ISS-CORPORATE

REPORT REVIEW

VERBUND Green Bond Impact Report 2024

Green and sustainability-linked bond (2021)
Green bond including biodiversity (2024)

19 March 2025

VERIFICATION PARAMETERS

Type(s) of reporting	▪ Green and Sustainability-Linked Bond Impact Report
Relevant standard(s)	▪ Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1) ▪ Sustainability-Linked Bond Principles (Appendix II SLB disclosure data checklist), ICMA, June 2024 ▪ Harmonised Framework for Impact Reporting, ICMA, June 2024
Scope of verification	▪ VERBUND's Green Bond Impact Report (as of Feb. 27, 2025) ▪ VERBUND's Green Financing Framework (as of March 19, 2021) ▪ VERBUND's Green Financing Framework (as of May 3, 2024) ▪ Bond identification: see Appendix.
Lifecycle	▪ First update of the Report Review as of Feb. 27, 2024
Validity	▪ As long as no changes are undertaken by the Issuer to its Green Bond Impact Report (as of Feb. 27, 2025)

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SCOPE OF WORK

VERBUND AG ("the Issuer," "the Company" or "VERBUND") commissioned ISS-Corporate to provide a Report Review[1] on its Green Bond Impact Report, covering the green and sustainability-linked bond (2021) and the green bond including biodiversity (2024), by assessing:

1. The alignment of VERBUND's Green Bond Impact Report with the commitments set forth in its Green Financing Frameworks (March 2021 and April 2024 versions).[2]
2. VERBUND's Green Bond Impact Report, benchmarked against the Harmonised Framework for Impact Reporting (HFIR) and Sustainability-Linked Bond Principles (Appendix II SLB disclosure data checklist), as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the bonds issued (i.e., green bonds, sustainability-linked bonds or a combination of the two).
4. The disclosure of the progress of key performance indicators (KPIs) toward the achievement of sustainability performance targets (SPTs).

VERBUND OVERVIEW

VERBUND AG engages in the business of generating, trading and selling electricity to participants in energy exchange markets, traders, electric utilities and industrial companies, as well as to household and commercial customers. It operates through the following segments: Hydro, New Renewables, Sales, Grid, and All Other. The Hydro segment involves the construction, operation and refurbishment of hydropower plants (including pumped storage). The New Renewables segment focuses on wind and photovoltaic generation technologies. The Sales segment is involved in trading and sales activities. The Grid segment includes operations of Austrian Power Grid AG (electricity transmission system operator) and Gas Connect Austria GmbH (operator of the high-pressure gas pipeline grid in Austria). All other segments refers to electricity and thermal generation, infra-group business activities and equity interests. The company was founded in 1947 and is headquartered in Vienna.

[1] A limited or reasonable assurance is not provided on the information presented in VERBUND's Green and Sustainability-Linked Bond Impact Report. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA's standards (Green Bond Principles and Sustainability-Liked Bond Principles) where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

[2] The Framework was assessed as aligned with the Green Bond Principles and Sustainability-Linked Bond Principles (Appendix II disclosure data checklist).

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part I **Alignment with the Issuer's commitments set forth in the frameworks**	VERBUND's Green Bond Impact Report meets the Issuer's commitments set forth in the Green Financing Frameworks. The proceeds have been used to (re)finance renewable energy, electricity grid and biodiversity projects in accordance with the eligibility criteria defined in the 2021 and 2024 frameworks. The progress against the SPTs is in line with the initial commitments set in VERBUND's 2021 Green Financing Framework.	**Aligned**
Part IIA **Alignment with the Harmonised Framework for Impact Reporting**	VERBUND's Green Bond Impact Report aligns with the HFIR. VERBUND follows core principles and, where applicable, key recommendations. The Issuer has implemented a formal internal process for allocating proceeds from its green project investments and reporting on that allocation. The report provides a list of three projects per bond to which the green and sustainability-linked bond proceeds have been allocated. The Issuer provides transparency on the level of expected reporting, as well as on the frequency, scope and duration, aligning with best practices. Additionally, the report illustrates the projects' environmental impacts through avoided tCO_2e emissions, biodiversity indicators, newly installed capacity and additional transformer capacity.	**Aligned**
Part IIB **Implementation of the SLB disclosure data checklist**	VERBUND has implemented the necessary and recommended information from the Sustainability-Linked Bond Principles post-issuance disclosure data checklist. The Issuer will provide verification of the SPTs' performance in 2032. The Issuer will make publicly available a verification report related to the level of performance achieved with respect to each SPT for KPIs 1 and 2.	**Implemented**

Part IIIA **Disclosure of proceeds allocation and soundness of reporting indicators**	The bond proceeds allocation has been disclosed, with a detailed breakdown across eligible project categories as proposed in the 2021 and 2024 frameworks.[3] VERBUND's Green Bond Impact Report has adopted an appropriate methodology for impact reporting, providing comprehensive disclosure on data sourcing, calculation methodologies and granularity that reflects best market practices.	**Positive**
Part IIIB **Disclosure of KPIs' progress toward SPTs**	VERBUND has adopted an appropriate methodology to report on the progress of KPIs and SPTs by providing comprehensive disclosure of data, assumptions and calculation methods.	**Positive**

[3] The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN FINANCING FRAMEWORKS[4]

GREEN BOND'S CHARACTERISTICS

The following table evaluates VERBUND's Green Bond Impact Report against the commitments set forth in its frameworks, which are based on the core requirements of the Green Bond Principles and best market practices.

GREEN BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
Process for project evaluation and selection	VERBUND confirms adherence to the process for project evaluation and selection described in its Green Financing Frameworks. The Issuer applied the frameworks' eligibility criteria to determine project alignment with the defined categories. ESG risks associated with the project categories are identified and managed appropriately, as defined in the frameworks.	✓
Management of proceeds	VERBUND confirms adherence to the management of proceeds described in its Green Financing Frameworks. Of the proceeds collected from the green bond including biodiversity (XS2821745374), 81.5% are allocated to eligible projects, with no exceptions (allocation period until Dec. 31, 2026). For the green and sustainability-linked bond (XS2320746394), 99.6% of the proceeds are allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested to in a formal internal process. Furthermore, the Issuer discloses the temporary investment instruments for unallocated proceeds.	✓
Reporting	The report aligns with the initial commitments set in VERBUND's Green Financing Frameworks. Further analysis of this section is available in Part III.	✓

[4] VERBUND's Green Bond Impact Report was assessed as aligned with the Green Bond Principles (June 2021 with June 2022 Appendix 1) as of January 2025.

SUSTAINABILITY-LINKED BOND'S CHARACTERISTICS

The following table evaluates the Green Bond Impact Report against the commitments set forth in VERBUND's 2021 Green Financing Framework, which are based on the core requirements of the Sustainability-Linked Bond Principles and best market practices.

SUSTAINABILITY-LINKED BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
Bond characteristics	VERBUND's Green Bond Impact Report aligns with the bond characteristics description and the initial commitments provided in its 2021 Green Financing Framework: The bond documentation includes definitions of the KPIs and SPTs, as well as the step-up event (25 bps), that are consistent with commitments set in the Framework (further analysis of this section is available in Part III). The report confirms that, at this time, no circumstances necessitate the recalculation of SPTs from the 2021 Green Financing Framework.	✓
Reporting	VERBUND's Impact Report is consistent with the reporting description and initial commitments provided by its 2021 Green Financing Framework. The report is intended to be publicly available one year after the sustainability-linked bond issuance. *Further analysis of this section is available in Part IIIB.*	✓
Verification	EY has provided a Verification Assurance Report on the annual development of the two KPIs specified in 2024, as well as 2024 sustainability performance indicators, which will be disclosed in the annex of VERBUND's Impact Report. A verification assurance report will be carried out at the next target observation date in 2032, or accompanying any earlier voluntary reports. VERBUND confirms that the new Verification Assurance Report will be published on its website.	✓

PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

A. FOR GREEN BONDS

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green bond issuers are required to report on both the use of green bond proceeds and the environmental impacts at least annually until full allocation or maturity of the bond. The HFIR has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates VERBUND's Green Bond Impact Report against the HFIR.

CORE PRINCIPLES		
HFIR	GREEN BOND IMPACT REPORT	ASSESSMENT
Report on an annual basis	Reporting is a core component of the Green Bond Principles. Therefore, VERBUND reports within one year after issuance and annually thereafter. The reports are available on VERBUND's website.	✓
Formal internal process to allocate proceeds	The proceeds as of Dec. 31, 2024, have only been allocated to green projects that meet the eligibility criteria stated in the Frameworks.	✓
Transparency on the currency	Allocated proceeds have been reported in a single currency, euros.	✓
ESG risk management	The Issuer has a system in place to identify and manage ESG risks connected to the financed projects. The Issuer reports that no negative effects have been identified in relation to the financed projects.	✓
Illustrate the expected environmental impacts or outcomes	The assessment and measurement of the impacts generated by VERBUND's green bonds covered the following areas: a. tCO_2e avoided b. Newly installed capacity from hydropower, wind power and photovoltaics in megawatts (MW) c. Additional transformer capacity to facilitate grid interaction and integrate renewable power generation in megavolt-amperes (MVA) d. Number of fish passes	✓

More information can be found in Part III.

RECOMMENDATIONS		
HFIR	GREEN BOND IMPACT REPORT	ASSESSMENT
Report at project or portfolio level	Reporting was conducted on a bond-by-bond basis, in which a green bond issuance is linked to one or more specific projects. VERBUND provided a list of projects to which green bond proceeds were allocated.	✓
Define and disclose period and process for including/removing projects in the report	For the green bond including biodiversity (XS2821745374), 81.5% of proceeds have been allocated to green assets. For the green and sustainability-linked bond (XS2320746394), 99.6% of proceeds have been allocated to green assets. Only project financing disbursed and confirmed as eligible up to Dec. 31, 2024, is included in the Green Bond Impact Report.	✓

Signed amount and amount of green bond proceeds allocated to eligible disbursements	VERBUND indicates the total signed amount and the amount of green bond proceeds allocated to eligible disbursements.
	▪ Green bond including biodiversity (XS282174537)
	  ▪ Signed amount: EUR 500 million
	  ▪ Allocated amount: EUR 407.7 million (allocation ongoing)
	▪ Green and sustainability-linked bond (XS2320746394):
	  ▪ Signed amount: EUR 500 million
	  ▪ Allocated amount: EUR 489.7 million
	Furthermore, the Issuer displays a table indicating the year in which disbursements were made to the reported eligible projects.
		✓

Approach to impact reporting	The report identifies individual projects and clearly defines the overall impacts of each project, including total project size and the Issuer's share of total financing.	✓

Report on at least a limited number of sector-specific core indicators	VERBUND reports on avoided GHG emissions, which is a core indicator for the renewable energy sector. VERBUND reports on biodiversity indicators (fish passage) related to terrestrial and aquatic biodiversity. A description of core environmental impacts is available in the report: ▪ Achieve key objectives of the Fauna-Flora-Habitat Directive and the Birds Directive as part of the Natura 2000 program ▪ Achieve good ecological potential in the water bodies of the Inn and Danube ▪ Strengthen fish populations by providing new migration corridors and essential aquatic habitats needed for reproduction and growth ▪ Link multiple Natura 2000 sites along the Danube-Inn corridor ▪ Weighted average avoided tCO_2 for Jettenbach-Töging: The modernized power plant generated 774.6 GWh in 2024, compared to 627.2 GWh generated by the old plant with the current water supply. The modernization results in an additional generation of 147.4 GWh. Based on this, a theoretical avoidance of 95,810 tonnes of CO_2 emissions was calculated.	✓
Disclose own methodologies, where there is no single commonly used standard	Avoided emissions associated with renewable electricity generation projects represent the reduction in emissions from the financed project compared to baseline emissions (emissions that would have been emitted without the project). They are calculated based on the GHG Protocol for project financing in accordance with the PCAF Global Standard for the calculation of avoided emissions. This calculation is applicable for the Jettenbach-Töging project. Avoided emissions in the transmission grid are calculated using the methodology developed by the Association of European Transmission System Operators, based on the published project sheets from the European Ten-Year Network	✓

	Development Plan. This calculation is applicable to Salzburgleitung. The basis for these calculations is the Harmonized IFI Default Grid Factors 2021 v3.2, published by the UNFCCC IFI Technical Working Group on Greenhouse Gas Accounting. The "Operating Margin Grid Emission Factor," gCO_2/kWh (including use in PCAF GHG accounting), is 650 gCO_2/kWh for Germany and remains unchanged from Version 3.1.	
Disclosure of the conversion approach	The conversion approach is not applicable.	N/A
Projects with partial eligibility	The Issuer discloses that all projects are 100% eligible for financing. VERBUND does not finance projects with partial eligibility.	N/A
Use (and disclosure) of the attribution approach	The Issuer reports the expected impact of different project components separately.	N/A
Ex-post verification of specific projects	VERBUND is not planning to perform ex-post verification on its eligible projects.	-
Report the estimated lifetime results and/or project's economic life (in years)	Information on the lifetime results/project economic life is not given.	-

OPINION

VERBUND follows the HFIR's core principles and some key recommendations. The Issuer reports annually and has a dedicated internal process to track proceeds and address potential environmental and social risks. Environmental impacts are illustrated by tCO_2e avoided emissions, newly installed capacity and biodiversity indicators.

B. FOR SUSTAINABILITY-LINKED BOND

NECESSARY		
ICMA SLB DATA CHECKLIST	VERBUND'S SLB REPORT	ASSESSMENT
	Verification	
Verification/assurance report: Reporting with verified SPTs is publicly available.	An external, independent auditor verified limited assurance of the annual development of two KPIs in 2024. A new limited assurance verification will be carried out at the next observation date in 2032. A report relating to the verified SPT is publicly available on VERBUND's website.[5] The report includes the related impact of the KPIs.	✓

RECOMMENDATIONS		
ICMA SLB DATA CHECKLIST	VERBUND'S SLB REPORT	ASSESSMENT
	General	
Report and ex-post external review publication dates	VERBUND is publishing a post-issuance report.	✓

Identification of the bonds	VERBUND's Impact Report includes relevant identification information on the green and sustainability-linked bond:
	▪ ISIN: XS2320746394
	▪ Amount (currency): EUR 500 million
	▪ Maturity date: 20 years
	▪ KPI/SPT:
	  ▪ Newly installed capacity from hydropower, wind power and photovoltaics
	  ▪ Additional transformer capacity
		✓

[5] For more information about the limited assurance, please refer to the annex of VERBUND's 2023 Green Bond Impact Report.

Scope of reporting (bond-by-bond, bond program)	VERBUND is explicitly describing the reporting scope, bond by bond. The financial instrument to which this report refers is a single green and sustainability-linked bond.	✓
Adherence to specific standards or regulations	VERBUND's sustainability-linked bond is aligned with the Sustainability-Linked Bond Principles, and its report follows the HFIR. (Please refer to sections I and III for more details.)	✓

REPORTING		
Up-to-date information on the performance of the selected KPI(s)	VERBUND's impact report includes information on the performance of both KPIs as of Dec. 31, 2024, including baseline data.	✓
Explanation of the contribution of the main factors (quantitative/qualitative)	**SPT 1: Establishment of newly installed renewable energy capacity of 2,000 MW by Dec. 31, 2032.** The additional 110 MW of installed capacity in 2024 is explained by commissioned projects in hydropower (+19 MW), wind power (+28 MW) and photovoltaics (+63 MW). This augments the 487 MW installed from the beginning of the project to 2023, resulting in 597 MW additional capacity installed from 2020 to December 2024. **SPT 2: Installation of additional transformer capacity of 12,000 MVA by Dec. 31, 2032.** The Weinviertelleitung and Reschenpass projects provide qualitative and quantitative insights into future additional transformer capacity. This capacity facilitates grid interaction and integrates renewable energy generation. The estimated additional transformer capacity of the financed Weinviertelleitung and Reschenpass projects was 800 MVA in 2024. The Salzburgleitung, which is financed with the funds from the green bond including biodiversity, remained under construction in 2024. Details about the projects are available in VERBUND's Impact Report.	✓

Illustration of the positive sustainability impacts of the performance improvement	Meeting the KPIs will further impact the avoidance of CO_2 emissions in both grid power generation and the reduction of the Issuer's Scope 1 and 2 emissions, as well as upstream GHG emissions (Scope 3). Besides GHG emission avoidance, VERBUND included other climate targets in the report: 1. Reduce Scope 1 and 2 emissions, as well as upstream GHG emissions (Scope 3, excluding Category 2), by 74% by 2030 and by 90% by 2040 from the base year 2020. 2. Reduce the intensity of Scope 1 emissions by 40% by 2030 and by 90% by 2040 from the base year 2020. 3. Reduce the intensity of Scope 3 emissions from electricity sales to end-customers by 90% by 2030 and by 98% by 2040 from the base year 2020. 4. Achieve net zero by 2050.	✓
Any reassessments of KPIs and/or restatement of the SPT and/or pro forma adjustments of baselines or KPI scope	The Issuer states that no reassessments of KPIs or restatements of the SPTs or pro-forma adjustments of baselines or KPI scope are expected to be applied. However, baseline performance for SPT 1 increased by 5 MW in 2021. This was deemed immaterial since the change represents less than 5% of the baseline figure.	✓

OPINION

VERBUND has implemented the necessary and recommended information from the post-issuance SLB disclosure data checklist. The Issuer provided verification of the SPT performance in December 2024. Final verification is foreseen for 2032.

PART IIIA: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE OUTPUT/OUTCOME/IMPACT REPORTING INDICATORS

Use of proceeds allocation

Use of proceeds allocation reporting contextualizes impacts by presenting the number of investments categorized by their respective use of proceeds.

For the 2021 green and sustainability-linked bond, this is the fourth year of allocation reporting. Allocated proceeds represent 99.6% (EUR 489.7 million) of the total proceeds (EUR 500 million) for eligible projects.

For the 2024 green bond including biodiversity, this is the first year of allocation reporting, occurring within one year of issuance. Allocated proceeds represent 81.5% (EUR 407.7 million) of the total proceeds (EUR 500 million) for eligible projects.

The Issuer transparently disclosed the amounts of unallocated proceeds and temporary investments for both the 2021 green and sustainability-linked bond and the 2024 green bond including biodiversity. Unallocated proceeds are invested in biodiversity projects. As of Dec. 31, 2024, a difference of EUR 10.3 million exists between the planned allocation for the three green and sustainability-linked bond projects (Jettenbach-Töging, Weinviertelleitung and Reschenpass) and the amount raised through the 2021 bond. Additionally, a difference of EUR 91.6 million exists between the planned amount allocated for the three projects under the green bond including biodiversity (Salzburgleitung, LIFE Riverscape Lower Inn and LIFE Blue Belt Danube Inn) and the amount raised through the 2024 bond.

Proceeds allocated to eligible projects/assets

The proceeds allocation is broken down at the project category level. The Issuer has provided details about the types of projects included in the portfolio.

The allocation report section of VERBUND's Green Bond Impact Report aligns with best-market practices by providing information on:

- The number of projects financed:
  - Jettenbach-Töging – hydropower project
  - Weinviertelleitung and Reschenpass – grid infrastructure and transmission lines
  - Salzburgleitung – grid infrastructure and transmission line
  - LIFE Riverscape Lower Inn – biodiversity project
  - LIFE Blue Belt Danube Inn – biodiversity project
- The total amount of proceeds in EUR million (divided per project)

Output, outcome and impact reporting indicators

The table below presents an independent assessment of the Issuer's report and disclosure on the output, outcome and/or impact of projects/assets using indicators.

ELEMENT	ASSESSMENT
Relevance	The impact indicators chosen by the Issuer for the 2021 bond are the following: ▪ tCO_2e avoided in power generation from hydropower ▪ tCO_2e avoided in power generation from wind power ▪ tCO_2e avoided in power generation from photovoltaics ▪ tCO_2e avoided in transmission grid line ▪ Additional transformer capacity (MVA) ▪ (Average) Annual avoided curtailment (renewable energy) (GWh/year) The impact indicators chosen by the Issuer for the 2024 bond are the following: ▪ tCO_2e avoided in power generation from hydropower ▪ tCO_2e avoided in power generation from wind power ▪ tCO_2e avoided in power generation from photovoltaics ▪ tCO_2e avoided in transmission grid line ▪ Additional transformer capacity (MVA) ▪ (Average) Annual avoided curtailment (renewable energy) (GWh/year) ▪ tCO_2e avoided in transmission grid line ▪ Number of fish passes The indicators are both quantitative and qualitative, and material to the use of proceeds categories financed through these bonds. They are also in line with the suggested impact reporting metrics for renewable energy projects and terrestrial and aquatic biodiversity projects, aligning with the Green Bond Principles' eligible categories and the HFIR. Additional renewable energy and expenditures to reduce the impact on land and terrestrial biodiversity will help VERBUND achieve its climate targets: 1. Reduce Scope 1 and 2 emissions, as well as upstream GHG emissions (Scope 3, excluding Category 2), by 74% by 2030 and by 90% by 2040 from the base year 2020. 2. Reduce the intensity of Scope 1 emissions by 40% by 2030 and by 90% by 2040 from the base year 2020.

ELEMENT	ASSESSMENT
	3. Reduce the intensity of Scope 3 emissions from electricity sales to end-customers by 90% by 2030 and by 98% by 2040 from the base year 2020. 4. Achieve net zero by 2050.
Data sourcing and methodologies of quantitative assessment	Data sources: 1. The KPI data regarding newly installed capacity and additional transformer capacity are measured using the Company's internal data and are not further processed or calculated. 2. The GHG Protocol for project financing, in accordance with the PCAF Global Standard for the calculation of avoided emissions, is used to calculate CO_2 emission avoidance data. 3. Conservation and life management reports for the European Union's LIFE project are used to monitor and evaluate the progress of biodiversity projects. **a) Avoidance of greenhouse gas emissions during production** Avoided emissions associated with renewable electricity generation projects represent the emissions reductions compared to the emissions that would have been emitted without the project (baseline emissions). They are calculated based on the GHG Protocol for project financing in accordance with the PCAF Global Standard for calculating avoided emissions. These emissions are presented separately from the absolute emissions reported in the greenhouse gas balance for companies according to the GHG Protocol. The "Operating Margin" emissions factor calculates the avoided emissions from the Jettenbach-Töging energy generation project. This factor considers the existing fossil fuel power plants in a country or region whose operations will be most influenced (reduced) by the project. Specifically, it uses generation data from power plants with the highest variable operating costs according to the merit order effect in the electricity system. This factor is added to Version 3.1 of the Harmonized IFI Default Grid Factors published by the IFI Technical Working Group on Greenhouse Gas Accounting. The publication states a value of 650 gCO_2/kWh for

ELEMENT	ASSESSMENT
	Germany in the "Operating Margin Grid Emission Factor, gCO_2/kWh (including for use in PCAF GHG accounting)" column at the country level. The higher amount of electricity generated annually after completion of the Jettenbach-Töging project is multiplied by this factor to determine the theoretical emission avoidance in tonnes of CO_2 per GWh. This calculation results in the avoided emissions. Formula: Electricity generated per year (GWh) * 650 (tCO_2/GWh) = avoided emissions (tCO_2) For 2023 (the first full year of operation) and subsequent years, avoided emissions result from the increased generation of the modernized Jettenbach-Töging power plant compared to the theoretical generation of the old plant, attributable to higher efficiency. The renovated Töging power plant generated 774.6 GWh of electricity in 2024. By comparison, the old plant would have generated 627.2 GWh with the same water supply. The modernization results in an additional generation of 147.4 GWh. Based on this, the theoretical avoidance of greenhouse gas emissions is calculated to be 95,810 tonnes of CO_2. **b) Avoidance of greenhouse gas emissions in the transmission network** To calculate avoided greenhouse gas emissions at the project level, APG uses the methodology developed by the Association of European Transmission System Operators for Electricity (ENTSO-E). The basis is taken from published project sheets from the Ten-Year Network Development Plan (TYNDP). The TYNDP guidelines for cost-benefit analysis include principles and general guidance for assessing project benefits at the European level. They are formulated so that the implementing body (ENTSO-E or project promoter) can adopt an approach consistent with pan-European evaluation principles. The guidelines contain terms and definitions, principles for assessing project benefits, and methods for calculations such as changing the net transmission capacity of a project or performing redispatch calculations.

ELEMENT	ASSESSMENT
	Based on the TYNDP methodology and guidelines, emission savings shall be calculated according to the following basic formula. According to the methodology, weighted average CO_2 savings of 1.247 Mt/a to 1.352 Mt/a can be calculated for the "Weinviertelleitung" project and 0.193 Mt/a to 0.195 Mt/a for the Reschenpass project. The values for 2024 are identical to those for 2023, as the TYNDP only conducts new calculations every two years. **c) Environmental management** The planning and implementation of water-ecological measures are subject to the criteria of the environmental management system installed company-wide at VERBUND Hydro Power GmbH in accordance with ISO 14001:2015. The environmental management systems include environmental policy, risk and impact identification, management programs, organizational capacity and competence, emergency preparedness and response, stakeholder engagement, and monitoring and review.
Baseline selection	1. For newly installed capacity from hydropower, wind power and photovoltaics, the base value as of Dec. 31, 2020, is 8,692 MW. 2. For additional transformer capacity to facilitate grid interaction and integrate renewable power generation, the base value as of Dec. 31, 2020, is 30,810 MVA. 3. a) For tCO_2e avoided regarding electricity production, the baseline is the PCAF grid factor. b) For tCO_2e avoided regarding electricity transmission, the base values are emission factor type, CO_2 emissions factor and CO_2 emissions per energy. 4. For the biodiversity projects, no baseline was defined.
Scale and granularity	The impact data is presented at the project level for the indicators.

High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer's Green and Sustainability-Linked Bond Impact Report, the impact indicators adopted by VERBUND for its Green and Sustainability-Linked Bond Impact Report can be mapped to the following SDGs, according to ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
Annual GHG emissions avoided in tonnes of CO_2 equivalent	
Number of fish passes	

OPINION
The allocation of the bond proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in VERBUND's Green Financing Frameworks. The Green Bond Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices, using the HFIR's recommended metrics.

PART IIIB: DISCLOSURE OF KPIS' PROGRESS TOWARD SPTs

The table below presents an independent assessment of the Issuer's measurement and disclosure of its progress toward achieving its SPTs.

ELEMENT	ASSESSMENT
Review of calculation and methodology used for the KPIs	The calculation methodology is clear and consistent with its predefined assessment methodology as outlined within VERBUND's 2021 Green Financing Framework. Both KPIs selected cover material operations and activities of VERBUND. KPI 1: Newly installed production capacity of hydropower, wind power and photovoltaic solar renewable energy of VERBUND (including its subsidiaries), measured as megawatts (MW). It is calculated as per the new, contractually agreed-upon nominal capacities in MW for the respective year as newly installed generation capacity. ▪ Baseline capacity value: 8,692 MW ▪ Baseline year: Dec. 31, 2020 The newly installed capacity for 2024 of 110 MW comprises hydropower (19 MW), onshore wind (28 MW) and photovoltaics (63 MW), bringing the total installed capacity in 2024 to 9,288 MW. This KPI relates to the installation of new renewable energy generation, which accounts for 96% of the electricity generated in 2024.[7] KPI 2: Additional transformer capacity to facilitate interaction with the grid and integrate renewable energy generation, measured as megavolt amperes (MVA). It is calculated as per the additional transformer capacity in MVA for the respective year (from commissioning). ▪ Baseline value: 30,810 MVA ▪ Baseline year: Dec. 31, 2020 The additional transformer capacity purchased in 2024 is 800 MVA, bringing the total transformer capacity in 2024 to 36,153 MVA.[6]
Sustainability performance and progress toward	SPT 1: Establish 2,000 MW of newly installed renewable capacity by Dec. 31, 2032, from a baseline of Dec. 31, 2020.

[6] The delta (between 36,153 MVA and 35,240 MVA) of 913 MVA results from purchased transformed capacity in reserve.

ELEMENT	ASSESSMENT
achievement of the SPTs	SPT 2: Establish 12,000 MVA of additional transformer capacity by Dec. 31, 2032, from a baseline of Dec. 31, 2020.

KPI	PERFORMANCE IN BASELINE YEAR	PERFORMANCE IN 2024	SPT TARGET DATE	PEER'S PERFORMANCE IN CURRENT YEAR
1	8,692 MW	+110 MW	Dec. 31, 2032	In line with peers[7]
2	30,810 MVA	+800 MVA	Dec. 31, 2032	Ambitious[8]

KPI	PERFORMANCE IN BASELINE YEAR	2020	2021	2022	2023	2024	2032
1	Renewable capacity (MW)	8,692	8,735	9,080	9,178	9,288	10,692
1	CAGR (from 2020 to year)				+1.8%	+1.7%	+1.7%
2	Transformer capacity (total) in MVA	30,810	31,960	33,630	35,353	36,153	42,810
2	CAGR (from 2020 to year)				+4.7%	+4.1%	+2.8%

The newly installed capacity from hydropower, wind power and photovoltaics in 2024 reached 9,288 MW. This equates to a compound annual growth rate (CAGR) of 1.7%, equal to the estimated 1.7% CAGR required to reach the 2032 target from the 2020 base year. SPT 1's progress as of 2024 is in line with its trajectory to reach 10,692 MW by 2032.

VERBUND's MVA of transformer capacity stands at 36,153 as of December 2024. This equates to a CAGR of 4.1%, which is higher than the estimated 2.8% CAGR required to reach the 2032 target from the 2020 base year. SPT 2's progress as of 2024 is in line with its trajectory to reach 42,810 MVA by 2032.

[7] VERBUND's SPT 1 was benchmarked against the electric utilities peer group, consisting of 25 companies (including the Issuer) in Europe as per the ISS ESG Universe. Verbund belongs to the top 11 companies, or top 50%, of its sectoral peers in terms of additional installed capacity in MW as of Dec. 31, 2024. Therefore, VEBUND's SPT 1 is in line with industry peers.

[8] SPT 2 is the expansion of transformer capacity to facilitate interaction within power grids. The additional transformer capacity enables the integration of generation from renewables into the power grid. The SPT was benchmarked against the electric utilities peer group, using the "integration of renewable energy in the grid" indicator from ISS ESG's Corporate Rating as a proxy and including 25 companies in the same region (including the Issuer) as per the ISS ESG Universe. Verbund belongs to the top six companies, or top 20%, of its sectoral peers, in terms of ISS ESG's December 2024 rating on the integration of renewable energy into the grid. Therefore, VERBUND's SPT 2 is ambitious against industry peers.

ELEMENT	ASSESSMENT
Levers actioned to achieve the SPTs	The Issuer has commissioned the following: ▪ For the achievement of SPT 1, the commissioning of wind and solar plants in various European countries, such as Austria, Germany, Spain, Italy and Romania, by Dec. 31, 2032. ▪ For the achievement of SPT 2, VERBUND will determine the actual projects, which will be part of the Austrian network development plan.
Real impact metrics	Relevant: Avoided emissions are commonly used metrics in the electric utilities industry. Clear data: VERBUND has provided clear emissions data.

OPINION
VERBUND has adopted an appropriate methodology to report on progress toward its KPIs and SPTs by providing comprehensive disclosure of data, assumptions and calculation methods. The calculation methodologies for the KPIs and the calibration of SPTs have complied with the commitments made in VERBUND's 2021 Green Financing Framework.

DISCLAIMER

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ANNEX 1: Methodology

Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary methodology.

High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Green Bond Impact Report
- Green Financing Frameworks
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is 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 Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with VERBUND took place from January to March 2025.

ISS-CORPORATE's BUSINESS PRACTICES

ISS-Corporate 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.

APPENDIX: Bond identification

BOND TYPE	ISIN	START YEAR	MATURITY YEAR	VOLUME (EUR)
Green and sustainability-linked bond	XS2320746394	2021	2041	500 million
Green bond including biodiversity	XS2821745374	2024	2031	500 million

About this Report Review

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 the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's website to learn more about our services for bond issuers.

For information on Report Review services, please contact SPOsales@iss-corporate.com.

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