

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Bond Framework

Raiffeisenlandesbank Niederösterreich-Wien AG
24 April 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green, Social and Sustainability BondsGreen Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
Relevant standards	<ul style="list-style-type: none">Social Bond Principles (SBP), as administered by the International Capital Market Association (ICMA) (as of June 2023)Sustainability Bond Guidelines (SBG), as administered by the International Capital Market Association (ICMA) (as of June 2021)Raiffeisenlandesbank Niederösterreich-Wien AG's Sustainable Bond Framework (as of April 19, 2024)
Scope of verification	<ul style="list-style-type: none">Raiffeisenlandesbank Niederösterreich-Wien AG's Eligibility Criteria (as of April 19, 2024)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

Raiffeisenlandesbank Niederösterreich-Wien AG (“the Issuer”, “the Bank”, or “RLB NÖ-Wien”) commissioned ISS-Corporate to assist with its Green, Social and Sustainability Bonds by assessing three core elements to determine the sustainability quality of the instruments:

1. RLB NÖ-Wien’s Sustainable Bond Framework (as of April 19, 2024) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction(s) to RLB NÖ-Wien’s overall Environmental, Social, and Governance (ESG) profile – drawing on the issuance-specific Use of Proceeds (UoP) categories.

RLB NÖ-WIEN BUSINESS OVERVIEW

RLB NÖ-Wien operates as a cooperative bank. It is classified in the Public & Regional Banks industry, as per ISS ESG’s sector classification.

RLB NÖ-Wien provides financial and banking services to private and corporate clients. It offers online and mobile banking; savings deposits and investments; debit and credit cards; loans and leasing; pension and retirement plans; payment systems; financing; mortgage and housing loans; insurances; as well as legal and taxation. The company was founded on October 10, 1898 and is headquartered in Vienna, Austria.



ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION
<p>Part 1: Alignment with GBP/SBP/SBG</p>	<p>The Issuer has defined a formal concept for its Green, Social and Sustainability Bonds 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 (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG).</p> <p><i>* Certain criteria of Access to Essential Services² are assessed as providing no clear social benefits according to our methodology (cf. part II of this report). However, as there are currently several national and international initiatives and that the definition of green and/or social might vary depending on sector and geography, it is recognized that those categories might be considered as eligible social categories by investors.</i></p>	<p>Aligned*</p>
<p>Part 2: Sustainability quality of the Eligibility Criteria</p>	<p>The Green, Social and Sustainability Bonds will (re)finance eligible asset categories which include:</p> <p>Green categories: Green Buildings, Energy efficiency, Renewable Energy, Clean Transportation, Pollution Prevention and Control, Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes, Water Management and Wastewater Management;</p> <p>Social categories: Education, Access to Essential Services, Affordable housing.</p> <p>Product and/or service-related use of proceeds categories³ individually contribute to one or more of the following SDGs:</p>	<p>Positive</p>

¹ The evaluation is based on the RLB NÖ-Wien’s Sustainable Bond Framework (April 19, 2024 version), and on the ISS ESG Corporate Rating updated on the October 23, 2023 and applicable at the SPO delivery date.

² Construction of telecommunications infrastructure

³ Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Pollution Prevention and Control, Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes, Water Management and Wastewater Management, Education, Access to Essential Services, Affordable Housing

	 <p>Other use of proceed categories⁴ improve the operational impacts of RLB NÖ-Wien's borrower(s) and mitigate potential negative externalities of its sector/their sectors on one or more of the following SDGs:</p>  <p>For certain criteria of Access to Essential Services⁵ there is no evidence of an improvement on the borrower and/or end users' potential negative externalities.</p> <p>The environmental and social risks associated with those use of proceeds categories are managed.</p>	
<p>Part 3: Linking the transaction(s) to RLB NÖ-Wien's ESG profile</p>	<p>The key sustainability objectives and the rationale for issuing Green and Social Bonds are clearly described by the Issuer. The majority of the project categories financed are 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>	<p>Consistent with Issuer's sustainability strategy</p>

⁴ Green Buildings, Energy Efficiency, Pollution Prevention and Control, Water Management and Wastewater Management
⁵ Construction of telecommunications infrastructure

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES AND SUSTAINABILITY BOND GUIDELINES

This section evaluates the alignment of the RLB NÖ-Wien’s Sustainable Bond Framework (as of April 19, 2024) with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

GBP, SBP AND SBG	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓ *</p>	<p>The Use of Proceeds description provided by RLB NÖ-Wien’s Sustainable Bond Framework is aligned* with the ICMA’s GBP, SBP and SBG.</p> <p>The Issuer’s green and social categories align with the project categories as proposed by the ICMA’s GBP, SBP and SBG. Criteria are defined in a clear and transparent manner. The Issuer commits to disclose the distribution of proceeds by project category and environmental and social benefits are described.</p> <p>The Issuer defines exclusion criteria for harmful projects categories and defines a look-back period of 24 months, in line with best market practice.</p> <p><i>* Certain criteria of Access to Essential Services⁶ are assessed as providing no clear social benefits according to our methodology (cf. part II of this report). However, as there are currently several national and international initiatives and that the definition of green and/or social might vary depending on sector and geography, it is recognized that those categories might be considered as eligible social categories by investors.</i></p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by RLB NÖ-Wien’s Sustainable Bond Framework is aligned with the ICMA’s GBP, SBP and SBG.</p> <p>The project selection process is defined. ESG risks associated with the project categories are</p>

⁶ Construction of telecommunications infrastructure

		<p>identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer and clearly show the intended benefit to the relevant population.</p> <p>The Issuer involves various stakeholders in this process, in line with best marked practice.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by RLB NÖ-Wien’s Sustainable Bond Framework is aligned with the ICMA’s GBP, SBP and SBG.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by RLB NÖ-Wien’s Sustainable Bond Framework is aligned with the ICMA’s GBP, SBP and SBG.</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. RLB NÖ-Wien explains that the level of expected reporting will be at portfolio level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until full allocation, and thereafter if there are any material changes to the Eligible Green Loan portfolio, until the maturity of RLB NÖ-Wien’s Green, Social or Sustainability Bonds.</p> <p>The Issuer is transparent on the level and information of impact reporting, which is done annually until full allocation, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN, SOCIAL AND SUSTAINABILITY BONDS TO THE UN SDGs⁷

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/invested in 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 / investing in 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 / investing in specific products and services is displayed on a 3-point scale (see Annex 1 for methodology):



Each of the Green, Social and Sustainability Bonds Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

⁷ 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.

GREEN CATEGORIES

USE OF PROCEEDS (PRODUCTS/SERVICES) ⁸	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green buildings</p> <p>Loans and/or investments for the financing or refinancing of green public, commercial or residential buildings for which at least one of the following criteria applies:</p> <ul style="list-style-type: none"> Recognized international certification with a minimum certification of LEED Gold, BREEAM Excellent, DGNB/ÖGNI Gold or EDGE Advanced⁹ 	<p style="text-align: center;">Contribution</p>	
<p>Green buildings</p> <p>Loans and/or investments for the financing or refinancing of green public, commercial or residential buildings for which at least one of the following criteria applies:</p> <ul style="list-style-type: none"> Buildings built before December 31, 2020 must belong to the best 15% of low carbon buildings in Austria¹⁰ based on local building codes; building year and Energy Performance Certificate (primary energy demand) <ul style="list-style-type: none"> In cases where an assessment of the top 15% low carbon buildings is not possible, buildings with an EPC of at least level A (primary energy demand) are considered eligible, complying with: <ul style="list-style-type: none"> Heating energy demand $HWB_{(Ref),SK} \leq 25 \text{ kWh/m}_2 \text{ GFAA}$, or Energy efficiency factor $f_{GEE,(SK)} \leq 0.85$ Buildings built on or after January 1, 2021: new or existing buildings with a primary energy demand min. 10% lower than the threshold for nearly zero energy buildings NZEB ("Niedrigst-energiegebäude") 		<p style="text-align: center;">Contribution</p>

⁸ The assessment is limited to the examples/certifications spelled out in the description of the activity in the framework.

⁹ EDGE certified with minimum 40% on-site energy savings.

¹⁰ RLB NÖ-Wien confirms that a third party will verify that the building is in the top 15% of low carbon buildings in Austria.

according to the EU directive on the energy performance of buildings¹¹

Green buildings

Loans and/or investments for the financing or refinancing of green public, commercial or residential buildings for which at least one of the following criteria applies:

- Individual renovation measures such as installation, maintenance or repair of the following equipment and technologies in buildings:
 - Charging stations for electric vehicles¹²
 - Electric heat pumps,¹³ absorption heat pumps driven by solar-heated water or geothermal-heated water and the related technical equipment
 - High efficiency micro combined heat and power (CHP) plants powered by renewable energy
 - Heat exchanger/recovery systems¹⁴
 - Thermal or Electric energy storage units and the related technical equipment¹⁵

Renewable energy

Loans and/or investments for the production, appliances, establishment, acquisition, operation, distribution and products of renewable energy:

- Wind power: wind parks, wind turbines etc
- Hydropower:¹⁶



¹¹ RLB NÖ-Wien will use the primary energy demand from the building certification and compare it with the criteria in the EU directive on the energy performance of buildings, respectively the Austrian implementation OIB-Richtlinie 6 (<https://www.oib.or.at/de/oib-richtlinien/richtlinien/2019/oib-richtlinie-6>), to determine if the building is part of the nearly zero-energy building in the country.

¹² Charging stations in standalone parking facilities are excluded unless they are in the building itself.

¹³ In accordance with KPC criteria for environmental grants. Refrigerants used for heat pumps must not exceed a global warming potential (GWP) of 675.

¹⁴ The heat exchanger/recovery systems are excluded from use in fossil fuel systems.

¹⁵ Source of energy for storage: Renewable energy (Wind, Hydro, Solar & Bioenergy).

¹⁶ All hydropower projects to be funded will be at a scale <1,000 MW; all financing going towards energy coming from Hydro will not be from facilities overstepping the threshold of <1,000 MW

- *Run-of-river without artificial reservoir or low storage capacity¹⁷*

For all new projects an environmental impact assessment (Umweltverträglichkeitsprüfung, UVP) must be undertaken by a credible institution. This assessment has to be conducted in order to minimize significant risk of controversies or negative impacts on the environment associated with the project such as impairment of water quality and biodiversity

- *Solar energy: photovoltaic (PV), concentrated solar power (CSP)¹⁸ and solar thermal plants*
- *Bioenergy: generation of bioenergy from anaerobic digestion or composting of:*
 - *agricultural and forestry residues*
 - *sewage sludge*
 - *biowaste¹⁹ such as bio soils and animal manure, fats and oils that do not originate from intensive livestock farming.²⁰*
- *Financing of biofuel and/or biomass production facilities such as biofuel processing, biomass cogeneration plants, pre-treatment and biorefinery plants (limited to direct emissions of $\leq 100\text{g CO}_2\text{e/kWh}$)*
- *Geothermal energy: Geothermal power plants and geothermal heating/cooling systems (limited to direct emissions of $\leq 100\text{g CO}_2\text{e/kWh}$)*

¹⁷ Alternatively, hydropower facilities should either be in accordance with power density above 5 W/m² or direct GHG emissions below 100gCO₂e/kWh. For hydropower facilities commissioned after 2020, a power density of more than 10W/m² or direct emissions of less than 50 gCO₂e/kWh applies.

¹⁸ Concentrated solar plants will not have more than 15% fossil fuel backup.

¹⁹ The bio-waste sources are separated and collected separately. In addition, the fermentation residues produced are used as fertilizer or soil conditioner and are applied directly or after composting.

²⁰ Waste from non-RSPO certified palm oil operations is excluded. The framework restricts sourcing of animal fats and oils to existing livestock operations and excludes sourcing from industrial meat production facilities.

Renewable energy

Loans and/or investments for the production, appliances, establishment, acquisition, operation, distribution and products of renewable energy:

- Construction, operation, maintenance or refurbishment of pipelines and related infrastructure for district heating: the financed distribution network is mainly (more than 50%) powered by renewable energy, waste heat or both. The activity may include:
 - modification to reduce district heating temperature
 - advanced pilot systems (control and energy management systems, Internet of Things)²¹

Energy efficiency

Loans and/or investments for the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure:

- Energy storage for renewable energy (solar, wind, geothermal and hydro ²²)

Clean transportation

Loans and/or investments for the public land transport and clean transportation. Personal mobility devices and vehicles:

- Personal mobility devices²³ (e.g. bicycles powered by the user's physical activity)

Clean transportation

Loans and/or investments for the public land transport and clean transportation. Personal mobility devices and vehicles:

Contribution



Contribution



Contribution



Contribution



²¹ The definition derives from the EU Taxonomy activity 4.15.

²² All financing going towards energy coming from Hydro will not be from facilities overstepping the threshold of <1,000 MW

²³ Personal mobility devices that are powered by the user's physical activity, by a zero-emissions motor, or a mix of both.

- *Personal mobility devices²⁴ (e.g. bicycles with a zero-emissions motor)*
- *Electric vehicles²⁵*

Clean transportation

Loans and/or investments for the public land transport and clean transportation. Personal mobility devices and vehicles:²⁶

- *Low-carbon passenger and light commercial vehicles with an emissions intensity at or below 50 g CO₂ e/p-km until December 2025, and 0 g CO₂ e/ p-km from January 2026 onwards*
- *Low carbon passenger trains with an emissions intensity at or below 50 g CO₂ e/p-km or 80.47 g CO₂/p-mi from 2020 and 0 g CO₂ e/p-km from January 2025 onwards²⁷*
- *Low carbon freight trains, coaches with an emissions intensity at or below 25 g CO₂ /t-km or 40.23 g CO₂ /t-mi from 2020, 21 g CO₂ e/t-km from January 2030 and 18 g CO₂ e/t-km from January 2050 onwards²⁸*
- *Low carbon freight road transportation vehicles, including trucks with an emissions intensity at or below 21 g CO₂ e/t-km from January 2030 and 18 g CO₂ e/t-km from January 2050 onwards²⁹*

The emission intensity is calculated according to the World Harmonized Light-duty Vehicle Test Procedure

Contribution



²⁴ Personal mobility devices that are powered by a zero-emissions motor, or a mix of a zero-emissions motor and the user’s physical activity.

²⁵ Financing of non-road vehicles, such as cranes and excavators, is limited to electric vehicles. Trains, passenger coaches and wagons that have zero direct tailpipe CO₂ emission when operated on a track with the required infrastructure or which use a conventional engine where such infrastructure is not available (bimode) are included.

²⁶ Freight trucks/ trains transporting fossil fuels or fossil fuels mixed with alternative fuels are excluded. Activities involving biofuels for road vehicles or rolling stock are also excluded. The definitions derive from the Climate Bond Initiative’s low carbon transport criteria.

²⁷ Includes all types of powertrains that meet the legal emission standards (including electric and hydrogen), If the assets to be financed are a new local transport project, an independent project appraisal will demonstrate that emissions in the corridor will be reduced by at least 25 %.

²⁸ Ibid.

²⁹ Including battery electric vehicles, fuel-cell electric vehicles using hydrogen and well performing plug-in hybrid electric vehicles (Regulation (EU) 2023/851 §22).

(WLTP) which utilizes real-driving data to simulate actual driving conditions.

Clean transportation

Loans and/or investments for the public land transport and clean transportation. Examples of infrastructure:³⁰

- *Sidewalks, bike lanes and pedestrian areas*
- *Electric charging and hydrogen refueling installations for personal mobility devices, electricity grid connection upgrades*
- *Signaling systems for metro, tram and rail systems*
- *Construction, modernization, operation and maintenance of railways, subways and related railways and subways, bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems³¹ including the provision of architectural, engineering,³² design, construction supervision, surveying and mapping services³³ as well as the performance of physical, chemical, and other analytical tests on materials and products of all kinds³⁴*

Contribution



Clean transportation

Loans and/or investments for the public land transport and clean transportation. Examples of infrastructure:³⁵

- *Low-carbon airport infrastructure designed to:³⁶*

Contribution



³⁰ Excluded infrastructure: (i) new construction and existing road infrastructure retrofits (roads, road bridges, parking facilities etc.), (ii) parking facilities (even if charging and alternative fuel infrastructure are included) and (iii) fossil fuel refueling stations and other facilities which extend the life and/or facilitate the use of fossil-fuel vehicles.

³¹ Refers to railways and subways.

³² Ibid.

³³ Ibid.

³⁴ Only applicable for projects linked with rail infrastructure.

³⁵ Excluded infrastructure: (i) new construction and existing road infrastructure retrofits (roads, road bridges, parking facilities etc.), (ii) parking facilities (even if charging and alternative fuel infrastructure are included) and (iii) fossil fuel refueling stations and other facilities which extend the life and/or facilitate the use of fossil-fuel vehicles.

³⁶ The wording is in line with the EU Taxonomy activity 6.17.

- operate aircraft with zero tailpipe CO₂ emissions (electricity charging and hydrogen refueling),
- provide zero direct emissions for the airports' own operations (electric charging stations, electricity grid connection upgrades, hydrogen refueling stations) and
- provide fixed ground electrical power and preconditioned air for stationary aircraft powered by electricity generated from green hydrogen

Pollution prevention and control

Loans and/or investments for sustainable waste management and recycling projects, activities, and operations,³⁷ such as:

- Waste recycling. This entails the development, operation and modernization of recycling plants and recycling activities, e.g., for metals, plastics and paper³⁸

Pollution prevention and control

Loans and/or investments for sustainable waste management and recycling projects, activities, and operations,³⁹ such as:

- Biogas capture from closed or decommissioned landfills with a gas capture efficiency of min. 75% (excl. landfill gas capture for flaring).

Eco-efficient and/or circular economy adapted products, production technologies and processes⁴⁰

Design of eco-efficient products and production activities that increase resource efficiency. These activities may include:

Contribution



Contribution



Contribution



³⁷ Projects intended for fossil fuel operations are excluded.

³⁸ Chemical recycling of plastics is excluded from financing under the Framework, (ii) recycling of electronic waste will be accompanied by a sound waste management plan to mitigate associated risks, (iii) waste is segregated at source prior to waste collection, and (iv) only zero direct emission waste collection vehicles will be financed.

³⁹ Projects intended for fossil fuel operations are excluded.

⁴⁰ Virgin plastic-based solutions are excluded.

- *Environmental Delegated Act and related to the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the transition to a circular economy in the Annex II.⁴¹ Primarily concerning eco-design requirements as extending the product life cycle, the implementation of a modular design or the usage of digital product passports. For a variety of product groups, the EU also specifies detailed technical design requirements that must be met.⁴²*
- *Production technologies that use recycled resources⁴³ such as bio-based materials (the latter being sustainable sourcing certifications for bio-based materials, such as the Roundtable on Sustainable Biomaterials (RSB) scheme)*
- *Aluminium-based consumer and end product manufacturing: 100% of inputs will be scrap or recycled aluminium. Financing will be limited to recycling facilities with robust waste management processes*

Water management and wastewater management

Loans and/or investments for the equipment, development, construction, operation and maintenance of water distribution and water recycling systems. Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and water metering technologies. These may include:

- *Sewer pipes, mechanical wastewater treatment systems, sewage networks*
- *Wastewater treatment plants (mechanical, biological, advanced wastewater treatment, septic tanks)*
- *Wastewater collection and treatment facilities such as pumping stations, force*

Contribution



⁴¹ EU Taxonomy Environmental Delegated Act

⁴² [Energy-efficient products - European Commission \(europa.eu\)](https://ec.europa.eu/energy-efficiency/energy-efficient-products)

⁴³ The material used should be 100% recycled.

mains, collectors, filtration systems, tertiary treatment.

- *Desalination plants⁴⁴ are powered by low-carbon energy sources such as renewable energy and have adequate guarantees for an appropriate waste management program regarding the disposal of brine*

Water management and wastewater management

Loans and/or investments for the equipment, development, construction, operation and maintenance of water distribution and water recycling systems. Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and water metering technologies. These may include:

- *Flood control infrastructure which is based on vulnerability assessments and adaptation plans to identify potential climate risks and corresponding management strategies*

Contribution



⁴⁴ The average carbon intensity of the electricity that is used for desalination is below 100g CO₂e/kWh.

SOCIAL CATEGORIES

USE OF PROCEEDS (PRODUCTS/SERVICES) ⁴⁵	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Education</p> <p><i>Loans and/or investments for the construction or modernization of essential educational facilities and equipment. Objectives and target population: Promote access to crucial educational services for children and families, school and university students, and individuals from diverse cultural backgrounds.</i></p> <ul style="list-style-type: none"> ▪ <i>The construction or modernization of essential educational facilities and equipment that facilitate access to publicly owned or a private non-profit, or publicly subsidized educational services (e.g., for youth, the unemployed, and the elderly),</i> ▪ <i>as well as investments to promote child development (e.g., Kindergarten) by providing loans for the construction or modernization of facilities and/or equipment</i> 	<p>Contribution</p>	
<p>Access to essential services</p> <p><i>Loans and/or investments in social infrastructure with focus on healthcare, such as:</i></p> <ul style="list-style-type: none"> ▪ <i>Healthcare facilities and services⁴⁶ (e.g., doctor's offices, hospitals, nursing homes, diagnostic and other laboratory services, rehabilitation centres, assisted living facilities.⁴⁷</i> ▪ <i>Production and distribution of essential medicines,⁴⁸ medical equipment, and medical supplies related to public health emergencies that are particularly prevalent among vulnerable groups, e.g., children, women, elderly, etc.</i> <p><i>Objectives and target population: Promote access to essential health services for both the ill or disabled in</i></p>		<p>Contribution</p>

⁴⁵ The assessment is limited to the examples/certifications spelled out in the description of the activity in the framework.

⁴⁶ Healthcare facilities and services must be accessible to all population groups; public healthcare.

⁴⁷ This category focuses on nursing facilities.

⁴⁸ The list of essential medicines is available at <https://list.essentialmeds.org/>

need of care and the general population. Support access to digital infrastructure for general population.

Access to essential services

- Investments in social focused firms⁴⁹ or associations (e.g., sheltered housing, caritas, women’s shelters)

Contribution



Access to essential services

Regional development and/or basic infrastructure in underserved, underdeveloped regions in Austria,⁵⁰ e.g.:

- Construction of telecommunications infrastructure

No Net Impact

Access to essential services

Regional development and/or basic infrastructure in underserved, underdeveloped regions in Austria,⁵¹ e.g.:

- Sanitation infrastructure, access to clean drinking water⁵²
- Fire and rescue equipment

Contribution



Access to essential services

Municipal infrastructure projects in Austria such as:

- Water supply and treatment (no hydropower plants)

Contribution



Access to essential services

Municipal infrastructure projects in Austria such as:

- Sanitation facilities (e.g., sewage treatment plants)

Contribution



Access to essential services

Municipal infrastructure projects in Austria such as:

- Sports facilities

Contribution



⁴⁹ Firms defined as providing social services; corporates are excluded from this category.

⁵⁰ Underserved, owing to a lack of quality access to essential goods and services in underdeveloped regions (see [EU Regional 2022-2027 aid map](#) for Austria)

⁵¹ Ibid.

⁵² Development of water pipes

Affordable housing

Loans and/or investments in affordable social housing according to local or regional subsidy criteria. Objectives and target population: Supports access to housing supply for low and middle-to-low-income population.

- Financing⁵³ of construction, operation, renovation and maintenance costs of:
 - Non-profit housing⁵⁴
 - Subsidized housing and housing renovation with social and family policy objectives⁵⁵
 - Provision of population in the core market with demand-oriented, affordable, and quality housing

Social and affordable housing⁵⁶ is defined as rents (below market rate) collected in accordance with relevant regulated rental standards and regulated consumer standards for housing services.⁵⁷ They are heavily regulated in national laws, and eligible individuals must meet a range of socio-economic criteria to ensure that social and affordable housing is provided to those in need.

Contribution



⁵³ Financing provided to companies providing affordable housing

⁵⁴ Non-profit housing providers, as defined by the Housing Promotion Act ([WGG](#)), are characterized as follows: Non-profit orientation; Asset commitment: Future profit is dedicated to non-profit housing purposes; Business scope: Construction, renovation, and management of housing; Cost coverage: The ongoing rent (cost-based rent) should cover the actual costs incurred, including: Construction costs (land, building, and ancillary costs), Financing costs, Ongoing property management costs, Maintenance and improvement contributions, Contributions to reserves, Allocation of housing: depending on housing needs, household size, and income conditions of applicants.

⁵⁵ In accordance with [WWFSG](#) and [NÖ WFG](#).

⁵⁶ Eligibility for affordable housing is based on net household income, although the criteria vary from region to region. In Lower Austria, for example, people with an annual net income of less than 55,000 euros are entitled to subsidized housing loans. Detailed information on the specific criteria for each province can be found on the relevant [website](#).

⁵⁷ In accordance with [WGG](#).

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’s clients.

RLB NÖ-Wien finances operations/processes in third-party sectors which are not listed in the Issuer’s Framework. As such, ISS ESG is not in a position to display the exposure to negative externalities linked to the sector of the operations/processes financed. Negative externalities, if present, could have an impact on the overall sustainability quality of the issuance

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.

GREEN CATEGORIES

USE OF PROCEEDS (PROCESSES) ⁵⁸	OPERATIONAL IMPACT IMPROVEMENT ⁵⁹	SUSTAINABLE DEVELOPMENT GOALS
<p>Green buildings</p> <p><i>Loans and/or investments for the financing or refinancing of green public, commercial or residential buildings for which at least one of the following criteria applies:</i></p> <ul style="list-style-type: none"> ▪ <i>Refurbished buildings (e.g., insulation of walls and roofs, insulation of facades, replacement of boilers) for which at least one of the following criteria applies:</i> <ul style="list-style-type: none"> • <i>Reduction of primary energy demand or carbon emissions of at least 30% compared to pre-renovation levels within three years (financing is limited to refurbishment costs)⁶⁰</i> 		 

⁵⁸ The assessment is limited to the examples/certifications spelled out in the description of the activity in the framework.

⁵⁹ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

⁶⁰ The primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate.

- *Refurbishments in alignment with the applicable requirements for major renovations⁶¹*

Energy efficiency

Loans and/or investments for the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure:

- *Energy efficiency projects: to increase energy efficiency with regard to electricity, heat, water and other operating resources by at least 30%, resulting in a decrease in GHG-emissions during the operational performance; aiming at energy savings (e.g. replacing outdated machinery or setting up more energy efficient production processes)*
- *Manufacturing, development, installation, maintenance, or repair of products or technologies that reduce energy consumption Examples are as follows:*
 - *Reduction of CO₂ emissions and/or energy consumption via a new technology, such as smart grid technologies for more efficient transmission/distribution of energy and monitoring of energy consumption*
 - *Projects improving the energy efficiency of industrial production processes by at least 30%*
 - *Heat exchanger/ recovery systems⁶²*
 - *Implementation of energy efficient devices such as LEDs*
 - *Efficiency 100 lm/W*
 - *Colour reproduction CRI 80*



⁶¹ As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

⁶² In accordance with [KPC criteria](#) for environmental grants. Refrigerants used for heat pumps must not exceed a global warming potential (GWP) of 675.

- *Lifetime of 50.000 h L80 B50*
- *Reduction of Kyoto-greenhouse gases (via e.g., dedusting systems, filters,⁶³ flue gas desulfurization plants)*
- *Use of alternative/natural refrigerants (such as ammonia, hydrocarbons, or CO₂) and coolants with a GWP value < 150⁶⁴ (Cooling systems are partly not more energy efficient than substitute devices, in this case the reduction of CO₂ emissions is calculated over the lifetime.)*

Pollution prevention and control

Loans and/or investments sustainable waste management and recycling projects, activities, and operations,⁶⁵ such as:



- *Waste prevention⁶⁶ and waste reduction*

Water management and wastewater management

Loans and/or investments for the equipment, development, construction, operation and maintenance of water distribution and water recycling systems. Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and water metering technologies. These may include:



- *Water collection, treatment, and supply systems with improved energy efficiency – either by reducing the system’s net average energy consumption or by improving the average leakage by at least 20% compared to its own baseline performance averaged over the last three years*

⁶³ In accordance with [KPC criteria](#) for environmental grants.

⁶⁴ In accordance with [KPC](#) and [aws](#) criteria for environmental grants.

⁶⁵ Projects intended for fossil fuel operations are excluded.

⁶⁶ Waste Prevention are practices that limit or cut down the amount and/or the toxicity of wastes prior to recycling, treatment or disposal. Waste Reduction is also referred as Source Reduction and Waste Minimization.

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

The table below evaluates the selection criteria against issuance-specific KPIs. The entirety of the assets are and will be located in Austria, Germany, Czech Republic, Slovakia, Poland and Switzerland.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

RLB NÖ-Wien has a defined process for assessing the Sustainable Finance projects eligible under this Framework.

For each project, RLB requires the customer to provide a detailed list of the individual investment components with quantified evidence of the positive environmental effects (e.g. in the form of a project description). This will be supported by the ESG risk scoring tool, which the Bank uses to assess the environmental, social and governance risks. This tool will be integrated into the lending process in the coming months to measure the performance for new business. Depending on the specific intended use, additional verifications, defined in individual cases by the product experts, may be required. In the case of complex investments, the positive environmental effects are verified on the basis of a sample, provided that this appears sufficient for product specialists to document the intended use. If the sample, even after resampling, does not provide sufficient data, the financing will be excluded from the Framework.

The Sustainability Bond Committee discusses each new case. Should a risk arise, the department will in the first step discuss this internally, before initiating the risk process, which involves the risk department and the division management market. The identified risks are assessed, corresponding strategies for risk mitigation and opportunity utilization are developed, and these are consequently considered both in the decision-making process and in the continuous monitoring of all risks. The Bank engages with the customer for mitigating medium or high risks. If the risk cannot be adequately addressed or the customer is not willing to adapt, the financing can be excluded. Further, also if the positive environmental effect cannot be proven or is found not to exist during the term of the loan, the impact green label and bonus are withdrawn from the loan with immediate effect.

Labor, Health and Safety



As all assets financed will be located in Austria, Germany, the Czech Republic, Slovakia, Poland and Switzerland, high health & safety and labor standards are ensured by the relevant national legislation and the European Union mandatory social standards.

Biodiversity and Community dialogue

The Issuer ensures that its environmental impacts and impacts on the communities have been mitigated and reduced as all assets financed will be in a Designated Country according to the Equator Principles.

Inclusion

RLB NÖW confirms to only finance assets under the social categories that are accessible regardless to the population as all facilities are within the public system in Austria.



The Bank offers a basic banking accounting and access to essential services. The Bank does not exclude anyone from access to services on the basis of age, employment status, gender, etc. financing under this framework. RLB addresses discrimination and harassment, e.g. on the basis of age, ethnicity, skin color, national origin, religion and belief, political or other opinion, gender, sexual orientation or physical limitations. The Bank has an Equal Treatment and Diversity Officer to cater to concerns related to discrimination and harassment. The Bank has published their positioning on diversity and anti-discrimination as well.⁶⁷

Data protection and information security

RLB NÖW confirms to have a data protection management system in place which is in line with the Austrian Banking Act (BWG) in terms of banking secrecy, the Austrian Data Protection Act and the EU General Data Protection Regulation (GDPR). In this regard, a corresponding data protection management system is in place. The Bank records and implements this through service instructions (data protection service instructions), processes, internal control system controls and internal data protection audits. RLB NÖW confirms to have an IT-Security department and a dedicated person with the role of IT security officer in place. The Bank confirms that all employees are trained annually on data protection and IT security. In addition, RLB NÖW contractually binds data processors to comply with the aforementioned provisions. The customers are informed about the processing of personal data in accordance with Article 13 & Article 14 GDPR. The customer or the borrower has access to the data processing policy on the website at any time. The Bank confirms that the external partner for data hosting is both ISO 270001 certified and produces an ISAE3402 report.

⁶⁷ <https://www.raiffeisen.at/noew/rlb/de/meine-bank/raiffeisen-bankengruppe/rechtliches/offenlegung-nachhaltigkeit.html>.

Responsible treatment of customers with debt repayment problems



RLB NÖ-Wien has processes in place for pre-emptive actions to prevent client debt repayment problems. RLB NÖ-Wien prepares a sensitivity analysis for each borrower based on the borrower's economic development to date and its target figures. The Bank monitors customers in sensitive business sectors or customers with special exposure to crises. RLB NÖ-Wien has risk policy guidelines and an industry heat map. Furthermore, RLB NÖ-Wien has an early warning system (EWS). Regarding the EWS classification of customers, quantitative and qualitative general conditions must be assessed on an individual customer basis. Depending on requirements, the bank offers customers in financially strained situations advice on subsidies or arranges contacts with private equity companies. Depending on the risk content of the financing i.e. the individual risk situation, the Bank uses extensive covenants such as agreement on maximum debt multiples or minimum equity ratios, which serve as an economic guideline for the customer during the term of the loan. Sometimes collateral is also up for liquidation, often with implications for the personal circumstances of the customer and/or collateral provider. The liquidation of collateral represents the ultimo ratio if no other mutually acceptable solution can be found with the customer within the scope of their economic possibilities. The Bank offers the following forbearance measures to provide a debtor, experiencing payment difficulties, with the opportunity to resume meeting their payment obligations permanently: Deferral of interest and/or instalments, deferral of repayment obligations fulfillment ("repayment holidays"), deferral regarding payment arrears and/or accrued interest arrears, lowering the effective interest rate (permanent or temporarily) to a fair and sustainable level, extension of the loan term, debt consolidation for more loans into one or waiving covenants to improve the repayment likelihood.

Sales practices



The approach to customers, targets and products is governed by the business strategies of the respective units (retail customers, corporate customers). RLB NÖ-Wien business policy is geared to sustainability, growth and profitability and is in line with RLB NÖ-Wien's mission statement. Service models geared to customer segments ensure needs-oriented solutions for RLB NÖ-Wien customers. In line with the defined job profiles, RLB NÖ-Wien employees are classified according to their level of training and experience and subsequently trained and remunerated in line with market conditions. In order to ensure a high level of training and thus overall high quality of employees, RLB NÖ-Wien specifically enable its employees to receive the necessary training and further education. RLB NÖ-Wien aim is to sell banking services; the entrepreneurial risk remains fundamentally with the customer. The credit risk should therefore be proportionate to the customer's assets, operating performance and earning power, and the quality of the company and entrepreneur, market and industry situation should be assessed accordingly.

In line with RLB NÖ-Wien relationship management approach, RLB NÖ-Wien always consider the overall customer relationship when assessing earnings. Furthermore, RLB NÖ-Wien confirms that individual employees are not getting paid direct commissions.

Responsible marketing



RLB NÖ-Wien has implemented a Responsible Marketing Policy which is published on their website.⁶⁸ The Bank is certified with the proEthik seal⁶⁹ and adheres strictly to the Code of Ethics of the Austrian Advertising Council ("Österreichischer Werberat"). Comprehensive content requirements for marketing communications and internal processes and policies are in effect which ensure that marketing information must be clearly recognizable as such, their content must be correct, always up-to-date, and must be written in an accurate language that is reasonably comprehensible to the intended audience. Furthermore, marketing materials must not be misleading, nor may they present possible advantages of financial products and services in a non-balanced way without clearly pointing out associated risks. Among other guidelines, advertising must not violate the principle of honesty and truthfulness (preamble 1.1.6), must be characterized by social responsibility (preamble 1.1.1) and must comply with the principles of fairness as generally recognized in business. The Issuer has implemented rules of conduct through which it commits to act honestly, fairly and professionally in the best interests of its clients when providing investment services and ancillary services. The Securities Supervision Act obliges the Bank to provide the customer with certain information in writing in a comprehensible form before the conclusion of the contract, so that the customer can make an informed investment decision, such as regarding costs, ancillary costs and associated fees and the investment strategies and their risks.

Exclusion criteria

RLB NÖ-Wien is required by law to carefully screen its customers. The internal money laundering manual defines clear exclusion criteria for customer relationships in connection with fraudulent acts, money laundering and terrorist financing. In addition, the Money Laundering Manual contains exclusion criteria and guidelines for dealing with nuclear power, war material, gambling and military equipment, as well as country-specific requirements. The Bank has a central fraud office to develop an anti-fraud strategy for RLB NÖ-Wien. The office pursues the goal of establishing measures to mitigate or detect the risk of fraudulent acts as

⁶⁸ <https://www.raiffeisen.at/noew/rlb/de/meine-bank/unsere-werte/nachhaltigkeit/gesellschaftliche-verantwortung.html>

⁶⁹ The Pro-Ethik-Siegel is an award for advertising companies, agencies and media companies that have a registered office, branch or subsidiary in Austria. It applies to all advertising measures that the company undertakes for itself and others, which are placed on the territory of the Republic of Austria. The award is given to those companies whose advertising measures support the ethical and moral principles of the Code of Ethics of the Austrian advertising industry (FOR advertising ethics) support the joint, social-ethical ideas of the communications industry (FOR self-regulation) and in this form advocate FOR advertising freedom and AGAINST advertising bans (FOR advertising freedom); https://www.werberat.at/show_4316.aspx.

far as possible. RLB NÖ-Wien has sector policies in place for the sectors Forestry, Pulp and paper, Mining and related infrastructure, Agriculture, Fisheries and aquaculture, Oil, gas and related infrastructure, Dams and hydropower, Coal-fired power plants, Nuclear power, Gambling and Weapon. These sector policies define exclusion, phasing out requirements as well as general limitations for financing in that specific sector.

PART III: LINKING THE TRANSACTION(S) TO RLB NÖ-WIEN'S ESG PROFILE

A. CONSISTENCY OF GREEN, SOCIAL AND SUSTAINABILITY BONDS WITH RLB NÖ-WIEN'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

RLB NÖ-Wien commits to reduce absolute Scopes 1 and 2 GHG emissions of 25% by 2030 from a 2020 base year, and of 40% by 2040. Raiffeisen Bank International's (RBI)⁷⁰ portfolio targets cover 23% of its total investment and lending activities as of 2021. The core areas of RLB NÖ-Wien's sustainability strategy⁷¹ include:

- 1) *Responsible banker*, which focuses on responsible management and business strategies, social and environmental responsibility for their products and services and customer care.
- 2) *Fair partner*, promoting fairness and transparency towards employees, customers and shareholders, inclusion of stakeholders and cooperation management to reduce business risks, and ecological business approach.
- 3) *Engaged citizen*, constating of the commitment to sustainable entrepreneurship and civil society, climate and biodiversity protection.

RLB NÖ-Wien's climate action plan includes a target to reduce the temperature score related to Scopes 1 and 2 for corporate loans, listed equities and corporate bonds from 3.20°C (base year: 2021) to 2.74°C by 2027, while the entire portfolio temperate score including Scope 3 from 3.20°C (2021) to 2.82°C by 2027. Raiffeisen Bank International has committed to the Science Based Targets initiative (SBTi) to guide these targets setting and progress reporting.

The Raiffeisen Sustainability Initiative (RNI)⁷² Climate Goals are in line with the Paris Alignment and support the realization of the global Sustainable Development Goals. RLB NÖ-Wien is also a signatory of the United Nations Global Compact and a long-standing member of the United Nations Environment Programme (UNEP) Finance Initiative, having signed up to the "Principles for Responsible Banking" in 2021. Furthermore, as part of the Partnership for Carbon Accounting Financials, RLB NÖ-Wien committed to collect and disclose the financed emissions of its portfolio withing three years.

For all sustainability priorities, RLB NÖ-Wien has defined specific sustainability objectives and activities, as well as a period of relevance of the objectives. Moreover, those objectives are all

⁷⁰ RLB NÖ-Wien is an important member of the Austrian Raiffeisen Banking Group and the largest shareholder of Raiffeisen Bank International.

⁷¹ Raiffeisen Bank International's Sustainability Report 2022, <https://www.rbinternational.com/resources/RBI/raiffeisen-bank-international/sustainability/nachhaltigkeitsbericht-2022/Sustainability%20Report%202022.pdf>

⁷² Raiffeisen Sustainability Initiative, 2023, www.raiffeisen-nachhaltigkeit.at

quantified and tracked by key performance indicators⁷³ covering material use, energy savings and efficiency, purchase of renewable energy, paper consumption, waste and water management, business travel. On the social corporate commitment, RBI supports cultural programmes, volunteering, as well as educational, sports and health initiatives through sponsoring and donations to NGOs.

The RLB NÖ-Wien's Sustainability Committee, which is composed of nominated representatives from Compliance, Human Resources, Liquidity Management, Private customers & SME-Services, Finance, Strategic Risk Management, Product Management, Corporate Customers Services, Corporate Communication, Infrastructure & Safety Management and ESG Transformation, defines the sustainability policy and the management ESG risk to be aligned with regulatory requirements and processes set by International standards such as the Global Reporting Initiative (GRI), the UNEP FI Principles for Responsible Banking (PRB) and the Taskforce on Climate-related Financial Disclosures (TCFD).

Rationale for issuance

Corresponding to the sustainable business model of the overall group of RBI, RLB NÖ-Wien establishes an equivalent funding strategy with an environmental and social purpose.

In the pathway towards a sustainable transition, RLB NÖ-Wien commits to raise ecological standards by finance measures for affordable and clean energy, green buildings, modern systems contributing to the reduction of energy demand and consumption, clean transportation, resource-saving production processes that incentives recycling and reduce waste, water conservation and ecosystem protection. On the social aspects, several projects aim to provide affordable housing, essential access to healthcare and education, and promote organic farming as well as employment opportunities. Moreover, RLB NÖ-Wien has defined the 2030 as deadline to terminate the lending business for mining and processing of coal, as well as for nuclear power for the generation of electricity. The expected environmental impacts of RLB NÖ-Wien portfolio are measured by a reduction in energy savings and avoidance of GHG tCO₂ emission through an increased renewable energy capacity.

In line with its environmental commitments, in 2018, RBI issued its first green bond, focused on green commercial real estate in Central and Eastern Europe. In September 2019, RBI issued a second green bond of the size of EUR 750 million and a term to maturity of seven years.

This Sustainable Bond Framework forms the basis for future Green and Social Bonds issues of RLB NÖ-Wien and contributes to climate change mitigation and social responsibility.

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

⁷³ Raiffeisen Bank International's Sustainability Report 2022, P. 183, <https://www.rbinternational.com/resources/RBI/raiffeisen-bank-international/sustainability/nachhaltigkeitsbericht-2022/Sustainability%20Report%202022.pdf>

B. RLB NÖ-WIEN'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 Public & Regional Banks, 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
Business ethics
Labor standards and working conditions
Sustainability impacts of lending and other financial services/products
Customer and product responsibility
Sustainable investment criteria






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.A 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 ⁷⁴	DIRECTION OF IMPACT	UN SDGS
Financing of affordable housing (for low- to median-income households), financing of social housing	9%	CONTRIBUTION	  
Financing of renewable energy	1.6%	CONTRIBUTION	 

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 Public & Regional Banks industry are as follows: Sexual harassment in the workplace, Financial market irregularities and Failure to respect the right to just and favorable 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.

⁷⁴ Percentages presented in this table are not cumulative.

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
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ANNEX 1: Methodology

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology. For more information, please visit: <https://www.iss-corporate.com/file/publications/methodology/iss-corporate-green-social-and-sustainability-bond-loan-spo-methodology-summary.pdf>

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.

ANNEX 3: Quality Management Processes

SCOPE

RLB NÖ-Wien commissioned ISS-Corporate to compile a Green, Social and Sustainability Bonds SPO. The Second Party Opinion process includes verifying whether the Sustainable Bond Framework aligns with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) and to assess the sustainability credentials of its Green, Social and Sustainability Bonds, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- ICMA Green Bond Principles
- ICMA Social Bond Principles
- ICMA Sustainability Bond Guidelines

ISSUER'S RESPONSIBILITY

RLB NÖ-Wien's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management at project category level

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 Second Party Opinion of the Green, Social and Sustainability Bonds to be issued by RLB NÖ-Wien has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG).

The engagement with RLB NÖ-Wien took place from June 2023 to April 2024.

ISS-CORPORATE' BUSINESS PRACTICES

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

About this SPO

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

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.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

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

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