

# Second-Party Opinion

## UNIQA Green Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the UNIQA Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – (i) Renewable Energy, (ii) Pollution Prevention and Control, (iii) Clean Transport, and (iv) Sustainable Water and Wastewater Management – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible projects will lead to positive environmental impact through facilitating renewable energy and sustainable resource management investments in high-income OECD countries while advancing the UN Sustainable Development Goals (SDGs), specifically SDG 6, 7, 9 and 11.



**PROJECT EVALUATION / SELECTION** UNIQA's Green Bond Committee (the "Committee"), which is comprised of the Head of Responsible Investment, Head of Treasury, Head of Corporate Social Responsibility and Portfolio Manager of Private Markets, will be in charge of the project evaluation and selection process. The Committee will review, approve, and monitor the pool of eligible assets in line with the eligibility criteria under the Framework. Sustainalytics views UNIQA's internal process for project evaluation and selection to be aligned with market practice.



**MANAGEMENT OF PROCEEDS** The Investment Office will manage and track the net proceeds using a dedicated Eligible Green Assets register, in which the proceeds of green bonds will be earmarked for allocation. Pending full allocation, unallocated proceeds will be invested in cash or investment grade instruments, in accordance with the UNIQA Responsible Investment policy. This process is aligned with market practice.



**REPORTING** Until full allocation, UNIQA intends to report allocation and impact of proceeds on its website on an annual basis. Allocation reporting will include the total amount of proceeds per category, proportion of proceeds allocated to refinancing and the balance of unallocated proceeds. Regarding impact reporting, UNIQA commits to report on relevant environmental impact metrics. Sustainalytics views UNIQA's allocation and impact reporting as aligned with market practice.

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<b>Evaluation date</b>	June 09, 2020
<b>Issuer Location</b>	Vienna, Austria

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## Introduction

Headquartered in Vienna, UNIQA Insurance Group AG (“UNIQA”, the “Group” or the “Issuer”) is an Austrian insurance company providing life insurance, property and casualty insurance, and health insurance services to 10.5 million customers across 16 countries in Europe.

UNIQA has developed the UNIQA Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that facilitate the transition toward a low-carbon economy through the advancement of renewable energy and resource efficiency practices in high-income OECD countries. The Framework defines eligibility criteria in four areas:

1. Renewable Energy
2. Pollution Prevention and Control
3. Clean Transport
4. Sustainable Water and Wastewater Management

UNIQA engaged Sustainalytics to review the UNIQA Green Bond Framework, dated June 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).<sup>1</sup> This Framework has been published in a separate document.<sup>2</sup>

### Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>3</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018 (administered by ICMA)
- The credibility and anticipated positive impacts of the use of proceeds
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.3.2, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of UNIQA’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. UNIQA representatives have confirmed (1) they understand it is the sole responsibility of UNIQA to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and UNIQA.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> The UNIQA Green Bond Framework is available on UNIQA’s website at: <https://www.uniqagroup.com/gruppe/versicherung/investor-relations/Anleihen.en.html>

<sup>3</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favor or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that UNIQA has made available to Sustainalytics for the purpose of this SPO.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the UNIQA Green Bond Framework

Sustainalytics is of the opinion that the UNIQA Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of UNIQA's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – (i) Renewable Energy, (ii) Pollution Prevention and Control, (iii) Clean Transport, and (iv) Sustainable Water and Wastewater Management – are aligned with those recognized by the GBP 2018. Sustainalytics believes that UNIQA's financing under the Framework will provide positive impacts through facilitating renewable energy and sustainable resource management investments in high-income OECD countries.<sup>4</sup>
  - UNIQA has established a three-year look-back period for its refinancing activities. Furthermore, the Company intends to report on the portion of financing vs. refinancing in its annual report.
  - UNIQA limits its renewable energy investments to solar and wind power projects.
  - As part of the Pollution Prevention and Control category, UNIQA intends to finance Municipal Waste to Energy projects, which includes mechanical-biological treatment, materials recovery, combustion with energy recovery, and anaerobic digestion. Sustainalytics views positively the inclusion of acceptable levels of thermal efficiency<sup>5</sup> as part of the eligibility criteria, and highlights that intended projects promote the removal of recyclables prior to incineration, which Sustainalytics considers to be in line with the objective of moving toward a circular economy.
  - UNIQA confirmed that all intended investments related to clean transportation – rolling stock, rolling stock refurbishment, rail transportation systems and infrastructure – will be exclusively for electric-powered rail transportation.
  - Sustainable Water and Wastewater Management category includes investments in projects, aiming to improve the energy and/or water efficiency of water supply and wastewater treatment infrastructure. Sustainalytics recognizes the positive impact of these systems in advancing the resource efficiency in the water supply systems and encourages UNIQA to provide further disclosure on the nominated projects in its allocation reporting.
- Project Evaluation and Selection:
  - UNIQA will establish a Green Bond Committee (the "Committee"), which is comprised of the Head of Responsible Investment, Head of Treasury, Head of Corporate Social Responsibility and Portfolio Manager of Private Markets, to overview the project evaluation and selection process. The Committee will ensure the proper selection of eligible assets based on the eligibility criteria and approve the allocation accordingly. In case of any existing assets falling out of eligible criteria, the Committee will substitute them with new eligible assets. The Committee will have an annual meeting to review and assess the allocations of proceeds.
  - Sustainalytics considers this process to be in line with market practice.

<sup>4</sup> As of 2020, UNIQA identifies High-Income OECD countries as defined by the World Bank: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

<sup>5</sup> Assessed by reference to gross efficiency benchmarks published in the European Union Best Available Techniques (BAT) Reference Document for Waste Incineration, 2019, at: [https://eippcb.jrc.ec.europa.eu/sites/default/files/2020-01/JRC118637\\_WI\\_Bref\\_2019\\_published\\_0.pdf](https://eippcb.jrc.ec.europa.eu/sites/default/files/2020-01/JRC118637_WI_Bref_2019_published_0.pdf)

- Management of Proceeds:
  - UNIQA’s Investment Office will manage the proceeds using a dedicated Eligible Green Assets register. Pending full allocation, unallocated proceeds will be invested in cash or investment grade instruments, in accordance with the UNIQA Responsible Investment policy.
  - Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - On an annual basis, UNIQA commits to publishing allocation and impact reporting on its corporate website until full allocation. Allocation reporting will disclose information on the total amount of proceeds per category, proportion of proceeds allocated to refinancing and the balance of unallocated proceeds. Where feasible, impact reporting will provide information on impact indicators, including tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e) avoided and water losses avoided (m<sup>3</sup>).
  - Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2018

Sustainalytics has determined that the UNIQA Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Strategy of UNIQA

### Contribution of framework to UNIQA’s sustainability strategy

UNIQA’s value-based business strategy is underpinned by the Company’s fundamental values, such as environment and socio-cultural.<sup>6</sup> To ensure the adequate integration of these values to its business operations, UNIQA has identified a roadmap comprised of four phases: (1) commercial approach, (2) compliance fulfilment, (3) sustainability risk and values management, and (4) sustainability strategy differentiation.<sup>7</sup> Shifting from Phase 2 to 3 in 2020, UNIQA is in the process of implementing a comprehensive sustainability and values management strategy into its operations by incorporating environmental and social considerations into the core value of the Group.<sup>8</sup>

In 2017, in order to identify and prioritize its material sustainability topics, UNIQA conducted a materiality assessment based on a survey result of stakeholders including customers, investors, sales partners, and NGOs, which was further revised in 2018.<sup>8</sup> Following the results, UNIQA has committed to promoting renewable energy, sustainability, environmental protection and human rights as part of its investment decisions. Under its commitments, as of 2020, UNIQA has invested EUR 400 million in green infrastructure investments and green bonds while shifting 2% of the Company’s total investments to environmentally sustainable products.<sup>8</sup>

Given UNIQA’s commitments, proactive approach to promote low-carbon economy and sustainability-driven business model, Sustainalytics is of the opinion that UNIQA is well-positioned to issue green bonds, and the green bonds issued under the Green Bond Framework will further enhance the Group’s key environmental priorities.

### Well positioned to address common environmental and social risks associated with the projects

While eligible projects under the Framework are recognized by the GBP 2018 to have positive environmental impacts, Sustainalytics acknowledges that such projects could contain adverse environmental and social risks. Some key environmental and social risks associated with the eligible projects could include biodiversity and ecological risks related to large scale infrastructure projects, risks related to community relations, workers’ health and safety, and human rights. To mitigate these investment risks, UNIQA has taken the following measures:

UNIQA is a signatory to the *United Nations Global Compact*,<sup>9</sup> indicating UNIQA’s commitment to greater environmental responsibility, supporting human rights and elimination of forced/child labor. As of May 2020,

<sup>6</sup> UNIQA Group, “Compliance”, at: <https://www.uniqagroup.com/gruppe/versicherung/corporate-responsibility/compliance/Compliance.en.html>

<sup>7</sup> UNIQA Group, “Value-based company management”, at: <https://www.uniqagroup.com/gruppe/versicherung/corporate-responsibility/wertorientierte-unternehmensfuehrung/Value-based-company-management.en.html>

<sup>8</sup> UNIQA Group, “Sustainability Report 2019”, (2019), at: [https://www.uniqagroup.com/gruppe/versicherung/corporate-responsibility/UNIQA\\_Nachhaltigkeitsbericht\\_2019\\_E\\_gesamt.pdf](https://www.uniqagroup.com/gruppe/versicherung/corporate-responsibility/UNIQA_Nachhaltigkeitsbericht_2019_E_gesamt.pdf)

<sup>9</sup> UN Global Compact, “United Nations Global Compact”, at: <https://www.unglobalcompact.org/>

UNIQA is in the process of becoming a signatory to the Principles for Responsible Investment<sup>10</sup>. UNIQA has implemented a group-wide risk management process to identify and manage risks, which is outlined in UNIQA's Risk Management Guidelines.<sup>11</sup> To further strengthen the environmental and social considerations in its group-wide risk management processes, in 2019, UNIQA announced a *Statement of Decarbonization*<sup>12</sup> aimed at eliminating carbon-based transactions in its investment decisions. Following the statement, all investments in carbon-based companies have been sold. As of early 2019, UNIQA excludes new investments in coal-based companies and coal construction projects such as mines and power plants. Furthermore, UNIQA aims to support its existing client's transition plans toward a sustainable business model.<sup>12</sup> UNIQA confirmed that the Company has been working systematically towards adopting a dedicated risk and value management based on environmental and social values.

Based on these risk mitigation procedures and assessments, Sustainalytics is of the opinion that UNIQA has implemented sufficient measures and is well-positioned to manage and mitigate potential environmental and social risks associated with the eligible projects.

### Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the context of OECD countries.

#### Importance of increasing the share of solar and wind energy in high-income OECD countries

UNIQA intends to finance renewable energy investments in high-income OECD countries<sup>13</sup> to facilitate clean energy through the utilization of solar and wind sources. In 2018, the total primary energy supply of OECD countries accounted for approximately 40% of worldwide energy supply.<sup>14</sup> Given the rising global energy demand, shifting towards clean energy plays an essential role in combatting climate change while limiting the global average temperature increase to 1.5 degrees Celsius as specified by the IPCC 2018 report.<sup>15</sup>

Throughout 1990-2018, solar PV was considered as the fastest growing renewable source for electricity production with 33.9% annual growth rate followed by wind energy with 20.7% annual growth rate in OECD countries.<sup>16</sup> In the respective timeframe, the amount of solar PV electricity generation has increased from 88.7 GWh to 315.5 TWh, while wind power increased from 3.8 TWh to 745.2 TWh.<sup>16</sup> In 2018, Solar PV and wind energy accounted for 11% and 26% of renewable electricity generation in the regions, respectively.<sup>16</sup> However, total CO<sub>2</sub> emissions from energy generation still increased by 0.5% in 2018 from 2017,<sup>17</sup> indicating the importance of continued wind and solar energy investments in OECD countries.

Based on the above, Sustainalytics believes that investing in renewable energy projects, especially solar and wind, can reduce the carbon footprint of high-income OECD countries' total energy generation by continuing to increase the share of renewable energy.

#### Importance of increasing clean transportation in high-income OECD countries

UNIQA intends to invest in electric rolling stock, rolling stock refurbishment, rail transportation systems and transportation infrastructure in high-income OECD countries. Globally, CO<sub>2</sub> emissions from the transport sector are expected to rise at a rate faster than the other sectors.<sup>18</sup> In 2017, the transport sector in OECD regions accounted for the largest share of total final energy consumption, which is the highest point (1,251 Mtoe) between 1990-2017.<sup>17</sup> Due to rising population growth, economic development and continued

<sup>10</sup> UNPRI, "Principles for Responsible Investment", at: [www.unpri.org](http://www.unpri.org)

<sup>11</sup> UNIQA's Risk Management, at: <https://www.uniqagroup.com/gruppe/versicherung/corporate-responsibility/risikomanagement/Risk-management.en.html>

<sup>12</sup> UNIQA Group, "Statement of Decarbonization", (2019), at:

[https://www.uniqagroup.com/gruppe/versicherung/media/files/UNIQA\\_Statement\\_on\\_Decarbonisation.pdf](https://www.uniqagroup.com/gruppe/versicherung/media/files/UNIQA_Statement_on_Decarbonisation.pdf)

<sup>13</sup> High-Income OECD countries are defined by the World Bank at the time of writing as: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Rep., Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

<sup>14</sup> IEA, "World energy balances overview", (2019), at: [https://iea.blob.core.windows.net/assets/8bd626f1-a403-4b14-964f-f8d0f61e0677/World\\_Energy\\_Balances\\_2019\\_Overview.pdf](https://iea.blob.core.windows.net/assets/8bd626f1-a403-4b14-964f-f8d0f61e0677/World_Energy_Balances_2019_Overview.pdf)

<sup>15</sup> IPCC, "Global Warming of 1.5 °C", (2018), at: <https://www.ipcc.ch/sr15/>

<sup>16</sup> IEA, "Renewables information: overview", (2019), at: [https://iea.blob.core.windows.net/assets/6959bcb0-d298-404c-80e1-2afaa784798e/Renewables\\_Information\\_2019\\_Overview.pdf](https://iea.blob.core.windows.net/assets/6959bcb0-d298-404c-80e1-2afaa784798e/Renewables_Information_2019_Overview.pdf)

<sup>17</sup> IEA, "World energy balances overview", (2019), at: [https://iea.blob.core.windows.net/assets/8bd626f1-a403-4b14-964f-f8d0f61e0677/World\\_Energy\\_Balances\\_2019\\_Overview.pdf](https://iea.blob.core.windows.net/assets/8bd626f1-a403-4b14-964f-f8d0f61e0677/World_Energy_Balances_2019_Overview.pdf)

<sup>18</sup> WRI, "Everything you need to know about the fastest growing source of global emissions: transport", (2019), at: <https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport>

urbanization, demand for urban passenger transport is expected to increase by 60-70% by 2050 compared to 2018.<sup>19</sup> According to the policy brief of the International Transport Forum at the OECD, this growth in urban transport will result in 26% higher CO<sub>2</sub> emissions by 2050.<sup>19</sup>

Sustainalytics views that UNIQA’s financing in clean transportation will contribute to the reduction in GHG emissions of the transport sector in high-income OECD countries and contribute to the transition towards clean transportation.

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Pollution Prevention and Control	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
	11. Sustainable Cities and Communities	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
Clean Transport	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	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
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

### Conclusion

UNIQA has developed the UNIQA Green Bond Framework under which it will issue green bonds to finance eligible projects under the categories of (i) Renewable Energy, (ii) Pollution Prevention and Control, (iii) Clean Transport, and (iv) Sustainable Water and Wastewater Management. Sustainalytics considers that the projects funded by the green bond proceeds will bring positive environmental impacts through facilitating renewable energy and sustainable resource management investments in high-income OECD countries.

The UNIQA Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the UNIQA Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to

<sup>19</sup> ITF-OECD, “How to Make Urban Mobility Clean and Green”, (2018), at: <https://www.itf-oecd.org/sites/default/files/docs/cop24-urban-mobility.pdf>



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the advancement of the UN Sustainable Development Goals 6, 7, 9 and 11. Additionally, Sustainalytics is of the opinion that UNIQA has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that UNIQA is well-positioned to issue green bonds and that the UNIQA Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

## Appendices

### Appendix 1: Green Bond / Green Bond Programme - External Review Form

#### Section 1. Basic Information

Issuer name: UNIQA Insurance Group AG

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: *[specify as appropriate]* UNIQA Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: June 09, 2020

Publication date of review publication:

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.



### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories – (i) Renewable Energy, (ii) Pollution Prevention and Control, (iii) Clean Transport, and (iv) Sustainable Water and Wastewater Management – are aligned with those recognized by the GBP 2018. Sustainalytics believes that UNIQA’s financing under the Framework will provide positive impacts through facilitating renewable energy and sustainable resource management investments in high-income OECD countries.

UNIQA has established a three-year look-back period for its refinancing activities. Furthermore, the Company intends to report on the portion of financing vs. refinancing in its annual report.

UNIQA limits its renewable energy investments to solar and wind power projects.

As part of the Pollution Prevention and Control category, UNIQA intends to finance Municipal Waste to Energy projects, which includes mechanical-biological treatment, materials recovery, combustion with energy recovery, and anaerobic digestion. Sustainalytics views positively the inclusion of acceptable levels of thermal efficiency<sup>20</sup> as part of the eligibility criteria, and highlights that intended projects promote the removal of recyclables prior to incineration, which Sustainalytics considers to be in line with the objectives of moving toward a circular economy.

UNIQA confirmed that all intended investments related to clean transportation – rolling stock, rolling stock refurbishment, rail transportation systems and infrastructure – will be exclusively for electric-powered rail transportation.

Sustainable Water and Wastewater Management category includes investments in projects, aiming to improve the energy and/or water efficiency of water supply and wastewater treatment infrastructure. Sustainalytics recognizes the positive impact of these systems in advancing the resource efficiency in the water supply systems and encourages UNIQA to provide further disclosure on the nominated projects in its allocation reporting.

#### Use of proceeds categories as per GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input type="checkbox"/> Energy efficiency   |
| <input checked="" type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input checked="" type="checkbox"/> Clean transportation   |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> :   |

<sup>20</sup> Assessed by reference to gross efficiency benchmarks published in the European Union Best Available Techniques (BAT) Reference Document for Waste Incineration, 2019, at: [https://eippcb.jrc.ec.europa.eu/sites/default/files/2020-01/JRC118637\\_WI\\_Bref\\_2019\\_published\\_0.pdf](https://eippcb.jrc.ec.europa.eu/sites/default/files/2020-01/JRC118637_WI_Bref_2019_published_0.pdf)

If applicable please specify the environmental taxonomy, if other than GBPs:

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

UNIQA will establish a Green Bond Committee (the "Committee"), which is comprised of Head of Responsible Investment, Head of Treasury, Head of Corporate Social Responsibility and Portfolio Manager of Private Markets, to overview project evaluation and selection process. The Committee will ensure the proper selection of eligible assets based on the eligibility criteria and approve the allocation accordingly. In case of any existing assets falling out of eligible criteria, the Committee will substitute them with new eligible assets. The Committee will have an annual meeting to review and assess the allocations of proceeds. Sustainalytics considers this process to be in line with market practice.

### Evaluation and selection

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available                  | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

## 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

UNIQA's Investment Office will manage the proceeds using a dedicated Eligible Green Assets register. Pending full allocation, unallocated proceeds will be invested in cash or investment grade instruments, in accordance with the UNIQA Responsible Investment policy. Sustainalytics considers this process to be in line with market practice.

### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Additional disclosure:

- |   |   |
|---|---|
| <input type="checkbox"/> Allocations to future investments only                             | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |

#### 4. REPORTING

Overall comment on section (if applicable):

On an annual basis, UNIQA commits to publishing allocation and impact reporting on its corporate website until full allocation. Allocation report will disclose information on the total amount of proceeds per category, proportion of proceeds allocated to refinancing and the balance of unallocated proceeds. Where feasible, impact reporting will provide information on impact indicators, including tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e) avoided and water losses avoided (m<sup>3</sup>). Sustainalytics considers this process to be in line with market practice.

#### Use of proceeds reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

#### Information reported:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts     | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |   |

#### Frequency:

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

#### Impact reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):                 |

#### Frequency:

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Information reported (expected or ex-post):**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings              |
| <input checked="" type="checkbox"/> Decrease in water use   | <input type="checkbox"/> Other ESG indicators (please specify): |

**Means of Disclosure**

- |   |   |
|---|---|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report       |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other (please specify): corporate website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |   |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.uniqagroup.com/gruppe/versicherung/index.en.html>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally

sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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