



Report

**Erste Group Bank AG,
Vienna**

**Independent assurance report on the limited assurance
engagement on the “Erste Group Allocation Reporting
as of December 31, 2025”**



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To the
Management Board of
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Independent Assurance Report on the Limited Assurance Engagement on the “Erste Group Allocation Reporting as of December 31, 2025”

We have performed a limited assurance engagement on the sustainable bond allocation report for the period ended December 31, 2025 (the “Erste Group Allocation Reporting as of December 31, 2025” or the “Allocation Report”) of Erste Group Bank AG (the “Company”), Vienna.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that

- the Allocation Report has not been drawn up, in all material respects, in line with the Erste Group Sustainable Finance Framework, version dated December 2024 (“the Framework”),
- the loan portfolio allocated to the sustainable bonds does not meet the eligibility criteria defined in the Framework as measured in accordance with the methodology described in the Allocation Report,
- the information provided with respect to the loan portfolio allocated to the sustainable bonds does not agree, in all material respects, to underlying records.

Emphasis of Matter – Applicable Framework

As outlined on page 4 of the Allocation Report, the Framework was updated in December 2024 introducing in particular additional eligibility criteria in the asset class categories *Green Buildings (Residential and Non-Residential)* and *Renewable Energy* in comparison to its predecessor version from April 2021. Only the updated Framework is applied to all subject sustainable bonds, irrespective of whether these were issued before or after the update of the Framework. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Non-Alignment with EU Taxonomy

As outlined in paragraph “Application of EU Taxonomy-related eligibility criteria” on page 11 of the Allocation Report, the eligibility criteria defined in the Framework are not equivalent to the technical screening criteria and minimum safeguards set out in EU Regulation 2020/852 (the “EU Taxonomy”). Therefore, loans allocated to sustainable bonds may not be EU Taxonomy-aligned. Our conclusion is not modified in respect of this matter.

Other Matters – Disclaimer of Liability Towards Third Parties

The contractual relationship underlying our work is exclusively between us and Erste Group Bank AG, Vienna. This report is addressed to the Management Board and is intended solely to inform the Management Board of the result of the engagement. The report may therefore not be suitable for any other purpose than the purpose named above and is not intended to serve as basis for any (investment) decisions by third parties. No legal claims of third parties can be derived from it, and any liability towards third parties other than Erste Group Bank AG, Vienna, is excluded. To the extent that such an exclusion of liability is not permitted by law, the limitations of liability agreed upon with Erste Group Bank AG, Vienna, set out in section 7 of the attached AAB 2018, also apply to third parties. Third parties cannot assert any claims that exceed any possible claim of the Company.

Management’s Responsibility

Erste Group Bank AG’s management is responsible for preparing the Allocation Report in accordance with the criteria described in the Framework.

Erste Group Bank AG's management is also responsible for determining the appropriateness of the measurement and reporting criteria selected under the Framework in view of the intended users of the Allocation Report and for ensuring that those criteria are publicly available to the report users. This responsibility includes adequate documentation as well as design, implementation and maintenance of internal control relevant to the preparation of the Allocation Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion based on the procedures performed and the evidence obtained as to whether any matters have come to our attention that cause us to believe that the Allocation Report does not comply, in all material aspects, with the Framework. In detail, this comprises:

Subject matter	Applicable criteria according to the Framework
Content and overall presentation of the Allocation Report	Framework
Allocation of loan portfolio to proceeds	Eligibility criteria: Framework Measurement of eligibility criteria: methodology described in the Allocation Report / Drees&Sommer / CEVRE Consultants s.r.o.
Indicators describing the allocated loan portfolio (size, number, geographical distribution, total allocated and unallocated proceeds, share of new financing)	Framework, underlying accounting records and other documentation

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements, including rules on independence, and that we plan and perform the engagement to obtain limited assurance within the limits of materiality.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures that were performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The selection of the procedures lies in the sole discretion of the auditor.

The procedures we performed were based on our professional judgement and include inquiries, observation of processes, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we

- inquired with Erste Group Bank AG's staff involved in the preparation of the Allocation Report to obtain an understanding of the process for selecting loans to be allocated to the sustainable bonds, including the methodology applied to measure eligibility criteria, how reporting of the allocated portfolio is derived from underlying records and the presentation in the report;
- inspected the Framework as well as principles and guidelines referred to in the Framework and comparing identified practices of management of proceeds and reporting to those principles and guidelines;
- inspected the documentation provided by management's external experts regarding the methodology for measuring and determining eligibility criteria, evaluating the management's experts' competence, capabilities and objectivity and, at a very high level, evaluated the management's experts' approach and conclusions;
- reperformed, on a sample basis, the application of the eligibility criteria provided by management's experts to the allocated loans by corroborating documentation with underlying evidence;
- traced indicators describing the allocated loan portfolio to the information recorded in the underlying lending systems and checked mathematical accuracy.

Ensuring the Auditor's Independence and Quality

We are independent of the Company in accordance with Austrian Generally Accepted Auditing Principles and professional requirements, and we have fulfilled our other ethical responsibilities, in particular the requirements for quality assurance, in accordance with these requirements.

General Conditions of Contract

Our report is issued based on the engagement agreed upon with you and is governed by the General Conditions of Contract for the Public Accounting Professions (AAB 2018) enclosed to this report, which also apply towards third parties.

Vienna

May 13, 2026

PwC Wirtschaftsprüfung GmbH

Dorotea-E. Rebmann
Austrian Certified Public Accountant



Allocation Reporting

As of 31 December 2025

#believeinsustainability #believeinyourself

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Introduction and Key Figures

In our allocation report for the year 2025, we are presenting the aggregated as well as the individual figures for all sustainable finance instruments issued and their respective allocation by Erste Group Bank AG or entities directly or indirectly controlled by Erste Group Bank AG (together "Erste Group"), in line with the Group's Sustainable Finance Framework (SFF):



In the reporting year 2025, the volume of sustainable finance instruments issued increased by €1,699m and amounts to €6,749m as of 31 December 2025 (€5,050m at 31 December 2024). €6,807m have been allocated to green finance (€5,170 mn at 31 December 2024).



EUR €6,749m of sustainable bonds issued



EUR €6,807m of proceeds allocated to sustainable green finance

Erste Group's Sustainable Finance Framework

Prosperity, equal opportunities, fairness and social wellbeing are at the heart of Erste Group's values and business objectives.

Erste Group's Sustainable Finance Framework is designed as an umbrella framework that allows Erste Group and its subsidiaries to issue sustainable finance instruments to finance new and/or refinance existing loans to its clients for projects with environmental and/or social benefits.

Erste Group's current Sustainable Finance Framework ("Sustainable Finance Framework 2024") adheres to the International Capital Market Association (ICMA) Green Bond Principles ("GBP") 2021 (with June 2022 Appendix I); International Capital Market Association (ICMA) Social Bond Principles ("SBP") 2023; International Capital Market Association (ICMA) Sustainability Bond Guidelines ("SBG") 2021.

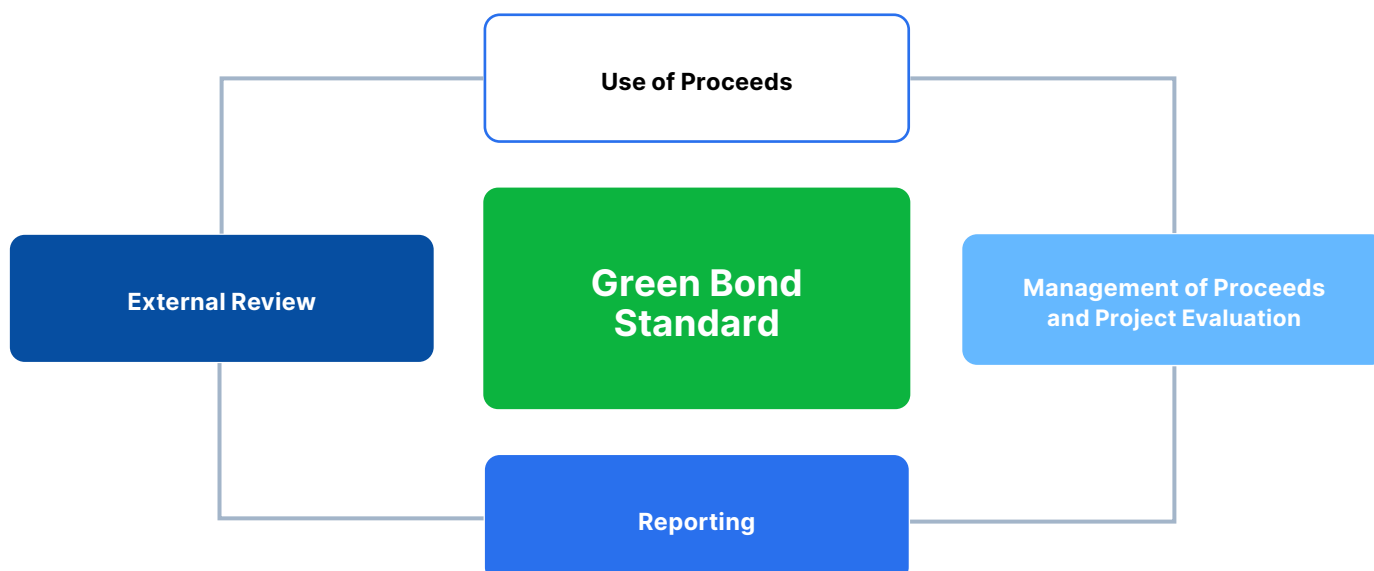
The GBP, SBP and SBG are voluntary guidelines that promote transparency, disclosure and integrity in the development of green and social bond markets. In alignment with these, Erste Group's Sustainable Finance Framework is based on the following key pillars:

In 2024, the Erste Sustainable Finance Framework was updated. ISS was appointed for the second party opinion, which can be found on the Erste Group website. All issuances under the Erste Group's Sustainable Finance Framework, both before and after 2024, must be compliant with the 2024 Framework.

The 2024 Sustainable Finance Framework differs from the 2021 Framework mainly in the following points:

- ICMA standard references as found the second paragraph of the current segment updated
- Existing green buildings class adapted to provide further detail; now also includes green buildings label A as well as refinancings (compared to previously: financing only)
- Renewables segment expanded to include
 - Cogeneration of heat/cool and power from geothermal energy
 - Bioenergy
 - Electric heat pumps
 - Transmission and distribution of electricity
- Clean transportation added as an eligible asset class

The full document can be found in the Annex, section IV Erste Group Sustainable Finance Framework.



Bonds Issued

Issuance Year	Banca Comercială Română S.A.	Česká spořitelna, a.s.	Erste Group Bank AG	Erste Mortgage Bank (Hungary)	Erste & Steiermärkische Bank d.d.	Slovenská sporiteľ'na, a.s.	Sparkasse Oberösterreich AG	Total
2021	98,100,769	500,000,000	500,000,000			154,000,000		1,252,100,769
2022	137,733,480		45,500,000			548,510,638	92,417,900	824,162,018
2023	717,021,277	500,000,000	750,000,000	77,865,715		331,000,000	99,372,900	2,475,259,891
2024					400,000,000	87,000,000	21,303,800	508,303,800
2025			1,500,000,000	27,937,167		82,000,000	79,232,900	1,689,170,067
Total	952,855,526	1,000,000,000	2,795,500,000	105,802,882	400,000,000	1,202,510,638	292,327,500	6,748,996,546

Until 31 December 2025, Green and Sustainability Bonds have been issued across Erste Group's entities amounting to €6,748,996,546 (at 31 December 2025 F/X rates¹) (€5,049,711,734 in 2024).

In May 2021, Erste Group issued its first Sustainability Bond as a benchmark bond of €500,000,000 in line with Erste Group's strategy to be an active issuer of sustainable finance instruments, which opened the door for several issuances of sustainable bonds under the Sustainable Finance Framework.

This report provides an overview of the allocation of proceeds from these bonds issued across various Erste Group's entities under Erste Group's Sustainable Finance Framework, covering the following bonds.

¹ Euro foreign exchange reference rates (europa.eu)

Issuing Bank	ISIN	Type of Bond	Currency	Notional in Local Currency	Amount in EUR	Issuance Date	Maturity Date
Erste Group Bank AG	AT0000A2RAA0	Sustainability	EUR	500,000,000	500,000,000	17/05/21	17/05/28
	AT0000A303B8	Sustainability	EUR	45,500,000	45,500,000	03/10/22	03/10/27
	AT0000A3KDR1	Green	EUR	750,000,000	750,000,000	26/03/25	26/06/31
	AT0000A3HGD0	Green	EUR	750,000,000	750,000,000	14/01/25	14/01/33
	AT0000A32562	Green	EUR	750,000,000	750,000,000	16/01/23	16/01/31
Česká spořitelna, a. s.	AT0000A2STV4	Sustainability	EUR	500,000,000	500,000,000	06/09/21	13/09/28
	XS2676413235	Sustainability	EUR	500,000,000	500,000,000	30/08/23	08/03/28
Banca Comercială Română S.A.	ROMU2ND4VHC6	Green	RON	500,000,000	98,100,769	14/10/21	14/10/28
	ROPC9F84ZSG4	Green	RON	702,000,000	137,733,480	14/06/22	14/06/27
	AT0000A32YQ4	Green	USD	20,000,000	17,021,277	07/03/23	15/12/29
	AT0000A34CN3	Green	EUR	700,000,000	700,000,000	19/05/23	19/05/27
Slovenská sporiteľ'na, a.s.	SK4000019337	Green	EUR	154,000,000	154,000,000	16/06/21	16/06/28
	SK4000021242	Green	USD	57,000,000	48,510,638	13/07/22	13/12/29
	SK4000021820	Green	EUR	500,000,000	500,000,000	05/10/22	05/04/28
	AT0000A377W8	Green	EUR	331,000,000	331,000,000	04/10/23	04/10/28
	SK4000025250	Green	EUR	10,000,000	10,000,000	10/05/24	10/05/27
	SK4000027264	Green	EUR	22,000,000	22,000,000	29/04/25	29/04/32
	SK4000025367	Green	EUR	62,000,000	62,000,000	29/05/24	29/05/29
	SK4000027470	Green	EUR	60,000,000	60,000,000	13/06/25	13/06/29
	SK4000025458	Green	EUR	15,000,000	15,000,000	10/06/24	10/06/27

Issuing Bank	ISIN	Type of Bond	Currency	Notional in Local Currency	Amount in EUR	Issuance Date	Maturity Date
Sparkasse Oberösterreich AG	AT000B101456	Sustainability	EUR	15,300,000	15,300,000	27/01/22	27/01/34
	QOXDBA049125	Sustainability	EUR	5,000,000	5,000,000	04/02/22	04/02/37
	AT000B101464	Sustainability	EUR	20,200,000	20,200,000	09/03/22	09/03/32
	AT000B101514	Sustainability	EUR	46,917,900	46,917,900	25/10/22	25/10/27
	QOXDBA049315	Sustainability	EUR	5,000,000	5,000,000	27/04/22	27/04/37
	AT000B101522	Sustainability	EUR	71,813,000	71,813,000	14/04/23	14/04/27
	QOXDBA050495	Sustainability	EUR	5,000,000	5,000,000	14/04/23	14/04/38
	AT000B101555	Sustainability	EUR	22,559,900	22,559,900	18/09/23	18/09/28
	AT000B101696	Sustainability	EUR	37,074,400	37,074,400	27/01/25	27/01/32
	AT000B101670	Sustainability	EUR	21,303,800	21,303,800	23/07/24	23/07/30
	AT000B101712	Sustainability	EUR	42,158,500	42,158,500	29/04/25	29/04/30
Erste & Steiermärkische Bank d.d.	AT0000A39UM6	Sustainability	EUR	400,000,000	400,000,000	31/01/24	31/01/29
Erste Mortgage Bank (Hungary)	HU0000653589	Green	HUF	29,989,980,000	77,865,715	22/02/23	30/04/30
	HU0000653886	Green	HUF	10,760,000,000	27,937,167	22/10/25	28/10/32
					6,748,996,546		

Since the reference cut-off date is the year-end (31 December), additional bonds may, at the point of publication of this report, have already been issued but not been included in this report.

The report covers Sustainability and Green Bonds issued under the Sustainable Finance Framework and the strict rules that are adhered to for these issuances:



BOND PRINCIPLES

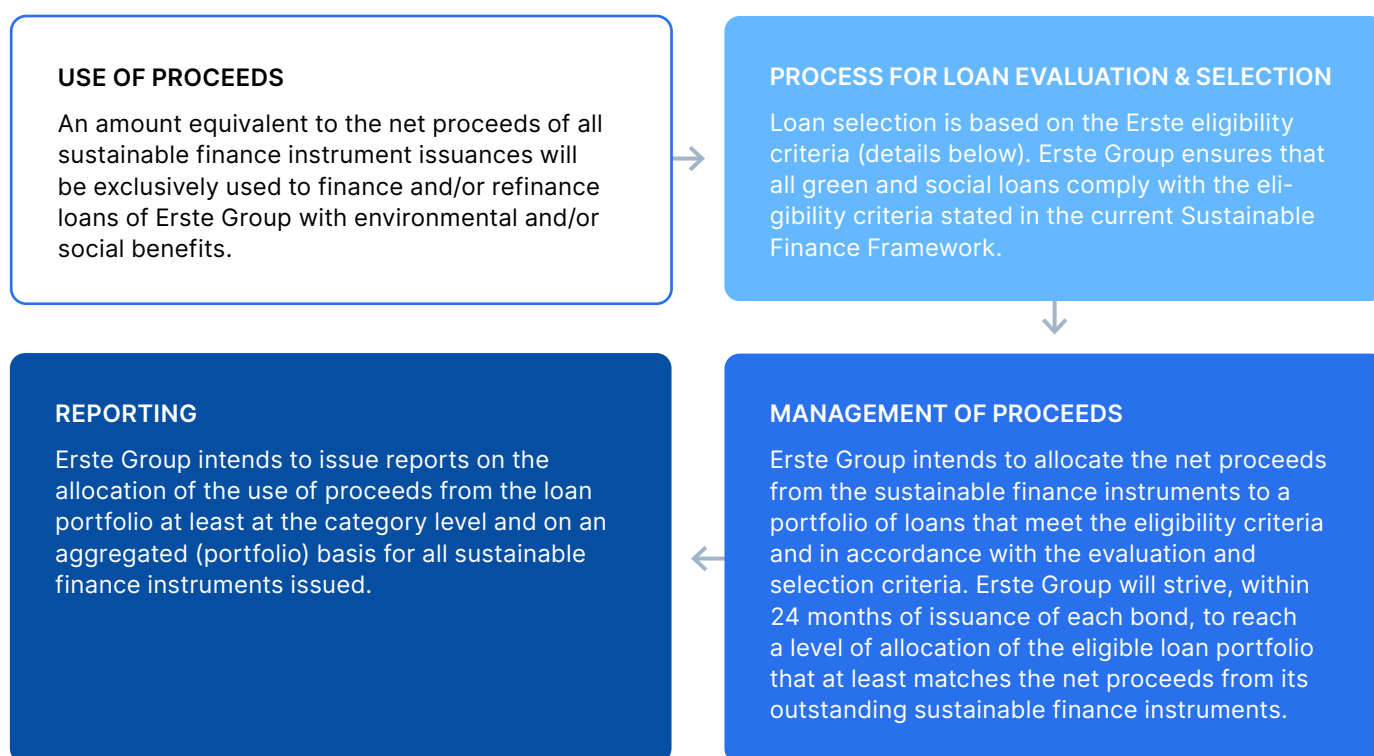
- Erste Group adheres to regular reporting as provided for under the ICMA Green Bond Principles and Sustainable Bond Principles.
- Erste Group's entities act under a common framework (Sustainable Finance Framework) within which issuance is allowed. The management of proceeds and reporting on impacts is predefined within a common ruleset.
- The net proceeds from the sustainable finance instruments issued under the Sustainable Finance Framework are managed by Erste Group in a portfolio approach.
- Erste Group commissioned ISS ESG to assist with its Sustainable Finance Framework by assessing three core elements to determine the sustainability quality of the framework. The results of this can be found here: [Sustainable_Finance | Erste Group Bank AG.](#)



Allocation and Allocation Reporting

As defined in the Sustainable Finance Framework, Erste Group entities will strive, within 24 months of issuance of each bond, to reach a level of allocation of the eligible loan portfolio that at least matches the net proceeds from its outstanding sustainable finance instruments.

The process of proceeds management and reporting



The allocation process is based on selecting projects which are in line with Erste Group's SFF. For Erste Group's issuances in 2025, €6,466m (2024 €4,848m) have been allocated to loans for the construction, acquisition or major renovation of buildings that comply with the Sustainable Finance Framework's eligibility criteria (see below). Besides Green Buildings, renewable energy projects account for some of the bonds' Use of Proceeds amounting to €341m (€322m in 2024).

Minimum Allocation Criteria

The Group Sustainable Finance Framework sets eligibility criteria for eligible projects. Thus, the criteria stated in the SFF form a minimum requirement for allocation. Detailed descriptions of eligible green categories, as defined in the SFF, and their respective eligibility criteria can be found in the following table:

Green Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective
Green Buildings (Residential)	Loans and/or investments to finance or refinance new or existing residential buildings	- Buildings that are within the top 15% low-carbon performing in the respective country, or at least have a Class A Energy Performance Certificate (EPC) - Buildings that have undergone major renovations which comply with the applicable requirements or refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before renovation (when using EPC labels, at least three label steps increase in energy performance certificate compared to original built quality) - New buildings or refurbishments for which the energy performance of the building resulting from the construction is 10% below the threshold set for the nearly zero-energy building (NZEB) requirements in national measures	  	Environmental Objective (1): Climate Change Mitigation
Green Buildings (Non-residential)	Loans and/or investments to finance or refinance new or existing non-residential buildings	- Buildings that are within the top 15% low-carbon performing in the respective country, or at least have a Class A Energy Performance Certificate (EPC) - Buildings that have undergone major renovations which comply with the applicable requirements or refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before the renovation - Where applicable, minimum certification of BREEAM "Very Good", LEED "Gold" or any other equivalent certification - New buildings or refurbishment for which the energy performance of the building resulting from the construction meets the threshold set for the nearly zero-energy building (NZEB) requirements in national measures	  	Environmental Objective (1): Climate Change Mitigation
Renewable Energy & Energy Efficiency	Loans and/or investments to finance or refinance generation and transmission of energy from renewable sources and manufacturing of the related equipment	- Onshore and offshore wind energy - Solar (photovoltaic) - Electricity generation from hydropower - Geothermal energy with life cycle assessment emissions $\leq 100\text{g CO}_2\text{e/kWh}$ - Cogeneration of heat/cool and power from geothermal energy - Bioenergy - Electric heat pumps - Transmission and distribution of electricity	 	Environmental Objective (1): Climate Change Mitigation

Green Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective
Clean Transportation	Loans for electric/hybrid vehicles and loans or investments of public transportation and infrastructure contributing to low carbon transport	– Passenger cars: – Zero direct emission vehicles (incl. hydrogen, fuel cell, electric) – Vehicles with direct emission intensity of max. 50 g CO₂/km (WLTP) (until 2025 only) – Passenger interurban rail transport: a) the trains and passenger coaches have zero direct (tailpipe) CO₂ emissions b) the trains and passenger coaches have zero direct (tailpipe) CO₂ emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). – Freight transport: a) vehicles of category N1 have zero direct (tailpipe) CO₂ emissions; b) vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7.5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242; c) vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7.5 tonnes are one of the following: i. 'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242; ii. where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation. d) the trains and wagons have zero direct tailpipe CO₂ emissions; e) the trains and wagons have zero direct tailpipe CO₂ emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). – Infrastructure enabling low-carbon road transport and public transport		

Application of EU Taxonomy-related eligibility criteria

Eligibility criteria are aligned to the extent practicable with the Substantial Contribution ("SC") criteria of EU Regulation 2020/852 (the "**EU Taxonomy**") and more specifically with those of the first EU environmental goal ("**Climate Change Mitigation**") as defined in Art. 10 of the EU Taxonomy (EU) 2020/852.

In contrast to the EU Taxonomy, assessment of appropriate economic activity, and the other SC criteria of specific economic activity, Do No Significant Harm criteria ("**DNSH**") and Minimum Safeguards ("**MS**") are not part of the interpretation for allocation purposes.

Further, the top 15% low-carbon performing buildings in the respective country ("**Top15% approach**") are not aligned and interpreted in terms of the EU Taxonomy but estimated based on

- available studies and data of the respective national building stock
- local building standards or distribution of EPC labels.

According to the SFF, social projects are eligible too. A description of eligible projects and the necessary prerequisites are outlined in the following table.

Social Category	Definition	Eligibility Criteria	UN SDG
Access to Subsidized Housing ("Gemeinnütziger Wohnbau") / Affordable Housing	Loans and/or investments to finance or refinance existing or new projects of subsidized housing, including projects meeting the relevant statutory definitions	- Financing of "gemeinnützige Bauvereinigungen" (GBV) and following the statutory definitions of the Wohnungsgemeinnützigkeitsgesetz (WGG), (e.g. cap on rental expenses for tenants, income caps, cost coverage principle with limitation on profits) - Construction of new affordable housing and improving of existing affordable housing via own subsidiaries all over Austria, which are subject to the WGG rules; - Rental Microcredits (Zweite Sparkasse)	  
Financial and Social Inclusion	Loans and/or investments to finance or refinance start-ups, microfinance businesses or subjects of social economy	- Financing must be part of the following activities programs: - Financing of social micro-enterprises and SMEs - Microcredit program: financing of microenterprises and unemployed who start businesses – cooperation with Ministry of Social Affairs; - Agriculture start-up loans in rural areas - Financing of social infrastructure projects like kindergartens, cultural centers, house for orphans, or workshops for job integration of people with disabilities or sports facilities	  
Access to Essential Services	Loans to finance or refinance projects related to essential services	- Operation of public healthcare and facilities: - Public hospitals - Elderly care facilities with a health focus - Other healthcare facilities (e.g. dental clinics and primary healthcare centres) - Construction of public healthcare facilities: - Public hospitals - Elderly care facilities with a health focus - Other healthcare facilities (e.g. dental clinics and primary healthcare centres) - Construction of primary and secondary schools (public) and related infrastructure - Operation of primary and secondary schools (public) and related infrastructure - Learning materials, furniture and other equipment	   

Loan selection is based on the eligibility criteria defined in the tables above. It is part of Erste Group's transaction approval process to ensure that all its activities comply with internal environmental and social directives, regulations and laws.

Geographical Distribution of the Loan Portfolio

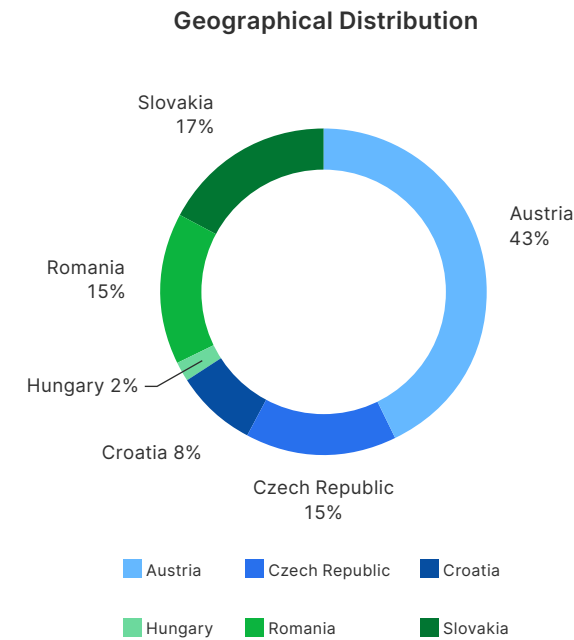


Figure 1 Geographical distribution of loan portfolios allocated to sustainable finance instruments amount in EUR

The geographical distribution is split based on the location of the property or the renewable energy plant and calculated as a percentage of the outstanding net financing amount attributed to the respective property/ plant compared to the total allocation. Currently 43% (30% in 2024) of green finance properties and plants are located in Austria, 15% in Romania (21% in 2024), 15% in the Czech Republic (19% in 2024), 17% in Slovakia (21% in 2024), 2% in Hungary (1% in 2024) and 8% in Croatia (8% in 2024).

Proportion of Proceeds Allocated

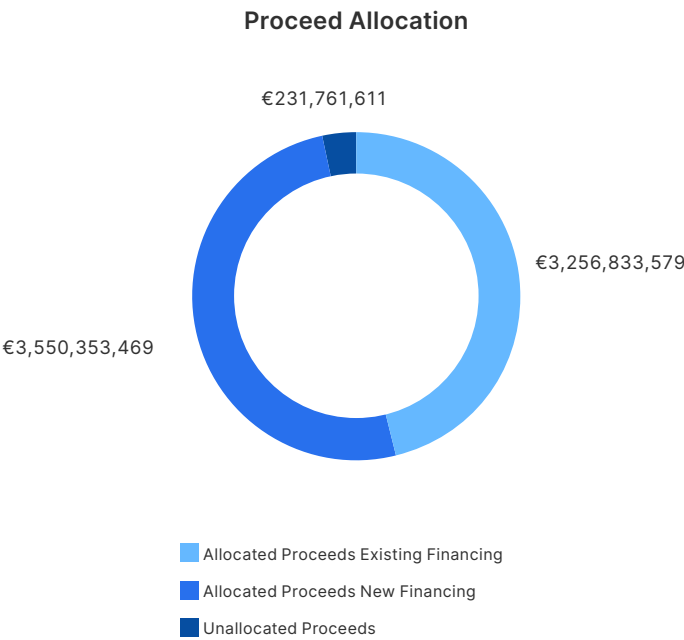


Figure 2 Proceed allocation distribution

Around €3.3bn of the sustainable bonds' proceeds were allocated to projects existing at issuance and €3,550m (€1,937m in 2024) of proceeds were allocated after the issuance date of the bonds; this latter figure represents the amount of new financing. On an aggregated level, currently 3% (1% in 2024) of all bond proceeds have not yet been allocated.

Allocation Report

Erste Group Bank AG Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	6,567	€2,876,805,977
CZ	3,355	€930,182,937
HU	2,332	€115,199,148
HR	2,800	€511,801,160
RO	8,421	€842,409,006
SK	12,916	€1,189,708,606
Total	36,391	€6,466,106,835

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	3	€49,637,640
CZ	41	€70,358,278
HR	18	€46,958,650
RO	4	€172,063,745
SK	6	€2,061,900
Total	72	€341,080,214

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A2RAA0	17/05/21	17/05/28	€500,000,000
AT0000A303B8	03/10/22	03/10/27	€45,500,000
AT0000A3KDR1	26/03/25	26/06/31	€750,000,000
AT0000A3HGD0	14/01/25	14/01/33	€750,000,000
AT0000A32562	16/01/23	16/01/31	€750,000,000
AT0000A2STV4	06/09/21	13/09/28	€500,000,000
XS2676413235	30/08/23	08/03/28	€500,000,000
ROMU2ND4VHC6	14/10/21	14/10/28	€98,100,769
ROPC9F84ZSG4	14/06/22	14/06/27	€137,733,480
AT0000A32YQ4	07/03/23	15/12/29	€17,021,277
AT0000A34CN3	19/05/23	19/05/27	€700,000,000
SK4000019337	16/06/21	16/06/28	€154,000,000
SK4000021242	13/07/22	13/12/29	€48,510,638
SK4000021820	05/10/22	05/04/28	€500,000,000
AT0000A377W8	04/10/23	04/10/28	€331,000,000
SK4000025250	10/05/24	10/05/27	€10,000,000
SK4000027264	29/04/25	29/04/32	€22,000,000
SK4000025367	29/05/24	29/05/29	€62,000,000
SK4000027470	13/06/25	13/06/29	€60,000,000
SK4000025458	10/06/24	10/06/27	€15,000,000

ISIN Code	Issue Date	Maturity Date	Amount
AT000B101456	27/01/22	27/01/34	€15,300,000
QOXDBA049125	04/02/22	04/02/37	€5,000,000
AT000B101464	09/03/22	09/03/32	€20,200,000
AT000B101514	25/10/22	25/10/27	€46,917,900
QOXDBA049315	27/04/22	27/04/37	€5,000,000
AT000B101522	14/04/23	14/04/27	€71,813,000
QOXDBA050495	14/04/23	14/04/38	€5,000,000
AT000B101555	18/09/23	18/09/28	€22,559,900
AT000B101696	27/01/25	27/01/32	€37,074,400
AT000B101670	23/07/24	23/07/30	€21,303,800
AT000B101712	29/04/25	29/04/30	€42,158,500
AT0000A39UM6	31/01/24	31/01/29	€400,000,000
HU0000653589	22/02/23	30/04/30	€77,865,715
HU0000653886	22/10/25	28/10/32	€27,937,167
Total			€6,748,996,546

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€6,807,187,049	100%	€231,761,611	3%	€3,550,353,469	52%

Allocation of proceeds is managed at issuer level. Because of the aggregated depiction of group data, an overall full allocation on group level may be achieved while at the individual level unallocated proceeds may exist. More details can be found in the section containing the individual country reports.

ANNEX

I Figures

Figure 1 Geographical distribution of loan portfolios allocated to sustainable finance instruments amount in EUR	13
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II Individual Country Reports and Links

Sparkasse Oberösterreich:

Sparkasse Oberösterreich Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	1653	€351,965,096
Total	1653	€351,965,096

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT000B101456	27/01/22	27/01/34	€15,300,000
AT000B101464	09/03/22	09/03/32	€20,200,000
AT000B101514	25/10/22	25/10/27	€46,917,900
AT000B101522	14/04/23	14/04/27	€71,813,000
AT000B101555	18/09/23	18/09/28	€22,559,900
AT000B101670	23/07/24	23/07/30	€21,303,800
AT000B101696	27/01/25	27/01/32	€37,074,400
AT000B101712	29/04/25	29/04/30	€42,158,500
QOXDBA049125	04/02/22	04/02/37	€5,000,000
QOXDBA049315	27/04/22	27/04/37	€5,000,000
QOXDBA050495	14/04/23	14/04/38	€5,000,000
Total			€292,327,500

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€351,965,096	100%	€0,00	0%	€93,819,656	27%

Banca Comercială Română S.A.:

Banca Comercială Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
RO	8,421	€842,409,006
Total	8,421	€842,409,006

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
RO	4	€172,063,745
Total	4	€172,063,745

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A34CN3	19/05/23	19/05/27	€700,000,000
ROPC9F84ZSG4	14/06/22	14/06/27	€137,733,480
ROMU2ND4VHC6	14/10/21	14/10/28	€98,100,769
AT0000A32YQ4	07/03/23	15/12/29	€17,021,277
Total			€952,855,526

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€1,014,472,752	100%	€0,00	0%	€608,816,006	60%

Česká spořitelna a.s.:

Česká spořitelna Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
CZ	3,355	€930,182,937
Total	3,355	€930,182,937

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
CZ	41	€70,358,278
Total	41	€70,358,278

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A2STV4	06/09/21	13/09/28	€500,000,000
XS2676413235	30/08/23	08/03/28	€500,000,000
Total			€1,000,000,000

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€1,000,541,216	100%	€0,00	0%	€495,210,933	49%

Erste Jelzalogbank Zrt.:

Erste Jelzalogbank Zrt. Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
HU	2332	€115,199,148
Total	2332	€115,199,148

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
HU00000653589	22/02/23	30/04/30	€77,865,715
HU00000653886	22/10/25	28/10/32	€27,937,167
Total			€105,802,882

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€115,199,148	100%	€0,00	0%	€9,253,616	8%

Erste Group Bank AG (AT stand alone):

Erste Group Bank AG Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	4914	€2,524,840,881
Total	4914	€2,524,840,881

thereof subsidised housing €1,282,400,617

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
AT	3	€49,637,640
Total	3	€49,637,640

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A2RAA0	17/05/21	17/05/28	€500,000,000
AT0000A303B8	03/10/22	03/10/27	€45,500,000
AT0000A32562	16/01/23	16/01/31	€750,000,000
AT0000A3HGD0	14/01/25	14/01/33	€750,000,000
AT0000A3KDR1	26/03/25	26/06/31	€750,000,000
Total			€2,795,500,000

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€2,574,478,521	92%	€221,021,479	8%	€1,706,381,720	66%

Erste & Steiermärkische Bank d.d. Zagreb:

Erste & Steiermärkische Bank d.d. Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
HR	2800	€511,801,160
Total	2800	€511,801,160

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
HR	18	€46,958,650
Total	18	€46,958,650

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A39UM6	31/01/24	31/01/29	€400,000,000
Total			€400,000,000

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€558,759,810	100%	€0,00	0%	€274,409,585	49%

Slovenská sporiteľ'na, a.s.:

Slovenská sporiteľ'na, a.s. Sustainable Bond Allocation Report

Green Buildings – Eligible Loan Portfolio

Geographical Distribution	Number of Loans	Size of Loan Portfolio
SK	12,916	€1,189,708,606
Total	12,916	€1,189,708,606

Renewable Energy – Projects

Geographical Distribution	Number of Loans	Size of Loan Portfolio
SK	6	€2,061,900
Total	6	€2,061,900

Green Funding

ISIN Code	Issue Date	Maturity Date	Amount
AT0000A377W8	04/10/23	04/10/28	€331,000,000
SK4000019337	16/06/21	16/06/28	€154,000,000
SK4000021242	13/07/22	13/12/29	€48,510,638
SK4000021820	05/10/22	05/04/28	€500,000,000
SK4000025250	10/05/24	10/05/27	€10,000,000
SK4000025367	29/05/24	29/05/29	€62,000,000
SK4000025458	10/06/24	10/06/27	€15,000,000
SK4000027264	29/04/25	29/04/32	€22,000,000
SK4000027470	13/06/25	13/06/29	€60,000,000
Total			€1,202,510,638

Allocated Proceeds	Percentage of Allocated Proceeds	Unallocated Proceeds	Percentage of Unallocated Proceeds	Amount of New Financing	Percentage of New Financing
€1,191,770,506	99%	€10,740,132	1%	€362,461,953	30%

SLSP manages the proceeds from green bonds as follows:

- in case of **green covered** bonds a full allocation of eligible residential loans is provided at the issue date; and
- in case of **green senior preferred** bonds a minimum of 20% of the proceeds should be allocated to new loans

The ISIN **AT0000A377W8** (amount of €331m) has a call date one year prior to its maturity date at **4 October 2027**

III Links

Issuing Bank	Link to local ESG/investor relations homepage
Erste Group Bank AG	Sustainability/ESG - the principles of Erste Group Erste Group Bank AG
Česká spořitelna a.s.	Sustainability Česká spořitelna Česká spořitelna (csas.cz)
Banca Comercială Română S.A.	Investors (bcr.ro) ESG (bcr.ro)
Slovenská sporiteľňa, a.s.	Financial indicators of Slovenská sporiteľňa (slsp.sk)
Sparkasse Oberösterreich	Engagiert für eine lebenswerte Zukunft Sparkasse Oberösterreich
Erste Jelzalogbank Zrt.	Zöld jelzáloglevél program (erstebank.hu)
Erste & Steiermärkische Bank d.d. Zagreb	Sustainability (erstebank.hr)



Erste Group Sustainable Finance Framework 2024

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1 About Erste Group

Erste Group Bank AG and all entities directly or indirectly controlled by Erste Group Bank AG ("**Erste Group**") currently employ around 46,200 staff, who work with 16.6 million clients in seven countries of Central and Eastern Europe (Austria, Croatia, Czech Republic, Hungary, Serbia, Romania, Slovakia). Erste Group provides its clients with safe, trusted, and top-quality services. Apart from retail operations, Erste Group provides corporate financing and consulting services related to investment, access to international capital markets, public sector financing and interbank market operations.

Erste Group is built on traditional roots of banking with a corporate history dating back to 1819. The first Erste oesterreichische SparCasse opened its doors in the midst of a post-war economic crisis, but had a clear and revolutionary mission codified in its founding letter: "[Its] purpose is to provide [...] factory workers, peasants, or other industrious and economical minors or persons of full legal age with the means of gradually building up a small amount of capital out of their hard-won earnings, so they can spend it later in life for retirement, dowries, assistance in sickness, old age, or to achieve any praiseworthy objective". The inclusion-driven strategy and the belief that everyone can prosper is a critical and valid mission statement of Erste Group also today.

Sustainability at Erste Group

Prosperity, equal opportunities, fairness and social wellbeing is at the heart of Erste Group's core values and business objectives. It is also very clear that the accelerating level of environmental degradation and the urgency of climate change are threatening the most vulnerable parts of our societies in particular.

As a reflection of the leading role it plays in the social wellbeing of the CEE region, Erste Group is committed to contributing to the United Nations Sustainable Development Goals ("**SDGs**") as well as committed to meeting the targets set by the Paris COP21 of limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. In line with these global targets, Erste Group in 2020 approved an overarching set of internal Environmental-Social-Governance ("**ESG**") business objectives, laid down a strategic roadmap of priorities covering sustainable finance, comprehensive ESG risk management, raising employee awareness and enhanced transparency in the case of ESG disclosure standards.

Erste Group strives to be a leader in green transition by mobilising resources for climate action, investment in the preservation of clean water and the transition to a circular economy. As member of the Net-Zero Banking Alliance, Erste Group firmly believes that decarbonisation is possible and necessary. Erste Group is convinced that the development of a forward-looking strategy leading towards net zero will not only produce important insights into the future development of the market and visibility of emerging risks but will also create opportunities.

Erste Group is working to establish sustainable finance in the CEE region, to mobilize funds for a transition towards a low carbon economy, to enhance risk management and financing standards and to increase the credibility of sustainable investments in the region. Erste Group in all its countries takes responsibility to finance socially and economically important infrastructure, public administration, or projects for the common good. Across its regions, Erste Group applies a social banking concept to support the most vulnerable parts of society (individuals, NGOs but also start-ups) and fosters financial literacy. Erste Group refrains from financing projects that have harmful consequences on ethical, social and environmental wellbeing.

To be successful Erste Group will focus on communication to inform employees, clients, shareholders and other stakeholders about the targets and guiding principles of its environmental strategy.

Supporting the transition

Erste Group believes that successfully managing the transition to a more sustainable world requires close collaboration with many other organisations in order to achieve this together.

Apart from joining the Net-Zero Banking Alliance in 2021, Erste Group also supports other key organizations either as a member or by following their principles or recommendations:

- UN Global Compact
- UN Environmental Programme – Finance Initiative, including Principles for Responsible Finance
- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI)
- Green Consumption Pledge

Erste Group is included in the following ratings/ indexes:

- Erste Group has been part of the Euronext Vigeo Index Eurozone 120 since June 2018.
- Included in the Vienna Stock Exchange's sustainability index since its launch in 2008.
- Erste Group has been part of the FTSE4Good Index Series since 2016.
- In October 2022, Erste Group received prime status in the ISS ESG ratings.
- At the beginning of 2019 imug Investment Research raised the rating for Erste Group from neutral to positive, and public sector covered bonds (Öffentliche Pfandbriefe) are now rated as very positive.
- In 2019, Erste Group received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.
- Since February 2021, Sustainalytics has assessed Erste Group to be at low risk of experiencing material financial impacts from ESG factors.
- In 2022 Erste Group participated in the Carbon Disclosure Project (CDP) Rating for the first time and achieved a good rating of 'B'.
- VÖNIX B+
- Erste Group won two Sustainable Finance Awards in 2022: the Sustainable Finance Country Award - Austria and Outstanding Leadership in Sustainable Infrastructure Finance - Regional Award Central & Eastern Europe.

2 Erste Group Sustainable Finance Framework



Erste Group's Sustainable Finance Framework is designed as an umbrella framework that will allow Erste Group to issue sustainable finance instruments to finance new and/or refinance existing loans to its clients and projects with environmental and/or social benefits.

"Sustainable Finance Instruments" will include bearer and registered bonds, promissory notes, deposits and other debt or financing instruments, which might be issued publicly or as private placements and fund eligible green and/or social projects that conform to the sustainable finance principles.

- **"Green Bonds"** means Sustainable Finance Instruments that finance and/or refinance Eligible Green Loans (as defined in the 3.1 Use of Proceeds section)
- **"Social Bonds"** means Sustainable Finance Instruments that finance and/or refinance Eligible Social Loans (as defined in the 3.2 Use of Proceeds section)
- **"Sustainability Bonds"** means Sustainable Finance Instruments that finance and/or refinance a mix of Eligible Green Loans (as defined in the 3.1 Use of Proceeds section) and Eligible Social Loans (as defined in the 3.2 Use of Proceeds section)

Erste Group's Sustainable Finance Framework is in line with:

- International Capital Market Association (ICMA) Green Bond Principles ("**GBP**") 2021¹ (with June 2022 Appendix I)
- International Capital Market Association (ICMA) Social Bond Principles ("**SBP**") 2023²
- International Capital Market Association (ICMA) Sustainability Bond Guidelines ("**SBG**") 2021³

The GBP, SBP and SBG are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green and social instruments market.

In alignment with these, Erste Group's Sustainable Finance Framework is based on the following key pillars:

- a. Use of Proceeds
- b. Process for Project Evaluation and Selection
- c. Management of Proceeds
- d. Reporting
- e. External Review

For each Sustainable Finance Instrument issued, (i) Use of Proceeds (ii) Project Evaluation and Selection (iii) Management of Proceeds, (iv) Reporting, and (v) External Review will be adopted subject to and in accordance with this Sustainable Finance Framework as amended from time to time. In the case of deposits, Erste Group will put additional measures into place that provide for at least monthly monitoring of volumes and their allocated assets. Erste Group enables this practice by flagging the corresponding assets and by implementing dedicated product types for this purpose.

¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

³ <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

3 Use of Proceeds

An amount equivalent to the net proceeds from Sustainable Finance Instrument issuances (the **"Net Proceeds"**) will be exclusively used to finance and/or refinance the following loan instruments of Erste Group with environmental and/or social benefits:

Eligible Green Loans (**"Green Loans"**): loans and investments dedicated to the financing of Eligible Green Projects as defined in Section 3.1 with a positive environmental impact.

Eligible Social Loans (**"Social Loans"**): loans and investments dedicated to the financing of Eligible Social Projects as defined in Section 3.2 with a positive social impact.

Eligible Loan Portfolio (**"Loan Portfolio"**): is comprised of all Green Loans and Social Loans.

3.1 Eligible Green Projects

Green Category	Definition	Eligibility Criteria	UN SDG	EU Environmental Objective	EU Taxonomy Economic Activities
Green Buildings (Residential)	Loans and/or investments to finance or refinance new or existing residential buildings	- Buildings that are within the top 15% low-carbon performing in the respective country or at least have a Class A Energy Performance Certificate (EPC)¹ - Buildings that have undergone major renovations which comply with the applicable requirements or refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before renovation (When using EPC labels, at least three label steps increase in energy performance certificate compared to original built quality) - New buildings or refurbishments for which the energy performance of the building resulting from the construction is 10% below the threshold set for the nearly zero-energy building (NZEB) requirements in national measures²	7 9 11	Environmental Objective (1): Climate Change Mitigation	7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings
Green Buildings (Non-residential)	Loans and/or investments to finance or refinance new or existing non-residential buildings	- Buildings that are within the top 15% low-carbon performing in the respective country or at least have a Class A Energy Performance Certificate (EPC) - Buildings that have undergone major renovations which comply with the applicable requirements or refurbishments resulting in an increase in energy efficiency of at least 30% against a baseline performance of the building before the renovation - Where applicable, minimum certification of BREEAM "Very Good", LEED "Gold" or any other equivalent certification - New buildings or refurbishment for which the energy performance of the building resulting from the construction meets the threshold set for the nearly zero-energy building (NZEB) requirements in national measures	7 9 11	Environmental Objective (1): Climate Change Mitigation	7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings
Renewable Energy & Energy Efficiency	Loans and/or investments to finance or refinance generation and transmission of energy from renewable sources and manufacturing of the related equipment ⁵	- Onshore and offshore wind energy - Solar (photovoltaic) - Electricity generation from hydropower - Geothermal energy with life cycle assessment emissions ≤ 100g CO₂e/kWh - Cogeneration of heat/cool and power from geothermal energy - Bioenergy - Electric heat pumps - Transmission and distribution of electricity	7 9	Environmental Objective (1): Climate Change Mitigation	4.1 Electricity generation using solar photovoltaic technology 4.3 Electricity generation from wind power 4.5 Electricity generation from hydropower 4.6 Electricity generation from geothermal energy 4.8 Electricity generation from bioenergy 4.9 Transmission and distribution of electricity 4.16 Installation and operation of electric heat pumps 4.18 Cogeneration of heat/cool and power from geothermal energy
Clean Transportation	Loans for electric/hybrid vehicles and loans or investments for public transportation and infrastructure contributing to low carbon transport	Passenger cars: - Zero direct emission vehicles (incl. hydrogen, fuel cell, electric) - Vehicles with direct emission intensity of max. 50 g CO₂/km (WLTP) (until 2025 only) Passenger interurban rail transport: a) the trains and passenger coaches have zero direct (tailpipe) CO₂ emissions b) the trains and passenger coaches have zero direct (tailpipe) CO₂ emissions when operated on a track with the necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). Freight transport: a) vehicles of category N1 have zero direct (tailpipe) CO₂ emissions b) vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7.5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242 c) vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7.5 tonnes are one of the following: 'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242 - where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation. d) the trains and wagons have zero direct tailpipe CO₂ emissions e) the trains and wagons have zero direct tailpipe CO₂ emissions when operated on a track with the necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). Infrastructure enabling low-carbon road transport and public transport		6.1 Passenger interurban rail transport 6.2 Freight rail transport 6.5 Transport by motorbikes, passenger cars and light commercial vehicles 6.6 Freight transport services by road 6.15 Infrastructure enabling low-carbon road transport and public transport	

1 For buildings built before 31 December 2020, the building has at least a Class A Energy Performance Certificate (EPC). As an alternative, the building is within the top 15% of the national or regional building stock demonstrated by adequate evidence (e.g. applicable building regulations enforced by law) , which allows a comparison of 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.

2 Within its Sustainable Finance Reporting, Erste Group intends to report on the % of new buildings complying with the EU Taxonomy NZEB criteria, where applicable (for assets located in countries where NZEB definitions (or equivalent) have been incorporated into their building regulations).

Green Loans are aligned as much as possible with the EU Regulation 2020/852 (the **"EU Taxonomy"**) and more specifically with the first EU environmental goal (**"Climate Change Mitigation"**) as defined in Art. 10 of the EU Taxonomy. With regard to Do No Significant Harm

criteria (**"DNSH"**) and Minimum Safeguards (**"MS"**), Erste Group will try to fulfill them on a best effort basis (see Section 4. Process for Loan Evaluation and Selection).

3.2 Eligible Social Projects

Social Category	Definition	Eligibility Criteria	UN SDG
Access to Subsidized Housing ("Gemeinnütziger Wohnbau") Affordable Housing	Loans and/or investments to finance or refinance existing or new projects of subsidized housing, including projects meeting the relevant statutory definitions ³	- Financing of "gemeinnützige Bauvereinigungen" (GBV) and following the statutory definitions of the Wohnungsgemeinnützigkeitsgesetz (WGG), (e.g. cap on rental expenses for tenants, income caps, cost coverage principle with limitation on profits) - Construction of new affordable housing and improving of existing affordable housing via own subsidiaries all over Austria, which are subject to the WGG rules - Rental Microcredits (Zweite Sparkasse)	
Financial and Social Inclusion	Loans and/or investments to finance or refinance start-ups, microfinance businesses or subjects of social economy	- Financing must be part of the following activities / programs: - Financing of social micro-enterprises and SMEs - Microcredit program: financing of microenterprises and unemployed who start businesses – cooperation with Ministry of Social Affairs - Agriculture start-up loans in rural areas - Financing of social infrastructure projects like kindergartens, cultural centers, house for orphans or workshops for job integration of people with disabilities or sports facilities	
Access to Essential Services	Loans to finance or refinance projects related to essential services ⁴	- Operation of public healthcare and facilities: - Public hospitals - Elderly care facilities with a health focus - Other Healthcare facilities (e.g. dental clinics and primary healthcare centers) - Construction of public healthcare and facilities: - Public hospitals - Elderly care facilities with a health focus - Other Healthcare facilities (e.g. dental clinics and primary healthcare centers). - Construction of primary and secondary schools (public) and related infrastructure - Operation of primary and secondary schools (public) and related infrastructure - Learning materials⁵, furniture and other equipment	

Regarding the Social Categories listed above, Erste Group especially focuses on the following target groups:

- People living below the poverty line,
- Undereducated,
- Unemployed and/or workers affected by climate transition,
- Aging populations and vulnerable youth,
- Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity.

Erste Group may, at any time, extend the list of Green and/or Social Loans to other type of assets which provide verifiable sustainability benefits. In this case, Erste Group commits to update the current Sustainable Finance Framework and to extend the set of criteria to appropriately reflect the new asset class.

For clarification purposes, the Use of Proceeds from Sustainable Finance Instruments must be in alignment with the limitations and restrictions outlined and defined in Erste Group’s Responsible Financing Policy⁶.

³ As defined by the Austrian federal law of 8 March 1979 on non-profit housing (Wohnungsgemeinnützigkeitsgesetz – WGG), as amended, updated.
⁴ Excluding businesses such as, but not limited to alcohol, tobacco, coal mining, weapons, pornography, gambling, activities involving forced or child labour, business with a record of engaging in illegal practices.
⁵ Covers essential materials and expenditures of students enrolled in an education program (e.g. tuition fees, living costs, etc.).
⁶ <https://www.erstegroup.com/erstegroup-responsible-financing-policy.pdf>

4 Process for Loan Evaluation and Selection



A dedicated Sustainable Finance Committee (the "SFC") has been established to create and manage this Sustainable Finance Framework. Erste Group's SFC is chaired by Erste Group's Group Sustainability Office, which is supported by senior risk and business unit managers with voting rights. The SFC will manage any future updates to the Sustainability Finance Framework, including amendments to the list of eligible categories, oversee its implementation and meet at least once a year. The Sustainable Finance Framework will be evaluated according to the principles and guidelines outlined in section 2. Erste Group Sustainable Finance Framework.

In identifying Green and Social Loans and their nonfinancial impacts Erste Group may rely on external consultants and their data sources.

The loans selection is based on the eligibility criteria defined in the section above (see the section entitled 3. Use of Proceeds). Erste Group ensures that all Green and Social Loans comply with official national and international environmental and social laws and regulations and any standards on a best effort basis.

It is part of Erste Group's transaction approval process to ensure that all its activities comply with internal environmental and social directives. Erste Group has defined minimum environmental and social requirements for all its lending business, including that financed with the proceeds from Sustainable Finance Instruments. These eligibility criteria, minimum requirements and ESG-related matters are continuously developed and renewed in Erste Group's external and internal policy frameworks. Erste Group's environmental and social policies can be found on: <https://www.erstegroup.com/en/about-us/sustainability>.

ESG risk factors are an integral part of Erste Group's financing standards. The standards are industry sector differentiated, related to the size, complexity and impact of the project, and applied at client onboarding or at the financing transaction stage. Reflecting the increasing importance of ESG risks, Erste Group is further enhancing its approach with the implementation of a conceptually much broader, balanced ESG scorecard-based screening and a subsequent deep-dive ESG risk assessment on the relevant large customer segments. Erste Group refrains from ethically, social and environmentally harmful transactions. Our risk perspective and exclusion rules are outlined in the publicly available "Responsible Finance Policy" which can be found on: <https://www.erstegroup.com/erstegroup-responsible-financing-policy.pdf>. Erste Group is committed to regularly recalibrating these financing rules, reflecting on the rising urgency of climate action, the evolving new standards of the European Commission and ongoing public behavioural change.

5 Management of Proceeds



The Net Proceeds from Sustainable Finance Instruments issued under this Sustainable Finance Framework will be managed by Erste Group in a portfolio approach. Erste Group intends to allocate the proceeds from the Sustainable Finance Instruments to a portfolio of loans that meet the Use of Proceeds Eligibility Criteria and in accordance with the evaluation and selection process presented above.

Erste Group entities will strive, within 24 months after issuance, to reach a level of allocation of the Loan Portfolio that at least matches the Net Proceeds from its outstanding Sustainable Finance Instruments.

Additional Green and/or Social Loans will be added to the Loan Portfolio to the extent required. The Net Proceeds are tracked on an entity and account level.

Pending the allocation of the Net Proceeds from any Sustainable Finance Instrument to the Loan Portfolio, all or a portion of the Net Proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

6 Reporting

Erste Group will conduct and keep readily available reporting on the allocation of Net Proceeds to the Loan Portfolio on a nominal equivalence basis one year from the issuance of the respective Sustainable Finance Instruments, to be renewed annually until full allocation.

Erste Group intends to issue reports on the allocation of proceeds to the Loan Portfolio at least at the category level and on an aggregated (portfolio) basis for all Sustainable Finance Instruments issued by Erste Group.

Erste Group intends to align, on a best effort basis, the impact reporting with the portfolio approach described in "Handbook - Harmonized Framework for Impact Reporting (June 2024)" and "Working Towards a Harmonized Framework for Impact Reporting for Social Bonds (June 2023)"

In any case, Erste Group will not double count the financing of any Green or Social Loans.

Allocation Reporting

The allocation report will provide, on an aggregated basis, indicators such as:

- the size of the Loan Portfolio
- the total amount of proceeds allocated to the Loan Portfolio (consisting of Green and Social Loans)
- the balance (if any) of unallocated proceeds
- the amount or the percentage of new financing and refinancing
- the geographical distribution of the assets (at country level)
- the total volume of Sustainable Finance Instruments outstanding.

Impact Reporting

Where feasible, Erste Group intends to report on the environmental and social impacts of the projects funded with the Sustainable Finance Instruments' proceeds or refer to existing sustainability reporting of Erste Group. A list of potential indicators is presented below.

GBP/SBP Category	Potential impact indicators
Green Buildings (Non-residential)	– Estimated ex-ante annual energy consumption in KWh – Estimated annual avoided carbon emissions (in tCO₂ eq) – Overview of sustainable labels and certificates of eligible buildings
Green Buildings (Residential)	– Estimated ex-ante annual energy consumption in KWh – Estimated annual avoided carbon emissions (in tCO₂ eq)
Renewable Energy	– Installed renewable energy capacity (GW or MW) – Estimated annual avoided carbon emissions (in tCO₂ eq)
Clean Transportation	– Annual passenger-kilometres or annual tonne-kilometres of transportation – Number of annual tonnes or passengers
Access to Subsidized Housing ("Gemeinnütziger Wohnbau") Affordable Housing	– Number of units built – Number of beneficiaries (if possible)
Financial and Social Inclusion	– Number of projects/facilities financed – Volume allocated to projects – Number of beneficiaries
Access to Essential Services	– Number of projects/facilities financed – Volume allocated to projects – Number of beneficiaries

7 External review

Second party opinion

Erste Group's Sustainable Finance Framework has been reviewed by ISS ESG, which has issued a Second Party Opinion. ISS ESG evaluated Erste Group's Sustainable Finance Framework and its alignment with relevant industry standards and has provided views on the robustness and credibility of the Sustainable Finance Framework.

The Second Party Opinion as well as the Sustainable Finance Framework are available to investors and other stakeholders on Erste Group's website.

Verification

Erste Group may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the Sustainable Finance Instruments proceeds to the Loan Portfolio, provided by its external auditor or a reputable verifier.



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General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Provided by the Board of the Chamber of Tax Advisers and Auditors

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.