2024 A	Czechia	Solar photovoltaic	1,000	77%	27,076	20,719	26	20	19,940	5,058	19,129	19.13

Appendix 2: Impact of the Green Building Project

Project Name	Building Type	Country	Gross Building Area	Certification	Allocated Amount	Share of Total Project Financing	Estimated Energy Intensity	Average Energy Reduction	Financed Direct Emissions	Financed Indirect Emissions	Financed Emissions Avoided	Financed Emissions Avoided/M CZK
			m^2		M CZK	%	kWh/m^2/year	%	tCO_2e/year	tCO_2e/year	tCO_2e/year	tCO_2e/year/ M CZK
Project GB 2024 A	Industrial	Czechia	209,000	BREEAM Outstanding, EPC A	1,000	22	22	60	293	65	536	0.54

[18] As the Renewable Energy project includes seven individual sub-projects aggregated into one, the share of total financing was calculated using a weighted average based on the proportion of bond financing attributed to each sub-project, weighted by their respective installed capacity.
[19] Direct emissions refer to emissions directly avoided by displacing electricity from the grid.
[20] Indirect emissions are emissions resulting from the extraction, refining and transportation of primary fuels, including transmission and distribution losses, before their use in the generation of electricity.

Disclaimer

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DISCLAIMER

We expressly point out that if we use terminology such as 'green' and 'sustainable' throughout this report, these terms in no way suggest that what we describe is already (fully) aligned with the EU taxonomy. Also, ČSOB's Green Bond Framework (2022) was not yet EU taxonomy aligned.

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