

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

Hypo-Bank Burgenland AG

28 November 2024

VERIFICATION PARAMETERS

Type(s) of
instruments
contemplated

- Green financial instruments¹

Relevant standards

- [Green Bond Principles](#), ICMA, June 2021 (with June 2022 Appendix 1)

Scope of verification

- Hypo-Bank Burgenland's Green Bond Framework (as of Nov. 6, 2024)
- Hypo-Bank Burgenland's selection criteria (as of Nov. 6, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

¹ These include covered bonds (Pfandbriefe), preferred senior bonds, non-preferred senior bonds or subordinated bonds, and green and savings accounts and books (deposits).

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SCOPE OF WORK

Hypo-Bank Burgenland ("the Issuer" or "the Bank") commissioned ISS-Corporate to assist with its green financial instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Hypo-Bank Burgenland's Green Bond Framework (as of Nov. 6, 2024), benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP).
2. The selection criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate's proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. Consistency of green financial instruments with Hypo-Bank Burgenland's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

HYPO-BANK BURGENLAND OVERVIEW

Hypo-Bank Burgenland AG operates as a regional universal bank for private and corporate customers in the Austrian federal states of Burgenland and Carinthia and in the two metropolitan areas of Vienna and Graz. As the central institution of the GRAWE Banking Group, Bank Burgenland concentrates on core areas: providing advice and support for corporate, private and business customers, as well as real estate and project financing. The bank is a wholly owned subsidiary of the independent Grazer Wechselseitige Versicherung AG (GRAWE). In addition to Bank Burgenland, the GRAWE Banking Group includes Schelhammer Capital Bank AG together with the online banking brand DADAT, HYPO-BANK BURGENLAND AG Zweigniederlassung Ungarn, BB Leasing GmbH, GBG Service GmbH, GBG Beteiligungen GmbH, Security KAG, BK Immo GmbH and GBG Private Markets GmbH. The company was founded in 1928 and is headquartered in Eisenstadt, Austria.

ESG risks associated with the Issuer's Industry

Hypo-Bank Burgenland AG is classified in the public and regional banks industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies² in this industry are sustainability impacts of lending and other financial services/products, customer and product responsibility, sustainable investment criteria, labor standards and working conditions, and business ethics.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

² Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
Part I: Alignment with GBP	The Issuer has defined a formal concept for its green financial instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept is in line with the GBP.	Aligned
Part II: Sustainability quality of the selection criteria	The green financial instruments will (re)finance the following eligible asset categories: Green categories: Energy-Efficient Residential and Non-Residential Buildings. Product and/or service-related use of proceeds categories⁴ individually contribute to one or more of the following SDGs: The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.	Aligned
Part III: Consistency of green financial instruments with Hypo-Bank Burgenland's sustainability strategy	The key sustainability objectives and the rationale for issuing green financial instruments are clearly described by the Issuer. All the project categories considered are in line with the Issuer's sustainability objectives.	Aligned

³ The evaluation is based on Hypo-Bank Burgenland's Green Bond Framework (Nov. 6, 2024), on the analyzed selection criteria as received on Nov. 6, 2024.

⁴ Energy-Efficient Residential and Non-Residential Buildings.

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES

This section evaluates the alignment of the Hypo-Bank Burgenland's Green Bond Framework (as of Nov. 6, 2024) with the GBP.

GBP	ALIGNMENT	OPINION
1. Use of Proceeds	✓	The use of proceeds description provided by Hypo-Bank Burgenland's Green Bond Framework is aligned with the GBP. The Issuer's green categories align with the project categories as proposed by the GBP. Criteria are defined clearly and transparently, and the evaluation process of the sustainability quality of the eligible deposits is described. Disclosure of an allocation period (within 24 months from the issuance) and commitment to report by project category has been provided and environmental benefits are described and quantified.
2. Process for Project Evaluation and Selection	✓	The process for project evaluation and selection description provided by Hypo-Bank Burgenland's Green Bond Framework is aligned with the GBP. The project selection process is defined, and ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy. The Issuer defines exclusion criteria for harmful projects categories. The Issuer involves various stakeholders in this process, in line with best market practice
3. Management of Proceeds	✓	The management of proceeds provided by Hypo-Bank Burgenland's Green Bond Framework is aligned with the GBP. The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately. The process and

		frequency for monitoring green deposits are disclosed (on a monthly basis), and the Issuer's eligible asset pool exceeds the aggregate value of the outstanding deposits. The Issuer also has a mechanism in place to allocate outstanding proceeds if the asset pool does not meet or exceed the net proceeds of the outstanding deposits. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds. The Issuer discloses ESG criteria for temporary investments and has set a reallocation period of one year, in line with best market practices.
4. Reporting	✓	The allocation and impact reporting provided by Hypo-Bank Burgenland's Green Bond Framework is aligned with the GBP. The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency (annually). The reporting will be publicly available on the Issuer's website and will be audited by an external party, in line with best market practices. Hypo-Bank Burgenland has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the bond matures. Additionally, the Issuer defines the reporting process and frequency for deposits (annually). The Issuer is transparent on the level of impact reporting and the information reported and further defines the duration, scope and frequency of the impact reporting, in line with best market practices.

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCIAL INSTRUMENTS TO THE U.N. SDGs⁵

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their operations along the entire value chain.

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:

Obstruction	No Net Impact	Contribution
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Each of the green financial instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Energy-Efficient Residential Buildings <i>New building</i> <i>Residential building single-family house, residential building multi-family house</i> <i>Buildings constructed before Dec. 31, 2020:</i> <i>The properties have at least a Class A EPC. Alternatively, the building belongs to the top 15% of the national or regional building stock (compliance</i>	Contribution	 

⁵ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<i>with the respective minimum energy standard according to OIB Guideline 6 (OIB-RL6:2007- 2015))</i> ▪ <i>Buildings constructed after Dec. 31, 2020:</i> <i>The primary energy requirement (PEBn.ern.SK), which defines the overall energy efficiency of the constructed building, is at least 10% below the threshold value specified in the requirements for nearly-zero energy buildings in accordance with OIB Guideline 6, National Plan.</i> Comprehensive thermal refurbishment <i>Residential building single-family house, residential building multi-family house</i> ▪ <i>Buildings constructed before Dec. 31, 2020:</i> <i>The properties have at least a Class A EPC. Alternatively, the building belongs to the top 15% of the national or regional building stock (compliance with the respective minimum energy standard according to OIB Guideline 6 (OIB-RL6:2007- 2015))</i> ▪ <i>Buildings constructed after Dec. 31, 2020:</i> <i>The primary energy requirement (PEBn.ern.SK), which defines the overall energy efficiency of the constructed building, is below the threshold value specified in the requirements for nearly-zero energy buildings in accordance with OIB Guideline 6, National Plan.</i> <i>Alternative: Thermal refurbishment leads to a reduction in primary energy demand of at least 30%.</i> <i>Note: The energy performance certificates before and after the refurbishment are required for this.</i>		

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Energy-Efficient Non-Residential Buildings New building Office buildings, hotel buildings, sales outlets, event venues - Buildings constructed before Dec. 31, 2020: The properties have at least a Class A EPC. Alternatively, the building belongs to the top 15% of the national or regional building stock (compliance with the respective minimum energy standard according to OIB Guideline 6 (OIB-RL6:2007- 2015)) - Buildings constructed after Dec. 31, 2020: The primary energy requirement (PEBn.ern.SK), which defines the overall energy efficiency of the constructed building, is at least 10% below the threshold value specified in the requirements for nearly-zero energy buildings in accordance with OIB Guideline 6, National Plan. Comprehensive thermal refurbishment Office buildings, hotel buildings, sales outlets, event venues - Buildings constructed before Dec. 31, 2020: The properties have at least a Class A EPC. Alternatively, the building belongs to the top 15% of the national or regional building stock (compliance with the respective minimum energy standard according to OIB Guideline 6 (OIB-RL6:2007- 2015)) - Buildings constructed after Dec. 31, 2020:	Contribution	

SECOND PARTY OPINION

Sustainability Quality of the Issuer
and Green Bond Framework

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<i>The primary energy requirement (PEBn.ern.SK), which defines the overall energy efficiency of the constructed building, is below the threshold value specified in the requirements for nearly-zero energy buildings in accordance with OIB Guideline 6, National Plan.</i> <i>Alternative: Thermal refurbishment leads to a reduction in primary energy demand of at least 30%.</i> <i>Note: The energy performance certificates before and after the refurbishment are required for this.</i>		

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE SELECTION CRITERIA

The table below evaluates the selection criteria against issuance-specific KPIs. The entirety of the assets are and will be located in Austria.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The Issuer has recently integrated an ESG due diligence process into its credit risk assessment, which was also reviewed and approved by the Executive Board. The process is split into two diligence levels. First, a systematic screening whereby all potential borrowers and projects are reviewed against the ESG exclusion criteria defined by the GRAWE Banking Group takes place.⁶ ESG risks are also assessed independently during this process. If any ESG-related risk drivers are identified, a more detailed review is required alongside a mandatory commentary by the Issuer's relationship manager. Then, an ESG data collection process occurs, where a standardized ESG questionnaire is employed to gather ESG-related data. This ESG review is mandatory before any financing is approved. Since 2022, investments of securities in the banking book must fulfill ESG criteria. New investments in the banking book must show an ISS ESG overall rating of C- or better. For covered bonds, another provider's ESG rating is used if no rating from ISS ESG is available.

Hypo-Bank Burgenland also implements an ex-ante analysis based on the [Natural Hazard Overview & Risk Assessment](#) (HORA) provided by Austria's Ministry of Agriculture. Physical risk information related to natural hazards such as floods, avalanches, earthquakes, landslides, storms, hail and snow are provided on HORA. An ex-post analysis is also operated using HORA, which offers the possibility of obtaining a risk assessment for these natural hazards/weather events by entering an address (street and ZIP code).

For new buildings, technical data such as heating demand, primary energy demand, final energy demand, overall energy efficiency factor and carbon dioxide emissions are evaluated. Properties must meet predefined technical selection criteria, which include minimum thresholds for energy efficiency, to qualify for the green pool. The minimum requirements for energy quality are outlined in the Österreichischen Instituts für Bautechnik's (OIB) [Guideline 6](#) (OIB RL 6/2007-2015), which is implemented by the building regulations of individual federal states.

Tracking and documentation of the selected assets are maintained in an allocation overview. This allows continuous monitoring to ensure that projects comply with national and

⁶ Hypo BB communicated to ISS-Corporate that the exclusion criteria include genetic engineering, pesticides, armaments, tobacco, coal, nuclear energy, fracking and oil sands.

international environmental regulations and standards. The core banking system is updated to reflect any changes, ensuring full alignment with the Bank's green financing criteria.

The due diligence process for financing further supports this system by incorporating a risk-based approach. Relationship managers will perform an initial risk analysis based on exclusion criteria such as violations of labor rights, human rights and controversial environmental behavior. If the project or company meets the initial criteria, the next step involves recording the ÖNACE code, which will be used to classify the type of economic activity. Certain ÖNACE codes that indicate industries with potential ESG risks (e.g., fossil fuel energy production) will trigger a more detailed, independent review.

For large companies, the bank will use data from external ESG providers such as ISS ESG to assess sustainability performance. If a large company is not covered by these databases, alternative sources such as sustainability reports or certifications like ISO 14001 (environmental management) or EMAS (Eco-Management and Audit Scheme) will be utilized. For small and medium enterprises, which are not required to report on sustainability, the Bank will use voluntary disclosures or request that companies complete a standardized ESG questionnaire. This questionnaire will focus on exclusion criteria such as environmental violations or unsustainable practices.

If the in-depth review indicates critical business activities such as fossil fuel usage, the Bank will request adequate remedial measures. For example, a company generating energy from fossil fuels must demonstrate a clear transition strategy toward renewable energy. If such measures are not in place or are insufficient, the financing relationship will be blocked.

The final decision on whether to grant financing will be made by a relevant committee based on the results of the ESG review. The Bank will use a traffic light system to categorize companies in its core banking system, identifying which projects are approved for green financing and which are excluded due to non-compliance with ESG standards.

Labor, health and safety



As all assets financed will be located in Austria, high labor, health and safety standards are ensured by the relevant national legislation and the European Union's mandatory social standards.

Community dialogue



All assets financed will be in Austria. Thus, the Issuer ensures that its impacts on the communities have been mitigated and reduced as it aligns with the European Union standards for environmental impact assessment. Furthermore, Austria is an Equator Principles Designated Country, ensuring protection of people and environment.

Biodiversity



All assets financed will be in Austria. Thus, the Issuer ensures that its impacts on the environment have been mitigated and reduced as it aligns with the European Union standards for environmental impact assessment. Furthermore, Austria is an Equator Principles Designated Country, ensuring protection of people and environment.

Inclusion



The Issuer states that the overriding principle for every loan customer is its ability to repay. Criteria such as age, disability, ethnic origin, marital status, ethnicity, religion, gender, sexual orientation, nationality and social background play no role in the granting of loans as evidenced by the Bank's Code of Ethics.⁷

Data protection and information security



The Issuer has adopted ISO 27001 management system, ensuring that IT and cybersecurity risk assessments are conducted. It has clear responsibilities on the topic (privacy office, IT security, operation and network office, IT risk and security support unit, outsourcing), training and awareness initiatives, and has plans in place in the event of data breaches. Moreover, it has taken steps to adapt its processes to the European General Data Protection Regulation (GDPR). Two group data protection officers have been appointed and assist the group to monitor internal compliance, inform and advise in data protection obligations, provide advice regarding data protection impact assessments, and act as a contact point for data subjects and the information commissioner.

Responsible treatment of customers with debt repayment problems



The Issuer has implemented various measures to responsibly deal with clients having debt repayment problems. For example, preemptive actions to prevent client debt repayment problems have been implemented through calculating monthly interest and repayment rates in a way that allows them to be paid without issue under normal circumstances. Customers are also encouraged to maintain an overview of their finances through budgeting tools such as household books and expense tracking tips. Internal and external debt counseling services are offered through customer relationship managers, who can be contacted to discuss solutions such as loan term extensions or rate suspensions. Additionally, the Issuer provides [access](#) to external debt counseling centers. Debt restructuring options are also provided under non-detrimental conditions via loan term extensions to reduce monthly payments or temporary suspension of repayment (interest-only payments). The banking

⁷ Hypo BB has communicated the code of conduct ensuring that age, disability, ethnic origin, marital status, ethnicity, religion, gender, sexual orientation, nationality and social background play no role in the granting of loans.

group has established a structured approach to managing credit risk, integrating preventive measures with intensive support and, if necessary, debt enforcement procedures. This approach begins with a conservative lending policy that prioritizes loan quality over volume, aiming to reduce the risk of customers encountering financial challenges as a result of their loan obligations. To aid in early risk detection, the Bank has implemented an automated early warning system. This system monitors clients' financial stability, identifying any early indicators of potential deterioration of creditworthiness. When such signs appear, the Bank can take timely action to address the situation. If a customer does experience financial difficulties, the Bank offers various support options tailored to the individual situation. These include clarification dialogues with affected third-party debtors, where detailed financial information is discussed. Special attention is given to ensuring comprehension, with bilingual communication offered if needed. The Bank also provides fee-reducing measures to support customers while maintaining its own security requirements and offers advice on more cost-effective financing options where applicable. When appropriate, the Bank cooperates with the customer's legal or restructuring advisors to explore viable solutions and may offer temporary financial relief, such as reduced restructuring interest rates or payment suspensions. For asset realization, the Bank follows a structured process designed to protect fair market value and avoid disadvantageous timing. Grace periods may be granted if justified, urgent social needs are considered, and clear criteria are applied to prevent underpriced sales. Throughout these processes, the Bank aligns with restructuring guidelines provided by Schoenherr Attorneys at Law, aiming for a balanced approach that considers both the Bank's security interests and the individual circumstances of the customer. Furthermore, the usage of mortgage sale is always a last resort measure, and the Issuer strives to explore all other options together with the customer beforehand. The Issuer explicitly rules out fire sales in its corporate practice.

Sales practices

The Issuer does not have information regarding compensation policies such as the calculation of bonus payments, commissions limits or sales targets, and is currently in the process of integrating such elements in its 2025 compensation policy.

- Nevertheless, some responsible sales practices are covered. The Bank's policy includes rules for setting fixed salaries and defines limits for variable compensation based on clear criteria for different employee groups. Besides performance, it also considers factors such as completing training and following specific guidelines in each area, such as ESG criteria when selecting or advising on products. This policy is currently being updated to further include

sustainability aspects, partly due to ESRS requirements. Regular monitoring is secured via a policy environment stipulating a strict separation in the credit process between the front and back offices. A credit assessment is therefore carried out by a body independent of the market (credit risk management) for each loan granted in accordance with the dual control principle and the credit decision. Credit risk management is therefore managed independently without instructions of the front office. The training provided to sales employees regarding sales practices covers ESG in investment advisory and ESG in financing advisory, as well as e-learning tools on ESG.

Responsible marketing



The Issuer is committed to transparency in its marketing activities. The Bank's Code of Ethics guidelines are in place, systematically ensuring that assets financed under this Framework provide for responsible marketing. This includes commitments on responsible marketing, commitment to clear and correct pricing and no hidden costs, commitment to transparency regarding product risks, non-use of small print, and commitment to inform customers about the reasons leading to rejection. Marketing and communication measures are committed to and based on transparency, clarity, truthfulness and respect. Misleading, false or discriminatory claims are avoided, ensuring compliance with these principles through rigorous internal legal reviews before publication as evidenced by the [Code of Ethics](#). The Issuer also commits to transparent and clear labeling of product and service information in all marketing materials, including visible disclosure of all prices and costs to ensure that customers are fully informed about the financial implications of products offered. Furthermore, all necessary information about products and services, including risks, is included in the Issuer's marketing materials. While small print is used, the Issuer ensures that any additional information or conditions are clearly readable and not used to obscure important details. The Issuer is also committed to inform customers about rejection reasons because of its communication guidelines that emphasize transparency, including providing reasons for rejecting applications and ensuring that customers are well-informed about the decision-making process.

Exclusion criteria

The Issuer's policies exclude financing for sectors deemed environmentally harmful, ethically questionable or in violation of human rights. These exclusions cover companies with very severe controversies regarding human rights, labor rights, the environment, business malpractice and investments in companies with a revenue share exceeding 5% in the following industries: nuclear power, generic engineering, hazardous pesticides, military equipment, tobacco and fossil fuels (except companies that have started a transformation process toward renewable energies). The exclusions also cover investments in countries with

authoritarian regimes, systematic human rights violations, non-ratification of the Paris Agreement and a military budget of at least 4.5% (average in the last three years).

PART III: CONSISTENCY OF GREEN FINANCIAL INSTRUMENTS WITH HYPO-BANK BURGENLAND'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	The GRAWE Banking Group focuses on environmental sustainability, social responsibility and strong governance. These sustainability pillars have been defined through a materiality analysis aligned with market practices such as the Global Reporting Initiative standards. For environmental sustainability, the Group aims to reduce CO₂ emissions, integrate sustainable investments and financing, and explore options like green and social bonds. Regarding social responsibility, the focus is on employee development, work-life balance and transparency in sustainable investments while ensuring respect for human rights throughout its operations and partnerships. Regarding governance, the Group emphasizes ethical practices, compliance with legal standards and the prevention of money laundering and corruption. Regular reviews ensure that ESG performance aligns with evolving regulations and stakeholder expectations.
ESG goals/targets	To achieve its strategic ESG topics, the Issuer has set qualitative goals: ▪ Ensure access to affordable, reliable, sustainable and modern energy for all ▪ Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation ▪ Make cities and human settlements inclusive, safe, resilient and sustainable

	Take urgent action to combat climate change and its impacts Quantitative targets have not yet been established, as the Issuer is currently refining its data collection systems and finalizing its 2024 ESG report. The Issuer plans to define and submit science-based targets (e.g., SBTi or SBTN) for verification within the next year. These goals are publicly disclosed in the 2023 Sustainability Report and are monitored regularly through key governance bodies like the Performance Steering Board and the Market Steering Board. Progress is reviewed quarterly with the Executive Board in the K-VBK-ESG sessions. Quantitative goals will be developed and included in future reports as the ESG strategy evolves.
Action plan	There is no information available on the action plan to reach the Issuer's ESG targets/goals.
Climate transition strategy	There is no information available on the Issuer's climate transition strategy. However, the Issuer is in the process of compiling its GHG inventory for this year and improving the quality of its taxonomy data. Based on that, the Issuer will define science-based targets that will serve as the foundation of its climate transition strategy.
Sustainability reporting	The Issuer has reported on its ESG performance and initiatives based on Global Reporting Initiative standards since 2021, and based on ESRS standards since 2024.
Industry associations, collective commitments	-
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	-

Rationale for issuance

By issuing green financial instruments, Hypo-Bank Burgenland aims to fulfill its ecological responsibility while addressing capital market participants who include ecological and sustainable criteria in their investment decisions. Green financial instruments are intended to support sustainable projects and reach the interest of investors in sustainable financial products.

Opinion: *The key sustainability objectives and the rationale for issuing green financial instruments are clearly described by the Issuer. All of the project categories financed are in line with the Issuer's sustainability objectives.*

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate, a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues Second Party Opinion, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Hypo-Bank Burgenland commissioned ISS-Corporate to compile a green financial instruments SPO. The second-party opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles and assessing the sustainability credentials of its green financial instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party-opinion:

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)

ISSUER'S RESPONSIBILITY

Hypo-Bank Burgenland's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the Framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green financial instruments to be issued by Hypo-Bank Burgenland has been conducted based on proprietary methodology and in line with the Green Bond Principles.

The engagement with Hypo-Bank Burgenland took place from October to November 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>.

For more information on SPO services, please contact: SPOsales@iss-corporate.com.

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