

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

Landesbank Baden-Württemberg

1 August 2025

VERIFICATION PARAMETERS

Type of instruments contemplated	<ul style="list-style-type: none">Green debt instruments¹
Relevant standards	<ul style="list-style-type: none">Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)
Scope of verification	<ul style="list-style-type: none">Landesbank Baden-Württemberg's Green Bond Framework (as of Aug. 1, 2025)Landesbank Baden-Württemberg's eligibility criteria (as of Aug. 1, 2025)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework remains unchanged

¹ Green covered bonds, in particular Green Pfandbriefe, Green Senior unsecured debt, in particular Green Senior Preferred and Green Senior Non-Preferred, and Green subordinated debt, limited to Green Tier 2 instruments

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SCOPE OF WORK

Landesbank Baden-Württemberg (“the Issuer,” “the Bank” or “LBBW”) commissioned ISS-Corporate to assist with its green debt instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. LBBW’s Green Bond Framework (as of Aug. 1, 2025), benchmarked against ICMA’s GBP.
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate’s proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. Consistency of green debt instruments with LBBW’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

LBBW OVERVIEW

Landesbank Baden-Württemberg is a public bank providing all kinds of financial services to retail and corporate clients, savings banks, institutional clients and high net worth clients. The Bank was founded on January 1, 1999, and is headquartered in Stuttgart, Germany.



ESG risks associated with the Issuer's industry

LBBW is classified in the public and regional banks industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies² in this industry are: business ethics, labor standards and working conditions, sustainable investment criteria, customer and product responsibility, and sustainability impacts of lending and other financial services/products.

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

² Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
<p>Part I:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its green debt instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The green debt instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Green Buildings, Renewable Energy</p> <p>Product and/or service-related use of proceeds categories⁴ individually contribute to one or more of the following SDGs:</p> <div style="text-align: center;">   </div> <p>The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.</p>	<p>Positive</p>
<p>Part III:</p> <p>Consistency of green debt instruments with LBBW's sustainability strategy</p>	<p>The key sustainability objectives and the rationale for issuing green debt instruments are clearly described by the Issuer. All the project categories considered are in line with the Issuer's sustainability objectives.</p>	<p>Consistent with Issuer's sustainability strategy</p>

³ The evaluation is based on LBBW's Green Bond Framework (Aug. 1, 2025, version), on the analyzed selection criteria as received on Aug. 1, 2025.

⁴ Green Buildings, Renewable Energy

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GBP

This section evaluates the alignment of the LBBW’s Green Bond Framework (as of Aug. 1, 2025) with the GBP.

GBP	ALIGNMENT	OPINION
<p>1. Use of proceeds</p>	<p>✓</p>	<p>The use of proceeds description provided by LBBW’s Green Bond Framework is aligned with exceptions with the GBP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP. Criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described and quantified.</p> <p>The Issuer clearly specified that the secured GSS standard bonds will take the form of Green covered bonds, in particular Green Pfandbriefe, Green Senior unsecured debt, in particular Green Senior Preferred and Green Senior Non-Preferred, and Green subordinated debt, limited to Green Tier 2 instruments. The Issuer discloses its criteria to select underlying collaterals.</p>
<p>2. Process for project evaluation and selection</p>	<p>✓</p>	<p>The process for project evaluation and selection description provided by LBBW’s Green Bond Framework is aligned with the GBP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy. The Issuer defines exclusion criteria for harmful projects categories.</p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it, which is in line with best</p>

GBP	ALIGNMENT	OPINION
		<p>market practice. LBBW involves various stakeholders in this process and identifies the alignment of their Green Bond Framework and their green projects with official or market-wide taxonomies, in line with best market practice.</p>
<p>3. Management of proceeds</p>	<p>✓</p>	<p>The management of proceeds provided by LBBW’s Green Bond Framework is aligned with the GBP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach).</p> <p>The risk of double counting is addressed by LBBW and the Issuer is transparent on the nature of the instruments and its impacts.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by LBBW’s Green Bond Framework is aligned with the GBP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. LBBW has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the bond matures.</p> <p>The Issuer is transparent on the information reported for the impact reporting and discloses the location of the reports, in line with best market practice. The Issuer commits to get the allocation report verified by an external party, in line with best market practices.</p>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN DEBT INSTRUMENTS TO THE U.N. SDGs⁵



The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being a responsible actor, working to minimize negative externalities in its operations along the entire value chain.

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



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



Each of the green debt instruments’s use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:



USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>Acquisition and ownership of commercial and residential buildings built before Dec., 31, 2020:</i></p> <ul style="list-style-type: none"> Minimum Energy Performance Certificate (EPC) class A, or Within the top 15 percent of the national or regional building stock in terms of energy 	<p>Contribution</p>	 

⁵ The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer’s description in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>demand/consumption or CO₂.⁶</i></p> <ul style="list-style-type: none"> <i>Taxonomy alignment for large non-residential buildings would further require as substantial contribution criteria an assessment of the efficient operation through energy performance monitoring.</i> <p>Green Buildings</p> <p><i>Construction of new commercial and residential buildings or acquisition and ownership of commercial and residential buildings built after Dec. 31, 2020:</i></p> <ul style="list-style-type: none"> <i>The Primary Energy Demand (PED) of the building is at least 10 percent lower than the thresholds set for Nearly Zero Energy Building (NZEB) requirements in national measures implementing Directive 2010/31/EU. It is verified by an EPC, or before the reception of such an EPC, any document provided to building authorities proving the building's energy performance.</i> <i>Taxonomy alignment would further require as substantial contribution criteria: For buildings larger than 5000 m², the building constructed</i> 	<p>Contribution</p>	<div style="display: flex; justify-content: center; align-items: center; gap: 20px;">   </div>

⁶ The data on the top 15 percent in Germany for the asset classes residential, office, retail and logistics has been compiled by Drees & Sommer on behalf of the Association of German Pfandbrief Banks in 2022 and revised in 2023 and expected in 2025. Data on the top 15 percent for various real estate asset classes in the Netherlands, France and Poland have also been assessed by Drees & Sommer, but on behalf of vdpResearch GmbH. LBBW pays a fee to vdpResearch GmbH in order to use these data. The relevant thresholds are presented in Appendix I of the Framework.

For buildings located in Luxembourg and Belgium, the Bank applies thresholds based on the top 15 percent in the Netherlands due to location and comparability of energy mixes while the Bank is not in possession of a top 15 percent study for these countries. For buildings located in the Czech Republic, the Bank applies thresholds based on the top 15 percent in Poland due to location and comparability of energy mixes while the Bank isn't in possession of a top 15 percent study for this country.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>undergoes testing for air-tightness, thermal integrity and global warming potential.</i></p>	<p>Contribution</p>	
<p>Green Buildings</p> <p><i>Renovation of existing buildings</i></p> <ul style="list-style-type: none"> <i>Renovation that leads to a reduction of Primary Energy Demand (PED). If the PED reduction is at least 30 percent when comparing the latest EPC before renovation with the one issued after renovation and all other requirements of the EU Taxonomy's economic activity 7.2 are met, the project would be considered Taxonomy aligned.</i> <i>Buildings that have been refurbished meeting the applicable requirements for major renovations.</i> 		
<p>Renewable Energy</p> <p><i>Loans for financing or refinancing the construction or operation of renewable energy:</i></p> <ul style="list-style-type: none"> <i>Photovoltaics or solar energy concentration (CSP)</i> <i>On- and offshore wind energy projects</i> 		

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

The table below evaluates the eligibility criteria against issuance-specific KPIs. The assets are and will be located in Austria, Canada, Czech Republic, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Poland, Spain, Sweden, Turkey, United Kingdom, and Vietnam.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The Bank has defined a Sustainability Practices Policy⁷ to identify risks and/or opportunities applicable to the projects underlying eligible transactions. The Bank utilizes an ESG Due Diligence Checklist assessment model which is tailor-made for individual sectors and industries with specific requirements that are relevant to the respective sector, before granting loans to customers to see if borrowers meet the Bank's Sustainability Practices Policy and Retail and Corporate Customer Guidelines⁸ requirements. The Checklist⁹ is designed in line with the European Banking Authority (EBA) guidelines for lending and monitoring and the detailed questions cover elements of (i) climate physics, (ii) climate transitory, (iii) social, and (iv) governance. Within these areas, the potential ESG risk is assessed on a scale of 1 (very low risk) to 5 (very high risk), as part of the lending process for each transaction and is regularly monitored. In addition to the ESG Checklist, the Bank has a Traffic Light assessment process for corporate customers and businesses as a uniform procedure for the market-side sustainability assessment of credit customers. The assessment criteria¹⁰ are based on the ten principles of the UN Global Compact as a framework for socially and ecologically responsible corporate governance where the borrower's answers are rated green, yellow, or red according to a traffic light model. When the total score is yellow, the respective business units perform a follow-up analysis for the negative points assessed, and the ESG Transformation Team gives a final evaluation for the particular company. If the total score is red (negative) due to violations, LBBW rejects the transaction and terminates any business relations with the client in question.

The above-mentioned assessment models are used to generate sub-scores and an overall ESG score. If the thresholds set in the Bank's credit risk strategy are exceeded, the decision is made by the next level of authority in accordance with the decision-making hierarchy for loans. Specific material risks for LBBW's customers and loan applications are also examined in terms of their compliance and sustainability risks based on the Bank's lending rules and

⁷ LBBW, https://www.lbbw.de/konzern/nachhaltigkeit/2025/lbbw-sustainability-practice-2025_ajxr9423zq_m.pdf

⁸ LBBW, https://www.bwbank.de/content/dam/myif/bwbank/work/dokumente/pdf/persoенliche-beratung/230717_BW-Bank_Guidelines.pdf?n=true

⁹ As of July 1, 2022, LBBW also started to apply the ESG checklist to existing transactions.

¹⁰ For investment projects outside the DACH region (Germany, Austria, Switzerland), the screening process also includes using the Protected Planet database to check whether the project is located in a conservation area (i.e., World Heritage Site, Ramsar Site, UNESCO program "Man and the Biosphere", Union for Conservation of Nature (IUCN) Protected Area).

policies. In the case of uncertainty or topics for which there are not yet any binding rules or review criteria established by the Bank. The ESG Group Transformation department and Group Compliance are involved in the lending process if there are specific reputation or sustainability risks. The Compliance and/or the specialized Sustainability and ESG unit provides the assessment.

In case a risk is identified or concluded as “uncertain” during the initial assessment, LBBW has a separate scenario analysis prepared for medium-term and long-term time periods to identify areas where action is required in the long term and as a basis for strategic discussions. The Board of Managing Directors is informed about transition risks once a quarter and physical risks at least once a year in risk reports. LBBW has a mandatory and regular internal review process to ensure that ESG risks are identified, monitored, and mitigated at an early stage in the process of deciding on extending credit, such as export financing, corporate loans or project finance. Depending on the results, LBBW holds the right to reject such transactions and terminate them.

The Issuer recently established the Real Estate Sustainability Board for BerlinHyp AiDA (RESB), which will oversee LBBW's Sustainable Finance Framework (SFF) in relation to real estate projects to ensure eligibility criteria are in line with best market practice and relevant regulation.

Labor, health and safety



LBBW has policies and a due diligence process in place to ensure that the projects underlying the eligible transaction ensure high labor, health, and safety Standards. The Bank has a Sustainability Practice Policy¹¹ in place, which puts relevant lending and investment guidelines and requirements for LBBW for high labour, health and safety standards. In that regard, the Bank's borrowers are obligated to be in compliance with the eight core conventions of the International Labour Organization (ILO), the United Nations (UN) Declaration of Human Rights and Worker's Rights, the UN Global Compact, the International Finance Cooperation (IFC) Performance Standards, the General Equal Treatment Act (AGG) and the UK Modern Slavery Act. Furthermore, LBBW has an ESG Due Diligence Checklist process where labour, health, and safety along with other social and governance indicators are incorporated into the questionnaire. The requirements also cover suppliers, their subcontractors, and other partners with whom the Bank cooperates. Projects with low or negative assessments will be excluded from eligible transactions. In case a violation is detected during regular reviews, LBBW considers a violation as grounds for termination of the Agreement without notice.

¹¹ LBBW, https://www.lbbw.de/konzern/nachhaltigkeit/2025/lbbw-sustainability-practice-2025_ajaxr9423zg_m.pdf

Therefore, high labour, health, and safety standards are ensured by LBBW's Sustainability Practice Guidelines and ESG Due Diligence Checklist that are embedded in national and international laws and standards.

Biodiversity

The eligible transactions feature the respect of biodiversity as an integral part of the planning process. In line with the Management of Environmental and Social risks and of Governance aspects Guidelines laid out in the Sustainability Practice Policy,¹² LBBW's borrowers are obligated to comply with the requirements set out in the IFC Standards and obtain necessary licenses (i.e., Environmental Impact Assessments) when required in order to mitigate the negative environmental impacts on biodiversity, surrounding areas, and cultural heritages.



The Bank confirms not to finance projects that have destructive impacts on biodiversity and no environmental improvement. Regarding the protection of critically endangered and vulnerable species, LBBW checks if the projects will be in areas with internationally protected status (i.e., High Conservation Value Areas (HCVA), IUCN areas, UNESCO World Heritage Sites, wetlands according to the Ramsar Convention) and with endangered species in accordance with the Washington Convention (CITES). Furthermore, with regard to wildlife and species protection, the Bank requires its borrowers and suppliers to comply with the requirements listed in the IUCN Red List of endangered species, the Cartagena Protocol, the UN Convention on Biological Diversity and associated Bonn Guidelines and Nagoya Protocol.

LBBW implements the ESG Due Diligence Checklist assessment in line with the EBA Guidelines and specific lending guidelines for agriculture and forestry sectors to ensure eligible transactions comply with the requirements listed above. Furthermore, the Bank carries out regular monitoring of the eligible transactions to ensure all transactions fulfill the required checklist. The checklist is applied to every new transaction and existing customers of the Bank when there is a change that is made in an ongoing transaction. Non-compliant transactions are excluded from being financed.

Community dialogue



LBBW has Sustainability Practice Policy¹³ and ESG Due Diligence Checklist process in place to ensure that the projects underlying the eligible transaction

¹² Ibid

¹³ Ibid.

ensure community dialogue is an integral part of the planning process. The Bank requires borrowers to comply with the IFC Performance Standards requirements and evaluates impacts on the affected communities during the project lifecycle, mitigation measures to minimize these impacts and prevent involuntary land resettlement for affected communities as a result of project-related land acquisitions and land use restrictions, through the Bank's ESG Due Diligence Checklist. In cases where resettlement cannot be avoided, borrowers are required to obtain free, prior, and informed consent (FPIC) from the affected groups. Furthermore, an active involvement of affected groups in borrower's decision-making and implementation process and compensation mechanisms needs to be ensured prior to a transaction. If a transaction is assessed as having a negative impact on indigenous people and community dialogue is not featured, LBBW does not consider such financing as eligible.

Additionally, the Bank has complaints management¹⁴ in place where suppliers, customers and the public can report any complaints regarding an activity. LBBW's community center, the LBBW Immobilien Kommunalentwicklung GmbH initiates community surveys and improvement projects regarding the planned projects¹⁵.

Responsible treatment of customers with debt repayment problems

LBBW has procedures in place to ensure that eligible transactions under this Framework provide responsible treatment toward customers with debt problems. The Bank confirms it complies with the EBA Guidelines¹⁶ requirements regarding governing credit risk management, internal controls, and oversight which includes requirements for dealing with customers with debt problems and uses internal measurement methods quantifying credit risk to ensure that the incentives are in place for the customers with debt problems.



Under its Retail and Corporate Customer Guidelines,¹⁷ LBBW implements assessments covering the risks of the loan granting process, and verification of the customer's capacity to repay the debt. LBBW reviews the economic viability of giro-based loans, private loans, construction financing and investment financing and bases the maximum lending amounts on the customer's individual income and cash flow situation. Additionally, the Issuer's credit risk strategy sets specific minimum requirements for Loan-to-Value (LTV) and Debt-

¹⁴ Ibid.

¹⁵ LBBW, https://www.lbbw.de/konzern/investor-relations/finanzberichte/geschaeftsberichte/2024/lbbw-annual-report-2024-ajwyb4kvig_m.pdf

¹⁶ Ibid.

¹⁷ LBBW, <https://www.bw-bank.de/content/dam/myif/bwbank/work/dokumente/pdf/persoenele-beratung/230717-BW-Bank-Guidelines.pdf?n=true>

Service-Coverage Ratio (DSCR). LBBW aims to detect any deterioration in credit ratings early to take appropriate countermeasures, e.g. pre-emptive restructuring, to be taken in consultation with the customer. The Bank provides its employees with regular training sessions on how to approach customers with vulnerable financial backgrounds and performs internal debt counselling. LBBW offers debt restructuring under non-detrimental conditions including debt settlement plans, discharge of residual debt, partial payment agreements and deferrals.

Exclusion criteria

LBBW's document titled "Sustainable Transformation: Our path to net zero"¹⁸ and Sustainability Practice¹⁹ excludes companies that (i) produce cluster munitions and/or anti-personnel mines, which are prohibited by international conventions, (ii) involved in the delivery of weapons of war to other countries, and (iii) sell any investment products associated with agricultural commodities. Under its Sustainability Practice Policy, the Bank has sector-specific principles for exclusion criteria and restrictions, covering the sectors wood/paper, mining, crude oil/ natural gas and bioenergy.

The Bank's Code of Conduct²⁰ serves as a basis for responsible action in compliance with the applicable legal requirements as well as ethical and societal standards for the exclusion of entities and individuals found to have engaged in prohibited conduct (i.e., fraud prevention, money laundering, financial sanctions and embargoes).

¹⁸ LBBW, https://www.lbbw.de/konzern/nachhaltigkeit/2022/lbbw-sustainable-transformation-our-path-to-net-zero_afevaknnhg_m.pdf

¹⁹ LBBW, https://www.lbbw.de/konzern/nachhaltigkeit/2025/lbbw-sustainability-practice-2025_ajxr9423zg_m.pdf

²⁰ LBBW, https://www.lbbw.de/rechts-und-kundeninformationen/lbbw-code-of-conduct-en_7v4a6ctuj_m.pdf

PART III: CONSISTENCY OF GREEN DEBT INSTRUMENTS WITH LBBW'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>LBBW has operationalized its business strategy by defining five strategic levers²¹:</p> <ul style="list-style-type: none"> ▪ Sustainable Transformation ▪ Innovative Solutions ▪ Enhanced Resilience ▪ Inspire Employees ▪ Social Contribution <p>Two of these strategic levers refer to sustainability more narrowly.</p> <p>Additionally, LBBW adopted a new ESG-Strategy 2025+ defining targets for the upcoming years along the dimensions of environment, social and governance. In its strategy, the Issuer sets out three overarching strategic objectives:</p> <ul style="list-style-type: none"> ▪ Transformation ▪ Responsibility ▪ Stability <p>Six focus topics were identified for the ESG-Strategy 2025+, which contribute to these overarching objectives: climate/decarbonization, nature/resources, customers, employees, society and corporate governance.</p> <p>The ESG-Strategy integrates the results of the materiality analysis performed by LBBW.</p>
<p>ESG goals/targets</p>	<p>A selection of targets that has been defined by LBBW are:</p> <ul style="list-style-type: none"> ▪ Climate/decarbonization: climate-neutral business portfolio by 2050 at the latest ▪ Nature/resources: holistic assessment of the topics biodiversity, circular economy, environmental

²¹ LBBW, https://www.lbbw.de/konzern/investor-relations/finanzberichte/geschaeftsberichte/2024/lbbw-annual-report-2024-ajwyb4kvig_m.pdf

TOPIC	ISSUER APPROACH
	<p>pollution and water to identify further opportunities</p> <ul style="list-style-type: none"> ▪ Customers: supporting customers in their transformation ▪ Employees: high employee satisfaction and equal opportunities ▪ Society: active partner for the social transformation ▪ Corporate governance: stability through effective ESG risk management <p>The Issuer has quantitative targets for climate/decarbonization and nature/resources and publicly discloses its targets and tracks its progress annually²².</p> <p>LBBW doesn't have any verified science-based targets.</p>
<p>Action plan</p>	<p>LBBW has defined actions to reach its targets. The Issuer elaborates on its action plan in the annual report.²³</p> <p>For its focus topic "climate/decarbonization" the actions can be found in the climate transition strategy section below.</p> <p>For nature/resources, LBBW defined the following actions:</p> <ul style="list-style-type: none"> ▪ Implement an in-depth analysis and review of the impact of the business portfolio ▪ Operationalize its lending rules ▪ Apply ESG checklists ▪ Continue its internal biodiversity working group ▪ Integrate the topic to the mandatory training on "sustainability" <p>The Issuer intends to define further actions for the other focus topics in the future.</p> <p>LBBW doesn't disclose its relevant financial budget to achieve the specific ESG targets/goals.</p>

²² LBBW, https://www.lbbw.de/konzern/investor-relations/finanzberichte/geschaeftsberichte/2024/lbbw-annual-report-2024-ajwyb4kvig_m.pdf

²³ LBBW, https://www.lbbw.de/konzern/investor-relations/finanzberichte/geschaeftsberichte/2024/lbbw-annual-report-2024-ajwyb4kvig_m.pdf

TOPIC	ISSUER APPROACH
<p>Climate transition strategy</p>	<p>LBBW intends to develop a transition plan by 2026 with a clear trajectory as well as specific actions and interim targets in order to achieve climate neutrality by 2050 at the latest.²⁴</p> <p>In the meantime, the Issuer has defined the following actions for its focus topic “climate/decarbonization”:</p> <p>To increase its sustainable finance and transition finance volume, the Bank is considering the following action items: ESG criteria in proprietary investments, developing financing in the area of renewable energies and criteria for the classification of transition finance transactions and offering products with sustainability dimensions. LBBW monitors current developments in the area of ESG risks and further develops its ESG management approach.</p> <p>LBBW uses IEA's Net Zero Emissions Scenario (NZE) and the Carbon Risk Real Estate Monitor (CRREM) for commercial real estate (CRE) financing as benchmark. Following the integration of Berlin Hyp, LBBW will use Berlin Hyp's decarbonisation pathway for its own CRE business considering in detail the differences between different countries and different building asset classes. The majority of assets in its Green Finance Portfolio and Social Finance Portfolio consists of CRE loans.</p> <p>LBBW does not report Scope 1 and 2 GHG emissions. To calculate and disclose its financed GHG emissions (Scope 3) the Issuer follows the Partnership for Carbon Accounting Financials (PCAF) initiative. Other GHG emissions in the business portfolio like assets under management are also disclosed. The emissions data are taken from the statement on the principal adverse impacts (PAI) in the context of the Sustainable Finance Disclosure Regulation (SFDR), based on the Technical Guidance for Calculating Scope 3 Emissions or the approximated data from EUROSTAT.</p>

²⁴ Ibid.

TOPIC	ISSUER APPROACH
Sustainability reporting	LBBW uses the first set of European Sustainability Reporting Standards (ESRS) adopted through the EU Delegated Act 2023/2772 as of July 2023.
Industry associations, collective commitments	The Issuer is a signatory to UN PRI, the UN Global Compact and a member of the Forum Nachhaltige Geldanlagen.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	LBBW has several previous issuances and transactions. More information can be found on the Issuer’s website. LBBW has EUR 8.585 billion ²⁵ and Berlin Hyp EUR 12.596 million ²⁶ outstanding GSS bonds as of Jul. 1, 2025.

Rationale for issuance

LBBW has defined three strategic objectives (transformation, responsibility and stability) and six sustainability focus topics. One of the focus topics is climate/decarbonization. The Issuer provides different financing solutions focusing on sustainability and aims to increase its volume continually. A central element is real estate financing, particularly energy-efficient residential and commercial properties and project financing such as wind turbines. These financing solutions are also intended to help achieve a climate-neutral business portfolio and contribute to transforming the economy. The issuance of green debt instruments creates a link between LBBW’s refinancing activities and its sustainability goals.

Opinion: The key sustainability objectives and the rationale for issuing green debt instruments are clearly described by the Issuer. All of the project categories financed are in line with the Issuer’s sustainability objectives.

²⁵ LBBW, https://www.lbbw.de/konzern/news-and-service/investor-relations/investor-relations/investor-relations_7vjv8hsd_d.html

²⁶ Berlin Hyp, a wholly owned subsidiary of LBBW, <https://www.berlinhyp.de/de/investoren/investorenpr%C3%A4sentation>

DISCLAIMER

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

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Landesbank Baden-Württemberg commissioned ISS-Corporate to compile a green debt instruments SPO. The second-party opinion process includes verifying whether the Green Bond Framework aligns with the GBP and assessing the sustainability credentials of its green debt instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria
- Documentation of ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is 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 debt instruments to be issued by LBBW has been conducted based on proprietary methodology and in line with the ICMA/LMA GBP.

The engagement with LBBW took place from June to August 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

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

About this 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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