



**31.03.2024**

**UBM Green Bond  
Impact Report**



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# Impact Reporting

A cross-functional Green Finance Committee (“GFC”) has been established by UBM bringing together the expertise from various business activities. The GFC is composed of the Chief Financial Officer, Head of Treasury, Head of Investor Relations & ESG, Head of Green Building and Head of Controlling. The UBM treasury department will manage the net proceeds of the issued Green Bonds on a portfolio basis. The impact can be determined using estimates, as the buildings have not yet been completed.

## Eligible Projects

*LeopoldQuartier* – Surrounded by the green Augarten, the lively Danube Canal and the pulsating heart of the city – the first district – the LeopoldQuartier offers the best that nature and urban life have to offer. Europe’s first quarter in timber construction is being built on an area of around 23,000m<sup>2</sup> and offers space for flats, offices and city apartments. The timber hybrid construction method combines the unique qualities of naturally grown wood with the advantages of

the most modern building materials. The CO<sub>2</sub> bound in the wood and the reduced weight of the hybrid construction method enable considerable emission savings and a far lower raw material requirement compared to solid construction. Thanks to the consistent use of geothermal energy, geothermal cooling and photovoltaics, the LeopoldQuartier is also CO<sub>2</sub>-neutral in operation.

*Timber Pioneer* – Frankfurt’s first office building in wood hybrid construction! A working atmosphere to feel good in and a CO<sub>2</sub> balance that is something to be proud of. The Timber Pioneer’s wood-hybrid construction makes health and sustainability in the workplace the new state of the art.

Further details on the projects can be found in the Allocation Report, which is available on UBM's corporate website:

<https://www.ubmdevelopment.com/?acq=MTY5ODE>

# Assessment against ICMA Harmonized Framework for Impact Reporting

As stated in the Green Finance Framework the Impact Report is evaluated against the ICMA harmonized framework for impact reporting

Core Principles		
ICMA HFIR	Green Bond Impact Report	Assessment
<b>Reporting on an annual basis</b>	UBM has reported annually an impact report since it issued the Green Bond in 2023. As of December 31st, 2023, 100% of the proceeds have been fully allocated. The report will be available on UBM’s website.	✓
<b>Illustrating the environmental impacts or outcomes</b>	<p>The assessment and measurement of the impacts generated by UBM Green Bond covered the following indicators:</p> <ul style="list-style-type: none"> <li>▪ Type of certification and degree of certification for buildings</li> <li>▪ Estimated annual energy generation (MWh)</li> <li>▪ Estimated annual emissions avoided (tCO<sub>2</sub>e)</li> </ul> <p>The impact reporting indicators will be further explained below.</p>	✓
<b>ESG Risk Management</b>	UBM’s Green Finance Committee is responsible to review and evaluate projects proposed on its’ eligibility and risk management factors (including ESG and climate-change specific).	✓
<b>Allocation of proceeds - Transparency on the currency</b>	As part of the Allocation Report, which is available on the UBM website, the Issuer reports the cash flow related to the Green Bond and the allocations to the projects in a single currency (EUR) in accordance with the audit carried out by PwC.	✓

Recommendations		
ICMA HFIR	Green Bond Impact Report	Assessment
<b>Define and disclose period and process for Project Evaluation and Selection</b>	<p>100% of proceeds have been allocated to green assets. No modification (removal or additional projects) of the portfolio is planned.</p> <p>The Issuer followed a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Green Bond issued under Green Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	✓
<b>Disclose total amount of proceeds allocated to eligible disbursements</b>	A total of EUR 50M has been raised through Issuer's Green Bond. 100% of the proceeds has been allocated to Green Assets.	✓
<b>Formal internal process for the allocation of proceeds and to report on the allocation of proceeds</b>	The Issuer followed a transparent process for the allocation of proceeds.	✓
<b>Report at project or portfolio level</b>	<p>The Green Bond Allocation Report, available on the UBM website, includes the total amount of proceeds allocated per eligible project category, type within categories and per geographical breakdown (country). List of projects:</p> <ul style="list-style-type: none"> <li>▪ LeopoldQuartier</li> <li>▪ Timber Pioneer</li> </ul>	✓
<b>Describe the approach to impact reporting</b>	The Issuer identifies the specific eligible projects and clearly defines, for each project, the total project's allocated proceeds as stated in the Allocation Report available on the UBM website.	✓
<b>Report the estimated lifetime results and/or project economic life (in years)</b>	Information on the lifetime results/ project economic life is not given.	○
<b>Ex-post verification of specific projects</b>	UBM is not planning to perform ex-post verification on their eligible projects.	N/A
<b>Report on at least a limited number of sector specific core indicators</b>	UBM reports on avoided GHG emissions, which is a core indicator for the Renewable Energy Sector.	✓

	As a baseline, the use of timber results in the absorption of one ton of CO <sub>2</sub> per cubic metre. This allows the calculation of the GHG savings that result from the use of timber.	
<b>If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies</b>	<p>Avoided emissions associated with the use of timber represent the reduction in emissions from the financed project compared to the emissions that would have been emitted without the project by not using timber (baseline emissions). Energy generation in conjunction with the technology used on site represent the energy generation of the eligible project stated below.</p> <p>They are calculated based on supplier-specific emission factors or average emission factors.</p>	✓
<b>Disclosure on the conversion approach (if applicable)</b>	The conversion approach is not applicable.	N/A
<b>Projects with partial eligibility</b>	Not applicable since there are no projects with partial eligibility.	N/A
<b>When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach</b>	The impact of UBM's projects is reported separately per project.	N/A

# Impact Reporting Indicators

The impact indicator chosen by the Issuer for this bond is the following:

- Type of certification and degree of certification for buildings
- Estimated annual energy generation (MWh)
- Estimated annual emissions avoided (tCO<sub>2</sub>e)

The indicators are quantitative and material to the use of proceeds categories financed through this bond and in line with the suggested impact reporting metrics for renewable energy projects by the ICMA HFIR.

Additionally, the use of timber and energy generative technologies will help UBM achieve its climate targets:

- reach net-zero by 2050 (reduce scope 1+2+3 emissions 90% by 2050 from a 2022 base year and neutralizing the remaining emissions)

## Methodology

The calculations regarding emission savings and energy generation were in accordance with the public material specifications and the manufacturer's specification of timber,

### Eligible Projects Impact

*LeopoldQuartier* – The long-term emissions saved by using timber in the LeopoldQuartier in Vienna amount to 4,000 tonnes of CO<sub>2</sub>. Furthermore, the use of renewable technologies and their efficient use can result in a reduction of almost 330 tonnes of CO<sub>2</sub> per year. The use of geothermal probes and solar panels can produce approximately 5,225 MWh per year. These impressive figures have led to a Gold pre-certification from ÖGNI for the LeopoldQuartier.

*Timber Pioneer* – The Timber Pioneer has the potential to reduce long-term emissions by 1,800 tonnes of CO<sub>2</sub>. This is due to the use of timber in the building. The Frankfurt building is not equipped with energy generation technologies, which is why the key figure for energy generation does not apply here. The sustainable realization of this project has led to a Gold pre-certification from DGNB for the Timber Pioneer.

and the technologies used, such as solar panels and geothermal probes. Accordingly, a more detailed presentation of the methodology is not required.