

AustriaEnergy International GmbH

Green Bond Framework – March 2023

AustriaEnergy International GmbH plans to issue a Green Bond to finance and refinance projects in the category “Renewable Energy” and has commissioned imug rating to provide a Second Party Opinion. The findings below are based on our assessment

of the Issuer and of the Issuer’s Green Bond Framework (February 2023) in accordance with the voluntary process guidelines outlined in the Green Bond Principles (GBP) published by the International Capital Market Association (June 2021).



imug rating confirms that the Green Bond Framework by AustriaEnergy International GmbH is in line with the Green Bond Principles (GBP) 2021.

FRAMEWORK



- ✓ Use of Proceeds
- ✓ Process for Project Evaluation and Selection
- ✓ Management of Proceeds
- ✓ Reporting

ISSUER



- ✓ Sustainability Performance / Strategy
- ✓ Controversy Check
- ✓ Controversial Activities Research

OPINION



The Framework for the Green Bond issued by AustriaEnergy International GmbH is fully in line with the Green Bond Principles (GBP) 2021. The (re)financed renewable energy projects contribute to the mitigation of climate change. The projects demonstrate a positive impact on sustainability promoting one of the United Nations’ Sustainable Development Goals (UN SDGs): Goal 7 “Affordable and Clean Energy”.

The core business of AustriaEnergy International GmbH comprises the development, construction, operation and management of renewable energy power plants. The issuance of the Green Bond is in line with the strategic sustainability goals of the Issuer: making renewable energies marketable and thereby contributing to a circular, low-carbon economy. The Issuer is not involved in controversies or in controversial areas of business.

imug rating
Hanover, 6 March 2023

www.imug-rating.de/en

1. BACKGROUND

imug rating has been commissioned to provide an independent Second Party Opinion on the Green Bond Framework of AustriaEnergy International GmbH (hereafter referred to as “AustriaEnergy”, “AEI”, “the Company” or “the Issuer”). The assessment of the Framework was conducted taking into consideration the International Capital Market Association’s Green Bond Principles (GBP) 2021.

AustriaEnergy International GmbH

AustriaEnergy International GmbH plans to issue a Green Bond in April 2023 to finance and refinance eligible solar energy, wind power and hydrogen production projects, which fall into the category of “Renewable Energy”. Via the issuance, the Company aims at further achieving its long-standing goal of making renewable energy marketable and thereby contributing to a circular, low-carbon economy.

Founded in 2014, AEI is a wholly owned subsidiary of AustriaEnergy-Holding GmbH, which was founded in 2006. The headquarters of the Company are located in Vienna, Austria, in addition to subsidiaries and offices in Europe and Latin America.

The core business of AEI comprises the development, construction, operation and management of renewable energy power plants in South America, with a current focus on Chile. Colombia, Peru and Cuba are among the target markets into which the Company plans to expand next.

To date, the Company has developed more than one GW of photovoltaic and wind power projects, mainly in the industrial and utility sectors across Europe and South America. In Chile, the Company developed seven solar energy projects exceeding 700 MW of capacity. In Italy, the Company focused on eight industrial and utility projects with a total capacity of 80 MW. In addition, AustriaEnergy has realised several renewable energy projects in Southern Europe, primarily in Spain and Italy.

The Company is taking the next step in the energy transition by developing facilities that use 100 per cent renewable energy to produce green hydrogen for storage. The hydrogen, which is then converted into green ammonia, will be exported around the world.

With the issuance of the Green Bond, AustriaEnergy undertakes to use the proceeds exclusively to finance and refinance eligible projects in the renewable energy sector.

imug rating conducted the assessment from the beginning of January until the end of February 2023. AustriaEnergy management provided all the relevant documents, and imug rating was in direct contact with the relevant employees. The information we received has allowed us to provide a reasonable opinion on the Framework’s compliance with the above-mentioned guidelines.



2. FRAMEWORK

2.1. Use of Proceeds

imug rating confirms that the project categories are clearly defined, and the use of proceeds is consistent with best market practice and in line with the Green Bond Principles (GBP) 2021. The financed and refinanced green projects in the field of “Renewable Energy” provide clear environmental benefits, which the Issuer quantifies. It is anticipated that these projects will contribute positively to one of the United Nations’ Sustainable Development Goals (UN SDGs), namely Goal 7 “Affordable and Clean Energy”.

PROJECT FINANCING

- No refinancing
- Refinancing
 - 36 months
 - 24 months
 - <12 months
- Financing

The AustriaEnergy International GmbH will use 100 per cent of the proceeds to finance new projects. To assure a smooth development process, the Issuer reserves the possibility to use 20 per cent of the proceeds for the refinancing of projects with a maximum look-back period of six months.

The net proceeds of the Green Bond issued under this Framework will be used to (re)finance projects in the following area:

Renewable Energy – Development and supervision of the construction of onshore solar and wind power plants including transmission infrastructure

Goals and benefits

- Climate change mitigation
- Avoiding CO₂ emissions through reducing the share of carbon-intensive energy sources in the Chilean electricity mix

Renewable Energy – Development and supervision of the construction of a hydrogen production plant including transmission infrastructure

Goals and benefits

- Climate change mitigation
- Reduction of CO₂ emissions through the production of green hydrogen from renewable energy sources (wind energy)

The projects (re)financed by the Green Bond represent a positive contribution to sustainability by mitigating climate change. The Issuer is able to quantify the environmental benefits.

Eligible assets or projects in the area of “Renewable Energy” are expected to contribute to one United Nations’ Sustainable Development Goal, namely Goal 7 “Affordable and Clean Energy”.

*Description of the
SDG contribution*

UN SDG 7: Affordable and clean energy



UN SDG 7 aims to ensure access to affordable, reliable, sustainable and modern energy for all. By 2030, the goals are to:

- ▶ increase substantially the share of renewable energy in the global energy mix.

AustriaEnergy is expected to contribute to UN SDG 7 by using the proceeds from the Green Bond to finance and refinance renewable energy projects.



2.2. Process for Project Evaluation and Selection

imug rating confirms that the process for project evaluation and selection is consistent with best market practice and in line with the Green Bond Principles (GBP) 2021.

Issuing the Green Bond helps AustriaEnergy to achieve its sustainability goals. The Issuer has implemented structured processes that allow it to identify suitable projects that have benefits for the environment. Furthermore, the underlying process is transparent, structured and spread across several levels of authority. The Issuer also has a process in place to identify and manage any significant risks that may be associated with the projects.

EVALUATION AND SELECTION

To assure a structured process for project selection and evaluation, AustriaEnergy has created an internal Green Bond Committee (GBC) comprising the following representatives:

- ▶ AustriaEnergy's owners
- ▶ Area managers
- ▶ Development managers
- ▶ Technicians

The Committee is responsible for the selection, management as well as technical and financial evaluation of projects eligible for financing. It oversees the achievement of environmental benefits as set out in the Green Bond Principles (GBP) and the Climate Bond Standards. The Committee meets once a month as part of the management meetings and documents the entire project selection process.

- The process is clearly defined and documented/appropriately structured.
- The selection and evaluation of projects is based on clearly defined responsibilities.
- There is a team responsible for the process.
- Audit and traceability of the projects is ensured.

ELIGIBILITY CRITERIA

AustriaEnergy has defined eligibility criteria for the selection and evaluation of projects for the respective project categories:

PROJECT CATEGORY	PROJECT TYPE	ELIGIBILITY CRITERIA
Renewable Energy	<ul style="list-style-type: none"> ▶ Development and supervision of the construction of onshore solar power plants including transmission infrastructure 	<p><i>Criteria of the Climate Bonds Standard:</i></p> <ul style="list-style-type: none"> ▶ Commitment to align with the sector eligibility criteria and the criteria of the Climate Bonds Standard developed by the Climate Bonds Initiative¹ <hr/> <p><i>Location:</i></p> <ul style="list-style-type: none"> ▶ Chile ▶ No immediate proximity to relevant stakeholder groups (e. g. indigenous communities who could be negatively affected) ▶ Not located in potential flood zones <hr/> <p><i>Alignment with the Equator Principles of IDB²</i></p> <hr/> <p><i>Contribution to the reduction of greenhouse gas emissions through projects:</i></p> <ul style="list-style-type: none"> ▶ ≥ 1,200 t CO₂e/a
	<ul style="list-style-type: none"> ▶ Development and supervision of the construction of onshore wind power plants including transmission infrastructure 	<p><i>Criteria of the Climate Bonds Standard:</i></p> <ul style="list-style-type: none"> ▶ Commitment to align with the sector eligibility criteria and the criteria of the Climate Bonds Standard developed by the Climate Bonds Initiative³ <hr/> <p><i>Location:</i></p> <ul style="list-style-type: none"> ▶ Chile ▶ No immediate proximity to relevant stakeholder groups (e. g. indigenous communities who could be negatively affected) ▶ Not located in potential flood zones <hr/> <p><i>Alignment with the Equator Principles of IDB</i></p> <hr/> <p><i>Contribution to the reduction of greenhouse gas emissions through projects:</i></p> <ul style="list-style-type: none"> ▶ ≥ 2,000 t CO₂e/a
	<ul style="list-style-type: none"> ▶ Development and supervision of the construction of hydrogen production plants including transmission infrastructure 	<p><i>Criteria of the Climate Bonds Standard:</i></p> <ul style="list-style-type: none"> ▶ Commitment to align with the sector eligibility criteria and the criteria of the Climate Bonds Standard developed by the Climate Bonds Initiative⁴ <hr/> <p><i>Location:</i></p> <ul style="list-style-type: none"> ▶ Chile

¹ <https://www.climatebonds.net/standard/solar>

² <https://equator-principles.com/about-the-equator-principles/>, Inter-American Development Bank

³ <https://www.climatebonds.net/standard/wind>

⁴ <https://www.climatebonds.net/standard/hydrogen-production>

		<ul style="list-style-type: none"> ▶ No immediate proximity to relevant stakeholder groups (e. g. indigenous communities who could be negatively affected) ▶ Not located in potential flood zones ▶ 17,000 hectares of planned area <hr/> <p><i>Alignment with Equator Principles of IDB</i></p> <hr/> <p><i>Thresholds for carbon intensity of hydrogen (H₂) and ammonia production:</i></p> <ul style="list-style-type: none"> ▶ as of 2028: ≤ 3 kg CO₂e/kg H₂ ▶ as of 2030: ≤ 1.5 kg CO₂e/kg H₂ ▶ as of 2040: ≤ 0.6 kg CO₂e/kg H₂ ▶ as of 2050: ≤ 0 kg CO₂e/kg H₂ <hr/> <p><i>Carbon intensity of the power for seawater desalination plants:</i></p> <ul style="list-style-type: none"> ▶ ≤ 100g CO₂e/kWh <hr/> <p><i>Commitment to comply with the adaptation and resilience criteria of Climate Bonds Standard⁵ for the construction of hydrogen production plants (to be proven by the environmental impact studies)</i></p> <hr/> <p><i>Sealing of agricultural areas and biologically valuable habitats:</i></p> <ul style="list-style-type: none"> ▶ ≤ 25% of the area sealed was previously used for agriculture or considered biologically valuable.
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AustriaEnergy has also listed further economic and social criteria in its Framework. In this Second Party Opinion, imug rating only considers the above-mentioned sustainability criteria.

EXCLUSION CRITERIA

The Issuer does not communicate any exclusion criteria for project selection and evaluation. Due to AustriaEnergy’s sustainable business model, imug rating assumes that no controversial activities will be financed with the proceeds of the Green Bond.

⁵ <https://www.climatebonds.net/standard/hydrogen-production>

ESG RISK MANAGEMENT

imug rating is of the opinion that AustriaEnergy has appropriate policies and processes in place to identify and manage the material ESG risks associated with the projects. AustriaEnergy has implemented a good risk management system to identify and manage potentially material ESG criteria.

In addition to positive impacts, there are also certain potential ESG risks associated with the projects to be financed. The material risks include ecological impacts of the project development for renewable energy sources, risks in the area of end-of-life management and material efficiency, as well as potential occupational health and safety risks.

AustriaEnergy has implemented various measures to address the ESG risks:

- ▶ **Climate measures:** AustriaEnergy has not implemented a formal process to manage climate associated risks. The Issuer encourages the use of public transportation or bicycles among its employees and management.
- ▶ **Environmental management:** To ensure sustainable land use and the protection of minorities, AustriaEnergy complies with the laws and guidelines imposed by the Chilean government. The project development process of the Issuer also adheres to the Equator Principles⁶ from IDB⁷ as evidenced by the corresponding Environmental Impact Statements⁸. At the company level, efforts are made to reduce the environmental impact by avoiding harmful materials such as plastic packaging in the office.
- ▶ **Circular economy:** AustriaEnergy plans to extend the life cycle of renewable energy plants through recycling. For example, photovoltaic modules will be recycled directly by the supplier or in designated recycling centres. The Issuer has not implemented a formal process for recycling of units of wind power and hydrogen production plants as the projects are at an early development stage. The Issuer intends to conduct a life cycle assessment of the hydrogen production plant.
- ▶ **Protection of biodiversity:** All photovoltaic plants since 2014 have been developed and constructed by the Issuer in the desert area. In several cases, AustriaEnergy has implemented additional compensation measures. For example, additional areas were developed and used to protect shrubs and rare flowers, or rare reptiles and lizards were relocated to protect the resident wildlife. The Issuer is currently conducting environmental impact studies for the hydrogen plant. imug rating has no further information regarding the biodiversity protection for wind power plants.
- ▶ **Human rights standards:** AustriaEnergy does not work with suppliers where forced or child labour is used and provides evidence of this through third-party reports. AustriaEnergy also complies with the relevant articles of Political Constitution of the Republic of Chile (Articles 5 and 19) and the Labour Code (Articles 2, 5, 292 and 485). The Company has established its own Code of Conduct to ensure compliance at the company level.
- ▶ **Labour law standards:** AustriaEnergy follows the International Labour Organization (ILO) norms. The management team ensures that all applicable labor standards are fulfilled. AustriaEnergy is currently developing its own compliance management system, recognising the ILO as a central component.

⁶ <https://equator-principles.com/about-the-equator-principles/>

⁷ Inter-American Development Bank

⁸ The original document is named Declaración de Impacto ambiental (DIA), meaning an Environmental Impact Statement (EIS). The EIS is an official document that records the outcome of an environmental impact assessment and its assertions.

- ▶ **Occupational health and safety regulations:** The Issuer requires the EPC⁹ contractors to provide a responsible person to oversee safety and health aspects on construction sites and to conduct weekly safety briefings as well as accident reports. All requirements are covered in the EPC contracts. AustriaEnergy is associated with the Institute for Occupational Safety, which provides employees with training as well as general health and safety services. All employees are covered by compulsory insurance against accidents and occupational diseases.
- ▶ **Product safety and health protection:** AustriaEnergy specifies in the EPC contracts which standards of products and norms are to be complied with and how subsidiary materials should be used. AustriaEnergy complies with the Chilean Labour Code under Article 184 (concerning dependent workers' health and safety rights), which is reflected in the Issuer's Code of Conduct.
- ▶ **ESG aspects with contractors, suppliers and subcontractors:** AustriaEnergy has implemented its own Code of Conduct for contractors and suppliers. Besides the measures mentioned under "Occupational health and safety regulations", contractors are also requested to provide monthly reports on construction progress, indicating and confirming weekly risk awareness talks with employees.
- ▶ **Dialogue with local stakeholders:** At project level, AustriaEnergy cooperates with various environmental and social authorities during project development (voluntary stakeholder engagement). It is planned to standardise the process at company level. To this end, AustriaEnergy is assisted by the stakeholder management consultant Gestió Social, which has been developing a strategy to guide the relations and activities with various stakeholders.
- ▶ **Compliance:** AustriaEnergy is currently developing a compliance management system. This will consist of anti-bribery and anti-corruption guidelines as well as various compliance matters, such as those already covered in the Issuer's Code of Conduct.

⁹ Engineering, procurement, and construction



2.3. Management of Proceeds

imug rating confirms that the rules put in place for managing proceeds are fully in line with the Green Bond Principles (GBP) 2021.

AustriaEnergy has established internal rules that facilitate a transparent allocation process.

TRACKING THE PROCEEDS

- Sub-account
- Sub-portfolio
- Adequately tracked by other means

All proceeds from the Green Bond will be transferred to a specifically set up bank account to ensure the correct use. Within the projects themselves, the proceeds will be tracked through dedicated cost units.

- The Issuer has an internal process to ensure that the proceeds are used exclusively for the selected renewable energy projects.

The financial director checks the correct allocation of proceeds in accordance with the Framework on a monthly basis. The process is monitored by the top management of AustriaEnergy.

- The Issuer will periodically allocate the balance of the net revenues to the projects as long as the Green Bond is pending.

In case a reallocation of proceeds is required, the Green Bond Committee ensures that the new projects also meet the eligibility criteria.

- The Issuer will (periodically) disclose the intended placement to the investors.

AustriaEnergy will credit unallocated proceeds to an ESG-compliant bank account and disclose temporary investments.

- The Issuer will allocate the proceeds to the projects in a defined period.

AustriaEnergy intends to use the proceeds in less than five years.

- Internal audit
- External verification



2.4. Reporting

imug rating confirms that the reporting process is fully in line with the Green Bond Principles (GBP) 2021.

The Issuer undertakes to report on both the allocation of proceeds and the environmental benefits of the projects. The underlying process for acquiring and consolidating data is clearly defined.

imug rating considers the Issuer's commitment to regularly reporting in future on the use of proceeds and the Bond's environmental benefits to be convincing and reliable.

LEVEL OF REPORTING

- Project portfolio basis
- Project level

REPORTING INDICATORS

Allocation of funds

- Amount of the total proceeds of the issuance
- Amount allocated
- Share of refinancing
- Information on any unallocated proceeds of the issuance
- Project description

Sustainability information

- Demonstration of the sustainability benefits (quantitative)
- Demonstration of the sustainability benefits (qualitative)

Further information

- Reporting on material changes
- Reporting on risk management
- External verification of reporting (Impact Reporting)
- External verification of reporting (Allocation Reporting)

REPORTING TAKES PLACE VIA

- Website
- Annual report
- Internal channels (to investors only)

FREQUENCY

- Annually
- Semi-annually
- Other

REPORTING PERIOD

- Until proceeds are fully allocated
- As long as the Green Bond is outstanding

DATA COLLECTION AND CONSOLIDATION PROCESS

- The underlying process of data collection and consolidation is clearly structured. The required data will be collected by the project manager during project development and reviewed by the project supervisor.
- Disclosure of methodology and/or assumptions
The Issuer will apply the standards set out in the Greenhouse Gas Protocol when calculating the climate-relevant data. All other key figures will be calculated according to the internationally valid standards of sustainability reporting, e. g. the Global Reporting Initiative.
- Subject to external control

ENVIRONMENTAL REPORTING INDICATORS

The selected environmental reporting indicators are considered relevant and significant by imug rating. The Issuer will demonstrate the expected positive impact of the financing activity using quantitative output and impact indicators:

PROJECT TYPE	OUTPUT INDICATORS	IMPACT INDICATORS
<p>Renewable Energy – Development and supervision of the construction of onshore solar power plants including transmission infrastructure</p>	<ul style="list-style-type: none"> ▶ Absolute (gross) greenhouse gas emissions of the projects in t CO₂e/a ▶ Output in MWh of electricity and GJ (other energy) generated per year using renewable sources ▶ Capacity in MW of the renewable power plants built ▶ Capacity in MW of the renewable power plants connected to the power grid 	<ul style="list-style-type: none"> ▶ Reduced/prevented greenhouse gas emissions of the projects in t CO₂e/a

<p>Renewable Energy – Development and supervision of the construction of onshore wind power plants including transmission infrastructure</p>	<ul style="list-style-type: none"> ▶ Absolute (gross) greenhouse gas emissions of the projects in t CO₂e/a ▶ Output in MWh of electricity and GJ (other energy) generated per year using renewable sources ▶ Capacity in MW of the renewable power plants built ▶ Capacity in MW of the renewable power plants connected to the power grid 	<ul style="list-style-type: none"> ▶ Reduced/prevented greenhouse gas emission of the projects in t CO₂e/a
<p>Renewable Energy – Development and supervision of the construction of hydrogen production plant including transmission infrastructure</p>	<ul style="list-style-type: none"> ▶ Absolute (gross) greenhouse gas emissions of the projects in t CO₂e/a ▶ Output in MWh of electricity and GJ (other energy) generated per year using renewable sources ▶ Capacity in MW of the renewable power plants built ▶ Capacity in MW of the renewable power plants connected to the power grid 	<ul style="list-style-type: none"> ▶ Reduced/prevented greenhouse gas emission of the projects in t CO₂e/a

Furthermore, AustriaEnergy also provides information on:

- ▶ the environmental impact assessment for all projects under development,
- ▶ measures implemented to overcome any potential risks during the environmental impact assessment,
- ▶ planning requirements, environmental regulations and any other legislation with which the hydrogen production facilities must comply.



3. ISSUER

SUSTAINABILITY PERFORMANCE/STRATEGY

The business model of AustriaEnergy is the development, construction, operation and management of renewable energy power plants. The issuance of the Green Bond is in line with the Green Bond Principles (GBP) 2021 and contributes to the Issuer's strategy objectives of making renewable energies marketable and thereby contributing to a circular, low-carbon economy.

Sustainable targets of AustriaEnergy

AustriaEnergy has set itself the goal of making renewable energies commercially viable and thus making a needed contribution to a circular, low-carbon economy. With this goal in mind, the Company enters an ongoing dialogue with its stakeholders. Together with its partners, the Company develops green energy generation and storage projects and is committed to complying with internationally recognised environmental and social standards.

AustriaEnergy develops its projects in line with the Equator Principles, which constitute a risk management framework adopted by financial institutions, for determining, assessing and managing environmental and social risk in project finance. The Issuer follows the principles as per Inter-American Development Bank.

AustriaEnergy is currently in the phase of establishing its own sustainability management in the run-up to the bond issuance. In this context, the Issuer is planning to address sustainability in the three dimensions of economy, ecology, and social issues. The aim is to provide long-term, medium-term, and short-term targets as well as measures to achieve them. With its sustainability strategy, AustriaEnergy is committed to making a significant contribution to achieving the United Nation's Sustainable Development Goals (UN SDGs).

AustriaEnergy's strategy is consistent with the Green Bond issuance.

CONTROVERSIAL AREAS OF BUSINESS AND CONTROVERSIES

imug rating has examined AustriaEnergy in relation to a total of ten controversial areas of business¹⁰. AustriaEnergy is not active in any controversial areas of business. Up to the reporting date of 17.01.2023, there was no information available to suggest that AustriaEnergy is involved in any controversies.¹¹

¹⁰ Controversial areas of business are specified in the Methodology section (page 16).

¹¹ Controversial business activities are specified in the Methodology section (page 16).



4. OPINION

Framework

imug rating has analysed and assessed the Green Bond Framework of AustriaEnergy International GmbH with regard to its alignment with the four core components of the current Green Bond Principles (Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting). The Issuer's core business comprises the development, construction, operation and management of renewable energy power plants. AustriaEnergy plans to (re)finance projects in the renewable energy category with the issuance of a Green Bond. The projects include development and supervision of the construction of onshore solar and wind power plants as well as a hydrogen production plant including transmission infrastructure.

imug rating confirms that the Green Bond Framework of the AustriaEnergy International GmbH is fully in line with the current Green Bond Principles (as of June 2021) of the International Capital Market Association (ICMA).

Sustainability benefits and ESG risk management

The renewable energy projects (re)financed by the Issuer contribute to mitigating climate change. The wind and solar power projects will lead to an avoidance of CO₂ emissions through the reduction of the share of carbon-intensive energy sources in the Chilean electricity mix, and the future production of green hydrogen from renewable energy sources (wind energy) will result in a reduction of CO₂ emissions. To this end, the Issuer has established relevant eligibility criteria as well as environmental reporting indicators to ensure that projects have a positive environmental impact. The Issuer has implemented a good risk management system to manage the material ESG risks associated with the projects. The projects (re)financed through the issuance proceeds demonstrate a positive sustainability impact that contributes to one United Nation's Sustainable Development Goal (UN SDG): Goal 7 "Affordable and Clean Energy".

Sustainability strategy and performance

The Issuer's sustainability strategy aims at making renewable energies marketable and thereby contributing to a circular, low-carbon economy. The issuance of a Green Bond makes a positive contribution to climate change mitigation and is thus in line with the Issuer's sustainability strategy. Research by imug rating did not reveal any evidence suggesting involvement of the Issuer in controversies or controversial business areas.



5. METHODOLOGY

The present Second Party Opinion (SPO) was prepared by qualified imug rating analysts. Our sustainability research is carried out exclusively in accordance with recognised and methodically secured procedures. We have defined strict quality standards for all research activities and customer processes. As early as 2002 (updated 2022), imug rating adopted a Code of Conduct, which guarantees the independence, traceability and quality of sustainability assessments. To align its research and work processes even more closely with recognised standards, imug rating underwent an external audit in June 2019 and received certification in accordance with the quality management standard ISO 9001:2015. The initial certifications are reviewed in regular monitoring audits, the last of which took place in April 2022.

Following a detailed examination of the framework, imug rating confirms whether an issuance complies with the Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2021, and the Sustainability Bond Guidelines (2021), as well as the Green Loan Principles (GLP) 2021 and Social Loan Principles (SLP) 2021.

For a positive assessment, the issuer must transparently report on and comprehensibly implement the following points: (1) use of the proceeds, (2) process selection and evaluation, (3) management of the proceeds and (4) reporting. In addition to the framework, discussions with relevant employees of the issuer and publicly available information form the information basis for the present SPO. These sources were only used if the information was comprehensible and documented. imug rating bases its analysis on the mandatory and recommended criteria of the relevant standards. In addition, mandatory criteria defined by imug rating are included with consideration of further market standards. For the assessment of ESG risk management in the areas of environmental, social and governance issues, a questionnaire is sent to the issuer. This is evaluated according to the internal analysis. In the SPO, the results of the assessment of the policies and processes (no, some or appropriate) as well as the quality of the risk management system (weak, moderate, good or very good) are presented. Furthermore, imug rating checks whether an issuance is in line with the issuer's corporate strategy or, in the absence of a strategy, whether suitable sustainability measures are already being implemented.

The issuer's involvement in controversial business areas and in controversial business activities are examined by imug rating. Controversial business areas include fossil fuels, nuclear energy production and products/services for the operation of nuclear power plants, weapons and armaments production, factory farming / animal testing, green genetic engineering, gambling, tobacco, alcohol, pornography, and hazardous chemicals. All controversial business areas are listed regardless of a turnover threshold.

The controversial business activities include, for example, violations of internationally recognised sustainability standards, such as the UN Global Compact or the ILO core labour standards. The analysis covers the following areas: environmental damage, society, and corporate governance. Only those controversies are listed that are verifiable through reliable and resilient public sources. imug rating categorises controversies according to their severity (insignificant, significant and critical). In addition to the severity of a controversy, the frequency of its occurrence is also taken into account.

This SPO is valid from the date of its completion for the entire term of the financing instrument. In the event of any material changes to the issuer's framework, an update of the SPO is required.

Transparency & Disclaimer

Disclosure of the relation between imug rating and the Issuer: imug rating has not carried out any audit or consultancy service for AustriaEnergy to date. This activity is not related to the present Second Party Opinion. There is no relationship, financial or otherwise, between imug rating and the Issuer.

imug rating has prepared this independent Second Party Opinion in accordance with imug rating's methodology and in strict compliance with its Code of Conduct to avoid conflicts of interest and to meet requirements of objectivity and transparency, independence, integrity and professional conduct.

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In providing the external review, imug rating adheres to the ethical and professional principles as well as to transparency standards and independency in line with ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews.

In providing its research and rating services, imug rating acts with due skill, care and diligence and undertakes all reasonable efforts to ensure the accuracy of the information provided.

Based on data provided by the issuer, imug rating prepares a Second Party Opinion on the sustainability credentials of the Green Bond. The information contained herein therefore is provided "as is", without warranty, either expressed or implied, of any kind, including as to the accuracy, completeness, timeliness, merchantability or fitness for any particular purpose.

The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by imug rating neither focuses on the financial performance of the Green Bond nor on the effective allocation of its proceeds. imug rating is not responsible for the induced consequences when third parties use this opinion either to make investment decisions or any kind of business transaction.

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