



Green Covered Bonds Framework



Agenda

ESG Strategy

- mBank Group's Strategy for 2020-2023
- Sustainability standards and key policies
- mBank Group strategy for residential green mortgages refinancing

Green Covered Bonds Framework

- Eligible Assets
- Investment Criteria

Asset

- Green Bonds Principles
- Assets Eligibility Criteria



mBank Group's Strategy for 2020-2023

Corporate Social Responsibility and Sustainable Development Strategy of mBank

Top aim

Be among top three leaders of social responsibility in the banking sector

Direction guidelines

Sustainable Development Goals (SDGs) set by the United Nations

For the first time, the CSR strategy has become an integral part of the document.

mBank educates

- We support the development of mathematical education and equalize educational opportunities for young people.

national competitions and grant programmes



- We teach how to use online and mobile banking safely. We make customers more sensitive to cybercrime threats in the banking area.

social (educational) campaigns



mBank cares about the climate and the environment

- We limit our indirect impact.

credit policy regarding industries relevant in the context of EU climate policy

mBank in the ESG Index (GPW)



- We limit our direct impact.

*measurement and reduction of our carbon footprint
reduction of energy consumption
saving water, paper and office supplies*



mBank promotes prosperity

- We support organisations that work for social welfare.

cooperation with WOŚP



- We are accessible to clients with disabilities (inclusive banking).

We act ethically.

- *Code of Conduct 2.0*

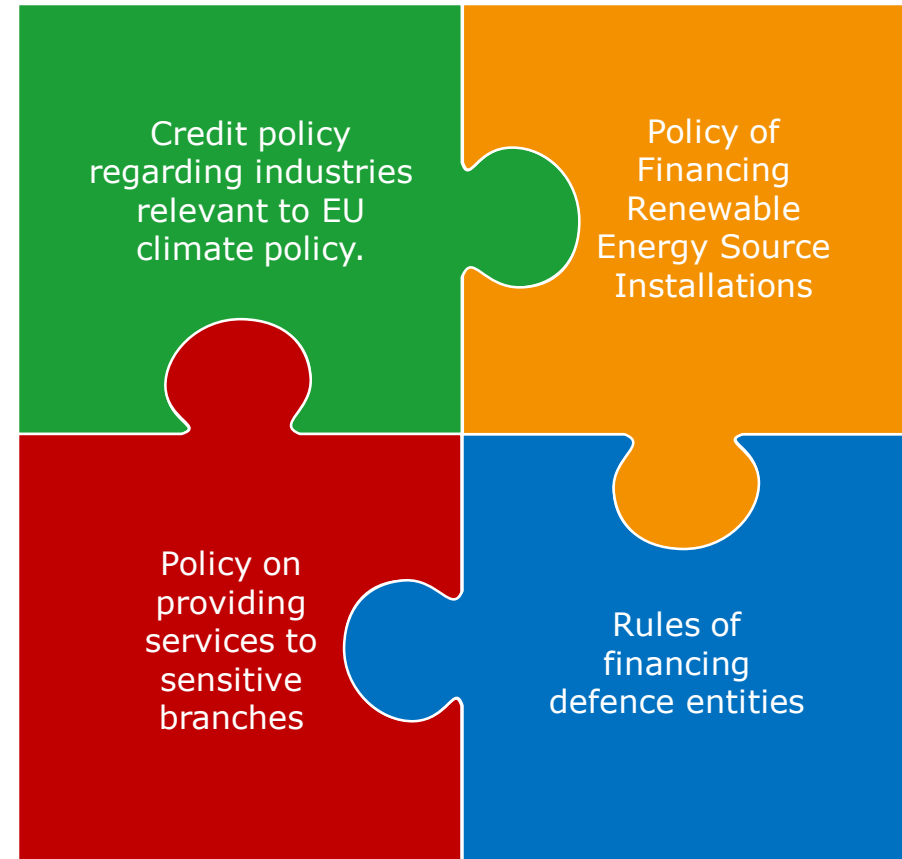
We communicate with our customers in a fair, clear and transparent way.

We ensure diversity and equal opportunities.

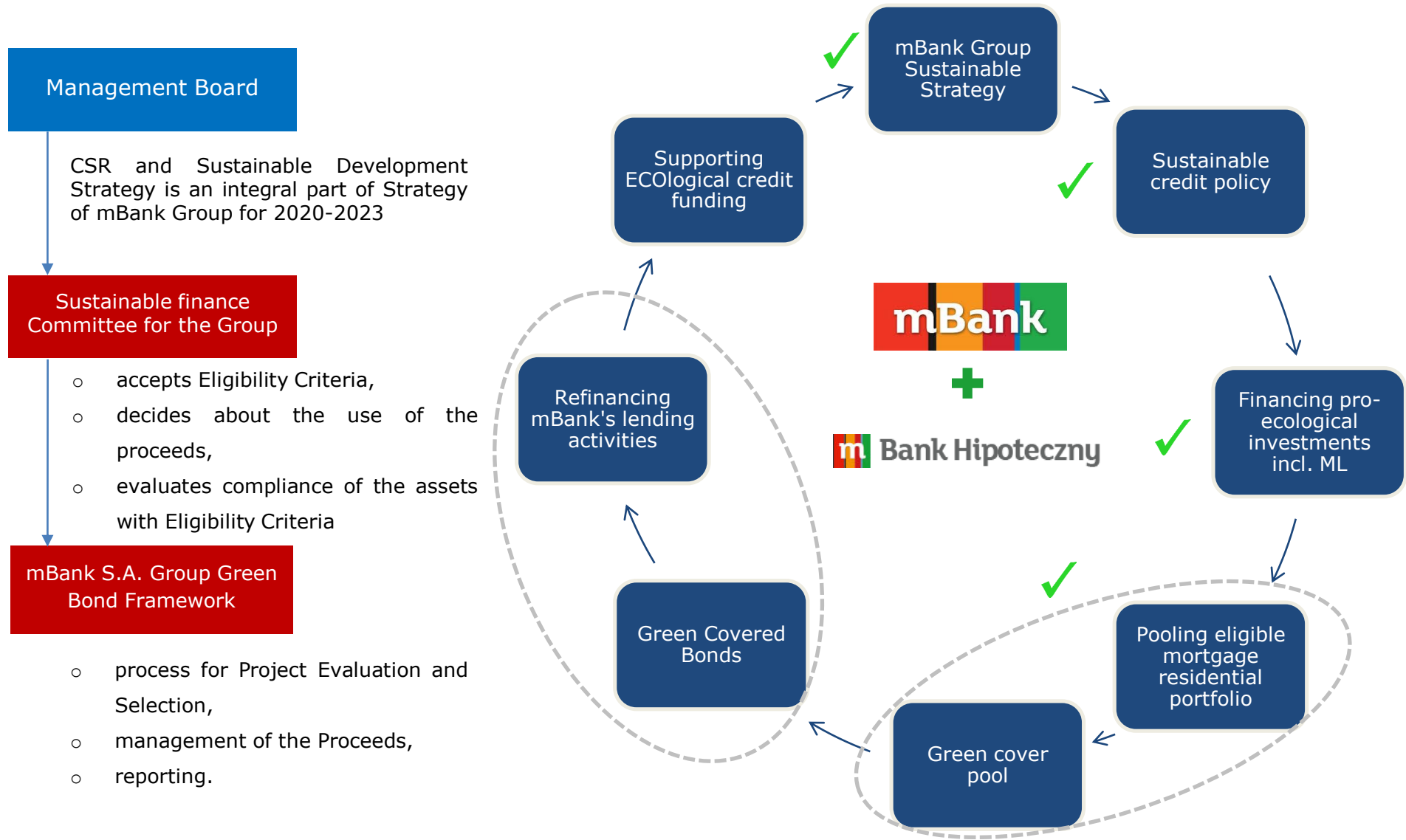


mBank Group - sustainability standards and key policies

- ✓ Group policies, rules and regulations stem from the desire to operate according to the highest sustainability standards in its relations with all stakeholders.
- ✓ mBank Group as a responsible creditor understands social and environmental impact related to the activity of the financing entities.
- ✓ By investment in Green Projects mBank supports Polish SMEs and contributes to climate quality.
- ✓ Green projects are evaluated according to the EIB's list of eligible sectors and eligibility criteria for climate action.

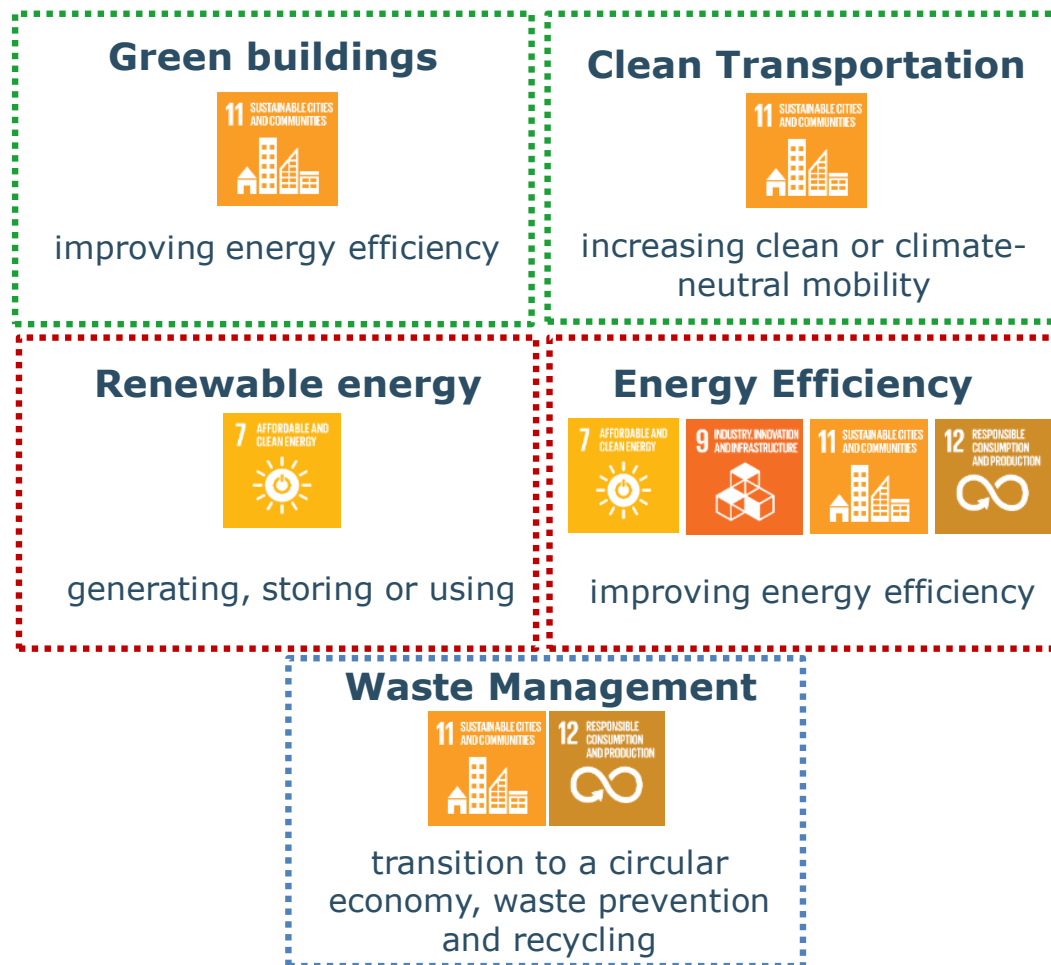


mBank Group strategy for residential green mortgages refinancing

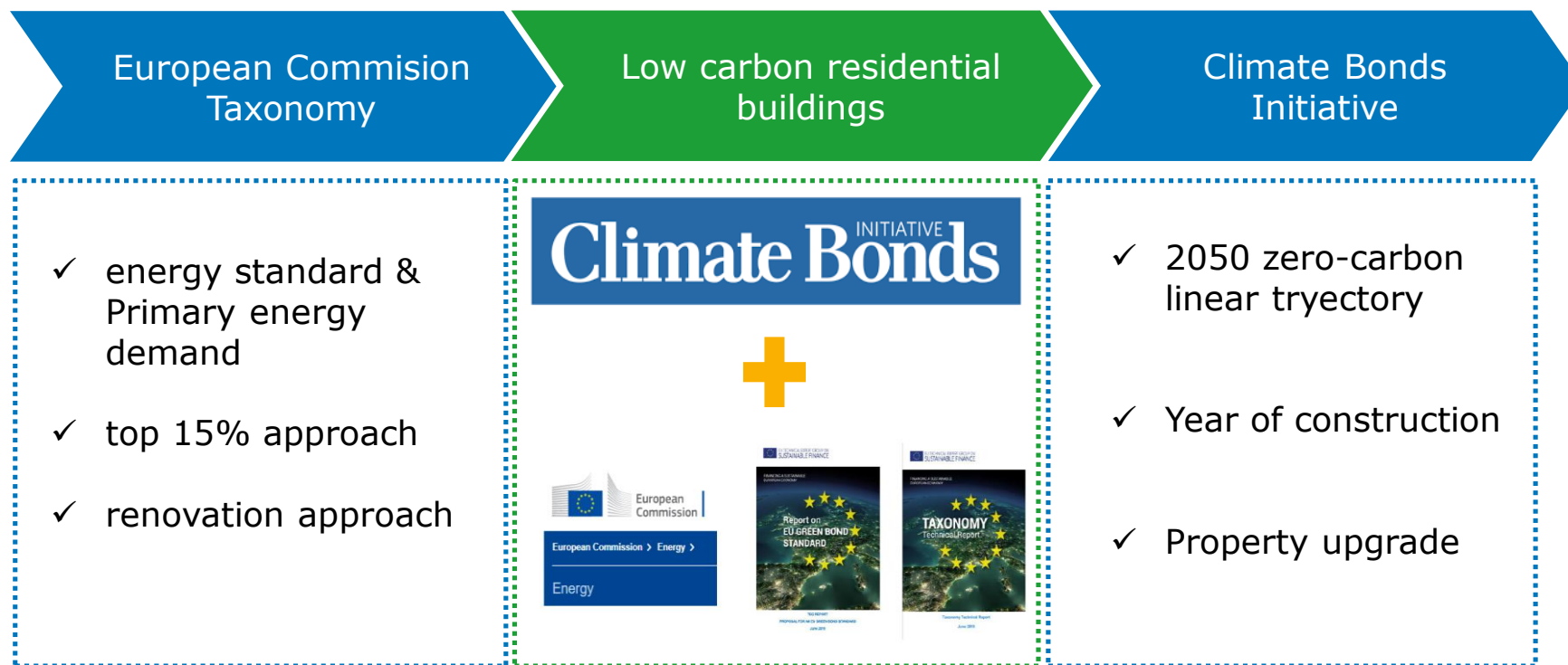


mBank Group – green bonds framework

- ✓ Selection of the assets to be financed the Eligible Assets Portfolio is based on Eligibility Criteria:
 - ✓ they comply with the recommendations of the EU Taxonomy,
 - ✓ support EU Environmental Objectives and UN SDGs Alignments.
- ✓ Allocation of the net proceeds of the Green Bonds to new and existing loans which have positive environmental impact.

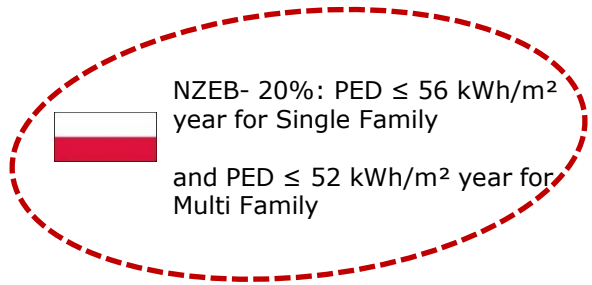


Eligible Assets Criteria - green buildings

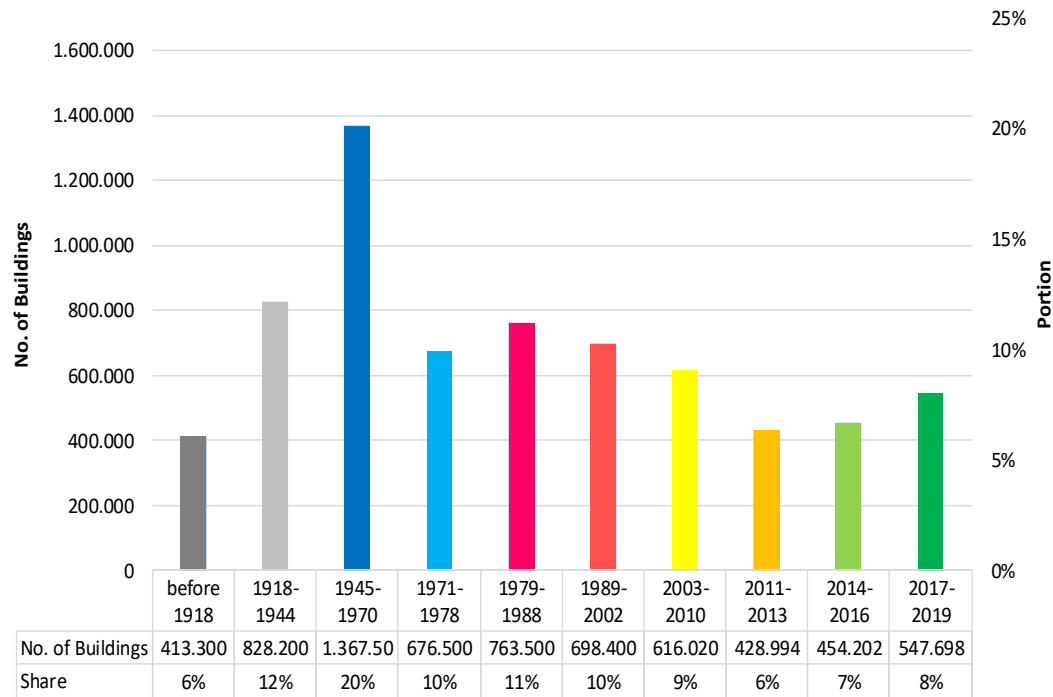


Eligible Assets Criteria- PED

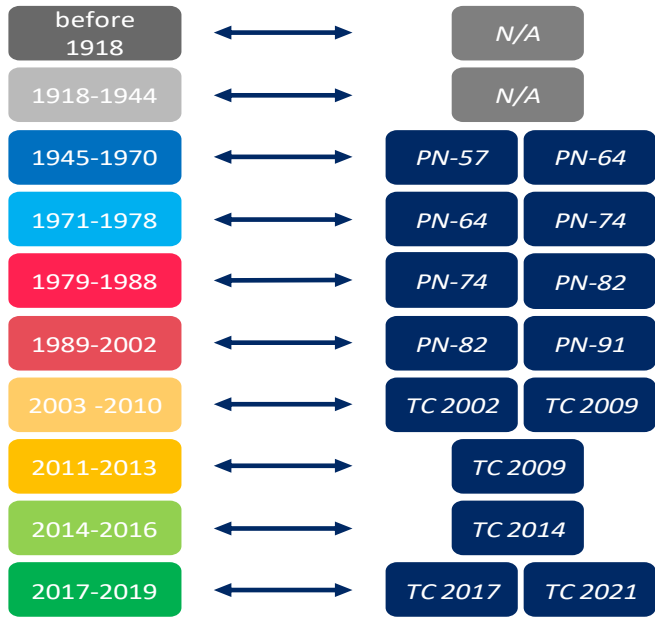
Buildings built after 2021	Buildings built before 2021
<ul style="list-style-type: none"> 20% reduction in Primary Energy Demand (PED) of Nearly-Zero-Energy-Building (NZEB). 	<ul style="list-style-type: none"> complying with the requirements in Primary Energy Demand (PED) of Nearly-Zero-Energy-Building (NZEB) Standard



Poland's residential building stock and energy building codes



Referenced Building energy codes



Drees & Sommer figure based on NEEAP 2017, TABULA/NAPE 2012, BPIE 2016, Central Statistical Office 2013, with extrapolated data from Statistics Poland 2019



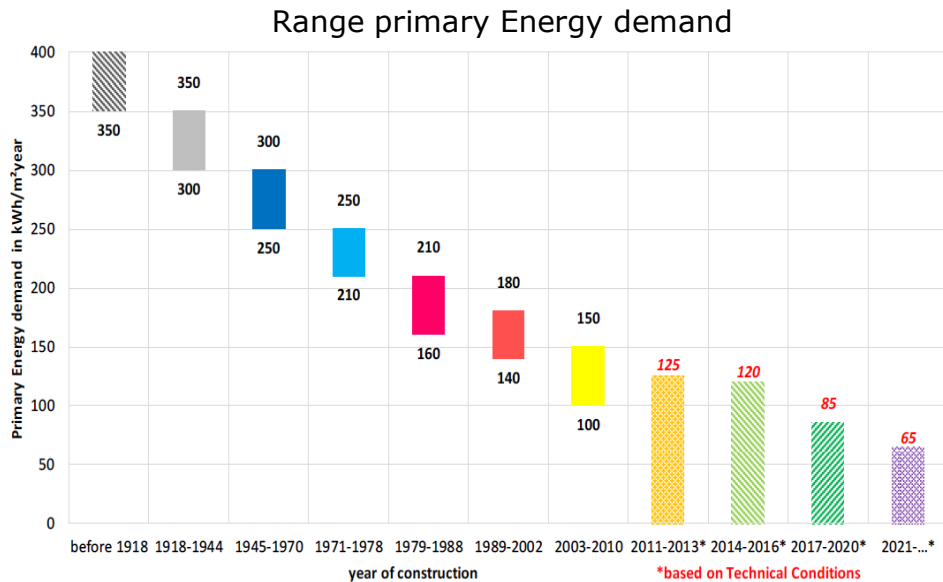
Eligible Assets Criteria- Top 15% approach

Buildings built before 2021

- belonging to top 15% low carbon buildings in Poland

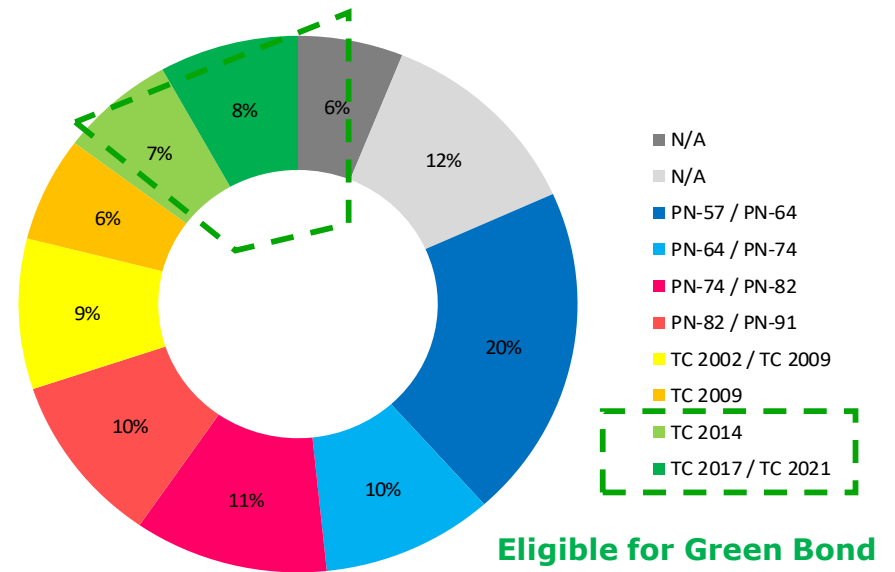
- top 15%- Technical Condition (TC) is minimum TC 2014/2017/2021 **or**
- PED ≤ 70 kWh/m² year for Single Family **and**
- PED ≤ 65 kWh/m² year for Multi Family

Primary Energy Demand and allocated building energy codes



Drees & Sommer figure based on NEEAP 2017, TABULA/NAPE 2012, BPIE 2016

Allocation of building energy codes

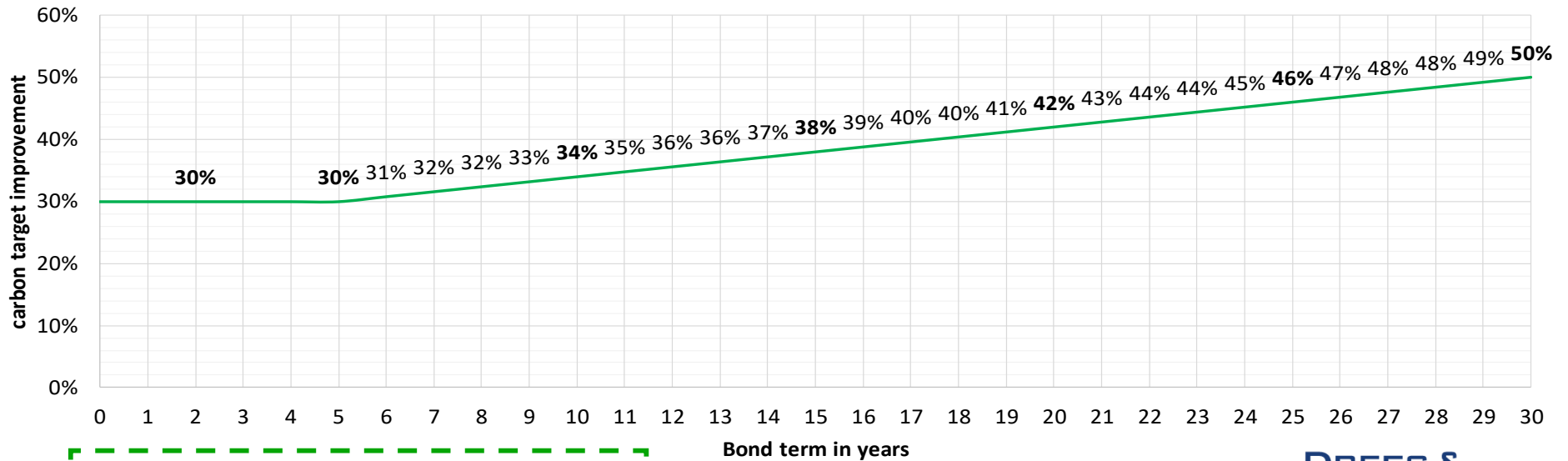


Eligible Assets Criteria- Renovation, Property Upgrade

Refurbished existing residential buildings

- with primary energy savings of at least 30% against the building performance before the renovation
- with an improved energy efficiency reducing carbon emissions of at least 30% based on bond term (threshold subject to change)
- with modernized technical condition including an improvement in emissions against business-as-usual based on bond duration.
- with minimum improvement in carbon emissions $\geq 30\%$

Property Upgrades – carbon emissions improvement



Property Upgrade :

- major renovation, refurbishment, thermo-modernization, or energy efficiency upgrade



Eligible Assets Criteria- Low Trayjectory

On polish market low trayjectory aims to bring **TC 2014** or newer to **Zero-Emmision Goal** in **2050** with zero non-renewable Primary Energy Demad.



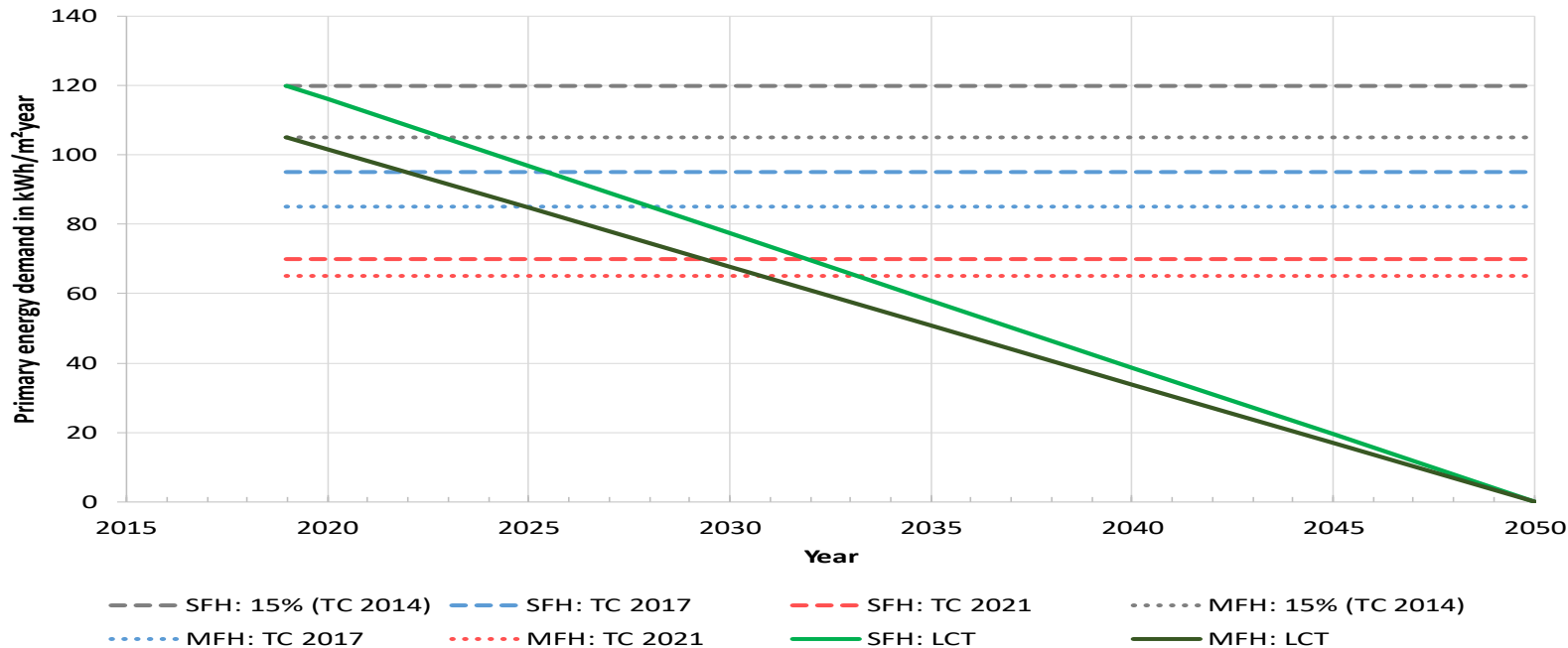
Single-Family House

- $PE_D \leq 95 \text{ kWh/m}^2\text{year}$ (TC 2017) in Year of bond issuance and term

Multi-Family House

- $PE_D \leq 85 \text{ kWh/m}^2\text{year}$ (TC 2017) in Year of bond issuance and term

Future primary energy demand requirement



The low carbon trajectories for single- and multifamily houses serve as the 15th percentile baseline for the local polish residential market.



SFH= Single Family House, MFH= Multi-Family House, TC= Technical Condition, LCT= Low carbon trajectory

