



SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

UBM Development AG

14 April 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Finance Instruments

Relevant standards

- Green Bond Principles as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix I)
- Green Loan Principles as administered by the Loan Market Association (LMA) (as of February 2023)

Scope of verification

- UBM Green Finance Framework (as of April 12, 2023)
- UBM Selection Criteria (as of April 12, 2023)

Lifecycle

- Pre-issuance verification

Validity

- As long as there is no material change to the Framework

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SCOPE OF WORK

UBM Development AG (“the Issuer” or “UBM”) commissioned ISS Corporate Solutions (ICS) to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. UBM’s Green Finance Framework (as of April 12, 2023) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and Loan Market Association’s (LMA) Green Loan Principles (GLP).
2. The Selection Criteria – whether the project categories contribute positively to the UN SDGs and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction(s) to UBM’s overall ESG profile – drawing on the issuance-specific Use of Proceeds categories.

UBM BUSINESS OVERVIEW

UBM operates as a development company. It is classified in the Construction industry, as per ISS ESG’s sector classification.

UBM Development AG, together with its subsidiaries, engages in the development, management, and sale of real estate properties in Germany, Austria, Poland, and other markets. The company's property portfolio comprises residential, office, hotel, and other properties. It also engages in hotel leasing business. The company was formerly known as UBM Realitätenentwicklung Aktiengesellschaft and changed its name to UBM Development AG in May 2015. UBM Development AG was founded in 1873 and is headquartered in Vienna, Austria.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Alignment with GBP and GLP	The Issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles and Green Loan Principles.	Aligned
Part 2: Sustainability quality of the Selection Criteria	<p>The Green Finance Instruments will (re-)finance eligible asset categories which include Green Buildings and Renewable Energy.</p> <p>The Green Buildings use of proceeds category has a contribution to SDGs 7 'Affordable and clean energy', 11 'Sustainable cities and communities', and 13 'Climate action'.</p> <p>The remaining use of proceed categories improve the company's operational impacts and mitigate potential negative externalities of the Issuer's sector on SDGs 7 'Affordable and clean energy' and SDG 13 'Climate action'.</p> <p>The environmental and social risks associated with those use of proceeds categories are well managed.</p>	Positive
Part 3: Linking the transaction(s) to UBM's overall ESG profile	<p>The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. The project category considered is in line with the sustainability objectives of the Issuer.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	Consistent with Issuer's sustainability strategy

¹ The evaluation is based on UBM's Green Finance Framework (April 12, 2023 version), the Selection Criteria as received on April 12, 2023, and on the ISS ESG Corporate Rating updated on March 15, 2023 and applicable at the SPO delivery date.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of the UBM's Green Finance Framework (as of April 12, 2023) with the Green Bond Principles and Green Loan Principles.

GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by UBM's Green Finance Framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The Issuer's green categories align with the project categories as proposed by the Green Bond Principles and Green Loan Principles, Criteria are defined in a clear and transparent manner. Disclosure of the allocation period and commitment to report on the allocation per project category is provided and environmental benefits are described.</p> <p>The identification of exclusion criteria for harmful project categories is in line with best market practices.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Project Evaluation and Selection description provided by UBM's Green Finance Framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The inclusion of different expertise within the company in the process is in line with best market practices.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds proposed by UBM's Green Finance Framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net</p>

		<p>proceeds are tracked in an appropriate manner. The net proceeds are managed on an aggregated basis for multiple Green Finance Instruments (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting proposed by UBM’s Green Finance Framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer’s website. UBM explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated or in case of material changes.</p> <p>The commitment on impact reporting and external review are in line with best market practices.</p>

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE UN SDGs²

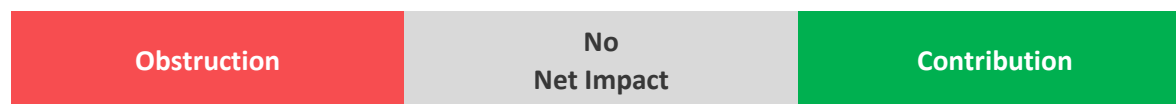
Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.


1. Products and services

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 UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or 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 3-point scale (see Annex 1 for methodology):



Each of the Green Finance Instrument's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

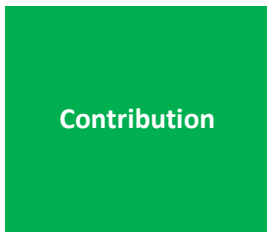
USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Commercial and Residential Green Buildings</p> <p><i>All existing as well as newly acquired, newly developed, or refurbished commercial and residential buildings (also "buildings") that:</i></p> <ul style="list-style-type: none"> ▪ <i>have achieved or are in the process of achieving (at least applied or pre-certified) an environmental certification such as:</i> <ul style="list-style-type: none"> • <i>BREEAM Very good or above</i> • <i>BREEAM In-Use Very good or above</i> • <i>LEED Gold or above</i> • <i>DGNB/ÖGNI Gold or above</i> 	Contribution³	

² The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

³ The review is limited to certifications spelled out in the Framework.

Commercial and Residential Green Buildings

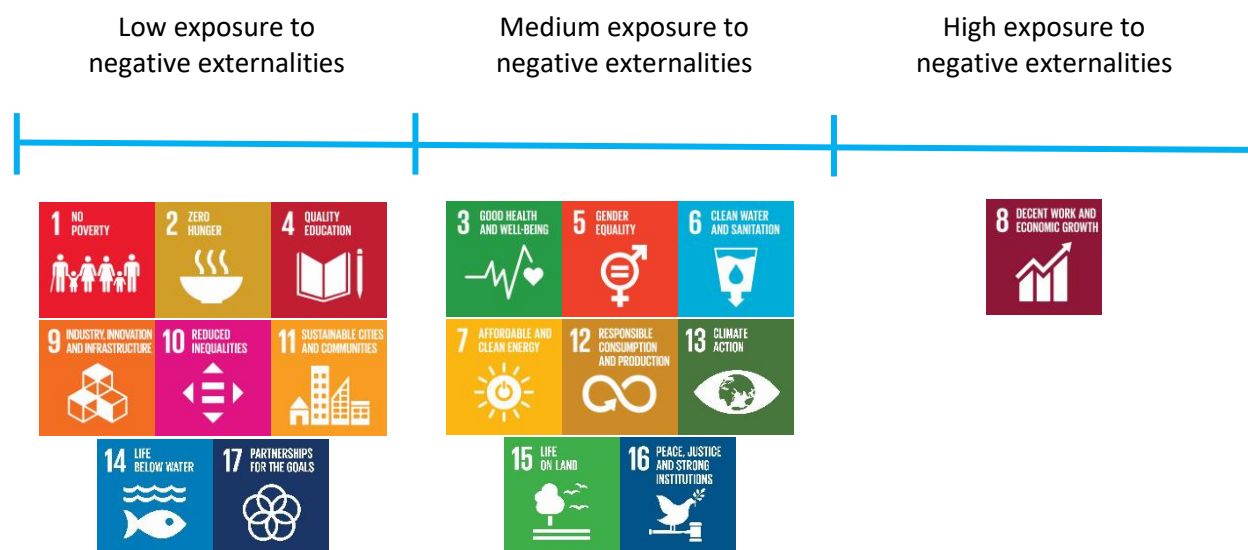
Buildings where the Primary Energy Demand (PED based on the energy performance certificate) is at least 10% lower than the local Nearly Zero Energy Buildings (NZEB)



2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities⁴ in the Construction Industry (to which UBM belongs) are the following:



The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ⁵	SUSTAINABLE DEVELOPMENT GOALS
Commercial and Residential Green Buildings	✓	

⁴ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3 of the SPO.
⁵ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

Renovation of buildings that achieve at least 30% improvement in Primary Energy Demand (PED) compared to a baseline before the renovation

Renewable Energy

Onsite renewable energy including:

- *Solar energy: Installation of photovoltaic solar panels*
- *Geothermal energy installations*



Renewable Energy (Energy Efficiency)

Dedicated support infrastructure for renewable energy sources across building management systems (Including ancillary technical equipment such as inverter, overvoltage protection, feed-in meter, electricity storage, wiring, etc., or necessary roof space utilization)



Renewable Energy (Energy Efficiency)

Air-to-air or air-to-water heat pump systems using renewable energy



B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below evaluates the Selection Criteria against issuance-specific KPIs. All the assets are located in Austria, Germany, Poland, and the Czech Republic.

ASSESSMENT AGAINST KPIs

KPIs RELEVANT TO ALL CATEGORIES

Labour, Health, and Safety

- ✓ The assets are located in Austria, Germany, Poland, and the Czech Republic where high labour and health and safety standards are in place (e.g., ILO core conventions).

KPIs RELEVANT TO ENERGY EFFICIENCY; RENEWABLE ENERGY

Labour, Health, and Safety

- ✓ UBM does have measures in place ensuring that assets financed under this framework meet high environmental standards and requirements in the supply chain. The Issuer provides training to employees in purchasing departments on the company's supplier standard on labour rights and working conditions. To evaluate and increase the sustainability profile of its supply chain, UBM relies on its Code of Ethics to ensure labour, health, and safety conditions are met throughout the entire supply chain. The Code of Ethics is based on national and international laws and regulations, and international labour standards (ILO Fundamental Principles).

On-site safety

- ✓ The assets are located in Austria, Germany, Poland, and the Czech Republic and are in line with EU Directives and national legislation that ensure high operational safety standards are in place.

Environmental aspects of construction (or production) and operation

- ✓ UBM adheres to the Austrian Ordinance on Waste Electrical and Electronic Equipment (EAG-VO), the German Elektro- und Elektronikgerätegesetz – ElektroG3 legislation, the Polish Law on the Collection and Treatment of Waste Electrical and Electronic Equipment, and the Czech Law No 185/2001 on waste and amending certain other laws; 'the Law on waste. PV modules fall within the scope of the ordinance and must be taken back by the manufacturers or importers of the equipment.
- ✓ UBM has policies in place to systematically ensure that assets financed under this framework meet high environmental standards and requirements in the supply chain. UBM reviews the ESG activities of nine of its most important suppliers and has introduced a subcontractor management system in Germany. In addition to publicly available documents, the following information was collected from the business partners: the availability of an internal code of conduct, the publication of

ESG/sustainability reports, the integration of sustainability in the corporate strategy, and membership in relevant organizations. The reviews will continue in 2023. Limited information is available on supplier risk assessments, and on the factors considered such as the supplier's sector, size and geographical location, and the type of work performed. However, UBM has environmental awareness and environmental initiatives in their Ethic Code for Business Partners that ensure environmental standards are met in the supply chain. Suppliers commit to minimize emissions of greenhouse gases, use materials with lower impact, handle waste and transport hazardous materials in an effective way that reduce solid waste, the avoidance of polluted wastewater discharge and soil contamination, and efficient use of natural resources.

KPIs RELEVANT TO GREEN BUILDINGS; RENEWABLE ENERGY

Conservation and biodiversity management

- ✓ UBM follows local legislation⁶⁷⁸⁹ in all EU countries. The potential impact on biodiversity has been mitigated and reduced as it aligns with the European Union standard in terms of performing Environmental Impact Assessments.

KPIs RELEVANT TO GREEN BUILDINGS

Site location

- ✓ UBM uses a “Checklist Land Plot” and “Summary Project Initiation” during the project initiation phase, where every project is examined on whether it is well connected to public transport. Additionally, most assets are located in A areas (metropolis international importance with high demand), which ensures the buildings are or will be located within 1 km from one or more modalities of public transport.

Environmental aspects of construction (or production) and operation

- ✓ UBM has a policy in place regarding sustainable procurement of building materials in their ESG report 2021 and Ethic Code for Business Partners, with information regarding local sourcing of materials, the use of renewable and recycled materials, re-usability, and embodied energy. Limited information is found regarding policies covering durability and maintainability or third-party certifications of wood-based materials. Buildings that have a green building certification meet the requirement for sustainable procurement.

Water

- ✓ UBM will screen all projects for alignment according to EU taxonomy for 7.1. Construction of new buildings and 7.2 Renovation of existing buildings, covering the

⁶ Federal Ministry Republic of Austria, Environmental Impact Assessment (EIA), General facts, <https://www.bmk.gv.at/en/topics/climate-environment/environmental-protection-company/eia/general-facts.html>

⁷ Bundesamt für Justiz, Environmental Impact Assessment Act, <http://www.gesetze-im-internet.de/uvpg/>

⁸ Ministry of the Environment of the Czech Republic, Environmental Impact Assessment, https://www.mzp.cz/en/environmental_impact_assessment

⁹ UN, May 2020, Environmental Protection Act., [https://leap.unep.org/countries/pl/national-legislation/environment-protection-act#:~:text=This%20Act%20lays%20down%20the,a\)%20the%20conditions%20for%20the](https://leap.unep.org/countries/pl/national-legislation/environment-protection-act#:~:text=This%20Act%20lays%20down%20the,a)%20the%20conditions%20for%20the)

sustainable use and protection of water and marine resources. Additionally, UBM has extended its BREEAM, LEED, and DGNB/ÖGNI certifications to refurbishments, listed buildings, and new developments in 2019, and plans call for the continuation of this strategy. The certified buildings will ensure minimum requirements regarding water reduction and usage.

User safety

- ✓ UBM follows local regulations regarding safety of building users in all EU countries where high standards are ensured. Examples of the relevant legislation are the Vienna Building Codes¹⁰, Fire Legislation¹¹, and Elevator Safety Legislation¹², the German M-PPVO (covering structural fire protection)¹³, the Polish Fire Protection Act¹⁴, and the Prague Building Codes that cover safety of users¹⁵.

KPIs RELEVANT TO RENEWABLE ENERGY

Environmental aspects of construction (or production) and operation

- ✓ The assets are in EU countries, where national regulations cover the environmental aspect of the construction phase. UBM complies with the Eurocodes standards that provide technical rules ensuring compliance with environmental requirements such as stability and safety.
- ✓ The assets are in EU countries, in compliance with Eurocodes standards that prevent soil and groundwater contamination during the design stage of buildings and other construction projects.
- ✓ UBM has been certified with ISO 14001 Environmental Management System and ISO 50001 Energy Management System. The project managers are responsible for the compliance of the project to the certifications.
- ✓ UBM has systems in place to monitor technologies and ensure high operational standards. The smart building technologies used by UBM are Smart Sensor Technology, Intelligent Building Technology, Energy Optimization, CO₂ – Measurement, Data Protection.

¹⁰ Stadt Wien, Building regulations and guidelines, <https://www.wien.gv.at/bauen/richtlinien/index.html>

¹¹ Rechtsinformationssystem des bundes, Landesrecht konsolidiert Wien: Gesamte Rechtsvorschrift für Maßnahmen auf dem Gebiet des Brandschutzes für in Dienststellen der Gemeinde Wien beschäftigte Bedienstete, Fassung vom 14.04.2023, <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=LrW&Gesetzesnummer=20000116>

¹² Rechtsinformationssystem des bundes, Landesrecht konsolidiert Wien: Gesamte Rechtsvorschrift für Maßnahmen auf dem Gebiet des Brandschutzes für in Dienststellen der Gemeinde Wien beschäftigte Bedienstete, Fassung vom 14.04.2023, <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=LrW&Gesetzesnummer=20000116>

¹³ Muster-Verordnung über die Prüfsachverständigen nach § 85 Abs. 2 MBO (M-PPVO), <https://www.is-ergeb.de/Dokumente/4237347.pdf>

¹⁴ Bezpieczeństwo pożarowe, <https://budowlaneabc.gov.pl/standardy-projektowania-budynkow-dla-osob-niepelnosprawnych/budynek/bezpieczenstwo-pozarowe/>

¹⁵ Ordinance, stipulating general land-use requirements and technical requirements for buildings in the city of Prague (Prague building regulations) <https://ec.europa.eu/growth/tools-databases/tris/en/index.cfm/search/?trisaction=search.detail&year=2015&num=653&dLang=EN>

- ✓ UBM conducts life-cycle assessments for the whole building, including the renewable energy components and its photovoltaic systems, including the recyclability of materials.

Community dialogue

- ✓ UBM has relevant guidelines in place and engages in dialogue with its relevant stakeholders and offers the interested community a way to give feedback, write complaints and contact the company. As part of the community dialogue, UBM seeks involvement and information from neighboring residents of their construction projects to analyze their interests and rights and find solutions to issues that may arise.

PART III: LINKING THE TRANSACTION(S) TO UBM'S ESG PROFILE

A. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH UBM'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

UBM's 2021 Sustainability Report¹⁶ outlines its focus areas for the Environmental, Social, and Governance categories.

1. Environment
 - a. Over 100,000 m² in timber construction by 2025
 - b. Obtain green building certification for 100% of new developments
 - c. Reduction of CO² intensity of completed projects by 30% by 2030
 - d. Share of brownfield developments in new projects over 66% by 2025
 - e. Increase in the share of renewable energy carriers to 30% by 2025
 - f. Double the number of vehicles with alternative drives by 2025
2. Social
 - a. Hold employee turnover below 12.5% by 2025
 - b. Increase percentage of women in management positions to over 30% by 2025
 - c. Annual ESG awareness training for all employees
3. Governance
 - a. Voluntary external audit of ESG reporting
 - b. Carry out Know Your Customer reviews of new business partners and confirm binding code of conduct
 - c. Confirm code of conduct in writing with all employees

UBM's climate action plan includes energy, green building, and CO₂ reduction targets with target years of 2025 and 2030, setting long term Net Zero targets is on the 2023 agenda. UBM adheres to the Austrian Sustainability and Diversity Improvement Act thus publishing an ESG report in line with GRI standards which include reporting on targets annually. Additionally, UBM is a member of the UN Global Compact.

As part of its sustainability strategy, including its decarbonization strategy, UBM has implemented measures to reach each of its targets and sub-targets. Some examples of the measures implemented are:

- Every project must demonstrate CO₂ savings in the ecological assessment during the planning stage
- Making green building certification mandatory for all new projects
- The use of sustainable/recycled building materials must be evaluated at the planning stage
- Equip all group locations and standing assets with building management plans for energy management
- Encourage gender equity by giving hiring preference to women when qualifications and experience are equal

¹⁶ UBM Development, April 2022, ESG Report 2021, <https://www.ubm-development.com/?acq=MTA2NzQ>

The Management Board is responsible for the organization of and compliance with sustainability issues, the Executive Committee regularly deals with sustainability issues regarding the company's strategic focus, and the ESG Committee deals with the analysis of sustainability criteria and social responsibility concepts in corporate processes.

ESG risks in connection with sustainability issues were evaluated extensively as part of the materiality analysis in 2021 and 2022 according to TCFD recommendations. The revised EU Energy Performance of Buildings Directive took effect on 1 January 2021 and requires all new buildings to be built as nearly zero-energy. Buildings that do not meet this standard could therefore risk being denied a building permit in the future. The growing frequency of high temperature periods is also increasing the pressure on energy-intensive equipment for building operations (e.g. cooling systems). For general risk management, the probability of occurrence and the scope of possible damages from the identified risks are evaluated twice each year by the Management Board. The risk system is audited annually and adapted where necessary to meet changing circumstances.

UBM issued two bonds with a sustainability focus in 2021 for a total of €250m, these were a €150m sustainability-linked bond (senior bond) and a sustainability-linked bond (hybrid bond) for €100m.

Rationale for issuance

In line with UBM Group's commitment to integrate sustainability in its corporate strategy, they have established the Green Finance Framework to enable them to focus on building projects with a positive environmental impact.

As a developer of residential and commercial properties throughout major cities in Europe, UBM aims to increase the share of green buildings and smart offices in metropolises like Vienna, Munich, Frankfurt, and Prague.

This Green Financing Framework forms the basis for future Green Bond and Green Loan issuances from UBM and contributes to climate change mitigation.

Opinion: *The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. All the project categories financed are in line with the sustainability objectives of the Issuer.*

B. UBM'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Construction industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Protection of human rights and community
Business ethics
Impact on land use and biodiversity
Energy and resource efficiency
Labour standards and working conditions


ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating research, further information about the Issuer's ESG performance can be found on ISS ESG Gateway at: <https://www.issgovernance.com/esg/iss-esg-gateway/>.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, the contribution of the Issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristics and does not include practices along the Issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ¹⁷	DIRECTION OF IMPACT	UN SDGS
Buildings certified to a comprehensive sustainable building standard	60%	CONTRIBUTION	

¹⁷ Percentages presented in this table are not cumulative.

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Construction industry are as follows: Anti-competitive behaviour, failure to assess environmental impacts, and failure to respect the right to just and favourable conditions of work.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: Methodology

Green KPIs

The Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of UBM’s Green Finance Instruments.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

The Environmental and social risks assessment evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available or that the information provided did not fulfil the requirements of the Green Bond KPIs.

The evaluation was carried out using information and documents provided on a confidential basis by UBM (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the Issuer.

Assessment of the contribution and association 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, the extent to which UBM’s Green Finance Instruments contribute to related SDGs has been identified.

ANNEX 2: ISS ESG Corporate Rating Methodology

[ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance \(ESG\) data and performance assessments.](#)

For more information, please visit:

<https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 3: Quality management processes

SCOPE

UBM commissioned ICS to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Finance Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- LMA Green Loan Principles

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the framework level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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 Finance Instruments to be issued by UBM has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles.

The engagement with UBM took place from March to April 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS 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

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

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

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green Finance Instruments SPO, please contact: SPOOperations@iss-esg.com

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