

REPORT REVIEW

Bayerische Landesbank's Impact and Allocation Reporting

Impact and Allocation Reporting Bayerische Landesbank

26 April 2024

VERIFICATION PARAMETERS

Type(s) of reporting

- Sustainable Debt Instruments Allocation and Impact Reporting

Relevant standard(s)

- Harmonized Framework for Impact Reporting (HFIR), updated June 2023, as administered by the International Capital Market Association (ICMA)
- Bayerische Landesbank's Impact and Allocation Reporting (as of April 5, 2024)
- Bayerische Landesbank's Sustainable Financing Framework (as of September 27, 2022)
- Sustainable Debt Instruments identification:

Scope of verification

ISIN	Type	Value Day	Maturity Day	Nominal m€
DE000BLB9103	Commercial Paper	06.10.2023	03.10.2024	15,00
DE000BLB9160	Commercial Paper	18.10.2023	18.04.2024	30,00
DE000BLB91C3	Commercial Paper	27.07.2023	01.02.2024	17,75
DE000BLB91J8	Commercial Paper	09.08.2023	05.08.2024	50,00
DE000BLB91K6	Commercial Paper	10.08.2023	12.02.2024	25,00
DE000BLB91S9	Commercial Paper	31.08.2023	29.02.2024	30,00
DE000BLB91X9	Commercial Paper	19.09.2023	19.01.2024	44,84

DE000BLB92G2	Commercial Paper	13.11.2023	13.05.2024	50,00
DE000BLB92H0	Commercial Paper	15.11.2023	15.08.2024	60,00
DE000BLB92J6	Commercial Paper	16.11.2023	16.02.2024	9,01
DE000BLB92L2	Commercial Paper	29.11.2023	29.05.2024	25,00
DE000BLB92P3	Commercial Paper	11.12.2023	11.03.2024	50,00
DE000BLB92Q1	Commercial Paper	12.12.2023	12.03.2024	10,00
DE000BLB92R9	Commercial Paper	13.12.2023	13.02.2024	100,00
DE000BLB92S7	Commercial Paper	18.12.2023	18.03.2024	20,00
DE000BLB92T5	Commercial Paper	19.12.2023	20.02.2024	50,00
DE000BLB92U3	Commercial Paper	19.12.2023	20.02.2024	50,00
DE000BLB93U1	Commercial Paper	03.03.2023	03.01.2024	8,72
DE000BLB94G8	Commercial Paper	24.04.2023	24.01.2024	13,53
DE000BLB6JT9	Covered	19.10.2022	19.10.2027	500,00
DE000BLB6JP7	Covered	28.06.2022	28.06.2032	500,00
XS2356569736	T2	23.06.2021	23.09.2031	500,00
XS2411178630	T2	22.11.2021	22.11.2032	500,00
XS2696902837	T2	05.10.2023	05.01.2034	300,00
DE000BLB6JU0	Senior Nonpreferred MREL	10.02.2021	10.02.2028	500,00
DE000BLB6JU7	Senior Nonpreferred MREL	07.02.2023	07.02.2029	500,00
DE000BLB6JZ6	Senior Nonpreferred MREL	21.06.2023	21.06.2027	500,00
XS2721113160	Senior Nonpreferred MREL	21.11.2023	21.09.2028	500,00
DE000BLB8063	Senior Nonpreferred MREL	30.04.2020	30.04.2027	0,94
DE000BLB8071	Senior Nonpreferred MREL	30.04.2020	30.04.2030	1,39
DE000BLB80S2	Senior Nonpreferred MREL	09.04.2020	09.10.2030	0,03
DE000BLB8188	Senior Nonpreferred MREL	13.08.2020	13.08.2030	14,52
DE000BLB81T8	Senior Nonpreferred MREL	18.06.2020	18.06.2030	3,94
DE000BLB81U6	Senior Nonpreferred MREL	18.06.2020	18.06.2032	0,18

DE000BLB81V4	Senior Nonpreferred MREL	16.07.2020	16.07.2032	5,57
DE000BLB8238	Senior Nonpreferred MREL	08.10.2020	08.10.2026	1,18
DE000BLB8246	Senior Nonpreferred MREL	09.10.2020	09.10.2028	3,11
DE000BLB8253	Senior Nonpreferred MREL	08.10.2020	08.10.2030	16,69
DE000BLB82L3	Senior Nonpreferred MREL	10.09.2020	10.09.2030	5,98
DE000BLB82N9	Senior Nonpreferred MREL	11.09.2020	11.09.2028	3,44
DE000BLB8386	Senior Nonpreferred MREL	22.12.2020	22.12.2028	21,84
DE000BLB8394	Senior Nonpreferred MREL	22.12.2020	22.12.2027	18,03
DE000BLB83J5	Senior Nonpreferred MREL	05.11.2020	05.11.2026	0,52
DE000BLB83K3	Senior Nonpreferred MREL	05.11.2020	05.11.2030	9,66
DE000BLB83L1	Senior Nonpreferred MREL	06.11.2020	06.11.2028	2,02
DE000BLB83V0	Senior Nonpreferred MREL	03.12.2020	03.12.2027	3,97
DE000BLB83W8	Senior Nonpreferred MREL	04.12.2020	04.12.2028	10,65
DE000BLB83X6	Senior Nonpreferred MREL	03.12.2020	03.12.2030	20,10
DE000BLB9MY7	Senior Nonpreferred MREL	23.12.2020	23.12.2030	21,06
DE000BLB9VD2	Senior Nonpreferred MREL	24.11.2023	24.11.2027	18,00
DE000BLB9VG5	Senior Nonpreferred MREL	29.11.2023	29.11.2033	15,00

Lifecycle

- Post-issuance verification

Validity

- As long as no changes are undertaken by the Issuer to its Impact and Allocation Reporting as of April 5, 2024

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SCOPE OF WORK

Bayerische Landesbank (“the Issuer” or “BayernLB”) commissioned ISS-Corporate to provide a Report Review¹ on its Impact and Allocation Reporting by assessing:

1. The alignment of BayernLB’s Impact and Allocation Reporting with the commitments set forth in BayernLB’s Sustainable Financing Framework (as of September 27, 2022).²
2. BayernLB’s Impact and Allocation Reporting - benchmarked against the Harmonized Framework for Impact Reporting (HFIR), updated in June 2023, 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 Sustainable Debt Instruments issued.

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

² The Framework was assessed as aligned with the Green Bond Principles, updated June 2021 (with June 2022 Appendix 1), as administered by the International Capital Market Association (ICMA).

ASSESSMENT SUMMARY


REVIEW SECTION	SUMMARY	EVALUATION
<p>Part 1.</p> <p>Alignment with the Issuer’s commitments set forth in the Framework</p>	<p>BayernLB’s Impact and Allocation Reporting meets the Issuer’s commitments set forth in the Sustainable Financing Framework. The proceeds have been used to (re)finance a portfolio of Renewable Energy, Rail and Real Estate projects in accordance with the eligibility criteria defined in the Framework.</p>	<p>Aligned</p>
<p>Part 2.</p> <p>Alignment with the Harmonized Framework for Impact Reporting (HFIR)</p>	<p>The Impact and Allocation Reporting is in line with ICMA’s Harmonized Framework for Impact Reporting (HFIR). The Issuer follows core principles and, where applicable, key recommendations.</p> <p>The Issuer reports annually, illustrates the environmental impacts, provides transparency on ESG risk management and on the currency used.</p>	<p>Aligned</p>
<p>Part 3.</p> <p>Disclosure of proceeds allocation and soundness of reporting indicators</p>	<p>The allocation of the proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.³</p> <p>BayernLB’s Impact and Allocation Reporting has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p>	<p>Positive</p>

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 SUSTAINABLE FINANCING FRAMEWORK⁴

The following table evaluates the Impact and Allocation Reporting against the commitments set forth in BayernLB’s Framework, which are based on the core requirements of the Green Bond Principles as well as best market practices.

ICMA GREEN BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<p>1. Use of Proceeds</p>	<p>BayernLB confirms to follow the Use of Proceeds’ description provided by its Sustainable Financing Framework. The report is in line with the initial commitments set in BayernLB’s Sustainable Financing Framework. The net proceeds are allocated to three categories: renewable energy, rail and real estate.</p> <p>The Issuer’s green categories align with the project categories and are in accordance with the eligibility criteria set in BayernLB’s Sustainable Financing Framework. Environmental benefits at category level are described and quantified.</p> <p>BayernLB transparently communicates the total amount of the sustainable loan portfolio, which is 7.027 (EURm), as well as the amount per category:</p> <ul style="list-style-type: none"> ▪ 3.173 EURm for renewable energy ▪ 1.387 EURm for rail ▪ 2.467 EURm for real estate <p>The Issuer also defines the total amount outstanding, which is 5157 EURm and the issuances per year, which is 4.094 EURm for 2023, of which 2.261 EURm are Commercial Papers. Within the 5157 EURm financing,</p>	

⁴ BayernLB’s Sustainable Financing Framework was assessed as aligned with the GBP (as of June, 2021) as of September 30, 2022.

	<p>25% represents new financing (1305.2 EURm)⁵, and 75% represents refinancing.</p> <p>The Issuer provides a qualitative and quantitative analysis of the environmental benefits of the project categories and defines the amount of new financing, in line with best market practice. Additionally, BayernLB excluded harmful categories, which were defined in the framework, from financing, which is in line with best market practice.</p>	
<p>2. Process for Project Evaluation and Selection</p>	<p>BayernLB confirms to follow the Process for Project Evaluation and Selection description provided by BayernLB’s Sustainable Financing Framework. The report is aligned with the initial commitments set in BayernLB’s Sustainable Financing Framework. The Issuer follows an end-to-end credit process including an ESG assessment. All loans financed by Sustainable Debt Instruments comply with the standard credit requirements, the sustainability strategy and the risk management policies of BayernLB.</p> <p>The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>BayernLB follows the responsibilities defined in the Framework for evaluating and selecting projects, in line with best-market practice.</p>	<p>✓</p>
<p>3. Management of Proceeds</p>	<p>BayernLB confirms to follow the Process for Management of Proceeds description provided by BayernLB’s Sustainable Financing Framework. The report is in line with the initial commitments set in BayernLB’s Sustainable Financing Framework: segregating the proceeds collected by earmarking them towards specific projects as a temporary measure and disclosing the portfolio balance of unallocated proceeds.</p> <p>The proceeds collected represent 100% of the amount allocated to eligible projects, with no exceptions. The</p>	<p>✓</p>

⁵ New loans added in respective portfolio: 640.2 EURm Renewable Energy, 470 EURm Rail, 195 EURm Real Estate

	proceeds are tracked appropriately and attested in a formal internal process.	
4. Reporting	<p>BayernLB’s Impact and Allocation Reporting is coherent with the Reporting description provided by BayernLB’s Sustainable Financing Framework. The report is in line with the initial commitments set in BayernLB’s Sustainable Financing Framework.</p> <p>The sections “Allocation Reporting” and “Impact Reporting” of the Impact and Allocation Reporting comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available on BayernLB’s website.⁶</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓
5. Verification	ISS-corporate has provided a Second Party Opinion (SPO) on BayernLB’s Sustainable Financing Framework on September 30, 2022.	

⁶ The report will be available at:

https://www.bayernlb.com/internet/en/blb/resp/meta_6/about_us/investor_relations_7/investor_information/green_bond/GreenBonds.jsp

PART II: ASSESSMENT AGAINST ICMA'S HARMONIZED FRAMEWORK FOR IMPACT REPORTING (HFIR)

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 an annual reporting. Green Bond Issuers are required to report on both the use of green bond proceeds and, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. The Harmonized Framework for Impact Reporting (HFIR) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates BayernLB's Impact and Allocation Reporting against the HFIR.

CORE PRINCIPLES		
ICMA HFIR	IMPACT AND ALLOCATION REPORTING	ASSESSMENT
Reporting on an annual basis	BayernLB has reported within one year from issuance and all the proceeds have been fully allocated. The report will be available on BayernLB's website. ⁷	✓
Illustrating the environmental impacts	<p>The assessment and measurement of the impacts generated by BayernLB's Sustainable Debt Instruments covered the following areas:</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual electricity production (MWh) (for renewable energy project category) ▪ Pro-rata renewable energy installed capacity (MW) (the total installed capacity of each project adjusted with BayernLB's share of the total credit volume) (for renewable energy project category) ▪ Pro-rata seats (the total number of seats of each project adjusted with BayernLB's share of the total credit volume) (for rail project category) 	✓

⁷ The report will be available at:

https://www.bayernlb.com/internet/en/blb/resp/meta_6/about_us/investor_relations_7/investor_information/green_bond/GreenBonds.jsp

	<ul style="list-style-type: none"> ▪ Pro-rata million passenger kilometers (mPkm) (the total number of seats of each project adjusted with BayernLB's share of the total credit volume) (for rail project category) ▪ Green building certificates (EPC, LEED, DGNB, BREEAM, HQE) including the specific classification level where applicable (for real estate project category) ▪ Annual GHG emissions avoided (adjusted to market value, tCO₂) (for real estate project category) 	
<p>ESG Risk Management</p>	<p>The Issuer has a system in place to identify and manage ESG risks connected to the projects financed. The risks associated with potential environmental developments are evaluated by credit and risk officers during the end-to-end credit process. BayernLB ensures that all loans financed by the Sustainable Debt Instruments comply with official national and international environmental and social standards, where applicable, on a best effort basis, as well as with internal environmental and social directives.</p>	<p>✓</p>
<p>Allocation of proceeds - Transparency on the currency</p>	<p>Allocated proceeds have been reported in a single currency, Euros (EUR).</p>	<p>✓</p>

RECOMMENDATIONS

ICMA HFIR	IMPACT AND ALLOCATION REPORTING	ASSESSMENT
<p>Define and disclose period and process for Project Evaluation and Selection</p>	<p>The entirety of proceeds were allocated to Green Assets. The report does not provide information about projects that have been removed from the allocation register, but BayernLB confirmed that some loans have been redeemed or removed due to low certificate scores.</p> <p>The Issuer followed a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced</p>	<p>✓</p>

	<p>through the Sustainable Debt Instruments issued under the Sustainable Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	
<p>Disclose total amount of proceeds allocated to eligible disbursements</p>	<p>A total of 5.157 EURm has been raised through the Issuer's Sustainable Debt Instruments. 100% of the proceeds have been allocated to Green Assets.</p>	<p>✓</p>
<p>Formal internal process for the allocation of proceeds and to report on the allocation of proceeds</p>	<p>The Issuer followed a transparent process for the allocation of proceeds.</p>	<p>✓</p>
<p>Report at portfolio level</p>	<p>The Impact and Allocation Reporting includes the total amount of proceeds allocated to the portfolio, broken down by project category, by type within categories and by geographical breakdown (country).</p>	<p>✓</p>
<p>Describe the approach to impact reporting</p>	<p>The Issuer reports on the overall results of the portfolio per project category as well as on the pro-rated share of the overall results.</p>	<p>✓</p>
<p>Report the estimated lifetime results and/or project economic life (in years)</p>	<p>The Issuer reports on the average portfolio lifetime results (in years) per project category.</p>	<p>✓</p>
<p>Ex-post verification of specific projects</p>	<p>For some of the projects, the Issuer provides ex-post verification. For renewable energy projects, a third-party technical advisor prepares final reports, which include details on the installed capacity of the facilities. For real estate projects, energy performance certificates are required, detailing heat and electricity requirements of the buildings. For rail projects no verification is performed by BayernLB or third parties.</p>	<p>✓</p>

<p>Report on at least a limited number of sector specific core indicators</p>	<p>BayernLB reports on the following core indicators:</p> <p>Renewable energy portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual electricity production (MWh) ▪ Pro-rata renewable energy installed capacity (MW) (the total installed capacity of each project adjusted with BayernLB's share of the total credit volume) <p>Rail portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Pro-rata million passenger kilometers (mPkm) (the total number of seats of each project adjusted with BayernLB's share of the total credit volume) <p>Real estate portfolio</p> <ul style="list-style-type: none"> ▪ Green building certificates (EPC, LEED, DGNB, BREEAM, HQE) ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual GHG emissions avoided (adjusted to market value, tCO₂) 	<p>✓</p>
<p>If there is no single commonly used standard, Issuers may follow and disclose their own calculation methodologies</p>	<p>BayernLB discloses its own calculation methodologies for all impact indicators (apart from green building certificates), when there is no single commonly used standard. For real estate projects, the Issuer uses The Partnership for Carbon Accounting Financials (PCAF) database if the data is not available through certificates.</p>	<p>✓</p>
<p>Disclosure on the conversion approach</p>	<p>For real estate projects, BayernLB discloses its conversion approach between primary and end energy. The Issuer uses conversion factors from the German Energy Saving Ordinance (GEG) as well as local utilities factors.</p>	<p>✓</p>

<p>Projects with partial eligibility</p>	<p>The Issuer confirms full eligibility of all categories financed through the proceeds. Therefore, this section is not applicable.</p>	<p>-</p>
<p>When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach</p>	<p>The Issuer's financed projects do not have project components that may not be reported separately. The impact of BayernLB's projects is reported separately per category on an aggregated basis.</p>	<p>-</p>

OPINION

BayernLB follows the HFIR's core principles and key recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, in line with best practices. The Issuer has reported annually, illustrated the environmental impacts, provided transparency on ESG risk management and transparency on the currency used.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to putting the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' categories.

The Use of Proceeds allocation reporting occurred within one year of issuance, after full allocation of the proceeds. This is the fourth year of allocation reporting and 100% of the Sustainable Debt Instruments (5.157 EURm) have been allocated as of 2023, in comparison with 100% of allocation in 2022.

Proceeds allocated to eligible projects/assets

The share of financing is broken down on the portfolio level by the renewable energy, rail, and real estate sub-portfolios. The Issuer has provided details about the type of projects included in the portfolio.

The allocation report section of the Impact and Allocation Reporting of BayernLB aligns with best-market practices by providing information on:

- The total amount of the Sustainable Loan Portfolio in EURm
- The amount of green funding raised and allocated in EURm
- The issuances per year in EURm
- The breakdown by tenor in years
- The breakdown by type
- The amount outstanding per project category in EURm
- The amount of new financing in EURm
- The technology and geographic distribution
- The split between covered and uncovered bonds as well as the guarantor for the rail category
- The building type and certificates for the real estate category
- The number of loans per project category

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 impact indicators.

ELEMENT	ASSESSMENT
<p>Relevance</p>	<p>The impact indicators chosen by the Issuer for the Sustainable Debt Instruments are the following:</p> <p>Renewable energy portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual electricity production (MWh) ▪ Pro-rata renewable energy installed capacity (MW) (the total installed capacity of each project adjusted with BayernLB’s share of the total credit volume) <p>Rail portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Pro-rata seats (the total number of seats of each project adjusted with BayernLB’s share of the total credit volume) ▪ Pro-rata million passenger kilometers (mPkm) (the total number of seats of each project adjusted with BayernLB’s share of the total credit volume) <p>Real estate portfolio</p> <ul style="list-style-type: none"> ▪ Green building certificates (EPC, LEED, DGNB, BREEAM, HQE) ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual GHG emissions avoided (adjusted to market value, tCO₂) <p>These indicators are quantitative and material to the Use of Proceeds categories financed through the Sustainable Debt Instruments and align with the suggested impact reporting metrics for Renewable Energy, Clean Transportation, and Green Buildings in the HFIR. This aligns with best market practices.</p>
<p>Data sourcing and methodologies of quantitative assessment</p>	<p>For renewable energy projects, the Issuer adjusts the total installed capacity of each project with its share of total credit volume. To approximate the annual electricity generation, the Issuer adjusted the installed capacity to the average MWh generated for each MW</p>

of installed capacity for the individual country and technology.⁸ To estimate the annual CO₂ savings, the Issuer multiplied the total annual energy generation in MWh with a CO₂ intensity per MWh of 0.275 tons. This data is taken from the International Energy Agency (IEA) on CO₂ intensity of electricity generation in the European Union (1990-2017).⁹ The Issuer additionally reduces the calculated CO₂ savings by the life cycle CO₂ emissions from wind and solar power plants.

For rail projects, the Issuer adjusts the total number of seats of each project with its share of the total credit volume. To approximate the driven person kilometers (Pkm) per seat the Issuer divided the total German passenger kilometers by the total number of seats in the German public transport system using data from the German Federal Statistics Office.¹⁰ The Issuer assumes that the next alternative is a car. To calculate the annual GHG emissions avoided, BayernLB multiplies the Pkm of each project with the difference of grams CO₂ per Pkm with a car and grams CO₂ per Pkm with an electric train using data available at the German Environmental Office.¹¹

For real estate projects, the Issuer uses internationally recognized certification standards for green buildings such as Building Research Establishment Environmental Assessment Method (BREEAM) Very Good or Excellent, Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB) Gold, Energy Performance Certificate (EPC), Haute Qualité Environnementale (HQE) Exceptional and Leadership in Energy and Environmental Design (LEED) Gold or Platinum. Most of them are in line with the HFIR. The Issuer estimated the yearly CO₂ and energy avoidance by comparing the performance of each building against a benchmark from PCAF's building emission factor database.¹² To determine the energy requirement, a three-tiered approach was used:

- The end energy and CO₂ performance are taken from energy certificates

⁸ International Renewable Energy Agency (IRENA), <https://irena.org/Statistics>

⁹ International Energy Agency (IEA), <https://www.iea.org/data-and-statistics/charts/co2-intensity-of-selected-countries-1990-2017>

¹⁰ German Federal Statistics Office,

<https://www.genesis.destatis.de/genesis/online?sequenz=statistikTabellen&selectionname=46181#abreadcrumb>

¹¹ German Environmental Office, <https://www.umweltbundesamt.de/themen/verkehr-laerm/emissionsdaten#hbefa>



¹² Partners for Carbon Accounting Financials, www.carbonaccountingfinancials.com

	<ul style="list-style-type: none"> ▪ If CO₂ data is not available, the emissions are derived by multiplying the heat and energy requirements (primary energy) in kwh/m²*a with the CO₂ emissions factors ▪ When only the energy class (A-G) is known, CO₂ avoidance is estimated based on the PCAF database for both the object and the benchmark <p>The Issuer also uses conversion factors from GEG and local utilities factors to convert between primary and end energy.</p>
<p>Baseline selection</p>	<p>The impact data is compared with relevant baselines. For renewable energy projects, tCO₂ avoided is calculated based on International Energy Agency (IEA) data on CO₂ intensity of electricity generation in the European Union (1990-2017).¹³ For rail projects, data on the grams of CO₂ per Pkm with a car in Germany provided by the German Environmental Office is used. For real estate projects, regional, national or international standards provide baselines against which the project can be benchmarked. Alternatively, the performance of each building is compared against a benchmark from PCAF's building emission factor database.</p>
<p>Scale and granularity</p>	<p>The impact data is presented at the Use of Proceed category level for the indicators.</p>

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

Based on the project categories financed and refinanced by the Sustainable Debt Instruments as disclosed in the Issuer's Impact and Allocation Reporting, the impact indicators adopted by BayernLB for its Sustainable Debt Instruments can be mapped to the following SDGs, according to ISS ESG SDG Solutions (SDGA), a proprietary methodology designed to assess the impact of an Issuer's product or services on the SDGs.

¹³ International Energy Agency (IEA), <https://www.iea.org/data-and-statistics/charts/co2-intensity-of-selected-countries-1990-2017>

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p>Renewable energy portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual electricity production (MWh) ▪ Pro-rata renewable energy installed capacity (MW) (the total installed capacity of each project adjusted with BayernLB's share of the total credit volume) <p>Rail portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Pro-rata seats (the total number of seats of each project adjusted with BayernLB's share of the total credit volume) ▪ Pro-rata million passenger kilometers (mPkm) (the total number of seats of each project adjusted with BayernLB's share of the total credit volume) <p>Real estate portfolio</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions avoided (tCO₂) ▪ Annual GHG emissions avoided (adjusted to market value, tCO₂) 	
<p>Real estate portfolio</p> <ul style="list-style-type: none"> ▪ Green building certificates (EPC, LEED, DGNB, BREEAM, HQE) 	

OPINION

The allocation of the proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework and the Impact and Allocation Reporting has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices. Furthermore, the impact indicators used align with best market practices using ICMA's recommended metrics in the HFIR.

DISCLAIMER

1. Validity of the External Review (“External Review”): Valid as long as the cited Impact and Allocation Reporting remains unchanged.
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ANNEX 1: Methodology

Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labelled transactions reporting against international standards using ISS-Corporate proprietary [methodology](#).

High-level mapping to the SDG

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 method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to which Issuers reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

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

- Impact and Allocation Reporting
- Sustainable Financing Framework
- 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, of which ISS-Corporate is part, 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 the ICMA 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 BayernLB took place in April 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 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.

We assess the alignment of the Issuer's report with external principles (e.g., ICMA Green / Social Bond Principles, ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the alignment of the Issuer's Report against the commitments in the respective Framework, and analyze the disclosure of proceeds allocation, the 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 as informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: SPOsales@isscorporatesolutions.com

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