ČSOB GREEN BOND FRAMEWORK 2025

May 2025

www.csob.cz

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

TABLE OF CONTENTS

1 INTRODUCTION

1.1 ČSOB's approach to Corporate Sustainability

Československá obchodní banka, a. s. (ČSOB), is a universal bank in the Czech Republic providing its services to all groups of clients, i.e. retail (individuals) as well as SME, corporate and institutional clients. In 2024, ČSOB celebrates its 60th anniversary. And even though the world around us has changed beyond all recognition across the six decades, the fundamental essence of ČSOB has stayed the same: we remain a key constituent of both the Czech economy and society. What's more, we do not stand alone. The number of our clients has not stopped growing and our services are currently used by more than 4.3 million customers. We do everything we can to ensure that our clients' financial lives are hassle-free and that their finances are secure no matter how complicated the economic situation may be.

At the same time, we strive to be a leader in bringing about positive change. We care deeply about the condition in which we will leave the planet for the generations to come. That is why we place great emphasis on supporting transformation to a more self-sufficient and, above all, sustainable economy. In other words, sustainability and environmental friendliness feature prominently in everything we do throughout the Group, including our delivery of strong support for the transition to a low-carbon economy. We start at our own door, but we also motivate our clients, both individuals and businesses, as well as the general public, to make the most of our environmentally friendly solutions.

ESG Commitments and targets

ČSOB contributes to meeting KBC's group ESG targets which means to reach 75% share of renewable energy within the total energy loan portfolio by 2030 (in 2024, the KBC Group reached 67%), 40% reduction in the carbon intensity within the equity and corporate bonds portfolio of own investments of KBC Insurance incl. Scope 1 and 2 by 2030 (in 2024, the KBC Group achieved a 75% reduction). We want to achieve 80% reduction in our own footprint by 2030 versus 2015 baseline, (in 2024, the KBC Group reduced its own carbon footprint by 68% v KBC). For more details on the targets, the chosen metrics and the methodology, please see the KBC Annual Report 2024/Sustainability Statement and the KBC Group Sustainability Report 2024.

1.2 Sustainable Finance Products

CSOB Group is a leader in decarbonisation and helps businesses to transition to an emission-free mode of operation. We support innovative businesses and social enterprises and offer smart solutions to our clients. We also help our clients to secure available public funding for energy-efficient solutions and other emission-reducing projects. We do not provide loans for projects that would cause significant harm to the environment.

We have carefully designed sustainable finance products that will allow our clients make real and impactful changes. Those advantageous sustainable finance solutions include among others grants to fund clients' energy audits, mortgages for energy-efficient housing, loans for clean vehicles and mutual funds that invest in renewable energy sources and water resources.

1.3 Rationale for establishing a Green Bond Framework

ČSOB Group is convinced that the financial industry has a key role to play in the transition to a low carbon economy and is willing to contribute to the development of a sustainable financial market. Our aim is to ensure that the products we offer our customers are both environmentally and financially responsible, while also working towards decarbonisation of our portfolio.

Green funding thus provides an opportunity for the ČSOB Group to further enhance its ability to finance the green projects of its clients and to mobilise all its stakeholders around this objective.

Green bonds ("**Green Bonds**") can be issued under this green bond framework (this "**Framework**") by ČSOB or any of its subsidiaries. The ČSOB Group will allocate an equivalent amount of the Green Bond proceeds to the relevant ČSOB Group member where the Eligible Green Assets (as defined in 2.1.) are located. This Framework will allow the ČSOB Group to issue sustainable finance secured and unsecured instruments in various formats and currencies to finance new and/or refinance existing loans to its clients and projects with environmental benefits. Further details will be provided in the applicable announcements and transaction documentation.

This Framework is in line with ICMA's Green Bond Principles, 2021 (the "**Green Bond Principles**") (with 2022 Annex). The Framework aims to gradually incorporate the criteria for environmentally sustainable economic activities, included in the EU Taxonomy Climate Delegated Act (June 2021) and intends to further align with these criteria when practically feasible. The ČSOB Group intends to align its Green Bond Framework gradually further with emerging good practices, such as criteria of the European Green Bond Standard ("EU GBS") and other relevant forthcoming regulatory requirements and guidelines.

2 GREEN BOND FRAMEWORK

This Framework is presented through the following core components, which follow the voluntary guidelines of the Green Bond Principles:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting
5. External review

2.1 Use of Proceeds

An amount equivalent to the proceeds of Green Bond ("Use of Proceeds") issuances is exclusively used to finance or refinance, in whole or in part, projects and activities in the following categories:

1. Energy Efficient Buildings;

2. Renewable Energy; and

3. Clean Transportation.

To qualify as Green Bond Eligible Assets ('**Eligible Green Assets**'), the selected loans are required to meet the following eligibility criteria in the table below. The eligibility criteria under this Framework aim to be aligned with the Substantial Contribution Criteria of the EU Taxonomy Climate Delegated Act (June 2021) primarily for Climate Change Mitigation. In addition to meet the eligibility criteria for Substantial Contribution, the Eligible Green Assets aim to align with the Do No Significant Harm criteria (e.g. if required by the EU taxonomy, each asset is tested for physical risk assessment according to state-of-the-art physical risks maps for such assessment) and Minimum Social Safeguards (client-level analysis) when practically feasible. The Eligible Green Projects are also mapped to the UN SDGs.

Eligible Category	Eligible Criteria	UN SDGs	EU Taxonomy Objective[1]	Example Impact Metrics
Energy Efficient Buildings (Residential)	• Real estate / mortgages loans for building or acquisition of buildings lower 5,000 m^2 with EPC A label/belonging to the top 15% of the national building stock in the country of location (if built before 31. 12. 2020) or having Primary Energy Demand (PED) at least 10% lower in comparison with its Nearly Zero Energy Building (NZEB) equivalent (if built after 31. 12. 2020)[2] • Real estate / mortgage loans for buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before renovation[3]	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	**Climate Change Mitigation:** 7.1. Construction of new buildings 7.2 Renovation of existing buildings 7.7. Acquisition of ownership of buildings	• Annual Energy efficiency improvements • estimated ex-ante annual energy consumption in KWh • estimated annual avoided carbon emissions in tCO_2 • EPC labels • Year of construction

[1] Focus on but not limited to the mentioned Taxonomy activities.

[2] For buildings built before 31 December 2020, to be aligned with the substantial contribution criteria of the EU Taxonomy Delegated Act, the building must be within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. Further details on threshold for various building types please see Table 4 of the national study https://www.cbaonline.cz/journal_files_storage/top-15-study-buildings-in-the-czech-republic-are-inefficient.pdf.

[3] The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

Energy Efficient Buildings (Commercial)	• Real estate loans for acquisitions of commercial buildings with EPC A label/belonging to the top 15% of the national building stock in the country of location (if built before 31. 12. 2020) or having Primary Energy Demand (PED) at least 10% lower in comparison with its Nearly Zero Energy Building (NZEB) equivalent (if built after 31. 12. 2020) • Real estate for buildings that have undergone refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before [4] • Real estate loans for construction of 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 in relevant country building legislation (when buildings larger 5,000 m^2 also meet other Taxonomy requirements) [5]	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	**Climate Change Mitigation:** 7.1. Construction of new buildings 7.2 Renovation of existing buildings 7.7. Acquisition of ownership of buildings	• Annual Energy efficiency improvements • estimated ex-ante annual energy consumption in KWh • estimated annual avoided carbon emissions in tCO_2 • Overview of EPC labels and certificates of eligible buildings • Year of construction
Renewable energy	• Loans and/or investments to (re) finance equipment, development, manufacturing, construction, safe operation, distribution, and maintenance of renewable energy generation sources in the EU and the UK: – Onshore and offshore wind energy – Solar energy [6]	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	**Climate Change Mitigation:** 4.1. Electricity generation using solar photovoltaic technology 4.3. Electricity generation from wind power	• Renewable energy capacity added, MW • tCO_2 e avoided
Clean Transportation	• (Re)financing of the manufacturing, development, and retrofit of Battery Electric Vehicles (BEVs) and electric vehicle charging infrastructure • (Re)financing of construction, modernisation, maintenance and operation of infrastructure for personal mobility and other infrastructure that are dedicated to pedestrians and bicycles. • (Re)financing of the purchase, renting, leasing and operation of zero-emission vehicles in the Czech Republic: – Fully electric or other non-fossil fuel based vehicles [7] for the transportation of passengers.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	**Climate Change Mitigation:** 6.4. Operation of personal mobility devices, cycle logistics 6.5. Transport by motorbikes, passenger cars and light commercial vehicles 6.13 Infrastructure for personal mobility, cycle logistics 6.15. Infrastructure enabling low-carbon road transport and public transport	• tCO_2 e avoided

[4] The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account),and can be achieved through a succession of measures within a maximum of three years.

[5] For buildings larger than 5,000 m^2, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. For buildings larger than 5,000 m^2, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.

[6] The activity must generate electricity or heat/cool using solar PV technology or solar thermal heating.

[7] For the avoidance of doubt, no plug-in hybrid vehicles are eligible.

2.2 Exclusion

To avoid doubt, financing relates to projects that involve the following activities are excluded from being Eligible Assets:

- Investments in businesses/funds engaged in renewable energy projects that are deemed controversial due to potentially material environmental and /or social risks;
- Expenditures to fossil fuels.

2.3 Process for project evaluation and selection

The Use of Proceeds categories of this Framework are aligned with the strategy and corporate sustainability approach of the ČSOB Group. The underlying Eligible Assets are expected to comply with local laws and regulations, including any applicable regulatory environmental and social requirements. The Eligible Assets are furthermore evaluated by an assessment against the ČSOB Group's sustainability policies and the standards of the ČSOB Sustainability and Responsibility Policy and KBC Group Sustainability Framework (including the exclusionary criteria) where applicable.

The ČSOB Group's business units provide information on the compliance of the projects with the criteria for Eligible Green Assets. The definition of the Eligibility Criteria is to be aligned with the EU Taxonomy Substantial Contribution Criteria for one of the EU Taxonomy objectives, DNSH Criteria on EU Taxonomy objectives where practically feasible and the Minimum Social Safeguards, to the extent possible see Annex 1 for more details. The Criteria and Safeguards are subject to interpretation and guidance from current and future EU Directives and Q&A sessions. In case of any changes in the relevant criteria by the EU, ČSOB aims to adjust its Green Bond portfolio of Eligible Green Assets within the timeframe stated in the final draft of the 2025 Green Bond Standard.

Upon submission of projects by the business units, the Green Bond Committee, comprised of representatives including at least one general manager from ČSOB Group Treasury (ALM department), Corporate Sustainability and representatives from the business units (when required), will verify the compliance of the projects with the Use of Proceeds requirements and select projects as Eligible Assets. The Green Bond Committee also verifies that all selected Eligible Green Assets comply with the standards of the ČSOB Group's and KBC Group Sustainability Framework, where applicable.

The Green Bond Committee will document the assessment process with the view to demonstrate to an independent auditor that funded loans meet the applicable eligibility criteria.

2.4 Management of Proceeds

The net proceeds of the Green Bonds will be managed by the Treasury team of ČSOB Group on a portfolio basis. As long as the Green Bonds are outstanding, it is intended to exclusively allocate an amount equivalent to the net proceeds to a Green Bond portfolio of Eligible Green Assets in line with the above-mentioned eligibility criteria and evaluation and section process. The ČSOB Group will individually label all allocated Eligible Green Assets in its internal information systems and will monitor these allocations at least on an annual basis. If an asset no longer meets the eligibility criteria, does not exist anymore or has been repaid early, the ČSOB Group will remove the loan from the Green Bond portfolio and will strive to replace it with an Eligible Green Asset as soon as possible, subject to availability.

The ČSOB Group will fully allocate the proceeds to Eligible Green Assets, or in case insufficient Eligible Green Assets are available, the ČSOB Group commits to hold the balance of net proceeds not allocated to Eligible Green Assets within the treasury of the ČSOB Group, invested in money market products, cash and/or cash equivalent, with maximum allocation period of 3 years from date of issuance.

Based on the internal monitoring of the portfolio of Eligible Green Assets, the Green Bond Committee will review and approve allocations of bond proceeds to Eligible Green Assets on an annual basis.

2.5 Reporting

The ČSOB Group has the ambition to regularly provide investors with information on both the allocation of proceeds and the non-financial impact of the Eligible Assets included in its Green Bond portfolio. The report will be made publicly available on CSOB´s website: https://www.csob.cz/csob/emise-cennych-papiru/dluhopisy/zelene-dluhopisy.

2.5.1 Allocation of proceeds reporting

On at least an annual basis or in case a significant change, the ČSOB Group will prepare a report to update investors on the allocation of the net proceeds of the Green Bonds to Eligible Green Assets. This report provides information about:

- The total amount of proceeds allocated to Eligible Green Assets;
- The allocated amounts to Eligible Green Assets per Use of Proceeds category;
- The amount of unallocated proceeds, if any; and
- The amount of financing vs refinancing[8].

[8] Financing is defined as assets originated as of the year of issuance. Refinancing is defined as assets originated before the year of issuance.

2.5.2 Impact reporting

On an annual basis or in case a significant change, the ČSOB Group intends to report on the impact of the Eligible Green Assets by category from a sustainable and environmental perspective. The ČSOB Group aims to report on the impact indicators as mentioned in the column Examples of Metrics in 2.1, the subject to the availability of information and baseline data and based on methodologies that will be publicly available. The ČSOB Group intends to follow the guidelines described in the 'Handbook Harmonized Framework for Impact Reporting' published in June 2023[9].

The CSOB Group may also appoint a technical consultant to assist with the development of the methodology for the estimation and calculation of the environmental impact of Eligible Green Assets.

2.6 External review

2.6.1 Consultant review

Prior to issuance, ČSOB has commissioned Sustainalytics to provide a Second Party Opinion confirming the alignment of this Framework with the ICMA's Green Bond Principles.

The Second Party Opinion will be available on CSOB´s website: https://www.csob.cz/csob/emise-cennych-papiru/dluhopisy/zelene-dluhopisy.

2.6.2 Verification

An external verification by an accredited independent provider[10] will be published alongside the Allocation Report providing assurance to the Green Bond proceeds that have been allocated in accordance with the Use of Proceeds criteria specified in this Framework.

[9] https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf.

[10] https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines_June-2022-280622.pdf.

APPENDIX 1 – EU TAXONOMY

The Framework incorporates the criteria for environmentally sustainable economic activities, included in the EU Taxonomy Climate Delegated Act (June 2021) and intends to further align with these criteria when practically feasible.

Substantial contribution criteria and do not significant harm for the selected categories

Eligible Green Assets in scope always meet the Substantial Contribution criteria of one of the EU Taxonomy objectives – mostly Climate Mitigation.

With respect to the general DNSH criteria regarding Climate Change Adaptation, we refer to the 2023/2024 (internal) sectorial physical and transition risk Analysis, including Real Estate, Energy and Transport, which are relevant for the selected categories in the Framework. The assessment was a cooperation between sector, risk, sustainability and insurance experts, and the results were presented to KBC Group's Internal Sustainability Board. The aim was to assess the materiality of different risk drivers (amongst others the climate-related hazards), and to propose mitigating actions at least for the most material risks. The conclusions of this exercise are used for the selection of Eligible Green Assets to comply with the DNSH criteria on Climate Change Adaptation where practically feasible.

Minimum Social Safeguards

Code of Conduct of the ČSOB Group[11] and the 'KBC Diversity & Inclusion Policy' (see www.kbc.com). Strict national and international laws and regulations are in place in all our core countries to protect human rights. We expect our employees to act in accordance with the regulations and to behave responsibly in everything they do. We also have specific procedures in place to guarantee compliance and to deal with complaints, including the 'Policy for the Protection of Whistleblowers'.

Our suppliers are an important stakeholder in our value chain and so we work closely with them too. Our stringent rules and frameworks for procurement, sale and subcontracting activities with suppliers are summarised in 'The ČSOB Supplier's Code of Conduct[12]' and apply in all our core countries. We have translated our Code of Conduct for Suppliers into an internal procedure in the shape of a step-by-step plan that our procurement department can use. Suppliers we work with are screened against the KBC Blacklist of controversial firms with which KBC does not wish to do business. We also refer to Worldcheck and apply a standard questionnaire (on human rights, labour, environment and anti-corruption) when screening key suppliers. Suppliers that meet our expectations receive a positive evaluation and sign the KBC Sustainability Code of Conduct for Suppliers. If any infringements are detected within the contract period that cannot be put right fundamentally within an appropriate amount of time, we terminate the agreement.

We expect our clients to at least comply with local and international laws and regulations, and our Compliance department ensures that this is the case. Our day-to-day operations are all performed subject to the KBC Group Policy on Blacklisted Companies, the KBC Group Human Rights Policy and the KBC Group Policy on Controversial Regimes. These exclude companies or countries that are involved in, for instance, a serious infringement of human rights or with controversial weapons systems. We also pay considerable attention to privacy and data protection and closely monitor compliance with them.

Energy Efficient Buildings – residential buildings

In the Czech Republic, the Energy Performance Building Directive "EPBD" has been transposed through the Energy Management Act No. 406/2000 Coll, as further amended The Energy Management Act sets the obligation to increase the energy performance of buildings and the obligations related to EPCs and or State Energy Inspection opinion.

For new constructions, compliance with energy performance requirements is the responsibility of the builder. In case the design changes during construction in a way which may potentially impact the energy performance, then compliance with the applicable requirements should be demonstrated again through the EPC. In addition, also the technical, economic and environmental feasibility regarding the local RES Implementing the Energy Performance of Buildings Directive 2020 2 supply system, combined heat and power generation, thermal energy supply systems and heat must be demonstrated.

Any new building must comply with the energy performance requirements of the Energy Management Act, which includes minimum energy efficiency requirements of technical building systems and requirements for the building constructions. These minimum values are defined in Annex 1 of Decree 264/2020 applied to the reference building (for ex. minimum values for primary energy per year, total delivered energy per year and the average U-value, as well as minimum NZEB requirements).

Existing buildings have to meet strict energy performance requirements in case of major or other renovations. In this case, the builder, owner or association of unit owners must fulfil the requirements given by the applicable legislation, Decree No. 264/2020 Coll., which sets the minimum parameters and energy performance indicators. The EPC must demonstrate that the cost-optimal levels are met for the changed building envelope and/or technical building systems, and that the assessment of the alternative energy delivery system as well as recommendations for improving the energy performance have been provided. The EPC must be part of the building permit application.

[11] https://www.csob.sk/documents/11005/416075/Eticky-kodex-2025-EN.pdf.

[12] https://www.csob.cz/documents/10710/927640/procurement-politika-vztahu-s-dodavateli-en.pdf.

Beside the legal requirements there is study of the top 15% of the most energy-efficient buildings in the Czech Republic[13], published in January 2024, which creates a reference material that can be used uniformly and transparently for assessing whether the energy performance of a building complies with the EU taxonomy Substantial Contribution criteria of the activity 7.7. Acquisition of ownership of buildings (Climate Change Mitigation objective).

Other objectives of this study are to identify the barriers of the current legal setting in the field of energy performance of buildings, data availability, etc. in the context of the requirement and binding nature of the EU taxonomy. The analyses were carried out within the banking sector (Czech Banking Association) and the building sector (Czech Green Building Council), their aim was to analyse the available data from the non-public ENEX database owned by the Ministry of Industry and Trade (MIT) containing data from EPCs and to create a study that would define the TOP 15% (and also the TOP 30%) of the most energy efficient buildings for the complete building stock, residential and non-residential buildings in greater detail.

The EU Taxonomy sets out an indicator that arranges a threshold for the top 15% of buildings as primary energy. In the Czech environment, this indicator is primary energy from non-renewable energy sources, stated as a measure of consumption per m2 of energy reference area. This is the main assessment criterion for EPC according to the current Decree No. 264/2020 Coll. on the energy performance of buildings (hereinafter referred to as the Decree) and the value was also reported on EPC according to the previous version of the Decree from 2013.

Based on this study a following final selection of TOP 15% buildings was made

Building type	TOP 15% buildings by primary non-renewable energy (PNE) class in the EPC and an additional specific PNE threshold for the lowest included class
Office building	PNE class A+B no limits & class C w/ max. specific PNE 260 kWh/(m^2.year)
Family house	PNE class A+B no limits & class C w/ max. specific PNE 157 kWh/(m^2.year)
Residential apartment building	PNE class A+B no limits & class C w/ max. specific PNE 102 kWh/(m^2.year)
Building for culture	PNE class A+B no limits & class C w/ max. specific PNE 222 kWh/(m^2.year)
Retail building	PNE class A+B no limits & class C w/ max. specific PNE 545 kWh/(m^2.year)
Building for sport	PNE class A+B no limits & class C w/ max. specific PNE 210 kWh/(m^2.year)
Building for accomm. and catering	PNE class A+B no limits & class C w/ max. specific PNE 375 kWh/(m^2.year)
Building for education	PNE class A+B no limits & class C w/ max. specific PNE 161 kWh/(m^2.year)
Building for health care	PNE class A+B no limits & class C w/ max. specific PNE 173 kWh/(m^2.year)
Building for production and storage	PNE class A+B no limits & class C w/ max. specific PNE 143 kWh/(m^2.year)
Other types	PNE class A+B no limits & class C w/ max. specific PNE 242 kWh/(m^2.year)

Practically all of the above-mentioned means that in case of financing Acquisition and ownership of buildings (7.7 EE Taxonomy activity under the Climate Mitigation objective), we select buildings fitting within the TOP 15% stock as the Eligible Green Asset, subject to other measures.

Renewable Energy – Wind and Solar

Eligible Wind and Solar projects in this category are either located in the Czech Republic or its neighbouring countries, i.e. Austria, Slovakia, Germany, Hungary, Poland and the UK. These assets comply with the Substantial Contribution Criteria (Climate mitigation objective) by default, as all the Eligible Green Wind and Solar Projects are operational. Wind projects have an average economic lifetime of 20 to 25 years, Solar Projects 20–30 years. All Eligible Wind and Solar Projects are also assessed based on the Equator Principles.

The 2023/2024 (internal) sectorial physical and transition risk analysis (cfr supra) indicated that Wind (storm and tornado) and Water (sea level rise and flooding) are potentially the most material risks, but these risks are evaluated lower compared to other infrastructures. The reasoning behind this is that these assets are designed to withstand the elements, taking into account the changing weather patterns.

Regarding the DNSH criteria on Water, Circularity and Biodiversity, we primarily rely on European, national and local legislation that incorporate Environmental Impact Assessment (EIA) requirements in the permitting process. Any material issues mentioned in the EIA, should be translated into prevention/mitigating actions in the permit.

Clean Transportation

Czech Ministry of Industry and Trade (MIT), in cooperation with the Ministry of Transport and the Ministry of the Environment, has prepared an update to the National Action Plan for Clean Mobility (NAP CM). The strategic document, which was approved in August 2024, focuses on the development of infrastructure for alternative fuels, modernisation

[13] https://www.cbaonline.cz/journal_files_storage/top-15-study-buildings-in-the-czech-republic-are-inefficient.

of the road transport fleet and the decarbonisation of transport. The targets and plans it sets are broken down into milestones for 2025, 2030 and 2035.

The aim of the NAP CM update is to support the development of electromobility and thus reduce emissions in transport. Key measures include support for businesses, public transport, vulnerable groups of people and the development of car-sharing services, including e-carsharing. In addition, the strategy supports the development of a comprehensive network of charging and refuelling stations for electric and biomethane vehicles, including the priority construction of infrastructure on the main TEN-T network.

Investments into full electric vehicles and bicycles (regular or electric), fully by default comply with the Substantial Contribution Criteria of EU Taxonomy. With respect to the DNSH criteria CSOB Group does not directly deal with end-of-life waste management. In case the transport vehicle is financed by CSOB leasing in the form of operating lease, usually new vehicle is bought and subsequently sold to the market after ca 4 years (on average in case of EV cars). We note that there are several mitigating procedures in place, both during the lease period (maintenance, total loss) and after the lease period (remarketing, Extended Produced Responsibility).

Regarding the criteria on Pollution prevention and Control and more specifically the rolling noise requirements and Rolling Resistance Coefficient, today it is not possible to trace the tyre type on every car, amongst others because manufacturers have multiple tyre choices per car model, some tyres change in winter vs summer etc.

APPENDIX A – IMPACT INDICATORS

Examples of quantitative impact indicators

For Green Buildings

- Date of construction Overview of sustainable labels and certificates of eligible buildings.
- Estimated annual energy savings in MWh or GWh compared to a baseline.
- Estimated annual GHG emissions avoided/reduced in tons of CO_2e.

For Renewable Energy

- 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).

For Clean Transportation

- Energy savings in MWh or GWh.
- Annual GHG emissions avoided (in tCO_2e).
- Annual GHG emissions reduced (in tCO_2e).
- Number of energy efficiency measures financed by category.
- Number of retail vehicles financed.

Examples of additional possible impact indicators

- Alignment with UN Sustainable Developments Goals, such as: SDG7) Affordable and Clean Energy, SDG13) Climate Action, SGD12) Responsible Consumption and Production, SDG 15) Life on Land.
- Annual water savings, volume of wastewater treated or avoided.
- Mitigation of negative impact (e.g. reduction in local GHG emissions, health impact, biodiversity and noise level).

For all other use of proceeds categories, specific impact indicators will be developed over time once Green Bond proceeds will be allocated to these categories.

DISCLAIMER

This document is intended to provide non-exhaustive, general information and is subject to change without notice. This document may contain or incorporate by reference public information or information based on sources believed to be reliable not separately reviewed, approved or endorsed by the ČSOB Group and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any member of the ČSOB Group as to the fairness, accuracy, reasonableness or completeness of such information. This document may contain statements about future events, procedures, projections, expectations, estimates or prospects that are forward looking statements. None of the forward-looking statements in this document should be taken as promises or commitments nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such forward looking statements have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this document. The ČSOB Group has and undertakes no obligation to update, modify or amend this document, the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any recipient if any information, opinion or forward-looking statement set forth herein changes or subsequently becomes inaccurate. This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. No representation is made as to the suitability of any bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of bonds should determine for itself the relevance of the information contained or referred to in this document or the relevant bond documentation for such bonds regarding the use of proceeds and its purchase of bonds should be based upon such investigation as it deems necessary. The distribution of this document and of the information it contains may be subject of legal or regulatory restrictions in some jurisdictions. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them. The recipient is solely liable for any use of the information contained herein and no member of the ČSOB Group or its directors, officers or employees shall be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document or any information contained herein by the recipient or any other person or entity.

Issued in 05/2025

Československá obchodní banka, a. s., registered office Prague 5, Radlická 333/150, postal code 150 57, business ID no. (IČO): 00001350, registered in the Commercial Register maintained by the Municipal Court in Prague, section B: XXXVI, entry 46.
www.csob.cz

www.csob.cz

ČSOB
jdeme vám naproti