

Republic of Austria

Green Investor Presentation (May 2022)





Content

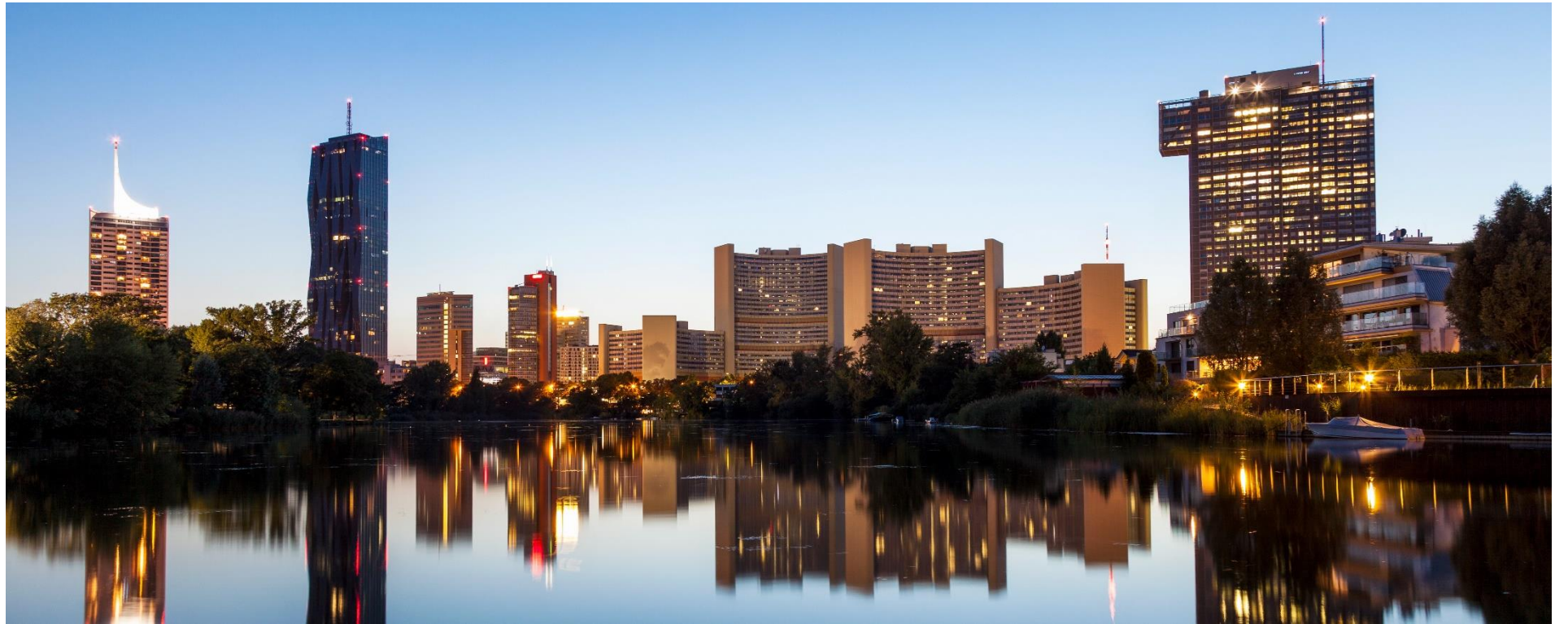
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1

Economic & Fiscal Overview

**A Safe Haven Core-Euro Area Economy
with a strong Green Agenda**



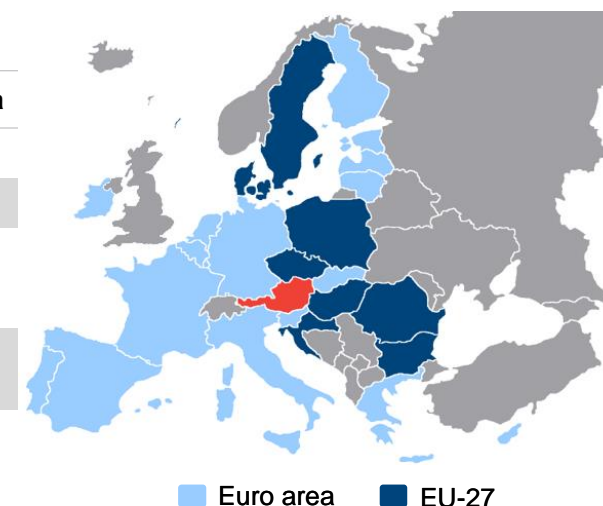
Austria at a Glance

A Safe Haven Core-Euro Area Economy

- Diversified and competitive economy
- 4th richest country in the Euro area¹
- No major macro imbalances, low private sector indebtedness
- Resilient health-care system
- High level of innovation (R&D expenditure 2021: 3.2% of GDP)²
- Strong and diversified exports: 6th most diversified export structure and 10th most diversified import structure in the world (out of more than 200 countries)³
- 6th highest employment rate and 6th lowest unemployment rate in the in Euro area in 2021
- Net capital exporting and positive net international investment position
- High savings rate (reached a 25-year-high in 2021)
- 6th most peaceful country in the world (out of 163)⁴
- Low vulnerability and high readiness for climate change / ranked 7 out of 182 countries worldwide⁵

1) GDP per capita of 2020 in PPS, European Commission, May 2022
 2) Statistics Austria, April 2022
 3) UNCTAD Statistics, Diversification indices of merchandise exports and imports, July 2021
 4) Institute for Economics and Peace, Global Peace Index 2021, June 2021
 5) University of Notre Dame Global Adaptation Index (ND-GAIN Country Index), February 2022

	Austria	Euro area
Area (sq. km '000)	84	2,758
Population 2021 (mn)	8.9	342.4
Population growth p.a. (2019 – 2024e)	+0.3%	+0.2%
GDP per capita 2021 (EUR)	39,028	33,879
Net financial assets per private household (Q4 2021 in EUR)	144,290	135,963



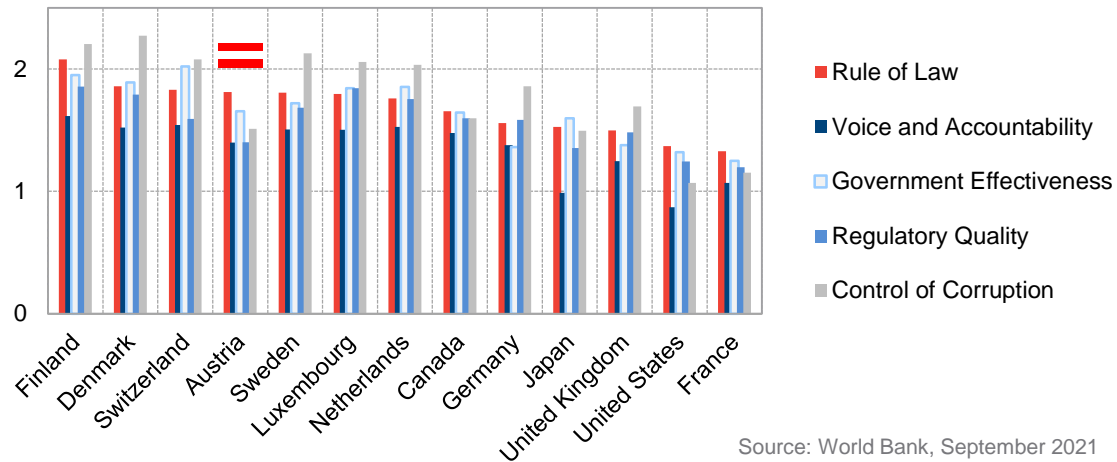
in %	Austria			Euro area		
Real GDP Growth	4.5	3.9	2.0	5.4	2.7	2.3
Inflation (HICP)	2.8	5.7	3.2	2.6	6.1	2.7
Unemployment	6.2	4.9	4.7	7.7	7.3	7.0
Current Account Balance	-0.2	-0.4	-0.1	3.2	2.4	2.9
Budget Balance (Maastricht)	-5.9	-3.1	-1.5	-5.1	-3.7	-2.5
Structural Budget Balance	-4.6	-3.0	-1.7	-4.0	-3.4	-2.6
Debt to GDP	82.8	80.0	77.1	97.4	94.7	92.7
Year	2021	2022	2023	2021	2022	2023

Data on Austria: Statistics Austria, April 2022 / WIFO, March 2022 / Ministry of Finance, April 2022
 Data on Euro area: EC – Spring Economic Forecast, May 2022



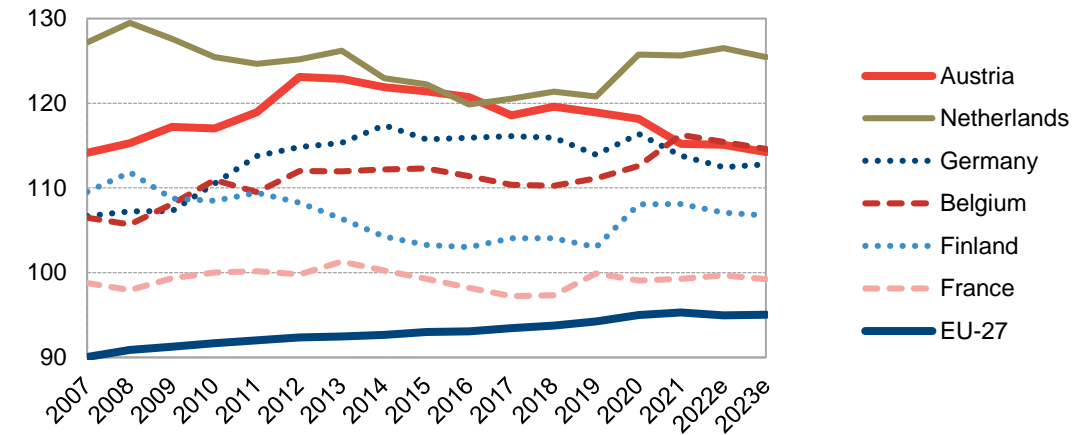
Superior institutional strength, low income inequality and high domestic wealth

World Bank Governance Indicators



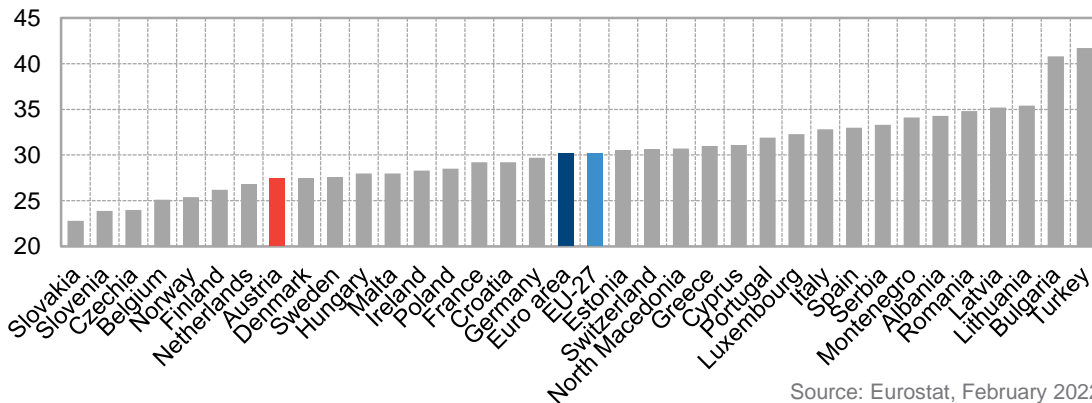
Source: World Bank, September 2021

GDP per capita in purchasing power standard (Euro area = 100)



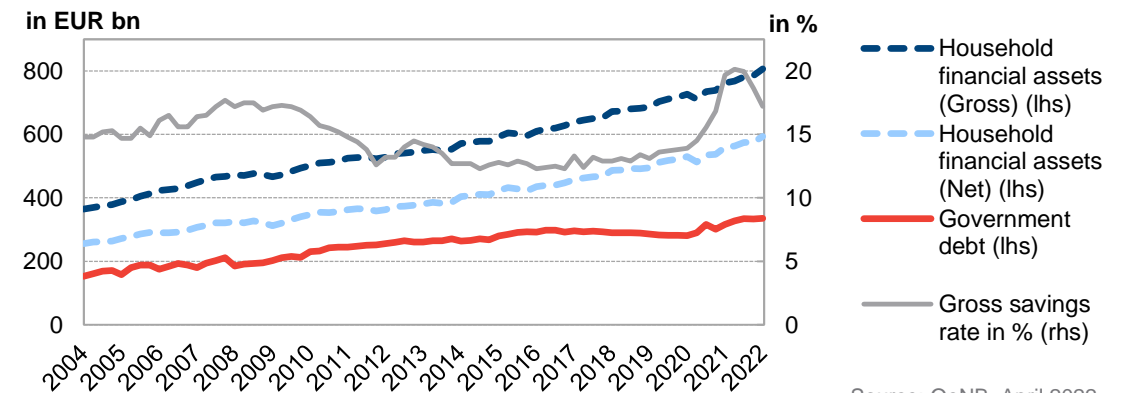
Source: European Commission, May 2022

Low Gini coefficient indicates a relatively equal income distribution



Source: Eurostat, February 2022

Growth of households' net financial assets exceeds increase in government debt



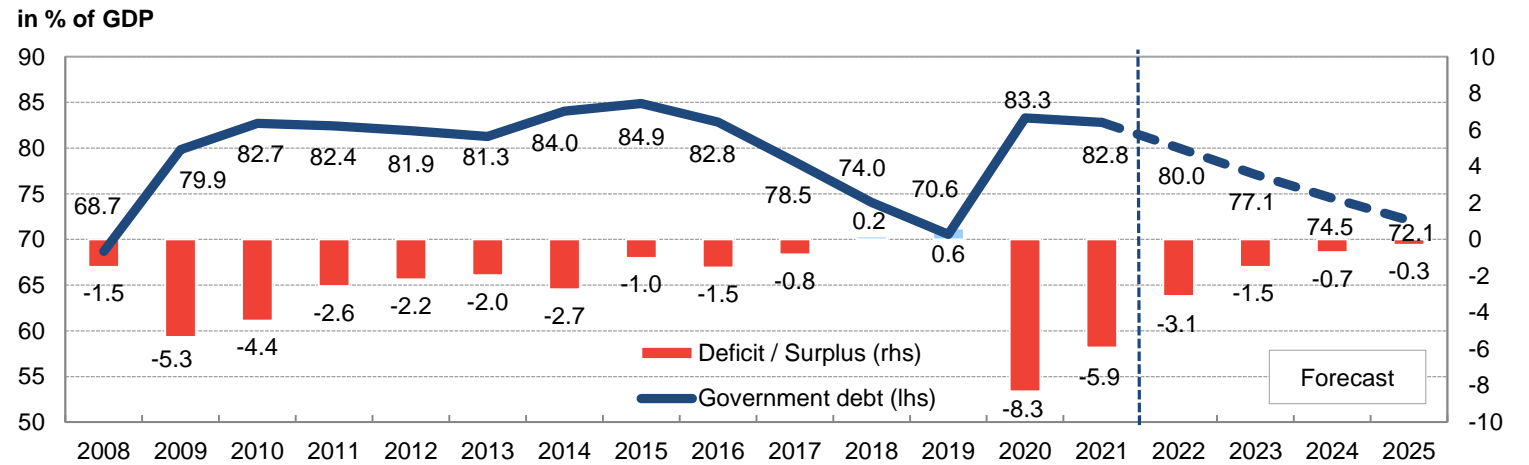
Source: OeNB, April 2022



High Debt Sustainability

Government debt and budget development

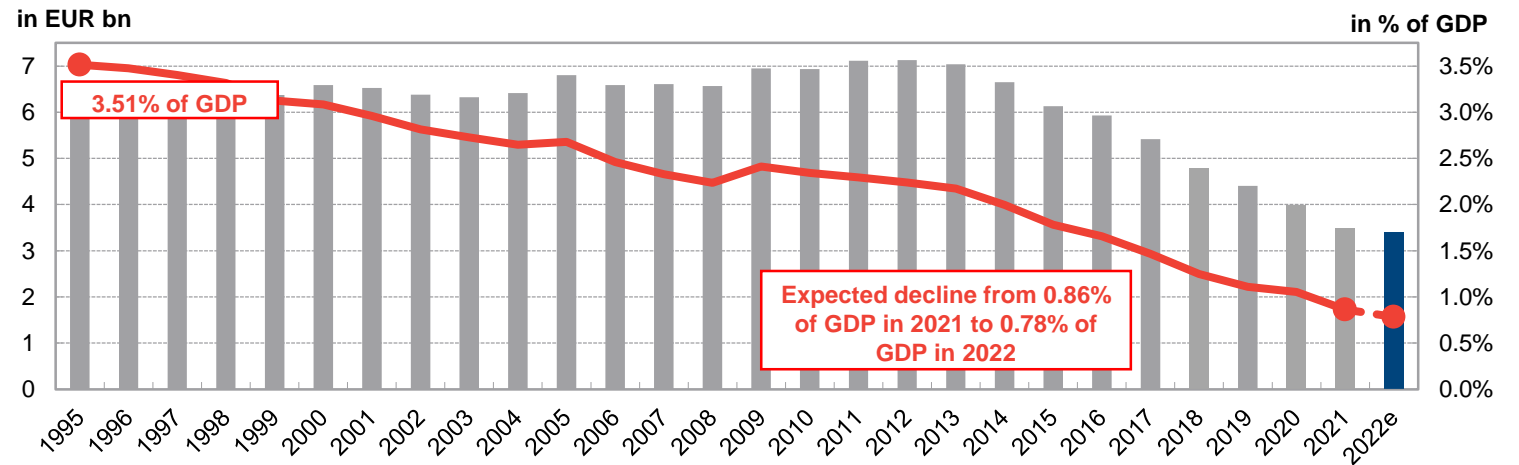
- Strong decrease in Debt Ratio has created ample fiscal capacity for COVID-19 support measures
- Budgetary consolidation will lead to a downward path again in the upcoming years



Source: Source: Statistics Austria, April 2022 / Forecast: Federal Ministry of Finance, April 2022

Interest Payments

- Absolute level of effective interest payments constantly declining since 2012
- Relative to GDP interest payments are below 0.9% and considerably below peak levels of mid-1990s



Source: GDP: Statistics Austria, April 2022 / WIFO, March 2022, Interest payments 2022e: Austrian Treasury forecast as of April 2022



Credit Ratings Overview

	Long-Term	Short-Term	Outlook
Moody's	Aa1	P-1	Stable
Standard & Poors	AA+	A-1+	Positive
Fitch	AA+	F1+	Stable
DBRS Morningstar	AAA	R-1 (high)	Stable

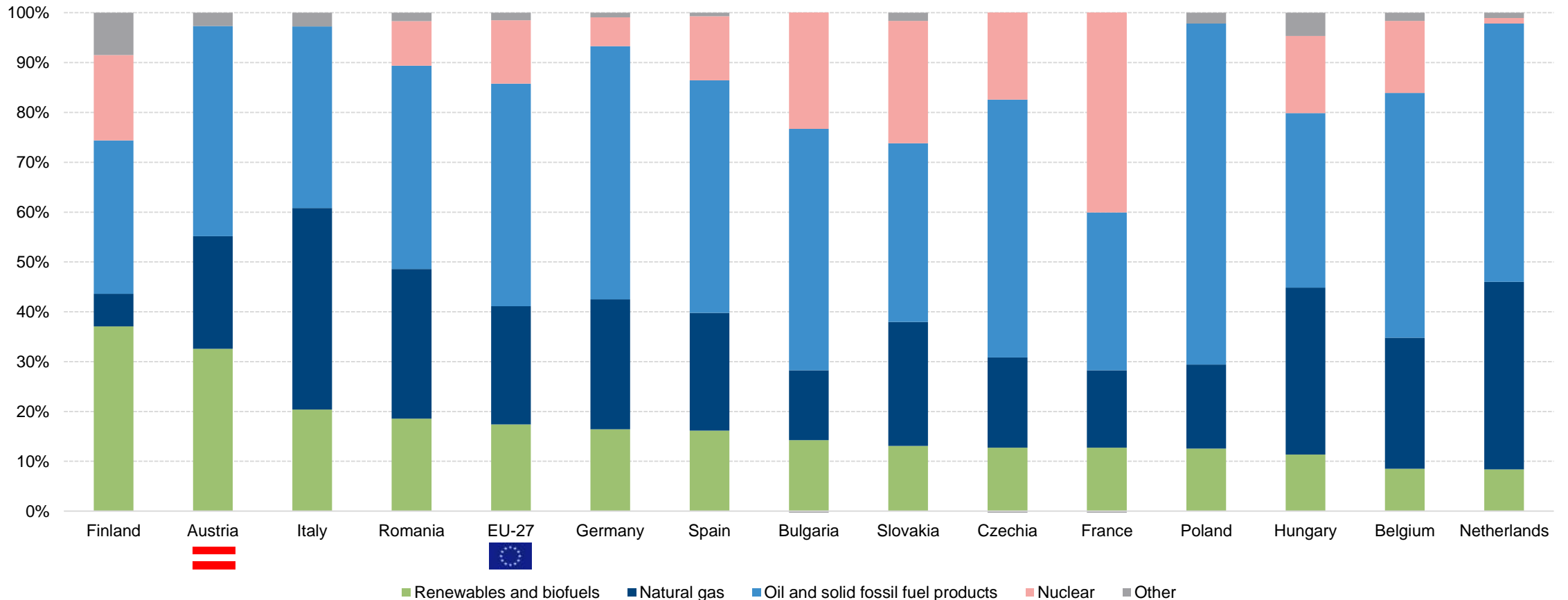
Rating reports available at www.oebfa.at





Austria has a balanced energy mix with a high share of renewables

Energy mix (share of fuels in gross available energy)



Note: 2020 data, ranked by share of renewables and biofuels
 Source: Eurostat, March 2022

2

Environmental & Climate Policy

At the forefront of environmental action for decades





The Republic of Austria is already a Leader in Sustainability ...

Sustainability Country Ranking¹

UN SDG Index

Ranking: 6th



... out of 165

**Environmental
Performance Index**

Ranking: 6th



... out of 180

ISS ESG

Ranking: 7th



... out of 178

Sustainalytics

Ranking: 9th

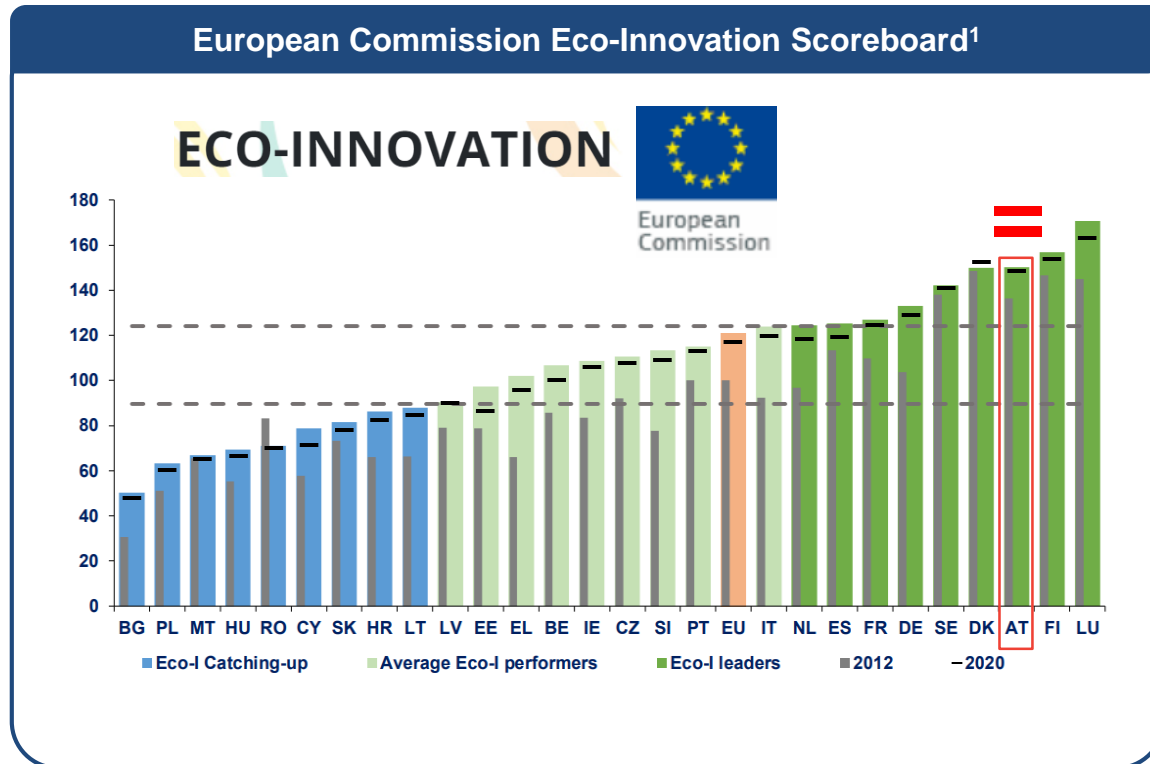


... out of 172

Notes: 1) Sustainability rankings available at www.oebfa.at



... and Austria is one of the most ambitious countries on climate action...



Austria ranks 3rd in the European Commission Eco-Innovation Scoreboard¹

Austria ranks 1st in the EU with 78.2% share of renewable energy sources used for electricity. That is more than double of the figure of the EU average (37.5%)²

2nd highest inland water quality in the EU³

With 58.2% Austria has the 2nd highest recycling rate of municipal waste in the EU⁴

Austria ranks 1st among all EU member states with 25.3% of its overall agricultural area utilized under organic farming⁵

1) European Commission, July 2021 (captures different aspects of eco-innovation via 16 indicators)

2) Eurostat, February 2022

3) European Environment Agency, State of bathing waters in 2020, June 2021

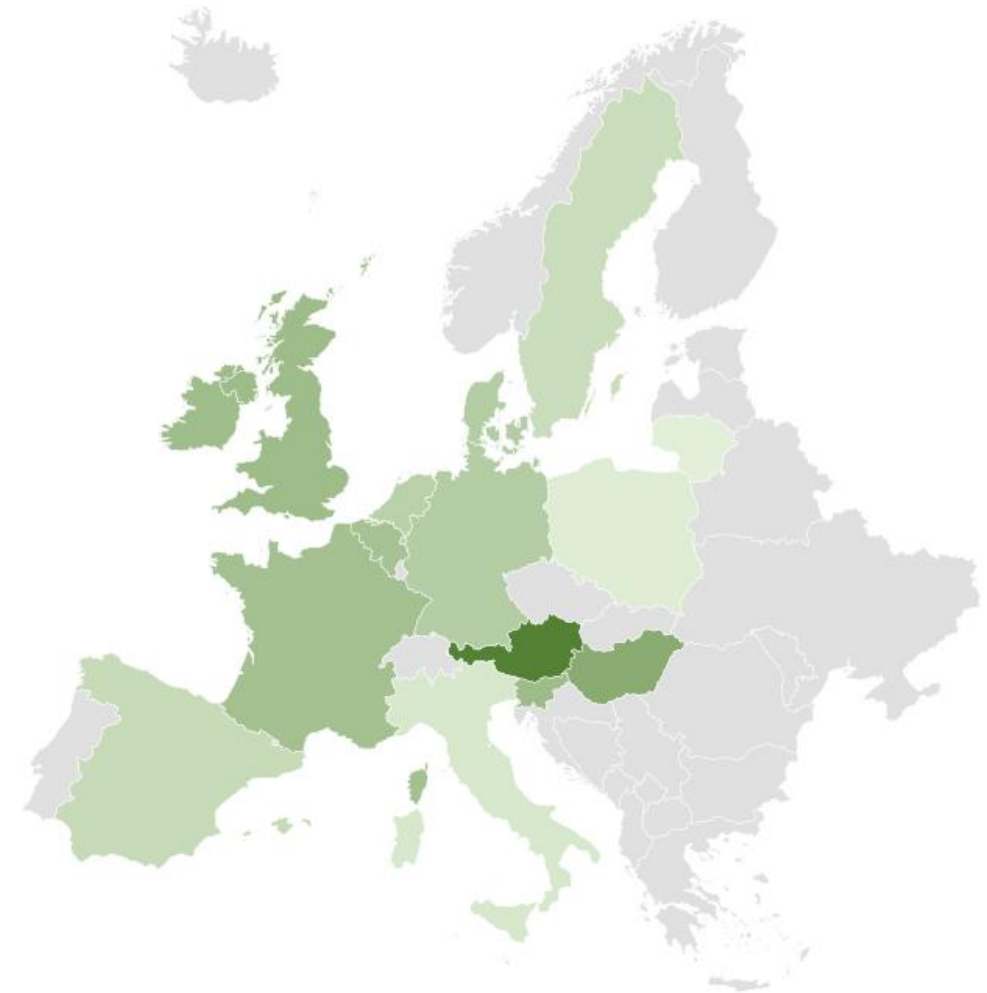
4) Eurostat, January 2022

5) Eurostat, February 2022

... with the highest share of green expenditures among sovereigns...

- The Republic of Austria has already a **wealth of expertise in financing projects for green purposes**
- Public households have substantially stepped up greening their budgets
- The Republic of Austria has the **highest share of green expenditures** across all sovereign Green Bond issuers **worldwide**¹

- Around 3.4% of the Austrian 2021 central government expenditures are green under the Austrian Green Bond Framework
- This represents around 1.3% of GDP



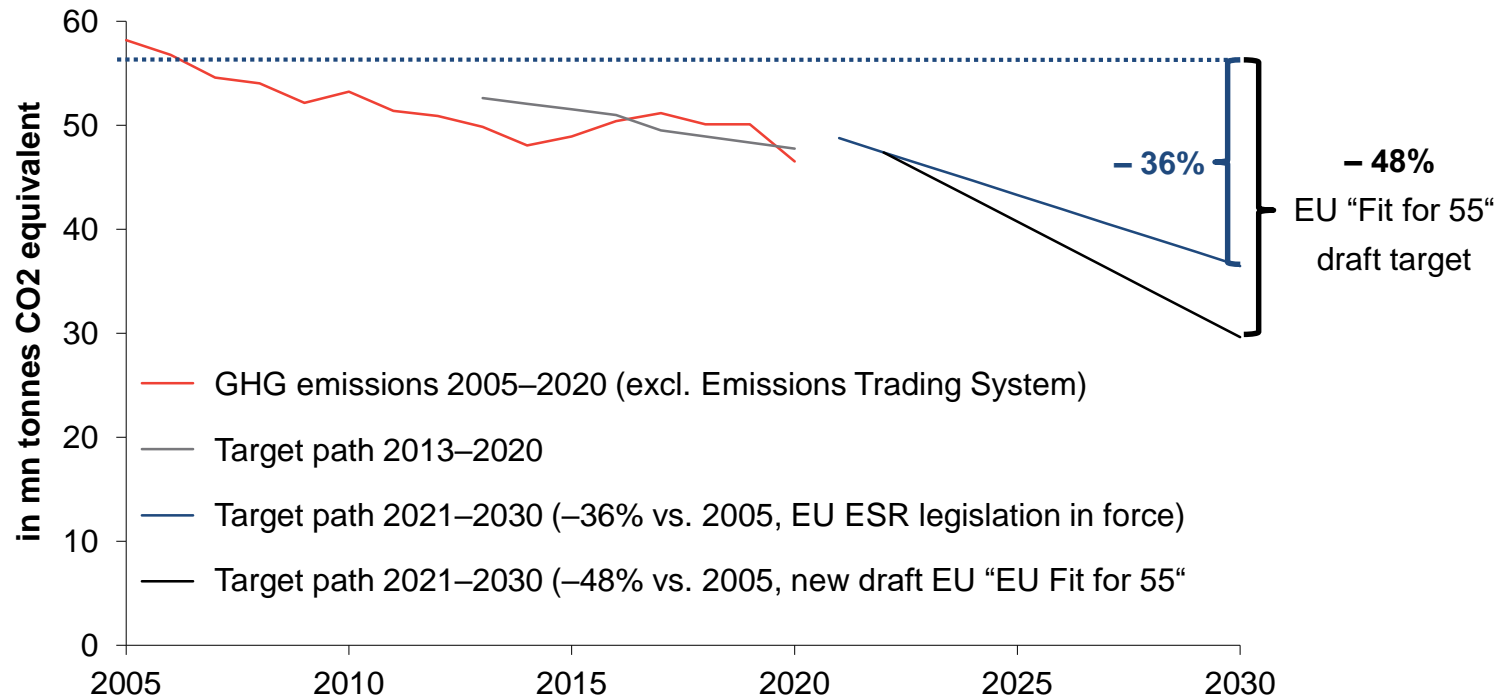
Eligible Green Expenditures p.a. in % of GDP
(2021 or corresponding period) 0.1% 1.3%

1) Eurostat, DMO and Ministry of Finance websites / grey = no Green Bond issuer or no data on green expenditures available



... which is fully reflected in Austria's path to decarbonisation

GHG emissions according to Climate Protection Law (KSG) 2005–2020 and targets 2020/2030



Economic growth and total GHG emissions 2005–2020

Total GHG emissions	– 20.0 %
GDP _{real}	+ 14.0 %
Gross domestic energy consumption	– 6.4 %
Gross domestic energy consumption fossil	– 22.0 %

- While real economic growth from 2005 to 2020 was +14%, the Republic of Austria at the same time has **reduced its Total GHG emissions by -20%**
- Ambitious draft target** has been re-defined to **reduce GHG emissions by -48%** vs. 2005 in line with EU “Fit for 55” programme



Austria's Environmental & Climate Strategy manifests itself in a multitude of supranational and national initiatives and legislations

Austria's Climate Strategy: Main overarching goals

2030

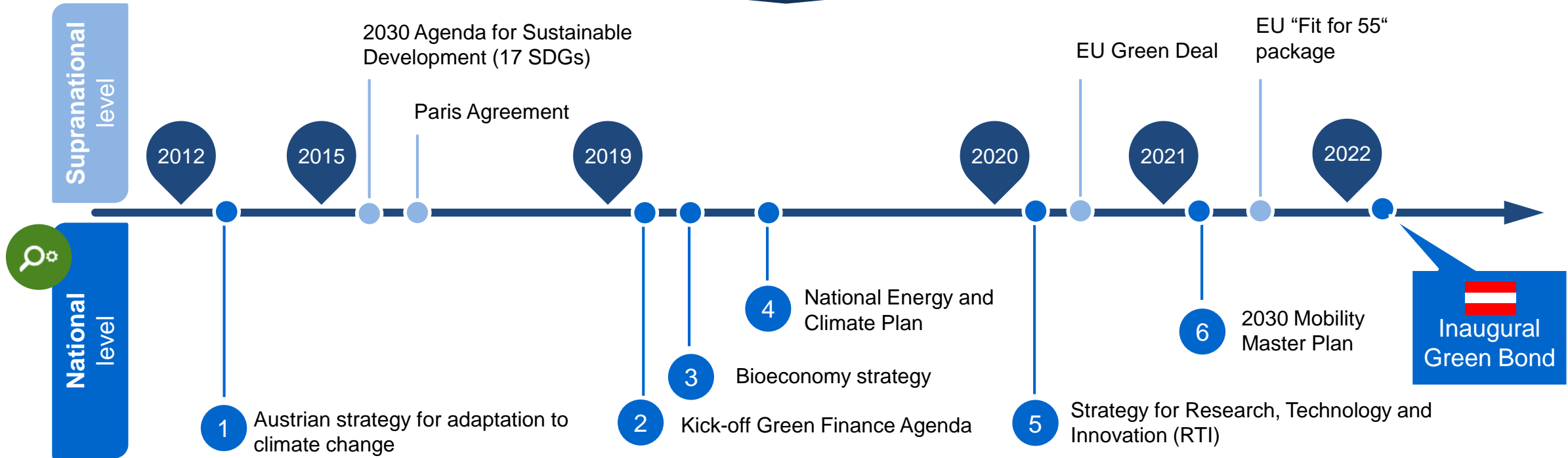


100% net renewable electricity¹

2040



Climate neutrality²



1) covering 100% of electricity needs by renewable energy sources by 2030, for more details see [Federal Act on Renewable Energy Expansion](#)
 2) reaching Net Zero GHG emissions by 2040, for more details see [Government-programme](#) p.17

National initiatives and legislations introduced by Austria

1

2012

Austrian strategy for adaptation to climate change

- Detailed catalogue of adaptation options for 14 sector-related areas of action
- Key message: Potential consequences of climate change should be taken into account in all relevant planning and decision-making processes in Austria (mainstreaming)

2

2019

Kick-Off Green Finance Agenda

- Aims to channel private financial flows into low-emission and sustainable investments
- Contains concrete recommendations for actions aimed at financial market actors, companies, politics and administration as well as academia

3

2019

Bioeconomy strategy

- Scope: all industrial and economic sectors that produce, process, handle or use biological resources
- Seeks to replace fossil resources (raw materials and energy sources) with renewable raw materials in as many areas and applications as possible.

1

Austrian strategy for adaptation to climate change: One of the first EU member states to link a strategic concept for adaptation to climate change

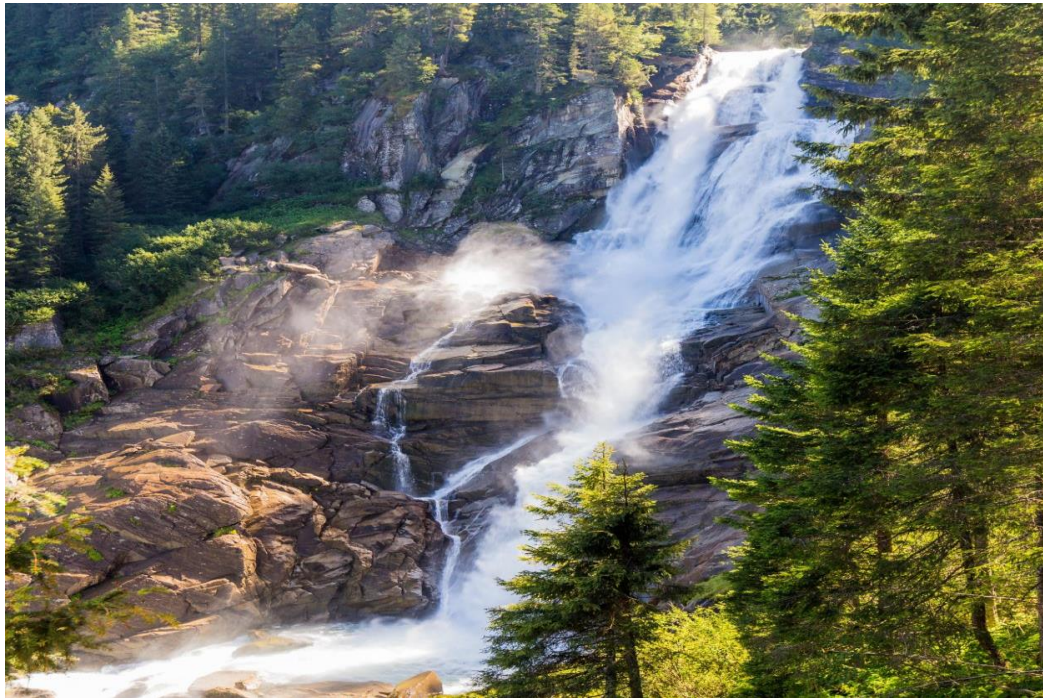


- Austria was **one of the first EU member states** to link a strategic concept for adaptation to climate change with a comprehensive action plan for implementing concrete recommendations for action
- The **objective** of the Austrian adaptation strategy is to **avoid the adverse effects** of climate change on the environment, society, and the economy and to fully utilize any opportunities that may arise
- Detailed **catalogue of adaptation options** for 14 sector-related areas of action, also backed by the support of the federal states
 - Comprehensive framework for successively taking the **steps** necessary for adaptation
 - Concrete **starting points** for all those involved in the implementation of the strategy
- Adopted by the Council of Ministers in October 2012 (revised in 2017)
- **Progress reports** published in 2015 and September 2021

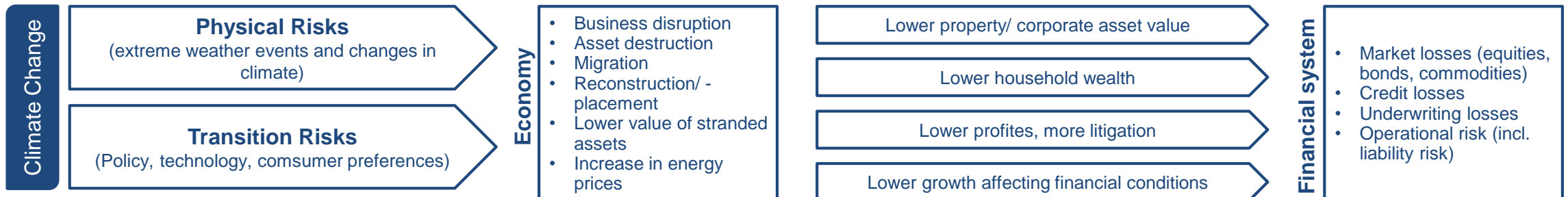


Source: [Austrian Strategy for Adaptation to Climate Change](#)

Green Finance Agenda: Green Finance as enabling factor for achieving deep structural change and climate goals



- The Austrian Green Finance Agenda aims to channel **private financial flows** into **low-emission** and **sustainable investments** and to better manage **sustainability risks**
- Sending a **strong signal to the market** and make an active contribution to a climate-resilient development at the national level
- Implements specific **recommendations** for actions aimed at financial market participants, companies, politics, administration as well as academia
- Items included (excerpt):
 - **Cross-sector guideline** for dealing with **sustainability risks** (**climate risk management**) for companies in the financial sector
 - **Climate alignment assessment** to determine the extent to which nationally managed financial portfolios are aligned with the Paris climate goals (PACTA)
 - Establishment of the **Green Finance Alliance**
 - Introduction of the educational initiative **Green Financial Literacy**
 - Establishment of the **Green Finance Focal Group**
 - Introduction of the **Austrian Green Investment Pioneers Programme**



3

Bioeconomy strategy: Replacement of fossils with renewables as an essential cornerstone of the Energy Strategy



The concept of the strategy includes...

Raw material sources	Use of bio-based raw materials
Agriculture and forestry	Food and feed
Water management	Chemicals
Waste	Materials
	Energy

- **Bioeconomy is one of the primary issues of the future.**
A sustainable bioeconomy is essential to tackle climate change and land and ecosystem degradation. It will address the growing demand for food, feed, energy, materials and products due to an increasing world population, and reduce our dependence on non-renewable resources.
- **Economic concept** – passed by Council of Ministers in March 2019 – that **aims to replace fossil resources** (raw materials and energy sources) **by renewable raw materials** in as many areas and applications as possible
- Covers all industrial and economic sectors that **produce, process, handle or use** biological resources
- Intended to be an essential cornerstone of the **Climate and Energy Strategy** and to support the **decarbonisation** of the economic system

Objectives of the Bioeconomy Strategy



National initiatives and legislations introduced by Austria (continued)

4

2019

National Energy and Climate Plan

- Outlines the roadmap to achieving relevant 2030 climate targets governed by EU legislation

5

2020

Strategy for Research, Technology and Innovation (RTI)

- Goals: **i)** strengthening research addressing the influencing factors, effects and mitigation of the climate crisis and on climate adaptation and resource efficiency, **ii)** promote the development of key technologies to improve climate protection and intensify cross-sector collaboration

6

2021

2030 Mobility Master Plan

- Identification of ways to avoid, shift and improve traffic/ transport and significantly increase the share of eco-mobility in total transport
- Since October 2021: *Klimaticket* to promote the climate friendliness of public transport

4

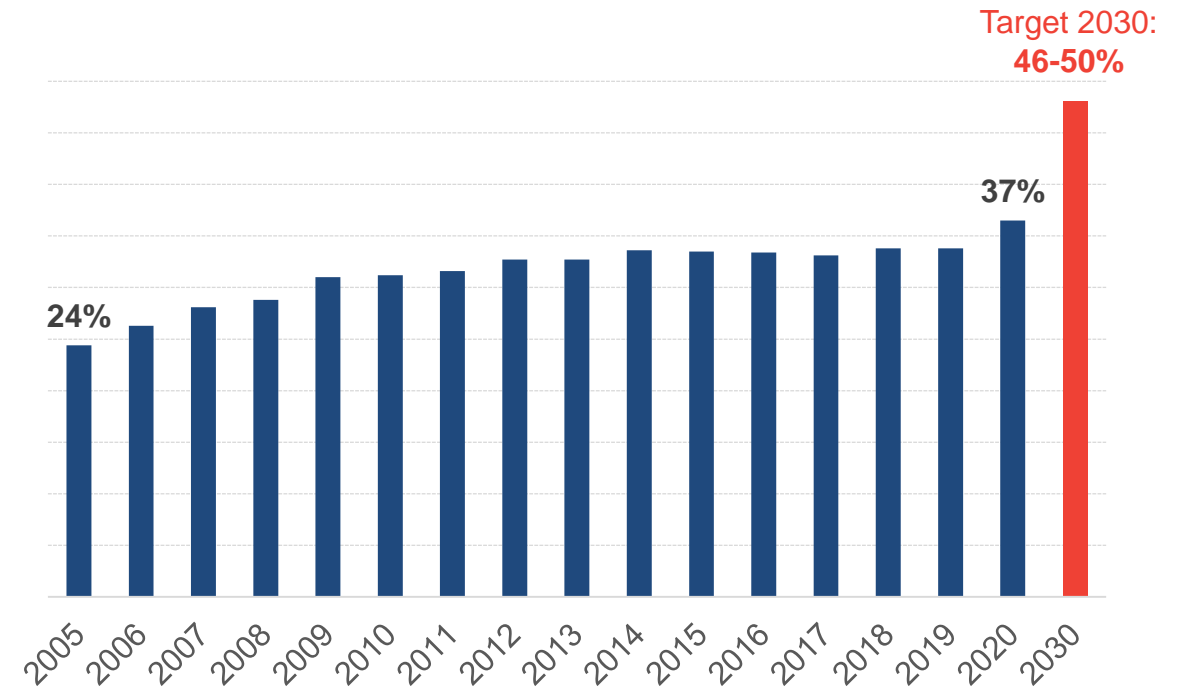
National Energy and Climate Plan: Reducing greenhouse gas emissions in Austria by 36%* in 2030 compared to 2005



- **Austria's National Energy and Climate Plan (NECP)** – introduced in December 2019 – outlines the **roadmap** to achieving relevant **2030 climate and energy targets** governed by EU legislation

* will be adapted by the new “Fit for 55” target for Austria of -48% until 2030 in the next update of the NECP

Share of renewable energy in gross final energy consumption



Concrete 2030 targets stipulated by the plan

Reduction of **GHG emissions** by 36% compared with 2005 levels in sectors that are not covered by the EU emissions trading system (EU ETS)

Coverage of 100% of **domestic electricity consumption** from **renewable** sources

Improvement of **primary energy intensity**, defined as primary energy use per GDP unit, by 25-30% compared with 2015

Increase **share of renewable energy in gross final energy consumption** to 46-50%

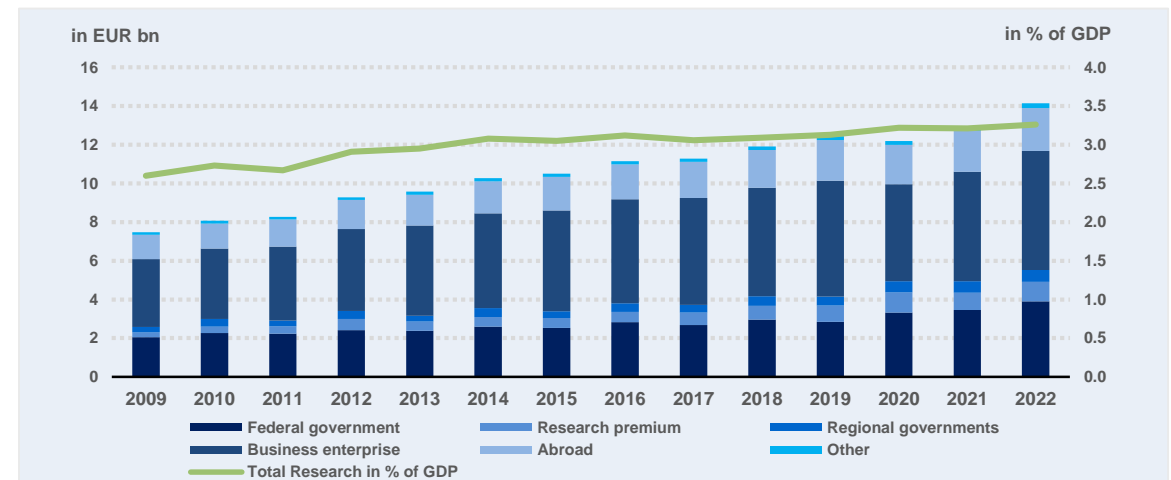
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Strategy for Research, Technology and Innovation (RTI): At the heart of Austrian policy that is future-oriented and designed to be innovation-friendly



- **Strategy** for Research, Technology and Innovation (RTI) **introduced in 2020**
- **RTI are the foundation of sustainable growth** and the increased resilience of the entire economic system
- Intended to **strengthen research** which addresses the influencing factors, effects and mitigation of the **climate crisis** and the areas of **climate adaptation** and **resource efficiency**
- Promotes the development of **key technologies to improve climate protection** as well as intensify cross-sector **collaboration** and implementation of integrated solutions

Funding of research and experimental development carried out in Austria and research intensity, 2009–2022



Source: [RTI Strategy 2030](#), Statistics Austria

RTI Strategy 2030 Objectives

Become an international innovation leader and strengthen Austria as an RTI location

Focus on effectiveness and excellence

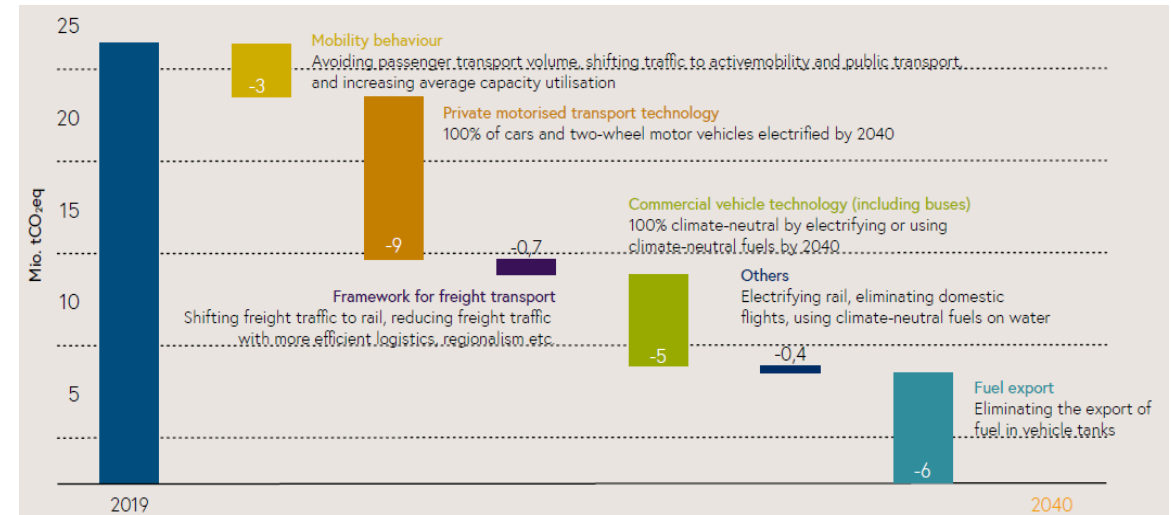
Focus on knowledge, talents and skills

2030 Mobility Master Plan: A key milestone on Austria's pathway to meeting Paris targets

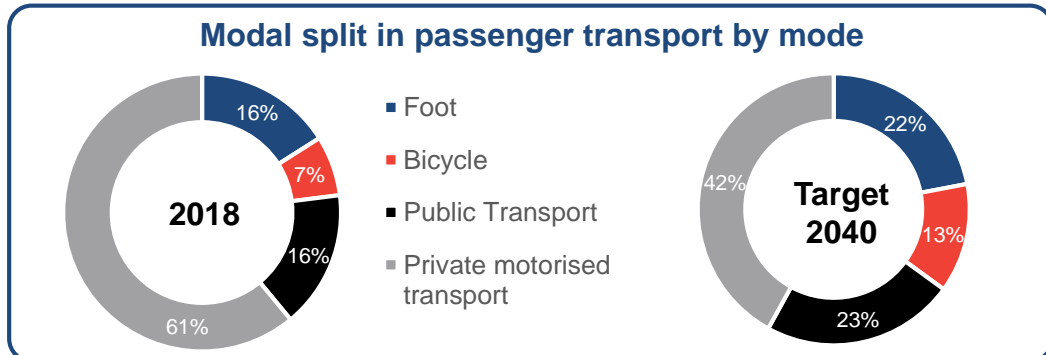


- Introduced in July 2021, the new climate action framework for the transport sector is: **sustainable – resilient – digital**
- Identify ways to **avoid, shift and improve traffic/ transport** and significantly **increase the share of eco-mobility** in total transport: foot and bicycle traffic, public modes of transport, and shared mobility
- **Significant investments required** for this transformation process
- Ultimate goal of establishing a **carbon-neutral transport system by 2040**

Target pathway to climate-neutral transport by 2040



Source: [Austria's 2030 Mobility Master Plan](#)





3

Green Bond Framework & SPO

Austria achieves top evaluation and ranking for its innovative Framework



The Republic of Austria believes in the effectiveness of the sustainable finance market to support Austria's ambitious climate change strategy

Four components of Austria's Green Bond Framework












Key features and rationale

- Austria is a **leader in the sustainability space** and its federal budget already contains a high proportion of green expenditures
- The implementation of this Green Bond Framework promotes and **highlights Austria's strong environmental agenda** aiming at increasing the participation Austria's private sector to achieve the levels of investment required to ensure **environmental sustainability** and **decarbonise the economy** with a view to **achieving net-zero GHG emissions**
- Besides contributing to Austria's environmental goals, the Green Bond Framework aims at:
 - providing investors with an opportunity to **diversify** their investment portfolios towards **sustainable assets**
 - **expanding Austria's broad investor base** and potentially increasing the demand for Austrian debt securities overall
 - promoting and **developing** the domestic and international **Green Bond Market**
- The Republic of Austria's Green Bond Framework is aligned with the 2021 version of the **Green Bond Principles (GBP)**, as published by the International Capital Market Association (ICMA)












The Republic of Austria has a strong portfolio of green assets reflecting its ESG strategy – The Framework links Austria’s green expenditures with the UN SDGs (1/2)

Green Eligible Categories	SDG Mapping	Examples of Eligible Projects	NACE Codes (selected)
Clean transportation	   	<ul style="list-style-type: none"> Expanding railway and bicycle infrastructure (including electrification) Maintaining, updating and refinancing the existing electrified transport network Increasing transport of goods via rail Measures related to electric vehicles (e.g. expanding charging infrastructure) and “green mobility” 	H49.10, N77.39, H49.20, H50.4, N77.39, H49.31, H49.3.9, N77.11, N77.21, H49.32, H49.39, H49.4.1, H53.10, H53.20, N77.12, H50.30
Renewable energy	 	<ul style="list-style-type: none"> Renewable energy production installations (e.g. hydro, wind, solar, biomass) Connection of renewable energy to the grid Transmission of renewable energy and advancements in energy storage systems Progressing in the area of green hydrogen 	D35.11, F42.22
Energy efficiency	 	<ul style="list-style-type: none"> Energy management systems and storage of electricity Smart grids Green district heating/cooling Reduction of energy use in industrial processes 	D35.30, D35.11, F41, F43, F42, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12, M71.1.2, M72.1, M71
Pollution prevention and control		<ul style="list-style-type: none"> Air emissions monitoring Installation of filters and other measures to reduce air emissions Identification and remediation of contaminated sites 	E38.21



The Republic of Austria has a strong portfolio of green assets reflecting its ESG strategy – The Framework links Austria’s green expenditures with the UN SDGs (2/2)

Green Eligible Categories	SDG Mapping	Examples of Eligible Projects	NACE Codes (selected)
Environmentally sustainable management of living natural resources and land use	 	<ul style="list-style-type: none"> Environmental protection measures in agriculture Sustainable forest management including afforestation, rehabilitation, and conservation Identification and remediation of contaminated sites Projects and R&D on resource efficiency and environmentally friendly waste management 	A2; II 02.10, 02.20, 02.30, 02.40, E37.00, F42.99, E38.21, E38.32
Terrestrial and aquatic biodiversity	 	<ul style="list-style-type: none"> Nature reserves and national parks Organic and/or extensive agriculture, especially in mountainous areas Ecological renovation of shelters in the particularly sensitive Alpine regions Biodiversity programs in the public and private sector 	-
Sustainable water and wastewater management	 	<ul style="list-style-type: none"> Ecological improvements in water supply and wastewater disposal Quality monitoring and controlling of ground and surface water 	E36.00, F42.99, E37.00
Climate change adaptation		<ul style="list-style-type: none"> Extreme weather events observation and monitoring systems Support adaptation related research Development of adaptation related infrastructure 	-



The Republic of Austria commits to strict Use of Proceeds exclusions

Projects that support or promote the following activities
will not be eligible under Austria's Framework as Eligible Green Projects



Nuclear power

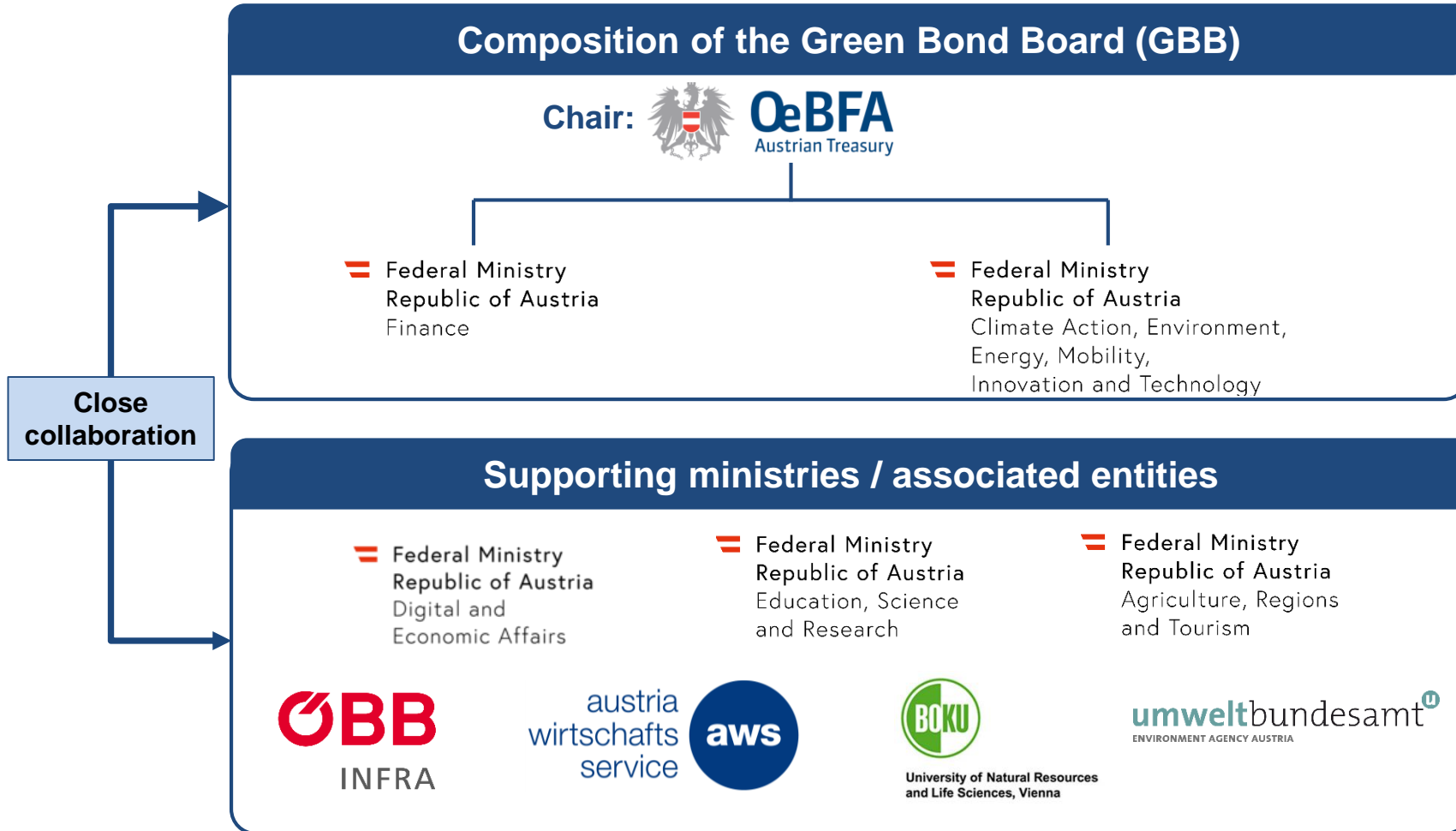
Production/refining of fossil fuels, fossil fuel power generation and the transport of fossil fuels, as well as projects concerning carbon capture and storage (CCS)

Alcohol, gambling and tobacco

Weapons and defense-related goods and expenditures



The Republic of Austria has set up an inter-ministerial Green Bond Board (GBB) to ensure the appropriate evaluation and selection of eligible green expenditures under its framework

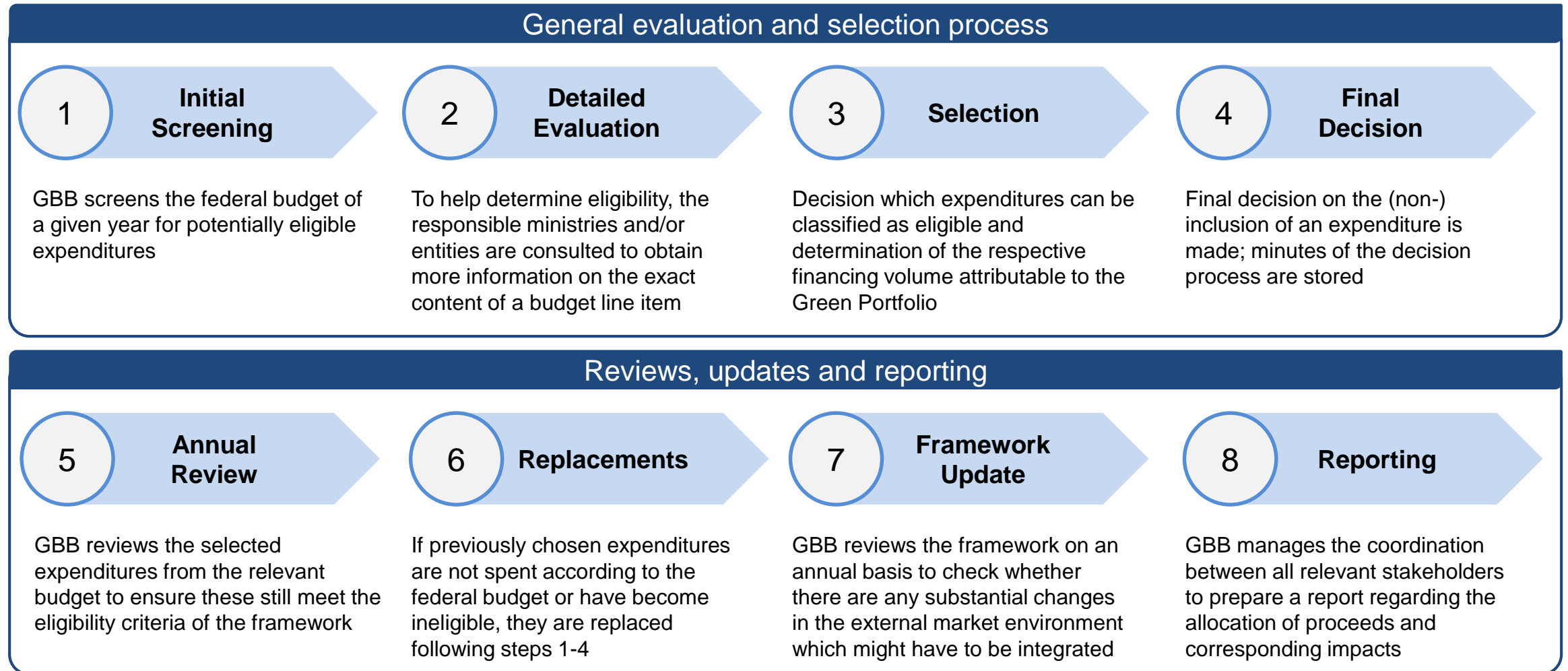


Close collaboration

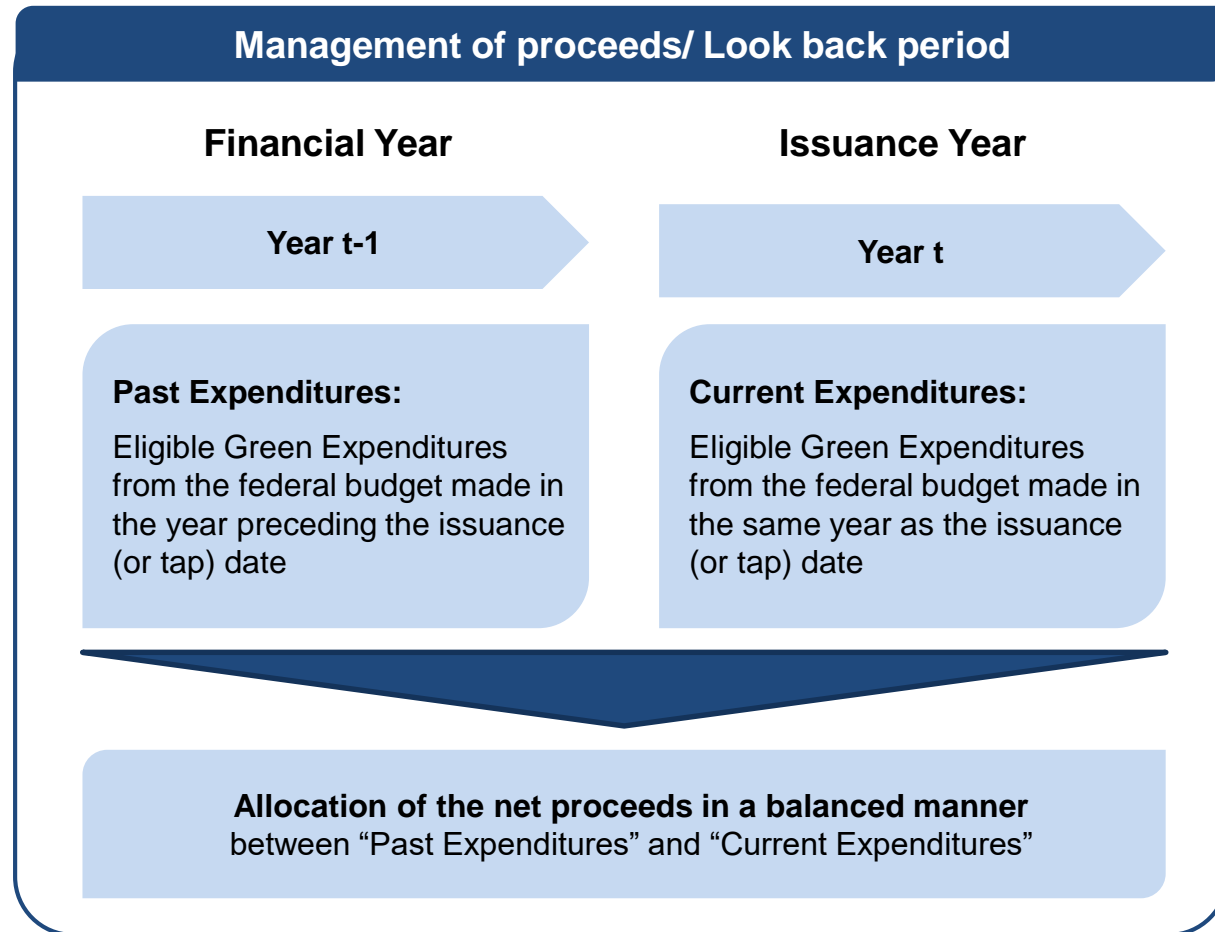
- **Formalized and established Green Bond Board (GBB)** ensuring the appropriate evaluation and selection of eligible green expenditures under this framework
- The GBB is **chaired by the Austrian Treasury (OeBFA)** and **composed by high-ranking representatives from Ministry of Finance and Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology**
- The **GBB also closely cooperates with further relevant federal ministries and associated entities** whenever expenditures from their respective area of responsibility are discussed and additional expertise is needed



The process of evaluating and selecting eligible expenditures is characterised by continuous feedback loops and regular re-assessments



The Republic of Austria will ensure a robust and solid allocation and tracking of proceeds

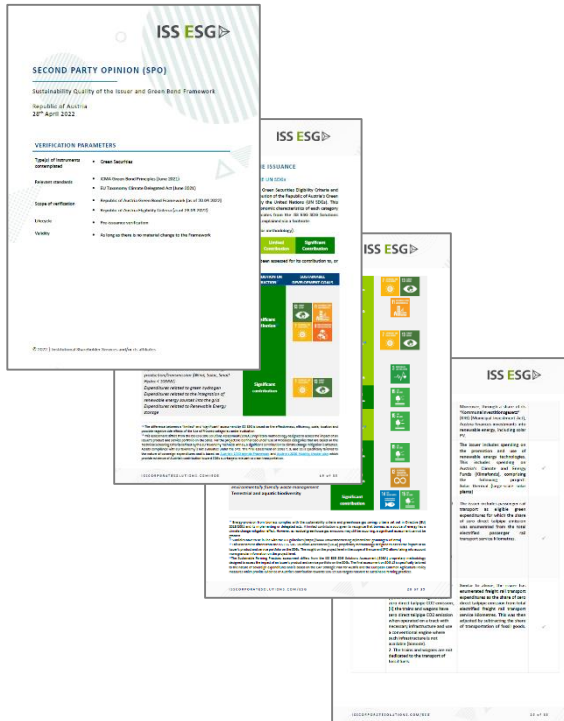


- The **proceeds derived from Green Securities’ issuance** under the present Green Bond Framework will be **part of the overall funding of the Republic of Austria**
- **Eligible green expenditures** in Austria’s Green Portfolio **include:**
 - **Past Expenditures**
 - **Current Expenditures**
- **Austria will track all eligible expenditures in a repository** which represents Austria’s Green Portfolio
- The **total volume of eligible green expenditures** in Austria’s Green Portfolio will always be **at least as high as the volume of total net proceeds from all outstanding Green Securities**
- In the event that amounts raised from Green Securities cannot be immediately and fully allocated to eligible green expenditures, the Austrian Treasury will **manage the unallocated proceeds in line with its normal cash management policy**
- **The Austrian Treasury is responsible for determining how proceeds from issuance of the Green Securities are allocated** towards eligible green expenditures in the Green Portfolio



ISS ESG's Second Party Opinion (SPO) confirms Republic of Austria's Green Bond Framework to be fully aligned with best market practice (1/2)

ISS ESG's Assessment – Key Aspects



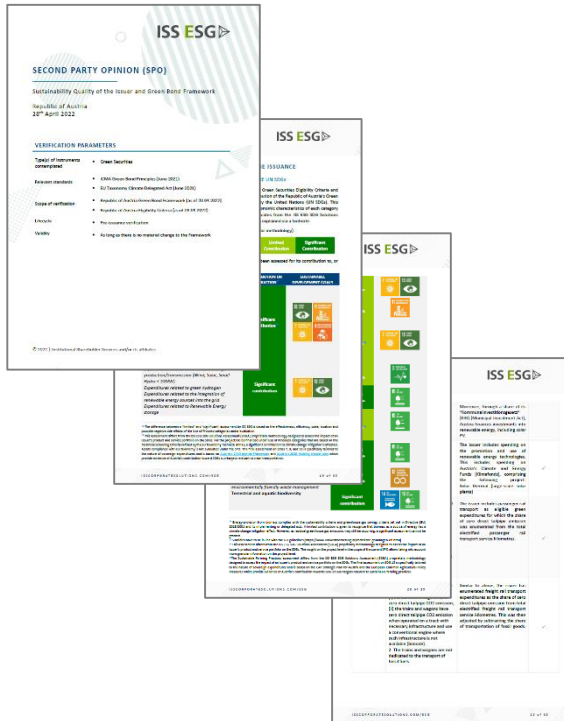
- ✔ **Part I – Green Securities link to Republic of Austria's sustainability strategy:**
 According to the ISS ESG Country, Rating published on April 17th 2022, the Republic of Austria shows a **high sustainability performance** on key ESG issues faced by sovereign issuers

- ✔ **Part II – Alignment with Green Bond Principles (GBP/ICMA):**
 The **rationale** for issuing Green Securities is clearly described. The Republic of Austria has **defined a formal concept for its Green Securities** regarding the use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the **ICMA Green Bonds Principles**

- ✔ **Part III – Sustainability quality of the Eligibility Criteria/ UN SDG alignment:**
 The Republic of Austria's **use of proceeds categories have a positive contribution** to SDGs 3 'Good health and well-being', 6 'Clean water and sanitation', 7 'Affordable and clean energy', 9 'Industry, Innovation and Infrastructure', 11 'Sustainable cities and communities', 12 'Responsible Consumption and Production', 13 'Climate action', 14 'Life below water' and 15 'Life on Land'

ISS ESG's Second Party Opinion (SPO) confirms Republic of Austria's Green Bond Framework to be fully aligned with best market practice (2/2)

ISS ESG's Assessment – Key Aspects



✔ Part IV – Alignment of selection criteria with EU Taxonomy:

For the following activities, ISS ESG deems expenditures financed under the framework eligible to be **EU Taxonomy-aligned**:

- 4.1 Electricity generation using solar photovoltaic technology
- 4.21. Production of heat/cool from solar thermal heating
- 6.1. Passenger interurban rail transport
- 6.2. Freight rail transport
- 6.3. Urban and suburban transport, road passenger transport
- 6.4. Operation of personal mobility devices, cycle logistics
- 6.14. Infrastructure for rail transport
- 6.15. Infrastructure enabling low-carbon road transport and public transport

Furthermore, the Republic of Austria is considered to be **compliant with the requirements of the Minimum Social Safeguards**

4

Green Expenditures & Reporting

Austria endeavours to maximise the environmental impact of its Green funding in a tangible and measurable way



Highest standard for Austria's expenditures and full transparency

Exclusion of double counting

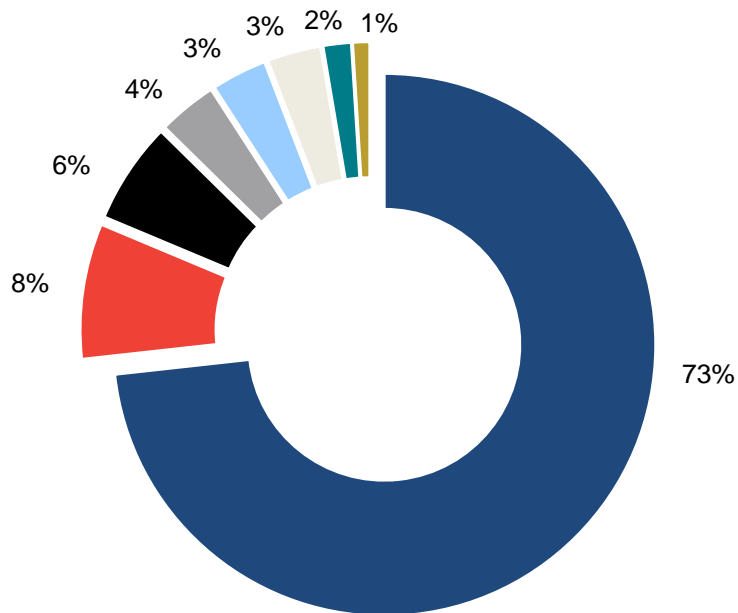
Expenditures allocated to Austria's Green securities are earmarked for that purpose only, and will not overlap with any other green funding.

- Expenditures proposed by the federal government in Austria's Recovery and Resilience Plan for the NGEU programme are excluded from the allocation to Green Government Securities.
- Eligible Use of Proceeds have been identified as part of a thorough budget analysis to comply with EU and international standards.
 - The framework meets highest market standards and is in line, if not exceeding, the standards set by other sovereign Green Bond issuers.
- The reporting¹ on Austria's Green securities will provide investors with a high level of transparency regarding the expenditures and the progress as well as positive impact delivered.
 - To the extent possible, these reports are intended to be aligned with the reporting templates published in the latest proposal of the EU Green Bond Standard (as of April 2022).
 - In line with market standards, the reports will contain both quantitative and qualitative information.

¹ See details about reporting on pages 38ff

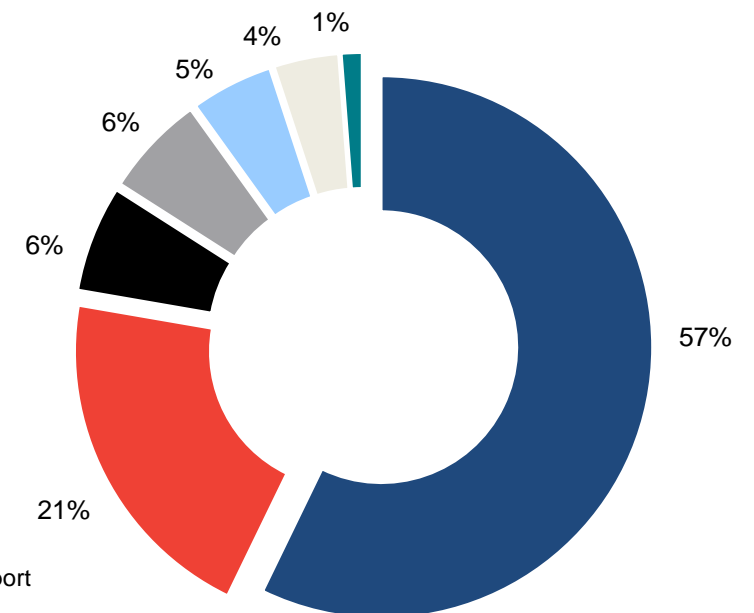
Use of Proceeds – Eligible Green Expenditures

Estimated proportion of spending by green expenditure category under the Green Bond Principles, 2021-2022¹



- Clean Transportation
- Energy Efficiency
- Sustainable water and wastewater management
- Pollution Prevention and Control
- Renewable Energy
- Environmentally sustainable management of living natural resources and land use
- Terrestrial and aquatic biodiversity
- Climate Change Adaptation

Estimated proportion of spending by top expenditure category under the EU Taxonomy as assessed by the SPO provider, 2021-2022²















- Infrastructure for rail transport
- Passenger interurban rail transport
- Infrastructure enabling low-carbon road transport and public transport
- Urban and suburban transport, road passenger transport
- Freight rail transport
- Operation of personal mobility devices, cycle logistics
- Production of heat/cool from bioenergy

¹ Numbers refer to the federal budget expenditure analysis by the Republic in collaboration with the Umweltbundesamt






² Numbers refer to the EU Taxonomy categories as assessed by the SPO provides (ISS ESG)



Use of Proceeds – Contribution to SDG goals

USE OF PROCEEDS	CONTRIBUTION / OBSTRUCTION	SDGs
Clean Transportation Expenditures related to public transport service provision Expenditures related to construction/maintenance of infrastructure supporting the provision of electric public transport and individual electric transports Expenditures related to green mobility (charging stations, bicycle infrastructure) Expenditures related to electrified rail Infrastructure	Significant contribution	   
Renewable Energy Expenditures related to renewable energy production / transmission (Wind, Solar, Small Hydro < 10MW) Expenditures related to green hydrogen Expenditures related to the integration of renewable energy sources into the grid Expenditures related to Renewable Energy Storage	Significant contribution	 
Renewable Energy Energy-provision from certified biomass	Limited contribution	 
Renewable Energy Green district heating and cooling	Limited contribution	
Energy Efficiency Expenditures related to smart grids Expenditures related to subsidies of energy-efficient solutions Expenditures related to subsidies of energy use reduction in industrial process	Limited contribution	 
Pollution prevention and control Expenditures related to filtering	Limited contribution	

Source: ISS ESG Second Party Opinion

USE OF PROCEEDS	CONTRIBUTION / OBSTRUCTION	SDGs
Environmentally sustainable management of living natural resources and land use Organic Agriculture	Significant contribution	
Environmentally sustainable management of living natural resources and land use Land remediation Sustainable farming practices	Limited contribution	
Environmentally sustainable management of living natural resources and land use Sustainable Forest Management	Significant contribution	
Environmentally sustainable management of living natural resources and land use Projects and R&D on resource efficiency and environmentally friendly waste management	Significant contribution	
Terrestrial and aquatic biodiversity Expenditures related to the promotion (financing) of biodiversity conservation, natural capital protection / development (land and/or marine) Expenditures related to Organic farming	Significant contribution	 
Sustainable water and wastewater management Water supply and wastewater treatment services	Limited contribution	
	Significant contribution	
Climate change adaptation Expenditures related to infrastructure and resources related to extreme weather observation and climate change adaptation supports and Development	Limited contribution	



Detailed Use of Proceeds Overview

Green Sector	2021 Indicative Amounts (€mn)	2021 Indicative %	2022 Indicative Amounts (€mn)	2022 Indicative %
Clean Transportation	3,828	75%	3,852 ▲	71%
Energy Efficiency	324	6%	522 ▲	10%
Sustainable water and wastewater management	335	7%	299	6%
Renewable Energy	116	2%	230 ▲	4%
Environmentally sustainable management of living natural resources and land use	130	3%	203 ▲	4%
Pollution Prevention and Control	197	4%	171	3%
Terrestrial and aquatic biodiversity	96	2%	78	1%
Climate Change Adaptation	56	1%	49	1%
TOTAL	5,081		5,404 ▲	



The Republic of Austria is committed to provide maximum level of transparency and to give an overview of the progress and positive impact delivered

Allocation Reporting

- Reporting the **allocation of the Green Securities` proceeds**
- Starting in the **calendar year after the first issuance.**
- Allocation reports will be **updated annually until full allocation** of proceeds

Impact Reporting

- Impact reports will be published on **at least a biennial basis until full allocation** of proceeds, subject to the availability of the relevant data,
- **First Impact report** published **two years after the first issuance**

Publication Details







- The allocation and impact reports will be **published on the website of the Austrian Treasury (www.oebfa.at)** under “Green Government Securities” in the section titled “Financing Instruments”
- In line with market standards, the report will contain both **quantitative and qualitative information**
- To the extent possible, these reports are **planned to be aligned with the reporting templates** published in the latest proposal for an **EU Green Bond Standard¹**

¹ Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0391>






Underpinning Austria's commitment to full transparency, the reports will be subject to external verification

Allocation Reporting

-  Total amount of green securities outstanding
-  Total amount allocated to Eligible Projects
-  Total amount allocated per Eligible Category
-  The remaining unallocated total amount
-  Share of allocation between "Past Expenditures" and "Current Expenditures"
-  Any material developments related to the eligible green expenditures

Impact Reporting

-  Outlining the environmental impact¹ of the use of the Green Securities proceeds
-  Information on the positive environmental impacts and green co-benefits of eligible green expenditures
-  Case studies covering selected key projects/expenditures.

External Verification

Reports will be subject to **external verification** by an authorised independent entity/independent external reviewer

¹ See Annex for environmental impact metrics and green co-benefits that the Republic of Austria intends to use

Additional external review and verification – Umweltbundesamt

Umweltbundesamt (Environment Agency Austria)



The Umweltbundesamt & its expertise

- The Umweltbundesamt is the environment agency of Austria and an international environmental consultant, committed to achieving a sustainable and resilient economy and society,
- lays special focus on the areas of climate, circular economy, biodiversity, zero pollution, dialogue and innovation, and digitalization. It develops sustainable strategies and measures, conducts evaluations and provides data and advisory to facilitate the low carbon and sustainable transition,
- is active in more than 60 countries, involved in over 200 international bodies, cooperates with international institutions such as UNEP and OECD and provides advice to the European Parliament and the European Commission,
- undertakes data management and research activities in collaboration with partner institutes and universities,
- and works towards the achievement and implementation of environmental policy objectives in Austria, and assesses implementation of EU regulations and directives.

The Umweltbundesamt contributions and responsibilities for Austria's Green Bond

- The Umweltbundesamt supported the in-depth evaluation and selection of Austria's eligible Green Expenditures.
- Key assessor of the positive environmental impacts and green co-benefits of eligible green expenditures.
- Will have a leading role for the Republic's Green Bond reporting.

How did we approach the topic EUT alignment?

- Despite the ongoing negotiations on the EU Taxonomy and the limitations to sovereign EUT alignment, Austria is committed to **aligning** its green expenditures with ‘substantial contribution criteria’ of the Taxonomy **to the maximum possible extent**, and has carried out **in-depth analyses** to this end.
- The process of assessing the alignment of green expenditures with the EU Taxonomy **involved taxonomy experts** of the Federal Ministry for Climate Action and of the Environment Agency Austria (Umweltbundesamt), further stakeholders from the Austrian Government, the Structuring Advisors as well as the SPO provider.
 - Budget items corresponding to the economic activities specified in the Taxonomy’s climate Delegated Act were identified
 - Budget items were assessed against the criteria for a substantial contribution to the climate objectives.
 - Budget items for which no sufficient data was available were excluded.
 - A safety margin was applied, for example, to expenditures for rail infrastructure and public transport.
- Austria is **one of the first sovereign green bond issuers** to engage its SPO provider to conduct a **detailed EUT alignment check**: A testament to the Republic’s commitment to being as much as possible Taxonomy-aligned in the context of current EU legislation.
 - A large part of activities related to clean transportation and selected activities from renewable energy were deemed eligible to be EUT-aligned. Thus, the EUT-relevant activities under current EU law, which were **qualifying for assessment by the SPO provider** (ISS ESG), **amount to almost ¾ of Austria's total Green Expenditures**.



Example EUT-aligned expenditure activity – Infrastructure for rail transport

- *Austria’s share of electrified infrastructure (according to its electrification plans until 2030) has been deemed as eligible expenditure.*
- *Austria’s public rail network is not dedicated to the transportation or storage of fossil fuels, and investments into extended railways (“Anschlussbahnen”) are excluded from Eligible Green Expenditures, as they might include fossil fuel transportation.*

5

Example Expenditures

Case studies of how Austria's Green funding will be put to work





Case Study OeBB: Expansion and electrification of Austria's rail network

EU Taxonomy Activities:

- Infrastructure for rail transport / public transport
- Passenger interurban rail transport

Subcategories:

Expanding railway infrastructure (including electrification); maintaining, updating and refinancing the existing electrified transport network; increasing transport of goods via rail; expanding urban public transport networks; promoting affordable fares for public transport

The Austrian federal budget part-finances by federal law the ÖBB-Infrastruktur AG (Austrian Federal Railway Infrastructure) to ensure operability of the railway infrastructure, its provision and maintenance as well as the planning and extension of the network.

Objective: Full electrification of the Austrian railway network¹

- Austria is already a forerunner with about 74% electrified public railway tracks (clearly above EU average of about 55%²)
- **Goal by 2030: Electrification of 85%**

Objective: Expansion of Austrian railway network

- Expansion of railway infrastructure and rail km (all new projects are electrified)
- Focus on increasing number of passengers transported via rail (already 13%² share in passenger transport; top value in EU)
- Focus on increasing transport of goods via rail

² Source: Eurostat

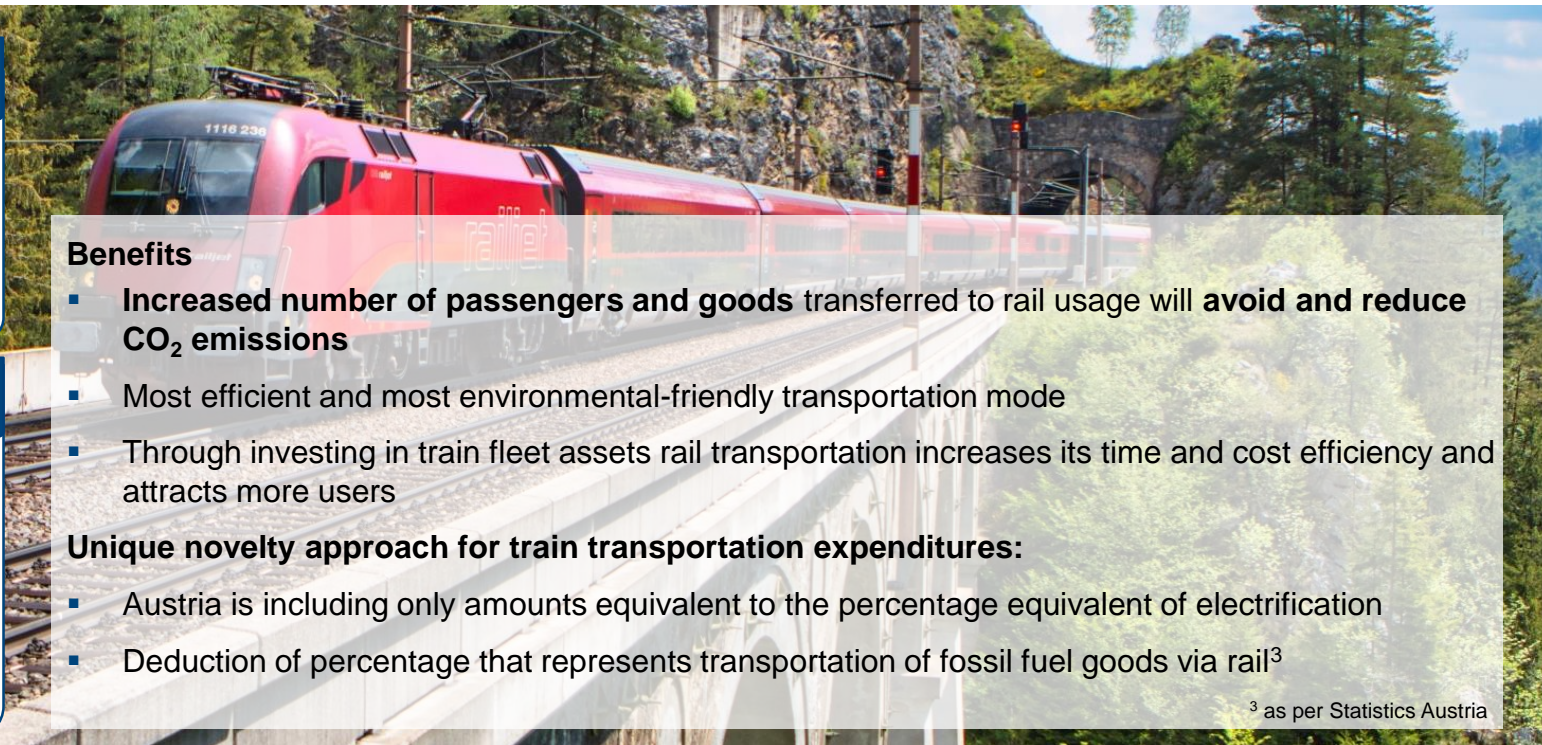
Benefits

- **Increased number of passengers and goods** transferred to rail usage will **avoid and reduce CO₂ emissions**
- Most efficient and most environmental-friendly transportation mode
- Through investing in train fleet assets rail transportation increases its time and cost efficiency and attracts more users

Unique novelty approach for train transportation expenditures:

- Austria is including only amounts equivalent to the percentage equivalent of electrification
- Deduction of percentage that represents transportation of fossil fuel goods via rail³

³ as per Statistics Austria



¹ For further details please see the following strategies that are also reflected in the Green Bond Framework:

1. NEKP – [Österreichs integrierter nationaler Energie- und Klimaplan \(bmk.gv.at\)](https://www.bmk.gv.at); Austria's integrated National Energy- and Climate plan; section „Elektrifizierungsoffensive“ on page 115
 2. Mobilitätsmasterplan 2030 – [Mobilitätsmasterplan 2030 – Neuausrichtung des Mobilitätssektors \(bmk.gv.at\)](https://www.bmk.gv.at); see page 40
 3. Target of Budget section UG 41: <https://wirkungsmonitoring.gv.at/2020-BMK-UG-41-W0002.html>



Green Category: Energy Efficiency – Case Study Environmental Promotion *Exit Oil & Gas* Grants to fund heating decarbonisation

EU Taxonomy Objective:

- Climate change mitigation
- Pollution prevention & control

Subcategories:

Installation, maintenance and repair of energy efficiency equipment, Installation and operation of electric heat pumps, District heating/cooling distribution

Over the years 2021 and 2022, the government agreed to dedicate a total budget of 800 million Euros to the programme which led to the replacement of more than 6,600 old heating systems

Objective: Providing grants to replace fossil fuel heating systems that are outdated, expensive and have negative climate impact.

Status quo

- In Austria there are still around
 - 840,000 gas heaters,
 - 500,000 oil heaters and
 - 80,000 heaters with coke or coal in operation.
- Through government subsidies, both private households and companies are encouraged to replace their old and climate unfriendly heating systems

“Raus aus Öl und Gas” – Restructuring programme

- **By 2025 at the latest:** Government programme that targets the replacement of oil boilers which are then older than 25 years with climate-friendly alternatives.
- From the year **2035**, all other room heating systems powered by fossil oil or coal are to be replaced with climate-friendly alternatives. For gas heaters, there is a similar plan in place.

Benefits

- Replacing fossil heating systems has enormous potential in avoiding climate-damaging CO₂ emissions of approximately 3.5 million tons annually.
- The funding campaign "Get out of oil and gas" is a direct implementation measure to achieve the goals of the NECP, the Austrian energy and climate plan.
- Private individuals and companies are supported with up to 7,500 Euros when replacing a fossil heating system with a local or district heating connection or – if this was not possible – with a climate-friendly heat pump or a central wood heating system.
- The programme is being well received especially by single and two-family houses, reflected in high demand for grants.
- In 62% of all cases, a replacement of the old heating system was undertaken of which more than half of these cases (56%) switched to biomass.



Green Category: Sustainable water and wastewater management – Case Study *National Water Management Plan*

EU Taxonomy Objective:

- Construction, extension and operation of water collection, treatment and supply systems
- Close to market research, development and innovation

Subcategories:

Ecological improvements in water supply and wastewater disposal; quality monitoring and controlling of ground and surface water

***Third National Water Management Plan
("Nationaler Gewässerbewirtschaftungsplan" – NGP):
New budgetary investments in water ecology***

Objective: Promoting protection and sustainable water use, and management of the objectives and the programme of measures for the creation, improvement and networking of water habitats

Status quo

- The 3rd NGP covers water quality monitoring programmes, programmes of measures and planned implementation measures to achieve its goals.
- Contains general issues and challenges which are relevant to water bodies in the coming years

The Third National Water Management Plan

- Sets chemical and ecological standards for water bodies and enables measures of water way and water habitat restorations.
- Focused on reducing the input of pollutants, preventing overexploitation and protecting areas with water abstraction.
- Measures that address the effects of climate change on water management and the associated issue of water scarcity into account.
- Places limits on water withdrawals and approvals requirements for projects.

Benefits

- Residual water levels must be increased.
- Obstacles to passability are being removed and replaced by morphological ones.
- Measures such as widenings or restoration of water habitats are being implemented.
- Involvement and integration of the wider public's participation.
- Incentives provided for sustainable and efficient water use.

Source: [Nationaler Gewässerbewirtschaftungsplan](#) (German only)



Green Category: Climate Change Adaptation – Case Study *Flood Risk Management Plan*

EU Taxonomy Objective:

- Engineering activities and related technical consultancy dedicated to adaptation to climate change

Subcategories:

Extreme weather events observation and monitoring systems; support adaptation related research; development of adaptation related infrastructure

Given Austria's geographical and climatic exposure to floods, a plan for flood risk management with appropriate targets and implementable measures was developed for Austria.

Objective: To protect Austrian geography against flooding by avoiding new risks and reducing existing risks, strengthening resilience and increasing awareness

Status quo

- Response and recovery, precautions, protection, awareness, preparedness for “pillars” of flood risk cycle and its management.
- Emphasis is laid on developing measures for water retention.
- Increased use of nature-based solutions like water storage areas.

Austria uses an “integrated flood risk management” approach, wherein coordination between various measures of flood prevention and protection is practiced.

Measures

- Wherever possible, Austria aims at “passive” flood protection in areas at risk through spatial planning, building regulations, disaster control and awareness-raising.
- In all measures, the ecological requirements are taken into account and methods are chosen such that they protect water and the landscape as much as possible.
- The measures for integral risk management range from aftercare to technical protective structures, catchment areas and raising awareness.
- Flood defense and retention measures like retention basins and storage areas are being integrated to avoid and reduce flooding risks.
- Hazard zone plans are elaborated and flood conveyance routes are designated.

Benefits and examples

- Protect natural habitat and restore water way flow.
- Implement protection measures based on nature-based solutions.
- Retention basins and protective structures at affected towns have helped reduce the volume of water flowing into the centers during floods and reduce run-off damage.
- Flood forecasting models and early warning systems operate at several Austrian water bodies, alerting of possible risks up to 2 days in advance.



Green Category: Renewable Energy – Case Study Climate and Energy Fund

EU Taxonomy Objective:

- Electricity generation using solar photovoltaic technology, biomass and wind power
- Storage of electricity, thermal energy, hydrogen
- Close to market research, develop. / innovation

Subcategories:

Renewable energy production installations (e.g. hydro, wind, solar, biomass); connection of renewable energy to the grid; transmission of renewable energy; progressing in the area of green hydrogen; advancements in energy storage systems; related R&D activities

The Climate and Energy Fund provides funding for research and development in the field of sustainable energy technologies and climate research.

Objective: To establish photovoltaic systems to enable the achievement of 2030 climate objectives

Status quo

- Photovoltaic systems have been used in Austria since 2008.
- The goal of the government is to establish 1mn photovoltaic rooftop systems.
- Support extended to lighthouses and agriculture and forestry areas, aimed at providing energy storage.

To achieve climate and energy goals, production and storage of renewable energy are of utmost importance. Use of renewable energy reduces the outflow of resources and creates domestic energy production and jobs.

Photovoltaic energy

- Photovoltaic systems are funded by the Climate and Energy Fund, and a budget volume of €40mn was allocated to these systems in 2021.
- The share of photovoltaic technology in electricity generation is still low and for the achievement of the 2030 climatic targets a large number of plants will be necessary to reach the same.
- Particular emphasis is put on plannable, continuous and cost-efficient funding under the Funding Guidelines.

Benefits

- Position Austria as forerunner for a sustainable and energy efficient European future and ensure resilience of renewable energy provision.
- Decrease the costs of decarbonisation.
- Creation of new Green innovations and decarbonising energy technologies.
- Investments in Austrian regions and creation of high qualified, local green jobs

Source: [Climate and Energy Fund](#)



Green Category: Terrestrial and Aquatic Biodiversity – Case Study Biodiversity Fund

EU Taxonomy Objective:

- Climate Change Adaptation, Biodiversity

Subcategories:

Conservation of habitats and ecosystems, restoration of biodiversity and ecosystems, rehabilitation and restoration of forests, conservation forestry, Restoration of wetlands

With the Biodiversity Fund, the Austrian Federal Government provides an instrument intended to contribute to the Austrian biodiversity strategy and the achievement of the Austrian biodiversity goals

Objective: Conserve, restore and preserve the nature and diversity in Austria

Status quo

- European Strategy on Biodiversity published in 2020
- In 2018, the fund received 218 applications with a total funding ask of 37.5 million Euros
- About 89% of the population familiar with the term biodiversity though not necessarily with the importance and contributions needed for the strategy to succeed

Derived from the EU Biodiversity Strategy which underlines that “investments in protecting and restoring nature are also crucial for Europe's recovery from the COVID-19 crisis and for revitalizing the economy”, the Austrian Biodiversity Fund is aimed at conserving and preserving nature and its diversity

Benefits

- Projects supported do protect particularly endangered species and restore natural habitats.
- Financing of measures to promote and preserve biodiversity at the local level.
- Funding for select pilot and model projects for the recognition of protective areas, for the creation of new and the expansion of existing protected areas that are of particular importance for biodiversity in Austria.

Additional Contribution by measures of the Common Agricultural Policy to biodiversity – strategy targets, financed outside biodiversity fund

- Fostering environmentally sound and biodiversity supporting agricultural production
- Strengthening organic farming
- Financing investments in preservation, restoration and amelioration of nature heritage sites
- Supporting of landscape elements and high nature value areas
- Training, awareness and education as well as promoting high value products
- Support of holdings in less-favoured areas (compensatory allowance)

6

Debt Management & Green Security Features

Expanding the universe of investments in Austrian securities – with impact



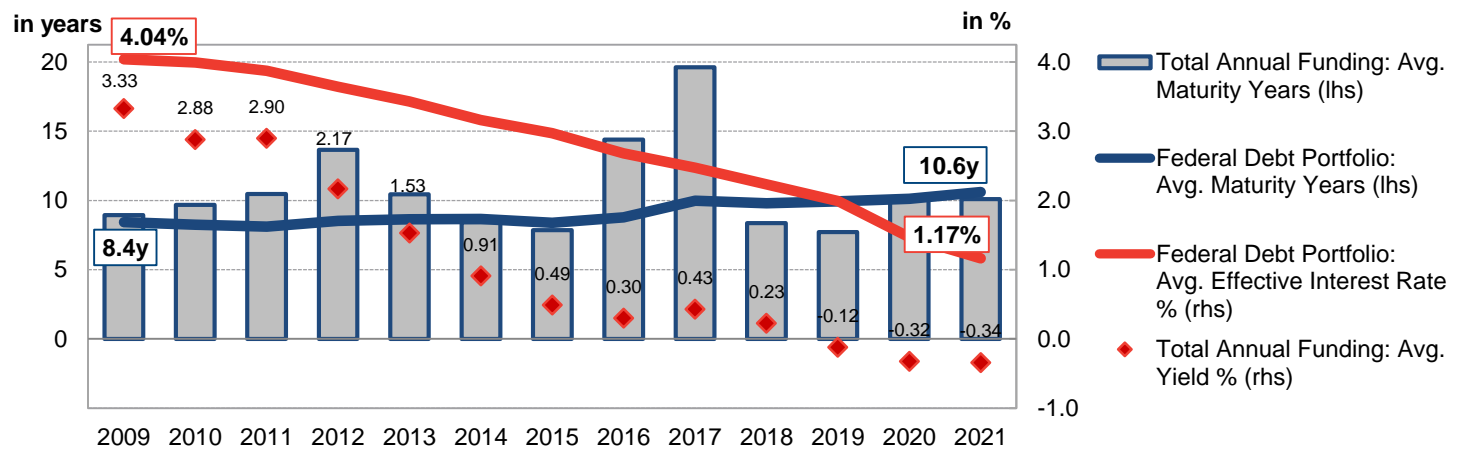


A Reliable, Transparent and Stability-oriented Borrower

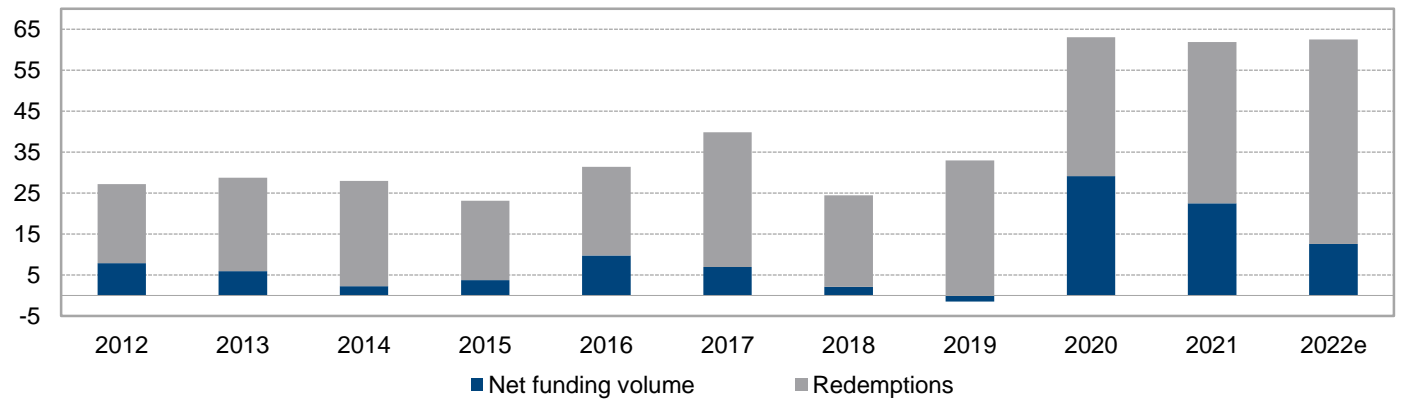
Cornerstones of the Funding Strategy

- Diversity of funding sources (geographically and by instruments)
- Financial flexibility (e.g. to address specific investor demand)
- Capitalizing on scarcity value and strong fundamentals
- Secondary market liquidity
- Monthly auctions for bonds and bills
- 20 primary dealers for RAGBs, 18 for ATBs (16 dealers for ACPs)
- Low debt rollover ratio
- Conservative debt management strategy
 - over 90% fixed rate
 - around 15% short-term debt
- No foreign currency risk
- Well-balanced maturity profile
- Reliability, Transparency, stability-oriented approach

Key Metrics of the Federal Debt Portfolio



Total Gross Funding Volume (in EUR bn)



Note: All funding instruments including own quota of the Republic of Austria

Funding 2022 – Outlook

**Total issuance including all instruments
(RAGB, ATBs, ACPs, EMTN, loans):**

2022: **EUR 60-65 bn**
2021: *EUR 61.9 bn*

RAGB issuance 2022: **around EUR 40 bn**
RAGB issuance 2021: *EUR 40.1 bn*

RAGB syndications 2022: **three or four** syndicated EUR issues
(in 2021: 3)

**Short-term debt instruments
outstanding end-2022:** **minimum EUR 18 bn**
Outstanding as of end-2021: *EUR 18.8 bn*

Total portfolio tenor (end-2022): 10.25-11.75 years (end-2021: 10.6 years)

Total portfolio interest fixing period (end-2022): 11.5-13.0 years (end-2021: 11.8 years)

As of May 11, 2022: **close to 40%** of total funding programme **completed**



Strategic considerations for Austria's Green Bonds & Features of the Green RAGBs

On the 31st August 2021, the Federal Minister of Finance announced the Republic of Austria's intention to issue its inaugural Green Bond in 2022¹ with the intention to bring several transactions to the market in the years to come.

Key similarities to conventional government bonds

Green RAGBs have the **same characteristics as all other government bonds** issued by the Republic of Austria, with regards to:

- Legal format
- Governing law
- Issuance method
- Initial size
- Reopening of the bond

Key differences to conventional government bonds

- **Use of Proceeds** of the Green Bonds:
 - In a conventional government bond the Use of Proceeds are not specified in the terms. However, money raised by a Green Bond will be invested in predetermined climate and environmental projects and will be tracked after issuance
- **Detailed Green reporting**, through regular allocation and impact reports
- Additional documentation in the form of a **Green Bond Framework** and **Second Party Opinion** on the framework, and comprehensive **allocation and impact reporting**.

The Republic of Austria is open to issuing Green instruments across the spectrum of the curve and the above points thus apply to short-term debt instruments in Green format as well.

- Including short-term debt instruments in the Framework enhances the flexibility of issuing green debt for short-term oriented investors like Central Banks, Money Market Funds or Bank Treasuries.
- Potential format of issuance includes Green Austrian Treasury Bills and Green Austrian Commercial Paper.
- This unique approach could make Austria the first issuer of Green short-term instruments worldwide, underlining the innovative approach of debt management that flexibly adapts to investors' needs.

Investors can expect Austria to issue the main part of its green debt via bonds, with short-term instruments only as a complement.

¹ <https://www.bmf.gv.at/en/press/press-releases/2021/August-2021/Austria-to-issue-Green-Bonds-for-the-first-time-in-2022.html>



7

Summary & Related Links

Austria's Green Securities – an investment in the nation's environmental standing and environmental future



Summary

- Austria is a Safe Haven Core-Euro Area Economy with a **strong Green Agenda** and an **exceptional sustainability track record**
- Austria's Green Securities issuance strategy is based on a **strong Green Bond Framework**
 - **Maximum backward-looking period of expenditures is 1 year**
 - Among sovereigns, Austria is the first issuer to **include short-term debt instruments** as a complement in the Framework **enhancing flexibility** for money market investors and thus broadening the Green securities investment universe
- **Well diversified portfolio of green assets** reflects Austria's ESG strategy that links its green expenditures with the UN SDGs
 - **Conservative approach** that includes e.g. only expenditures of electrified transportation; on top of that deducts any transportation related to fossil fuels
 - Committed to **strict Use of Proceeds exclusions**
 - Enhanced transparency through mapping EU Taxonomy sustainable economic activities to NACE codes where feasible
- **Strong Second Party Opinion (SPO)** confirming Republic of Austria's Green Bond Framework to be **fully aligned with best market practice** and achieving a **top sovereign ranking**
 - SPO affirms that the majority of the Use of Proceeds categories from the Republic of Austria's Green Bond Framework make a "Significant Contribution" to the relevant UN SDGs
 - Top-10 global sovereign ranking according to the SPO provider's (ISS ESG) ESG assessment methodology
- One of the first SPOs of a sovereign Green Bond issuer which included such a **detailed EU taxonomy alignment check**
 - Use of Proceeds from the categories *Clean Transportation* and *Renewable Energy* are eligible to be EU Taxonomy-aligned, as confirmed in the SPO

Links to related information

Austria's Sovereign Green Securities

- Green Bond Framework (April 2022)
<https://www.oebfa.at/en/financing-instruments/green-securities/green-framework.html>
- Second Party Opinion by ISS ESG (April 28, 2022)
<https://www.oebfa.at/en/financing-instruments/green-securities/spo.html>

Environmental and climate policy / key documents

- [Austrian Strategy for Adaptation to Climate Change](#)
- [Austria's Bioeconomy Strategy](#)
- [Austria's 2030 Mobility Master Plan](#)
- [RTI Strategy 2030 \(Strategy for Research, Technology and Innovation\)](#)
- [Integrated National Energy and Climate Plan for Austria](#)
- [Austria and the 2030 Agenda \(Report on the Implementation of the Sustainable Development Goals\)](#)
- [Austria's Recovery and Resilience Plan \(German only\)](#)

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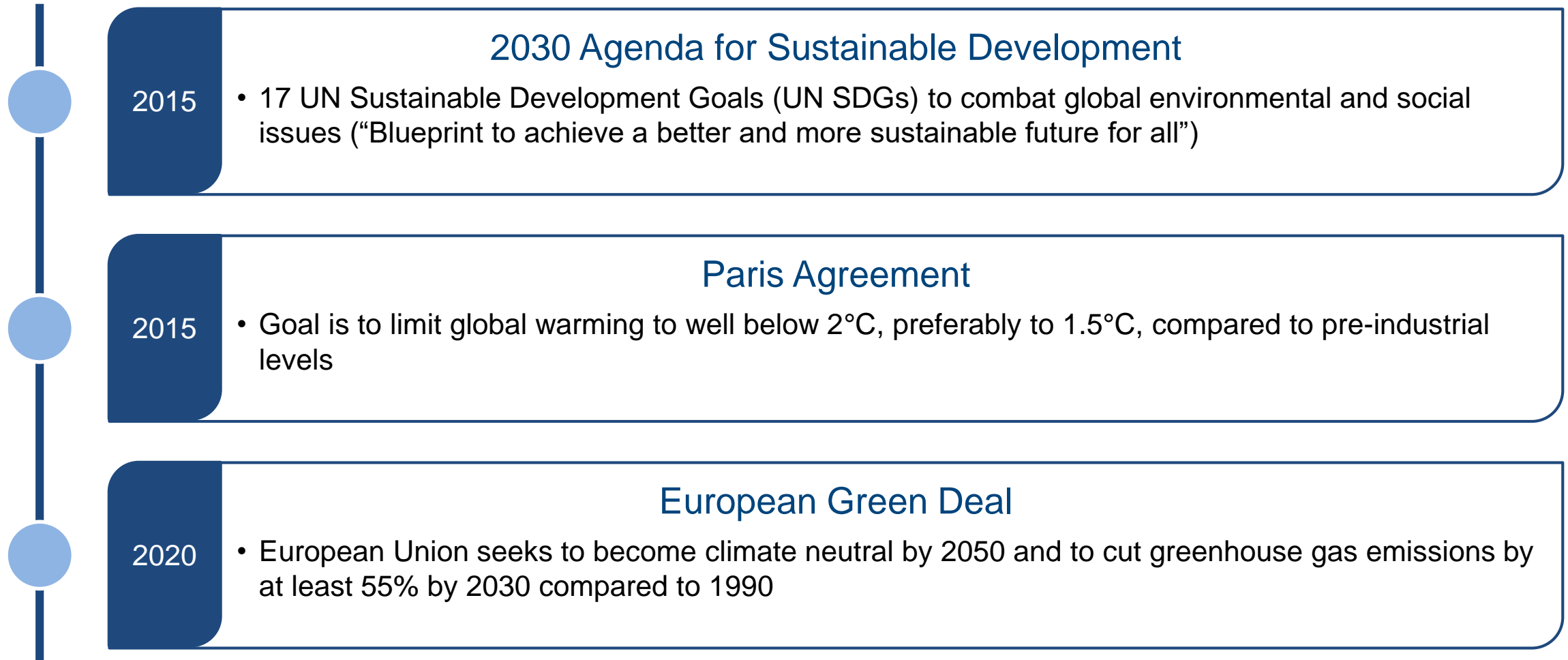


Appendix





Supranational initiatives supported by Austria





Impact reports will be published on at least a biennial basis until full allocation of proceeds, with the first one starting two years after the first issuance (1/2)

Project Categories	Indicative Impact Metrics ¹
Clean transportation	<ul style="list-style-type: none"> • Annual greenhouse gas emissions reduced/avoided in tonnes of carbon dioxide equivalent (CO₂e) • Accumulated amount of electrified rail infrastructure (kilometres) • Annual passenger-kilometres of rail transport • Annual tonne-kilometres of rail transport • % share of non-fossil fuel goods transported • Number of electric vehicle charging stations installed
Renewable energy	<ul style="list-style-type: none"> • Output of additional renewable energy in MWh p.a. • Additional capacity of renewable energy plant(s) and installations constructed, refurbished or subsidized in MW
Energy efficiency	<ul style="list-style-type: none"> • Annual greenhouse gas emissions reduced/avoided in tons of carbon dioxide equivalent (CO₂e) • Annual energy savings in MWh or GJ
Pollution prevention and control	<ul style="list-style-type: none"> • Absolute in tons or % reduction in pollutants • Amount of waste that is prevented in % of total waste and/or in absolute amount in tonnes p.a. • Amount of waste recycled (tonnes or in % of total waste)
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> • Increase of area under certified land management (ha) • Area conserved in square kms or hectares

¹The table outlines the environmental impact metrics and green co-benefits that the Republic of Austria intends to use, as applicable, in impact reports. This list should be considered non-exhaustive, and the Republic of Austria may update these metrics or provide additional metrics in the future



Impact reports will be published on at least a biennial basis until full allocation of proceeds, with the first one starting two years after the first issuance (2/2)

Project Categories	Indicative Impact Metrics ¹
Terrestrial and aquatic biodiversity	<ul style="list-style-type: none"> • River kilometres morphologically improved and restored to their natural state, allowing ecosystem functions to fully recover • Area of restored peatlands and wetlands to their natural state, allowing ecosystem functions to fully recover
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Absolute reduction in water pollutants (nitrogen, phosphor) • Annual absolute and % amount of wastewater treated, reused in m3 p.a. • Additional population connected to sewage and drinking water infrastructure • Kilometres of drinking water infrastructure established • Kilometres of drinking water infrastructure renovated • Annual volume of clean drinking water supplied in m3 p.a. for human consumption
Climate change adaptation	<ul style="list-style-type: none"> • Number of climate change adaptation/resilience projects supported • KLAR! Regions – Climate Change Adaptation Model Regions for Austria, e.g.: (i) number of regions, (ii) square kilometres (share of Austria’s total area), (iii) number of inhabitants • Number of additional citizens protected from floods

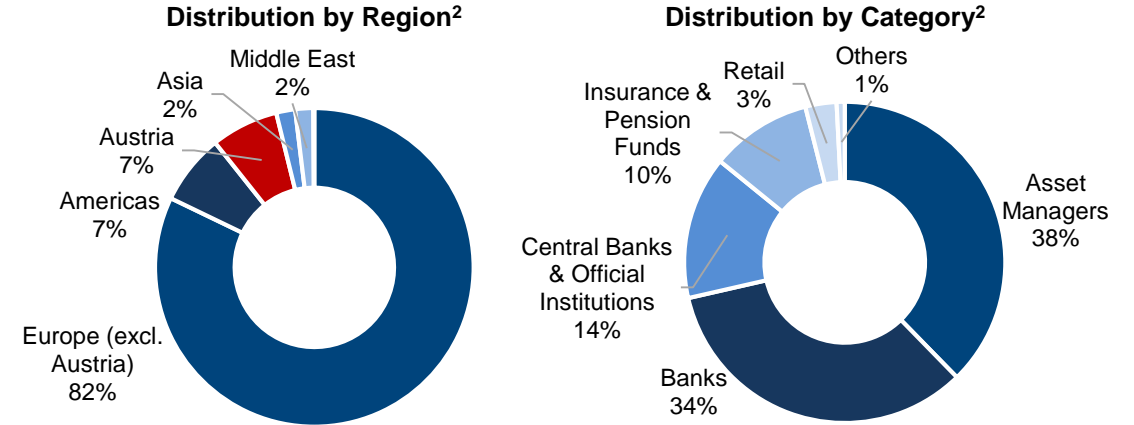
¹The table outlines the environmental impact metrics and green co-benefits that the Republic of Austria intends to use, as applicable, in impact reports. This list should be considered non-exhaustive, and the Republic of Austria may update these metrics or provide additional metrics in the future



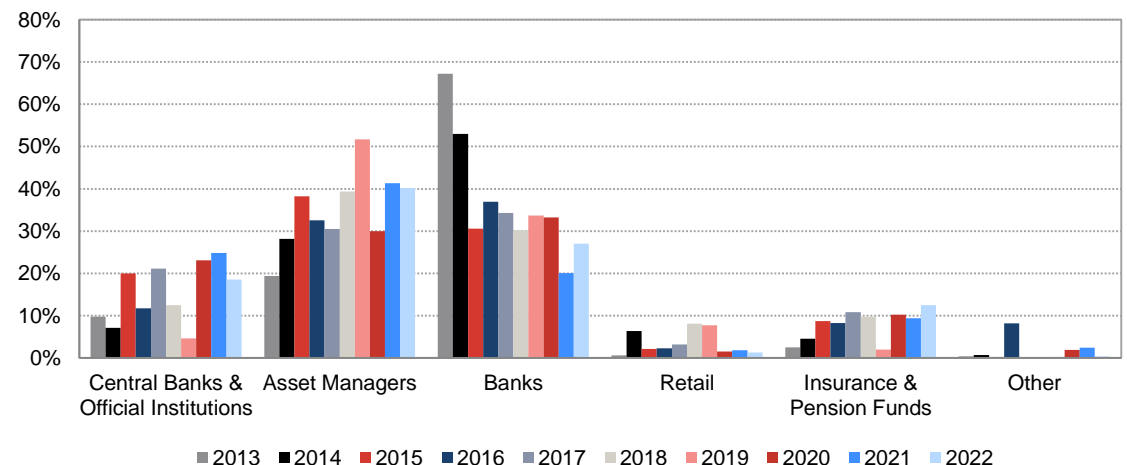
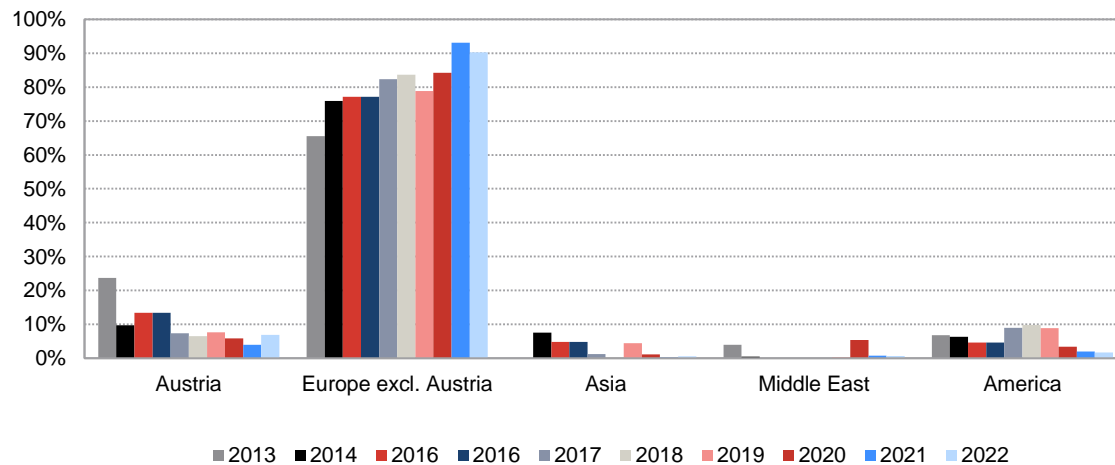
Diversified and Stable Investor Base

- Diversified investor base with Euro area as home market (and strong overweight by Austrian investors)
- Around 90% of debt held by investors domiciled in Europe
- Close to 80% of non-domestically held bonds are within the Euro area¹






Source: 1) IMF (CPIS), share of non-domestically held long-term debt securities as of 2020H1
 2) Austrian Treasury estimates: syndicated RAGB issues 2013-2022

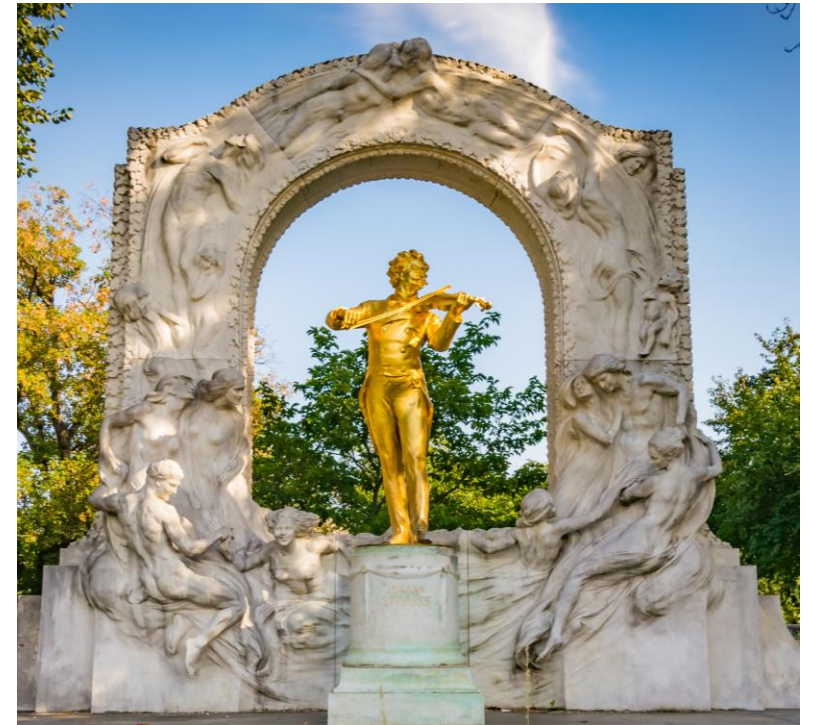


Investors by type and region (syndicated 10y RAGB issues)



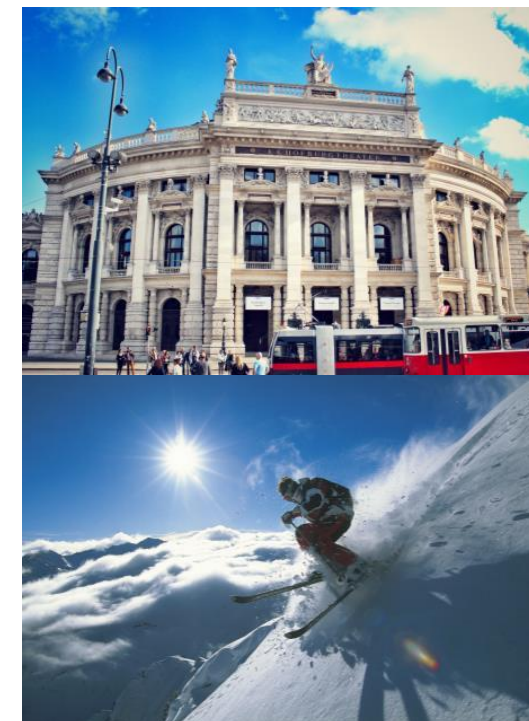
Financing Instruments Republic of Austria

- Government bonds RAGB 
- Debt issuance programme (DIP 144A) 
- EMTN-Programme (Euro Medium Term Notes)* 
- Australian Dollar MTN-Programme – “Kangaroo Programme”
- Loans and “Schuldschein“-Format
- Austrian Treasury Bills (ATB-Programme) 
- Austrian Commercial Paper (ACP-Programme) 



Funding Milestones of the Republic of Austria

1958	US-Dollar Bond issuance
1968	DEM Bond issuance
1971	CHF Bond issuance
1979	Yen Bond issuance
1988	ECU Bond issuance
1999	Debt Issuance Programme (DIP), Euro Medium Term Note (EMTN) Programme and Austrian Commercial Papers (ACPs)
2012	First sovereign to use dual-tranche syndication / Launch of 50-year tenor RAGB
2014	First combined RAGB fixed- and EMTN floating rate syndication
2015	Legal framework for FRNs in RAGB-format introduced
2016	First ever launch of RAGB with negative yields (7-year tenor) in combination with Launch of 70-year tenor RAGB
2017	First ever launch of 100-year tenor RAGB
2018	First European sovereign to use Blockchain technology in government bond auctions
2019	First syndicated Euro government bond (5-year tenor) ever to price below the ECB deposit rate
2020	First nominal syndicated 10-year government bond worldwide issued with a negative yield Second new issue of a 100-year RAGB (at 0.85% lowest coupon of any century bond worldwide) Longest negative yielding nominal syndicated benchmark ever issued by any global SSA borrower
2021	Lowest yielding 10-year sovereign conventional bond ever issued worldwide in syndicated format Introduction of Austrian Treasury Bill Programme (ATB) including auctions
2022	First ever triple-tranche syndicated benchmark offering from a Eurozone sovereign issuer (new short 7-year benchmark and taps of 2040 and 2071 RAGBs) First sovereign issuer with a Green Bond Framework that allows for short-term debt instruments in green format



Primary Dealer Panel Republic of Austria

20 Primary Dealers for Austrian Government Bonds and 18 for Austrian Treasury Bills	for RAGBs	for ATBs
Barclays Bank Ireland PLC	x	x
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG	x	
BNP Paribas	x	x
BofA Securities Europe SA	x	x
BRED Banque Populaire		x
Citigroup Global Markets Europe AG	x	x
Commerzbank AG	x	x
Deutsche Bank Aktiengesellschaft	x	x
Erste Group Bank AG	x	x
Goldman Sachs Bank Europe SE	x	x
HSBC Continental Europe	x	
J.P. Morgan AG	x	x
Landesbank Baden-Württemberg	x	x
Morgan Stanley Europe SE	x	x
Natixis	x	x
Nomura Financial Products Europe GmbH	x	x
Oberbank AG	x	x
Raiffeisen Bank International AG	x	x
Société Générale	x	x
UniCredit Bank AG	x	x
Volksbank Wien AG	x	

16 Dealers for Austrian Commercial Papers

ABN AMRO Bank N.V.	Coöperative Rabobank U.A.	J.P. Morgan AG
AFS Interest B.V.	Erste Group Bank AG	Raiffeisen Bank International AG
Bank of America Europe DAC	Goldman Sachs Bank Europe SE	Société Générale
Barclays Bank Ireland PLC	HSBC Continental Europe	UBS Europe SE
BRED Banque Populaire	ING Bank N.V.	UniCredit Bank AG
Citigroup Global Markets Europe AG		