

SECOND PARTY
OPINION (SPO)

Sustainability Quality of the Issuer and Green Financing Framework

VERBUND

18 March 2026¹

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	Green Bonds
Relevant standards	- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025) - EU Taxonomy Climate Delegated Act², Annex I
Scope of verification	- VERBUND Integrated Green Financing Framework (as of Mar. 18, 2026)¹ - VERBUND Eligibility Criteria (as of Apr. 7, 2025)
Lifecycle	- Pre-issuance verification - First update of the SPO delivered on Apr. 7 2025
Validity	Valid as long as the cited Framework remains unchanged.

¹ VERBUND initially published its Green Financing Framework in 2021. A new version of the Framework was published in March 2026, substituting the previous ones. No modification occurred with regard to the core elements of the Framework (use of proceeds, processes for project evaluation and selection, management of proceeds, reporting) based on which ISS-Corporate performed its analysis in April 2025. It is noted that the Issuer has provided additional information related to its sustainability strategy, referencing the latest 2025 ICMA GBP, and updated "Relevant NACE Codes" in the Use of Proceeds section.

² Commission [Implementing and Delegating Acts for Delegated Regulation \(EU\) 2020/852](#)

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SCOPE OF WORK

VERBUND ("the Issuer", "the Company") commissioned ISS-Corporate to assist with its Green Bonds by assessing four core elements to determine the sustainability quality of the instrument:

1. VERBUND's Integrated Green Financing Framework (as of Mar. 18, 2026) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP).
2. The Eligibility criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) (See Annex 1).
3. The alignment of the project categories with the EU Taxonomy based on ISS-Corporate's methodology – whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act³.
4. Consistency of the Green Bonds with VERBUND's Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

³ Commission [Implementing and Delegating Acts for Delegated Regulation \(EU\) 2020/852](#)

VERBUND OVERVIEW

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

ESG risks associated with the Issuer

VERBUND is classified in the Electric Utilities industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies⁴ in this industry are: Promotion of a sustainable energy system, Environmentally safe operation of plants and infrastructure, Protection of human rights and community outreach, Accessibility and reliability of energy supply, Worker safety and accident prevention.

This report focuses on the sustainability credentials of the issuance. Part IV. of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

Rationale for issuance

VERBUND has revised its 2025 Green Financing Framework to support its future issuance of sustainable financing instruments, its strategic sustainability goals, and contribute towards climate change mitigation environmental objectives.

⁴ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁵
Part I: Alignment with GBP	The Issuer has defined a formal concept for its Green 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.	Aligned
Part II: Sustainability quality of the Eligibility criteria	The Green Bonds will (re)finance eligible asset categories which include: Green categories: Renewable Energy, Energy efficiency and Aquatic and Terrestrial and Biodiversity Product and/or service-related use of proceeds categories⁶ individually contribute to one or more of the following SDGs:   Process-related use of proceeds categories⁷ individually improve (i) the Issuer's operational impacts and (ii) mitigate potential negative externalities of the Issuer's sector on the following SDG: 	Positive
Part III: Alignment with EU Taxonomy	VERBUND's project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act⁸). The nominated project categories are considered to be: ▪ Aligned with the Climate Change Mitigation Criteria	

⁵ The evaluation is based on the VERBUND's Integrated Green Financing Framework (Mar. 3, 2026) and on the Issuer's eligibility criteria as received on Apr. 7, 2025.

⁶ Renewable Energy, Energy efficiency

⁷ Terrestrial and Aquatic Biodiversity

⁸ Commission [Implementing and Delegating Acts for Delegated Regulation \(EU\) 2020/852](#)

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	▪ Aligned with the Do No Significant Harm Criteria ▪ Aligned with the Minimum Safeguard requirements	
Part IV: Consistency of Green Bonds with VERBUND's Sustainability Strategy	The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer. All the project categories considered are in line with the sustainability objectives of the Issuer.	Consistent with the Issuer's sustainability strategy

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES⁹

This section evaluates the alignment of VERBUND's Integrated Green Financing Framework (as of Mar. 18, 2026) with ICMA's Green Bond Principles.

ICMA'S GREEN BOND PRINCIPLES	ALIGNEMENT	OPINION
1. Use of Proceeds	✓	The Use of Proceeds description provided by VERBUND's Integrated Green Financing Framework is aligned with the Green Bond Principles. The Issuer's green categories align with the project categories as proposed by the Green Bond Principles. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described. The Issuer has listed explicit exclusion of any project involving wholly or partly fossil fuels for power generation, nuclear, as well as the transportation of fossil fuels, in line with best market practices. Furthermore, the Issuer has defined an allocation period of three years, a lookback period of two years, and committed to disclose the share of financing vs refinancing at pre-issuance, in line with best market practices.

⁹ The assessment remains unchanged and is based on the analysis that was delivered on April 7, 2025, following an engagement period from January to April 2025.

2. Process for Project Evaluation and Selection	✓	The Process for Project Evaluation and Selection description provided by VERBUND's Integrated Green Financing Framework is aligned with the Green Bond Principles. The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer. VERBUND has established a Green Bond Committee ("GBC"), which will be responsible for ensuring the evaluation and selection of eligible projects under the Framework, as well as ensuring their alignment with the EU Taxonomy. The Committee will be comprised of representatives from the following functions: Group Finance, Investor Relations, Corporate Responsibility, as well as VERBUND Hydro Power GmbH, Austrian Power Grid AG and VERBUND Green Power GmbH. The Company uses a groupwide risk management system to assess and manage environmental and social risks associated with eligible projects.
3. Management of Proceeds	✓	The Management of Proceeds provided by VERBUND's Integrated Sustainable Financing Framework is aligned with the Green Bond Principles. The Issuer commits to allocating an amount equal to at least the net proceeds collected to eligible projects, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. The proceeds are managed in a bond-by-bond approach. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.

4. Reporting	✓	The allocation and impact reporting provided by VERBUND's Integrated Sustainable Financing Framework is aligned with the Green Bond Principles. 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. VERBUND has disclosed the type of information that will be reported and explains that the level of expected reporting will be at project category level. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated. The allocation reporting will include the total amount of proceeds allocated to eligible assets, the proportion of proceeds used for financing and refinancing, proportion of unallocated proceeds, and the share of financing provided by VERBUND. In addition, the Company will also publish annually an Impact Report on selected environmental impacts of its projects, such as the tCO₂e avoided or the added renewable capacity. VERBUND is transparent on the level of impact reporting and the information reported, in line with best market practice.
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PART II: SUSTAINABILITY QUALITY OF THE ELEGIBILITY CRITERIA¹⁰

CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs¹¹

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

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

1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing / investing in specific products and services is displayed on a 3-point scale:

Obstruction	No Net Impact	Contribution
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Each of the Green Bonds' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy <i>Expenditures and costs associated to the construction, development, acquisition,</i>	Contribution	 

¹⁰ The assessment remains unchanged and is based on the analysis that was delivered on April 7, 2025, following an engagement period from January to April 2025.

¹¹ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

maintenance and production of renewable energy:

- *Electricity generation from wind power¹²*
- *Electricity generation using solar PV technology¹³*

Electricity generation from hydropower, complying with either of the following criteria:

- *Run-of-river plants without an artificial reservoir^{14,15}*
- *Where the power density of the electricity generation facility is above 5 W/m²*
- *Where the life-cycle GHG emissions from the generation of electricity from hydropower are lower than 100gCO₂e/kWh and are verified by an independent third party.*

Renewable Energy

Expenditures and costs associated to the construction, development, acquisition, maintenance of the infrastructure dedicated to:

- *Transmission and distribution of electricity¹⁶*

Selected according to the following criteria:

- *Grid expenditures including modernization and upgrade to facilitate increased renewable energy capacity connection subject*

Contribution



¹² The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of EU Taxonomy for the activity 4.3.

¹³ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of E.U. Taxonomy for the activity 4.1

¹⁴ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of E.U. Taxonomy for the activity 4.5.

¹⁵ The Issuer has excluded the financing of any hydropower plant > 1000 MW capacity from this category.

¹⁶ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of E.U. Taxonomy for the activity 4.9.

to the grid meeting at least one of the following EU Taxonomy criteria:

- a) the system is the interconnected European system¹⁷*
- b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100g of CO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period*
- c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system is below the threshold value of 100g of CO₂e/kWh measured on a life cycle basis in accordance with the electricity generation criteria over a rolling five-year period*

Energy efficiency

Expenditures and costs associated to the construction, development, acquisition, maintenance of the infrastructure dedicated to:

- *Storage of electricity¹⁸*

Selected according to the following criteria:

- *The activity is the construction and operation of electricity storage*

Contribution



¹⁷ The interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems.

¹⁸ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of EU Taxonomy for the activity 4.10.

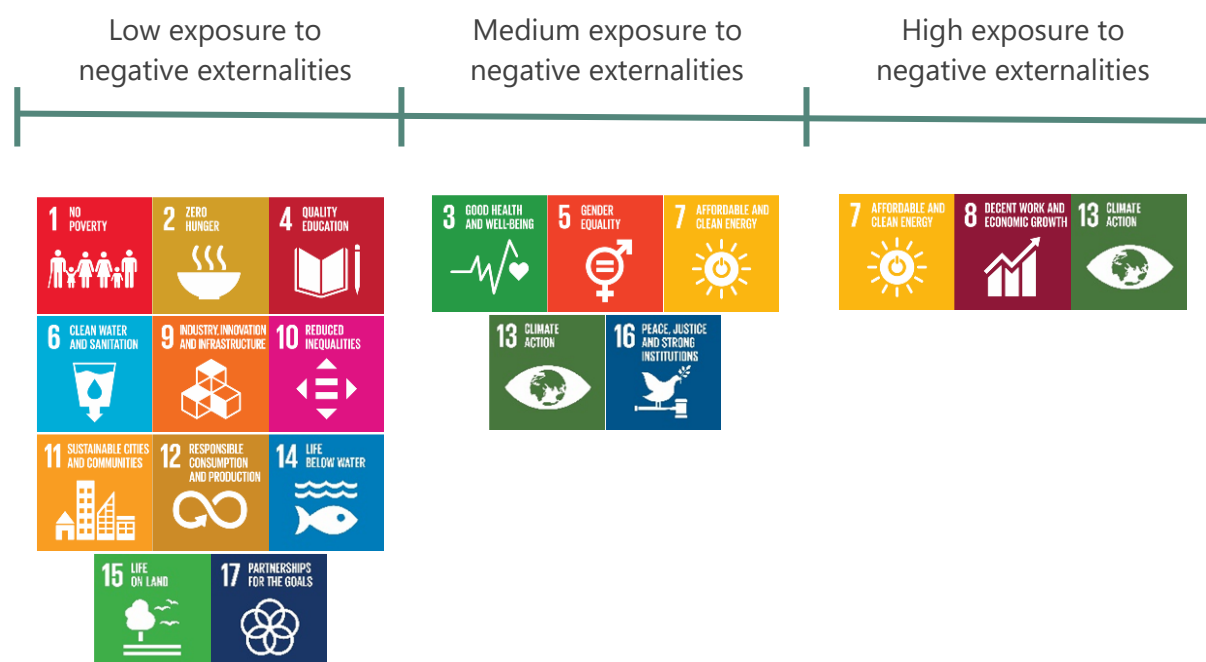
including
hydropower.

pumped-storage

2. Improvements of operational performance (processes)

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

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities¹⁹ in the Electric Utilities eligible category (to which VERBUND belongs) are the following:



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

¹⁹ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3.B of the SPO.

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USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ²⁰	SUSTAINABLE DEVELOPMENT GOALS
Terrestrial and Aquatic Biodiversity <i>Conservation, including restoration, of habitats, ecosystems, and species, such as:</i> <i>River Restoration: restoring fish migration routes for improved spawning, such as Fish Passages</i>	 ²¹	

²⁰ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

²¹ ISS-Corporate has updated the assessment for this category from SDG 14 to SDG 15 due to the Issuer stating that financing under this category will be exclusively directed to freshwater bodies and marine water bodies will not be targeted.

PART III: ALIGNMENT OF THE ELIGIBILITY CRITERIA WITH THE EU TAXONOMY CLIMATE DELEGATED ACT²²

The alignment of VERBUND's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Substantial Contribution to Climate Change Mitigation and Do Not Significant Harm (DNSH) Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act²³, based on information provided by VERBUND. Where VERBUND's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

VERBUND's project selection criteria overlap with the following economic activities in the EU Taxonomy:

- 4.1. Electricity Generation using Solar Photovoltaic Technology
- 4.3. Electricity Generation from Wind Power
- 4.5. Electricity Generation from Hydropower
- 4.9. Transmission and distribution of electricity
- 4.10. Storage of electricity

VERBUND confirms that all projects financed under the Integrated Green Financing Framework are and will be located within the European Union, in the countries of Austria, Spain, Germany, Italy and Romania.

Note: To avoid repetition, the evaluation of the alignment of VERBUND's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section F. Similarly, the evaluation of the alignment to the DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section G. They are applicable to all of the above activities.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

²² The assessment remains unchanged and is based on the analysis that was delivered on April 7, 2025, following an engagement period from January to April 2025. Only minor adjustments were made, which do not affect the overall assessment.

²³ Commission Delegated Regulation (EU) 2020/852, https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

a) 4.1 – Electricity generation using solar photovoltaic technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The financed projects generate electricity using photovoltaics (PV) technology. The PV power plants currently in operation or under construction are located in Austria, Italy, and Spain.	✓
2. CLIMATE CHANGE ADAPTATION – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
See f)	✓
3. WATER AND MARINE RESOURCES – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
N/A	
4. CIRCULAR ECONOMY – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
VERBUND confirms that all inhouse and external Operations & Maintenance (O&M) service providers have a valid ISO 14001 certification.²⁵ It helps organizations improve their environmental performance through more efficient use of resources, reduction of waste and pollutant emissions. In addition, as part of VERBUND's waste management strategy, the company has developed internal guidelines to ensure that the materials used to build solar power plants are of high durability recyclable (steel and copper), easy to dismantle and maintenance and repair are organized with the main objective to save resources. Furthermore, the Issuer has a Supplier Code of Conduct (SCoC) in place for the management of resource inflows in order to ensure resource conserving materials and waste management for VERBUND and all subsidiaries. The SCoC contains, among other things, recommendations for action for VERBUND contractors on resource utilization and the circular economy. The SCoC applies to all suppliers and business partners who provide products or services to the Company. This includes both national and international suppliers. Suppliers who have business relationships with VERBUND must adhere to the standards and expectations set out in the SCoC. In order to improve energy and resource efficiency, VERBUND suppliers are recommended to implement measures to significantly reduce the use of energy and resources. These recommendations are listed in the SCoC, are available to all suppliers, and are part of VERBUND's general ordering conditions.	✓

²⁴ This column is based on input provided by the Issuer.

²⁵ VERBUND's Environmental Management Systems, available at: <https://www.VERBUND.com/en-at/about-VERBUND/responsibility/environment/environmental-management>

Finally, the EU Directive 2012/19/EU on waste electrical and electronic equipment, ²⁶ is transposed in all the countries where the solar power plants are/will be constructed. ^{27, 28} It ensures that the assets located in Spain, Italy, and Austria comply with regulations on responsible treatment of electric and electronic equipment waste.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓

b) 4.3 – Electricity generation from wind power

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The financed projects generate electricity from wind power. The wind power plants of VERBUND currently in operation or under construction are located in Austria, Germany, Romania, and Spain.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See f)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: The financed projects are/will be only onshore wind.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND confirms that all in-house and external Operations & Maintenance (O&M) service providers have a valid ISO 14001 certification. ²⁹ Certificates and	✓

²⁶ Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012, on waste electrical and electronic equipment (WEEE), available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:197:0038:0071:en:PDF>

²⁷ Real Decreto 110/2015, de 20 de febrero, sobre residuos de aparatos eléctricos y electrónicos, available at <https://www.boe.es/eli/es/rd/2015/02/20/110/con>

²⁸ Änderung der Elektroaltgeräteverordnung (EAG-VO-Novelle 2014), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:219390>

²⁹ VERBUND's Environmental Management Systems, available at: <https://www.VERBUND.com/en-at/about-VERBUND/responsibility/environment/environmental-management>

audits reports of management systems (ISO 14001) guarantee a high standard and continuous improvement.	
In addition, as part of VERBUND's waste management strategy, the company has developed internal guidelines to ensure that the materials used to build wind power plants are of high durability recyclable (steel and copper), easy to dismantle and maintenance and repair are organized with the main objective to save resources.	
In addition, the EU Directive 2012/19/EU on waste electrical and electronic equipment is transposed in all the countries where the wind power plants are/will be constructed. ^{30, 31, 32, 33} It ensures that the assets located in Spain, Austria, Germany and Romania comply with regulations on responsible treatment of electric and electronic equipment waste.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND confirms to only finance onshore wind projects. See g)	✓

c) 4.5 – Electricity generation from Hydropower

PROJECT CHARACTERISTICS AND SELECTION PROCESSES²⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The financed projects generate electricity from Hydropower. The consolidated hydropower plants from VERBUND currently in operation or under construction are located in Austria and Germany.	✓

³⁰ Real Decreto 110/2015, de 20 de febrero, sobre residuos de aparatos eléctricos y electrónicos, available at: <https://www.boe.es/eli/es/rd/2015/02/20/110/con>

³¹ Änderung der Elektroaltgeräteverordnung (EAG-VO-Novelle 2014), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:219390>

³² Erstes Gesetz zur Änderung des Elektro- und Elektronikgerätegesetz, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:202104256>

³³ Ordonanța de urgență nr.5/2015 privind deșeurile de echipamente electrice și electronice, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:225653>

The Issuer confirms that all hydropower activities comply with at least one of the following criteria³⁴: ▪ The electricity generation facility is a run-of-river plant and does not have an artificial reservoir. ▪ The power density of the electricity generation facility is above 5W/m² ▪ Where the life-cycle GHG emissions from the generation of electricity from hydropower are lower than 100gCO₂e/kWh and are verified by an independent third party.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See f)	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND confirms that all hydropower plants (projects as well as plants in operation) have a valid permit or authorization, guaranteeing that the plants are in line with the specific objectives and requirements of all legal prescriptions, inter alia of the European Water Framework Directive (2000/60/EC).³⁵ For operation of existing hydropower plants, including refurbishment activities to enhance renewable energy or energy storage potential, the activity complies with the following criteria: ▪ VERBUND confirms that all technical feasible and ecologically relevant mitigation measures - as being prescribed by means of permit and authorizations by the competent authorities - have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water since relevant mitigation measures are systematically. ▪ VERBUND confirms that the full range of possible implementation measures is considered by the competent authorities, considering the status of the ecosystem of a specific water body as well as the state of art technologies and scientific research: ▪ Measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of-the-art fully functional fish passes, measures to stop or minimize operation and discharges during migration or spawning); ▪ Measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; ▪ Measures to protect or enhance habitats; ▪ VERBUND confirms that the effectiveness of those measures, once implemented, is systematically monitored in the context of the	

³⁴ As of the time of the pre-issuance review, the activities financed are compliant with at least one of the first two criteria, but the client confirmed that the third criterion might be relevant in the future.

³⁵ Directive 2000/60/EC of the European Parliament and the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, available at: <https://eur-lex.europa.eu/eli/dir/2000/60/oj>

authorization or permit. Monitoring of those measures can include biological as well as technical monitoring of the implemented measures.

For construction of new hydropower plants, VERBUND confirms that the activity complies with the following criteria:

- VERBUND confirms that an environmental impact assessment or other permitting procedures are performed, considering the potential impact on the status of water bodies and on habitats as well as on species. In addition, the assessment of the status of a water body is part of the River Basin Management Plan (RBMP), prepared by the competent national authorities and reported to the European Commission (EC).
- VERBUND confirms that based on an impact assessment, it has been established that the plant is conceived, by design and location and by mitigation measures, so it complies with the following requirements:
 - VERBUND confirms that the plant does not entail any deterioration nor compromises the achievement of good status or potential of the specific water body it relates to as this requirement is part of the assessment of the national permitting or authorization procedure for each project. During comprehensive assessments in permitting, all ecological and socio-economic benefits and costs are weighed and compared. A permit is only issued in case of overriding public interest of a new hydropower asset, depending inter alia on the generation and flexibility needs in the electricity grid.
 - VERBUND confirms that where the plant risks to deteriorate or compromise the achievement of good ecological status or potential of the specific water body it relates to, such deterioration is not significant, and is justified by a detailed cost-benefit assessment demonstrating both of the following:
 - (i) the reasons of overriding public interest or the fact that benefits expected from the planned hydropower plant outweigh the costs from deteriorating the status of water that are accruing to the environment and to society.
 - (ii) The fact that the overriding public interest or the benefits expected from the plant cannot, for reasons of technical feasibility or disproportionate cost, be achieved by alternative means that would lead to a better environmental outcome (such as refurbishing of existing hydropower plants or use of technologies not disrupting river continuity).
- VERBUND confirms that all technically as well as economically feasible and ecologically relevant mitigation measures are implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water. The Water Framework Directive (WFD) requires a most cost-effective combination of measures, balancing technical feasibility, ecological relevance, and socio-economic welfare parameters. Mitigation measures include, where relevant and

depending on the ecosystems naturally present in the affected water bodies: • Measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of the-art fully functional fish passes. • Measures to stop or minimize operation and discharges during migration or spawning); • Measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; • Measures to protect or enhance habitats; • The effectiveness of those measures is monitored in the context of the authorization or permit setting out the conditions aimed at achieving good ecological status or potential of the affected water body. ▪ VERBUND confirms that assessments during the permitting of a new hydropower plant include respective evaluations of the relevant upstream and down-stream water bodies where the competent authorities define and limit the scope of respective analyses. ▪ In addition, VERBUND confirms that through the implementation of the Water Framework Directive (WFD), measures are implemented to ensure that the project does not increase the fragmentation of water bodies in the same river basin district, such as establishing fish migrations facilities, residual flows, and similar measures. Valid permit or authorization also guarantees that mitigation measures are set and implemented, where relevant.	
4 & 5. CIRCULAR ECONOMY & POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓

d) 4.9 – Transmission and distribution of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The transmission and distribution infrastructure or equipment financed under this framework are/will be located in Austria. The Issuer confirms that the transmission and distribution infrastructure or equipment financed under this framework comply with one of the following criteria:	✓

▪ The system is the interconnected European system: The Austrian Power Grid (APG), fully owned by VERBUND, is part of the interconnected European system. ▪ Around 75% of Austria's electricity comes from renewable sources, hence, the Issuer confirms the 67% of the newly enabled generation capacity in the system is below the generation threshold value of 100gCO₂e/kWh. ▪ The Issuer confirms that the average system grid emissions factor of every new grid infrastructure is below the threshold value of 100gCO₂e/kWh. ▪ The Issuer confirms that it will not finance metering infrastructure.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See f)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The Austrian Power Grid (APG) has a waste management system ("Abfallwirtschaftskonzept") in place in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. The waste management concept applies to all facilities and includes internal guidelines on waste management practices. In addition, waste streams are monitored in a data bank, facilitating monitoring and specific analysis. Finally, VERBUND confirms that all areas and processes of APG are covered by ISO 14001.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND confirms that the project categories financed under this framework include overground high voltage lines. All facilities (grid and substations) in the high-voltage power grid of VERBUND's independent APG are certificated in accordance with ISO 14001, ISO 27001, and ISO 45001. In addition, the Issuer confirms that the transmission and distribution infrastructure or equipment financed under this framework comply with the following criteria: ▪ In Austria, a strict legislation concerning occupational health and safety is in place.³⁶ Moreover, APG has implemented several management systems (ISO 9001, 14001, ISO 45001) aiming at a continuous improvement of environment, health, and safety, and reflecting all principles of the IFC General Environmental, Health, and Safety guidelines.	✓

³⁶ Austria's Occupational safety and health legislation, available at: https://www.arbeitsinspektion.gv.at/Zentrale_Dokumente/Uebergreifende_Themen/aschg_engl_2013_broschuere.pdf

▪ VERBUND confirms that all electromagnetic radiation is limited to range that is not hazardous to health. Indeed, the APG's electrical systems comply with the Austrian Association for Electrical Engineering (Österreichischer Verband für Elektrotechnik (OVE)) R 23-1 guideline, where electric, magnetic, and electromagnetic needs to belong in the frequency range from 0 Hz to 300 GHz.³⁷ Moreover, the APG activities are well below the limit values. ▪ Activities do not use PCBs polychlorinated biphenyls: VERBUND confirms that all APG components are PCB-free.	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓

e) 4.10 – Storage of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES²⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity involves the construction and operation of facilities that store electricity and return it after in the form of electricity, involving stationary battery storage and pumped hydropower storage. Electricity storage plants currently in operation or under construction are located in Austria and Germany. VERBUND confirms that this activity won't imply chemical storage such as hydrogen or ammonia.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
The Issuer confirms that a climate risk and vulnerability assessment is performed on a yearly basis for all characteristic activities (pumped storage as well as stationary battery storage), through an internal process, involving technical, regulatory and sustainability experts, meteorologists as well as different management levels. See f) for the "Generic DNSH in climate change adaptation" for the respective answers.	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
As the activity involves the construction and operation of pumped hydropower storage, the activity is expected to comply with the criteria for DNSH to sustainable use and protection of water and marine resources specified under the activity 4.5 Electricity production from hydropower, see Section c) 3. Of this report.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	

³⁷ Österreichischer Verband für Elektrotechnik, available at: <https://shop.ove.at/de/preview/ove-richtlinie-r-23-1-2017-04-01>

VERBUND confirms to adhere to all relevant EU legislation, including the Waste Framework Directive 2008/98/EC.³⁸ VERBUND also confirms that for single hydropower plant groups ("Werksgruppe"), a waste management concept ("Abfallwirtschaftskonzept") is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. Alternatively, waste management plans are integrated within ISO 14001 certificates or respective permits / approvals.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓

f) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND has an internal policy in place, which describes how the company conducts climate risk and vulnerability assessment for all its business activities. The policy is based on the requirements of the EU Taxonomy, in particular Appendix A to Annex I of Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. It applies to VERBUND AG and to all fully consolidated companies of VERBUND as well as to companies in which VERBUND directly or indirectly exercises a controlling influence. For the activities financed under this framework, the climate risk and vulnerability assessment and processes work as follow: 1. During the initial phase, VERBUND has processes in place to screen all physical climate risks from the list in Section II (of the Delegated Act) for characteristics sites and areas of all activities. 2. In case an activity is identified to be at risk, VERBUND confirms that it will conduct a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity. This assessment is conducted on annual basis. 3. To date, no critical hazards for VERBUND's activities have been identified. However, VERBUND confirms that for single parts of the	✓

³⁸ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

plants or components, adaptation measures will be carried out, if necessary (based on the assessment). In addition, the climate risk and vulnerability assessment and its results are verified and validated by an auditor. 4. The assessment is carried out on the short, to medium and long term, assessing the climate risk today, in 10 years and in 30 years from now, and takes into consideration climate projections and scenarios. The climate projections and assessment of impacts are based on best practice and available guidance and consider the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports. In addition, the assessment was done by in-house meteorologists. They included different Representative Concentration Pathway (RCP) scenarios adopted by the IPCC, using the most recent available reports and publications. 5. VERBUND confirms that the climate risk assessment is being performed annually and systematically for all projects, regardless of if it is an existing or new activity and is conducted on all stages (planning/construction/ operation). The derivation of adaptation measures as well as their implementation is assessed on a yearly basis. 6. Finally, VERBUND confirms that the adaptation solutions are implemented by ensuring that it does not adversely affect adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities. The Issuer also ensures that the adaptation solutions are also consistent with local, sectoral, regional, or national adaptation strategies and plans and considers the use of nature-based solutions or reliance on blue or green infrastructure to the extent possible.	
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g) Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH EU TAXONOMY
5. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
VERBUND's commitment to biodiversity and ecosystem preservation is upheld through its adherence to national and European laws and regulation as well to	✓

the EU Directive 2011/92/EU³⁹, which has been transposed into law in all the countries where projects financed under the Integrated Green Financing Framework are and will be located.

VERBUND follows the procedure outlined in Annex 1, Appendix D, whereby competent authorities determine whether projects listed in Annex II to Directive 2011/92/EU necessitate an environmental impact assessment. For assets falling under the purview of EU Directive 2011/92/EU, VERBUND ensures compliance by respecting the transpositions of the EIA Directive and the authorization regimes, i.e., by providing authorities with the necessary information for the screening and scoping processes and with the required application documents in the requisite Environmental Impact Assessments.⁴⁰

Nonetheless, an EIA cannot be mandatory for infrastructure having received their permit/authorization well before the Directive 2011/92/EU entered into force. For these assets, valid permits and authorizations are still in place, guaranteeing the implementation of relevant measures. From a legal point of view, VERBUND cannot choose to perform a voluntary EIA or a screening for assets with an existing authorization or permit.

However, in the case an EIA is not feasible/available, VERBUND performs due diligence procedures, by verifying the compliance of the respective environmental obligations i.e., a valid permit or authorization, audits, internal controls, public documents, sustainability reports, or similar.

In addition, the company confirms that the implementation of measures and maintain a record of assessment to safeguard biodiversity and the environment is assured by the regulatory framework (Directives 2009/147/EC and 92/43/EEC if applicable) established by relevant environmental authorities including for sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Area).

Furthermore, VERBUND implements measures to protect, preserve, and promote biodiversity. These measures range from the re-naturalization of green spaces and river sections to the establishment and maintenance of near-natural structures such as hedges or deadwood elements to the control of neophytes and the promotion of flower strips. All of VERBUND's implemented measures/actions are based on common principles that have been summarized in the Issuer's Biodiversity policy.⁴¹ The Biodiversity Policy

³⁹ Directive 2011/92/EU of the European Parliament and the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:026:0001:0021:EN:PDF>

⁴⁰ VERBUND'S Environmental Management Systems, available at: <https://www.verbund.com/en-at/about-verbund/responsibility/environment/environmental-management>

⁴¹ VERBUND Biodiversity Policy: <https://www.verbund.com/en-at/about-verbund/responsibility/environment/biodiversity>

comprises internal specifications, the mapping of the most important principles and practices according to which VERBUND plans and implements projects and measures with an impact on the environment. The key points are based on the biodiversity mitigation hierarchy with the stages of avoidance, minimization, restoration, and compensation of residual impacts. In addition to the mitigation hierarchy, VERBUND also considers their environmental impact, taking scientific findings into account and implementing nature-based solutions.

All EIA, permits and conditions are available and archived in VERBUND's internal documentation systems.

Minimum Safeguards

The alignment of the project characteristics and selection processes in place with the EU Taxonomy Minimum Safeguards as described in Article 18 of the Taxonomy Regulation⁴² have been assessed. The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁴	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT
VERBUND complies with both national and European legislation across the countries where its projects are and will be developed, spanning Austria, Germany, Spain, Italy and Romania. These nations have ratified a minimum of eight fundamental conventions as outlined in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the International Bill of Human Rights. In addition, VERBUND is dedicated to upholding high human rights and social standards as articulated in its Code of Conduct for Sustainable business⁴³. This code underscores the Company's commitment to fulfilling legal, contractual, and ethical obligations, along with voluntary commitment. The Code of Conduct has been developed to embed the Universal Declaration of Human Rights and the ten principles of the UN Global Compact, and respect civil, political, economic, social, and cultural rights and commits to fair working conditions rejecting any form of child, forced or compulsory labor. It includes pledges to safeguard the environment, combat corruption as well as engage in fair competition and comply with tax regulations. This Code applies to all	

⁴² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

⁴³ Code of Conduct: https://www.verbund.com/-/media/verbund/ueber-verbund/unternehmen/verhaltenskodex/code_of_conduct_for_sustainable_business.ashx

managers and employees and defines the responsibilities and processes for dealing with human rights.

VERBUND has established an ESG Due Diligence process to fulfill the duty of care within the spectrum of sustainability. It has become VERBUND's central procedure to determine how actual and potential negative effects on the environment and people in connection to VERBUND's business activities are dealt with, mitigated, and accounted for. Negative effects include those associated with VERBUND's own business activities and with the upstream and downstream value chain, including products, services, and business relationships. The Issuer's ESG Due Diligence process is based on OECD guidelines, and the Issuer implements the findings from their Due Diligence process into their materiality and risk assessments. The Issuer's Due Diligence process follows six recommended steps with supporting measures: i) Embed responsible business conduct into policies and management systems, ii) Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services, iii) Cease, prevent and mitigate adverse impacts, iv) Track implementation and results, v) Communicate how impacts are addressed, and vi) Provide for or cooperate in remediation when appropriate.

They also have developed a dedicated Human rights Due Diligence Process⁴⁴ which defines the responsibilities and processes for dealing with human rights at VERBUND within the framework of international human rights standards and the 10 principles of the UN Global Compact. It defines the tasks and responsibilities for preventing human rights violations within the organization and in cooperation with partners. Additionally, VERBUND extends its commitment to human rights through its Supplier Code of Conduct to oblige both suppliers and business partners and therefore all the projects to comply with the above principles. In its Code of Conduct, VERBUND also mentions that when becoming aware of human rights violation, they demand action.

To ensure that Health and Safety standards are well-observed, VERBUND has a dedicated Health and Safety policy, deploys a safety and occupational health management system, engages external stakeholders, and commits to providing safe and healthy working conditions, eliminating hazards, and minimizing risks. They employ preventive measures to avoid work-related injuries and illnesses by conducting evaluations to identify and assess work hazards and by defining, teaching, and implementing measures to prevent their occurrence. They require every year, 100% of the workforce to complete a learning program including a test on the health and safety topics.

⁴⁴ The Issuer has shared it with ISS-Corporate and this is not a public document.

The Company stresses that processes are defined for handling non-conformities and implementing corrective measures particularly addressing sustainability concerns (environmental, social, governance) with the involvement of affected stakeholders. In addition, corrective actions can be undertaken and include, among other things, reparation, and non-financial compensation. VERBUND externally communicates about risks identified as well as the remediation action and human rights risks in its Annual Integrated Report available on its website. Furthermore, to ensure compliance with due diligence obligations VERBUND also has a Group-wide whistleblower system,⁴⁵ available online where anonymous reports can be submitted by third parties. VERBUND confirms that all reports are treated confidentially and independently ensuring data protection, personal privacy for the whistleblowers and the individuals concerned.

⁴⁵ Group-wide whistleblower system, available at: [verbund - Startseite \(integrityline.com\)](https://www.verbund.at/startseite/integrityline.com)

PART IV: CONSISTENCY OF GREEN BONDS WITH VERBUND'S SUSTAINABILITY STRATEGY⁴⁶

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	The Issuer's sustainability strategy focuses on three strategic areas: (i) strengthening VERBUND's position as an integrated utility in the domestic market, (ii) expanding renewables in Europe, and (iii) positioning VERBUND as a European Hydrogen player.
ESG goals/targets	To achieve its strategic ESG topics, the Issuer has set the following goals: Short-term targets for 2030: - Reducing emissions: VERBUND is committed to reducing its absolute Scope 1, 2 and 3 greenhouse gas emissions – with the exclusion of category 2 – by 74% between 2020 and 2030. Category 2 emissions refer to indirect emissions arising from investments in the decarbonisation of the energy system. - VERBUND is committed to lowering the intensity of Scope 1 emissions (direct emissions) attributable to electricity generation by 40% by 2030 and to lowering the intensity of Scope 3 emissions (electricity sales) by 90 % by 2030. Long-term targets for 2040: - Climate neutrality: VERBUND is committed to becoming climate neutral by 2040 by lowering its Scope 1, 2 and 3 greenhouse gas emissions – with the exclusion of category 2 – by 90% by 2040 compared with the base year 2020. This will be achieved by reducing the intensity of the specific greenhouse gas emissions classified as Scope 1 by 90% and by reducing the intensity of Scope 3 emissions (electricity

⁴⁶ The assessment remains unchanged and is based on the analysis that was delivered on April 7, 2025, following an engagement period from January to April 2025.

	sales) by 98% compared with the base year 2020. Long-term targets for 2050 Net zero: VERBUND is committed to achieving net zero greenhouse gas emissions by 2050 (by reducing greenhouse gas emissions by at least 90% and avoiding residual emissions) compared with the base year 2020. Greenhouse gas emissions arising from investments in the decarbonization of the energy system (expansion of renewable energy) are the only form of emissions exempt from this commitment. The goals are public and are monitored on a yearly basis in VERBUND's Integrated Annual Report.⁴⁷ VERBUND does not have Science-based target(s) (i.e., SBTi).
Action plan	For the purpose of increasing energy supply from solar, wind and hydropower, VERBUND has defined Spain, Germany, Italy, and Austria, as strategic target markets. The existing Spanish portfolio of operational generation plants plus a development pipeline was expanded in financial year 2023 through an acquisition involving the purchase of operational wind power plants at nine sites in Spain with aggregate capacity of 257 MW and potential for hybridization and repowering. In June 2023, the 39 MW wind project Loma de los Pinos near Seville (Spain) also came on stream. VERBUND announced at the end of October 2023 that it had signed the contract to acquire a wind portfolio in Germany with a capacity of approximately 56 MW. VERBUND additionally completed its acquisition of Solar power Holding GmbH in June 2023, strengthening its positioning in the photovoltaic market for large customers in Austria and broadening its activities throughout the photovoltaic value chain.
Climate Transition Strategy	In 2024, VERBUND also established a Climate Transition Plan⁴⁸, to set a clear path with measurable

⁴⁷ VERBUND's Integrated Annual Report 2023, available at: <https://www.verbund.com/-/media/verbund/ueber-verbund/investor-relations/finanzpublikationen/en/2024/verbund-integrated-annual-report-2023-englisch.ashx>

⁴⁸ <https://www.verbund.com/en-at/about-verbund/responsibility/environment/climate-protection>

	targets and actions to reduce greenhouse gas emissions. VERBUND plans to achieve a 74% reduction in greenhouse gas emissions by 2030, with a further reduction of at least 90% by 2040 compared with the base year 2020. Ultimately, the goal is to reach net zero by 2050. Greenhouse gas emissions attributable to investing in the decarbonization of the energy system are the sole exception to this commitment. In order to achieve these targets, VERBUND has introduced targeted measures along the entire value chain in accordance with Mission V. They include the expansion of green energy generation and flexibility in Europe, switching to green hydrogen and using former gas pipelines to transport it, reducing indirect emissions, research and development as well as electromobility. The VERBUND Climate Transition Plan has been awarded the highest possible rating, NZ-1 ('leading'), by Moody's rating agency⁴⁹ for the first time and as part of a non-mandatory assessment which covered the topics ambition, implementation and governance.
ESG Risk and Sustainability Strategy Management	VERBUND has a Corporate Sustainability Committee, which is responsible to ensure compliance with the principles of sustainability in all the Group's actions and decisions. The members of the CRC are as follows: one management representative from each of the company, the chairperson of the Group's employee representatives, the Group Compliance Officer, the head of Corporate Responsibility, the Group Sustainability Officer, the Group Environmental Officer, and the Group Health Officer. In order to make sure that the environmental and social risks linked to the financial projects are mitigated and the opportunities are clearly supported, a set of Do-not-significant-harm criteria has been established for each project category.
Sustainability Reporting	The Issuer reports on its ESG performance and initiatives on a yearly basis. Until 2023, the reports

⁴⁹ <https://www.verbund.com/en-at/about-verbund/responsibility/environment/climate-protection>

SECOND PARTY OPINION

Sustainability Quality of the Issuer
and Green Financing Framework

ISS-CORPORATE 

	were prepared in accordance with the Global Reporting Initiative (GRI). ⁵⁰ From 2024 onwards, the reports will be prepared based on the EU CSRD and the related European Sustainability Reporting Standards.
Industry associations, Collective commitments	The Issuer is a member of in the Austria-wide working group Energy CERT (Computer Emergency Response Team), in which around 20 companies from the energy sector are involved. In addition, VERBUND is a signatory of the UN Global Compact.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	VERBUND has a track record in "green financing", including the issuances of its first "Green Bonds" (2014), its first "Green Schuldschein" (2018), entering its first "ESG-linked syndicated loan" (2021). In 2021, the Issuer has published its EU Taxonomy aligned Green & Sustainability-linked Bond for a value of EUR 500 million, which will mature in 2041. Additionally, in 2024, VERBUND issued a green bond. The Green Financing Framework received a Second Party Opinion by ISS-Corporate.

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

⁵⁰ VERBUND's Integrated Annual Report, 2022, available at: <https://www.VERBUND.com/-/media/VERBUND/ueber-VERBUND/investor-relations/finanzpublikationen/en/2023/VERBUND-integrated-annual-report-2022-englisch-final.ashx>

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate is a leading provider of robust SaaS and expert advisory services to companies, globally. ISS-Corporate's data-driven, research-backed Compass platform helps empower businesses to understand and shape the signals they send to institutional investors, regulators, lenders, and other key stakeholders. By delivering essential data, tools, and advisory services, ISS-Corporate can help businesses around the world to be more resilient, align with market demands, and proactively manage governance, compensation, sustainability, and cyber risk initiatives. ISS Corporate Solutions, Inc. ("ISS-Corporate") is a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS") and part of the ISS STOXX GmbH group of companies. This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of ISS-Corporate or its affiliates. The Information may not be reproduced or disseminated in whole or in part without prior written permission of ISS-Corporate. ISS-Corporate MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION. ISS-Corporate provides advisory services, analytical tools and publications to companies to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance practices. The ISS STOXX Governance and Sustainability research teams, which are separate from ISS-Corporate, will not give preferential treatment to, and are under no obligation to support, any proxy proposal of a corporate issuer nor provide a favorable rating, assessment, and/or any other favorable results to a corporate issuer (whether or not that corporate issuer has purchased products or services from ISS-Corporate). No statement from an employee of ISS-Corporate should be construed as a guarantee that ISS STOXX will recommend that its clients vote in favor of any particular proxy proposal or provide a favorable rating, assessment or other favorable result.
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ANNEX 1: METHODOLOGY

The ISS-Corporate's SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's 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>

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Financing Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act.

If the client is seeking a full alignment with certain EU taxonomy activities, the evaluation is structured in two steps:

The first step requires establishing whether the economic activity qualifies as taxonomy-eligible. This implies checking whether the activity is listed in the EU taxonomy and whether it contributes to one of the six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, or the protection and restoration of biodiversity and ecosystems;

The second step constitutes the core of the assessment, and it consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, (ii) whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, assessing for instance industry-specific sustainability thresholds, mitigation measures, compliance with international environmental standards, and any history of relevant controversies, and (iii) the adherence with the Minimum Safeguards, ensuring that operations comply with recognized human rights, labor rights, and governance standards. These safeguards ensure that the activity is conducted responsibly and ethically.

The evaluation shows if the client's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex. If both steps are carried out with a positive outcome, the activity is assessed as fully aligned (with final output being aligned/not aligned for each component of the second step).

If, instead, the client wishes to limit the evaluation only to the eligibility of the financed categories for a future alignment with certain EU taxonomy activities, the assessment consists in evaluating (i) the compliance of the activity with the relevant substantial contribution criteria, or (ii) the compliance of the activity with the relevant substantial contribution criteria and whether the activity does not harm other environmental objectives, meeting the Do No Significant Harm requirements, or (iii) the compliance of the activity with the relevant substantial contribution criteria and the adherence with the Minimum Safeguards, based on the client's request. In this case, should the evaluation be carried out positively, the relevant

activity will be assessed as aligned with the requirements that were within the scope of the evaluation, while the remaining one(s) will not be assessed.

The evaluation is carried out using information and documents provided on a confidential basis by VERBUND, including due diligence reports, questionnaires' responses, internal policies and processes, as well as public documents. Further, international, national, and local legislation and standards, depending on the project category location, are drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

VERBUND commissioned ISS-Corporate to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Integrated Green Financing Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Bonds, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Green Bond Principles (GBP), as administrated by the International Capital Market Association (ICMA) (as of June 2025)
- EU Taxonomy Delegated Act

ISSUER'S RESPONSIBILITY

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

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

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Bonds to be issued by VERBUND has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles.

The engagement with VERBUND took place from February to March 2026

- Engagement date for amendments on the cover page, ICMA GBP 2025 reference, and minor formatting changes: February to March 2026
- Engagement date for analysis on all sections of this SPO: January to April 2025

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS STOXX 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 STOXX.

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.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

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

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