HYPO NOE

HYPO NOE Landesbank für Niederösterreich und Wien AG

GREEN BOND ALLOCATION AND IMPACT REPORT

September 2025

Österreichisches Umweltzeichen

Nachhaltige Finanzprodukte

HYPO NOE

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1 FOREWORD

Dear investors,

Financing investments in sustainability and operating sustainably have been central to our strategy for more than a decade now. Financing for housing – and affordable housing in particular – as well as health, care, education and culture projects is a key pillar of our business model. It allows HYPO NOE to take on responsibility for the well-being of future generations and contribute to the achievement of the UN's Sustainable Development Goals (SDGs). Around two-thirds of HYPO NOE's lending can be assigned to the SDGs.

Sustainability is firmly embedded in the Group's strategy, and HYPO NOE also takes action that enables it to act as a pioneering, flagship company, and to serve as a model to others. HYPO NOE has been a klimaaktiv Pakt 2030 partner since 2021. Companies that sign up to this initiative of the Austrian Federal Ministry for Climate Action undertake to reduce their environmental footprint by 50% by 2030[1] and are also subject to an annual external assessment to monitor goal attainment.

The Group's extensive action in relation to sustainability in recent years is also reflected in its excellent environment, social and governance (ESG) ratings. HYPO NOE has held ISS ESG Prime status since 2016.

Transparency and clarity were paramount when it came to defining our Green Bond and Sustainability Bond Frameworks. These frameworks are aligned with the International Capital Market Association's (ICMA) Principles, which means that the allocation of funds is precisely defined. ISS ESG provided the second party opinions (SPOs), while KPMG carried out the external audit of the allocation and impact report.

HYPO NOE's sustainability officers assess whether the selected projects meet the criteria defined in the frameworks on the basis of the energy performance certificates in the core banking system. The final decision on the allocation of loans to the green bond asset pools is taken by the Sustainability Bond Committee, which is headed by Treasury & ALM. The committee is made up of representatives of front-office and back-office departments and the sustainability officers.

The Group issued its first green bond – a EUR 500m senior preferred benchmark bond – in June 2020. This was also the first green bond in Austria to be certified in accordance with the

[1] Basis: 2005

national UZ 49 Ecolabel for Sustainable Financial Products. Three more green benchmark bond issues have since followed, in 2022, 2023 and 2025, while a CHF 100m bond was issued in 2024. These have shown that a large proportion of investors are specifically focused on green and sustainable investments. The 2020 and 2022 issues have now matured, meaning that three HYPO NOE green bonds were in issue as of 30 June 2025.

HYPO NOE's three green bond asset pools predominantly comprise financing for subsidised homebuilding loans, housing development (some of it subsidised) and social infrastructure in the health, education and culture sectors. All of the buildings in the asset pools are located in Austria. As of 30 June 2025, the total value of the green bond asset pools was EUR 1.15bn.

HYPO NOE uses the proceeds to finance and refinance green buildings, all of which are among the top 15% of Austria's building stock in terms of carbon equivalent (CO_2e) efficiency, in line with the Green Bond and Sustainability Bond Frameworks.

According to the energy performance certificates of the buildings in the green bond asset pools, construction of a total of 1,328,225.68m² of space has been financed. **All three green bond asset pools include buildings that are more energy-efficient than the national benchmark[2], accounting for emission reductions totalling 30,079 tonnes of CO_2e, of which approximately 14,260 tonnes** are attributable to buildings financed by HYPO NOE and the exposure as at the time of calculation of the impact. The national benchmarks and emission factors for the Austrian energy mix are updated annually as part of the impact calculations.

Around 92% of the financing in the green bond asset pools meets the first technical criterion for the "Substantial contribution to climate change mitigation" environmental objective under the EU Taxonomy Regulation. 0.81% of the allocated assets are currently classified as "aligned".

[2]The benchmark corresponds to the average national heating energy demand for the building type concerned (source: Partnership for Carbon Accounting Financials [PCAF])

The strong demand – primarily from investors focused purely on sustainability – as well as lively dialogue and strong interest in HYPO NOE's investor relations activities have confirmed that the Group's decision to become an active and regular issuer of green bonds was the correct one.

Thomas Fendrich
Division Head, Treasury & ALM

Claudia Mikes
Head of Rating/ESG

2 SUSTAINABILITY AS A BUSINESS MODEL

Financing infrastructure and real estate projects has been HYPO NOE's core business since day one. Public infrastructure, housing development and real estate financing accounted for 70.7% of total assets as at 30 June 2025. As the bank for the state of Lower Austria, HYPO NOE plays a significant role in the provision of affordable housing and the expansion of social infrastructure in the region. Throughout its 130-plus-year history, the Group has pursued an environmentally friendly, socially responsible business model with an eye on future generations.

HYPO NOE's current sustainability ratings are published on the Group's website.

2.1 ETHICS GUIDELINES AND BUSINESS PRINCIPLES

HYPO NOE has implemented clear ethics guidelines and business principles for its operations. By doing so, the bank ensures that it only enters into business relationships that are compatible with its philosophy and its focus on sustainability. The guidelines guarantee that financing is not extended to projects which breach HYPO NOE's exclusion criteria, and that in case of doubt due to the potentially controversial nature of lending – either from a social or environmental perspective – the bank will not provide funding. The ethics guidelines and business principles comprise inclusion and exclusion criteria, which are the basis for initiating new business throughout the Group. A detailed overview is available in the Sustainability section of the HYPO NOE website.

2.2 CONTRIBUTION TO ACHIEVEMENT OF THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

By virtue of its business model, which has an inherent focus on public sector and real estate finance, HYPO NOE plays a significant part in the achievement of the UN's SDGs. In the course of the lending process, the bank evaluates potential sustainability-related factors and the ways in which its financing will support attainment of the goals. As at 30 June 2025, 69.4% of total financing was allocated to selected SDGs. Accounting for 43.8%, the emphasis was on SDG 11 Sustainable Cities and Communities, which includes financing for affordable and energy-efficient real estate. There was also a strong focus on infrastructure (SDG 9), which accounted for around 8.6% of the total.

2.3 GREEN PRODUCTS FOR RETAIL AND CORPORATE CUSTOMERS

Besides issuing green bonds, the Group has also developed an accompanying range of sustainable, green products for retail customers. This began with the launch of green current and savings accounts. In the meantime, the range has been expanded to include the Green Home Loan and Green Life Loan, as well as services such as the renovation project calculator. Since 2022, HYPO NOE's corporate customers have had access to the Green Investment Loan for financing, which complies with the HYPO NOE Sustainability Bond Framework and the Taxonomy Regulation. The Group's green product range is certified in accordance with the UZ 49 Ecolabel for Sustainable Financial Products (see section 7.2. below).

2.4 CORPORATE SUSTAINABILITY MANAGEMENT

HYPO NOE launched its sustainability programme back in 2013, and it was rolled out to the entire Group the following year. Since then, the Group has reported annually on its activities and the steps taken in connection with sustainability. HYPO NOE's reporting has been in accordance with the European Sustainability Reporting Standards (ESRS) since the 2024 financial year.

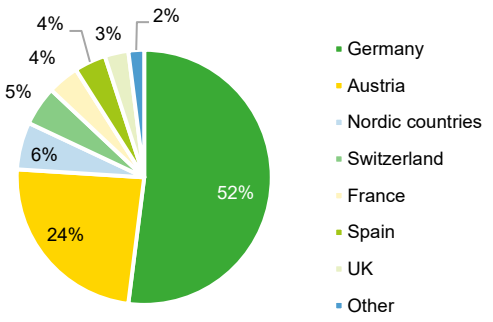
In 2021, HYPO NOE Landesbank became a partner of the klimaaktiv Pakt 2030 climate protection initiative – making it one of 12 flagship businesses in Austria to hold this status. By signing up to the pact, these major companies have made a commitment to achieve the ambitious goal of reducing their greenhouse gas emissions by at least 50% (compared with 2005) by 2030. After joining the klimaaktiv Pakt – an initiative of the Federal Ministry for Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management – the signatories must complete a structured, annual process aimed at optimising their corporate climate-protection plans. Goal attainment is externally reviewed each year in order to maximise the credibility and transparency of the process, both inside and outside the Group.

3 HYPO NOE GREEN BOND ISSUES

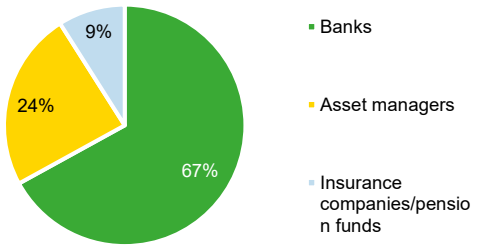
3.1 2023 HYPO NOE GREEN BOND: FACTSHEET

HYPO NOE issued its third green bond with a focus on green buildings in January 2023.

Allocation by region



Allocation by type of investor

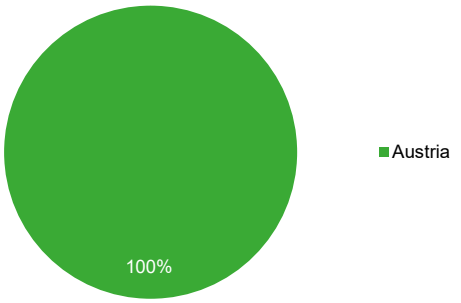


Issuer	HYPO NOE
Rating	A (S&P)
Type	Green senior preferred
Amount	EUR 500m
Coupon	4.000% p.a., ICMA Actual/Actual
Trade date	23 January 2023
Value date	1 February 2023
Maturity	1 February 2027
Reoffer price	99.547%
Reoffer spread	MS +115bps
Denomination	EUR 100,000 and multiples thereof
Exchange	Vienna
Joint lead managers	BayernLB, BNP Paribas, Danske Bank, DekaBank, DZ BANK AG, Erste Group Bank AG
ISIN	AT0000A32HA3

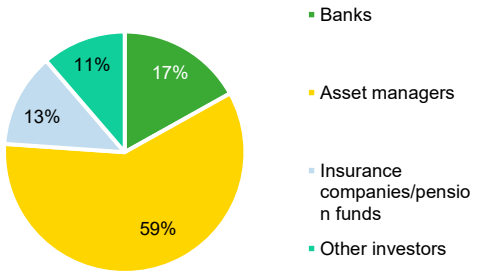
3.2 2024 HYPO NOE GREEN BOND (CHF): FACTSHEET

HYPO NOE's fourth green bond was placed in January 2024; again, it focused on green buildings.

Allocation by region



Allocation by type of investor

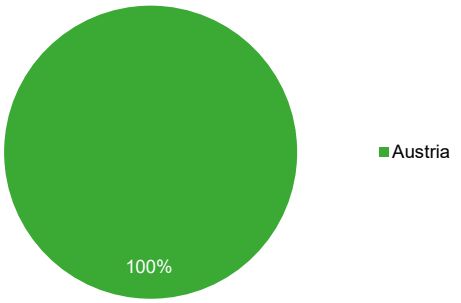


Issuer	HYPO NOE
Rating	A (S&P)
Type	Green senior preferred
Amount	CHF 100m
Coupon	2.375% p.a., 30/360
Trade date	8 January 2024
Value date	26 January 2024
Maturity	26 January 2029
Reoffer price	100.35%
Reoffer spread	SARON MS +110 bps
Denomination	CHF 5,000 and multiples thereof
Exchange	SIX Swiss Exchange
Joint lead managers	UBS, Raiffeisen Schweiz
ISIN	CH1271007952

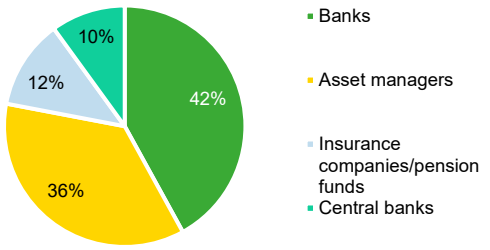
3.3 2025 HYPO NOE GREEN BOND: FACTSHEET

Once more with an emphasis on green buildings, HYPO NOE's fifth green bond was issued in February 2025.

Allocation by region



Allocation by type of investor



Issuer	HYPO NOE
Rating	A (S&P)
Type	Green senior preferred
Amount	EUR 500m
Coupon	3.25% p.a., ICMA Actual/Actual
Trade date	18 February 2025
Value date	27 February 2025
Maturity	27 February 2031
Reoffer price	99.823%
Reoffer spread	MS +93bps
Denomination	EUR 100,000 and multiples thereof
Exchange	Vienna
Joint lead managers	Credit Agricole CIB, Danske Bank, DekaBank, Erste Group, LBBW, UniCredit
ISIN	AT0000A3JH04

4 USE OF PROCEEDS FROM THE ISSUES

The green bond issues (see sections 3.1. to 3.3. above) are covered by the HYPO NOE Green Bond Framework, which specifies eight categories of green-bond-compliant loans. The 2024 and 2025 green bonds (see sections 3.2. and 3.3. above) are subject to the extended and updated HYPO NOE Sustainability Bond Framework. When selecting the relevant category, HYPO NOE bases its decision on the EU taxonomy for sustainable activities, the EU Green Bond Standard and the ICMA Green Bond Principles, as well as best-practice programmes in place when the frameworks were drafted. The categories are:

1. Green buildings
2. Renewable energy
3. Energy efficiency
4. Clean transportation
5. Water and wastewater management
6. Climate change adaptation
7. Pollution prevention
8. Environmentally sustainable management of living natural resources and land use

The green bond issues to date have been focused exclusively on the green buildings category.

The buildings allocated funding from the **2023, 2024 and 2025 green bonds** (green buildings; see sections 3.1.-3.3.) met the following minimum criteria:

ICMA GBP categories	Definition	All of the buildings allocated funding...	Contribution to SDGs
Green buildings	Financing or refinancing of energy-efficient and environmentally friendly buildings	a. have a heating energy demand of at least category B or above (i.e. energy performance certificate [EPC] class A+, A and B), b. meet the minimum standards defined in the building regulations in Austria (Austrian Institute of Construction Engineering [OIB] Guideline 6 2011/2015/2019), and/or c. were built in accordance with the applicable construction standards in the 2011/2019 Lower Austrian housing subsidy guidelines, and d. are among the top 15%[3] of the most carbon-efficient buildings in Austria, as they were built in or after 2016 in accordance with strict building regulations on energy efficiency.	

The properties allocated funding from the **2024 (CHF) and 2025 green bonds** already fulfil the minimum requirements specified in the updated Sustainability Bond Framework:

ICMA GBP categories	Definition	Eligibility criteria	Contribution to SDGs

[3] klimaaktiv.at, EU-Taxonomiekonformität im Gebäudesektor, page 47ff

Green buildings	Financing or refinancing of energy-efficient and environmentally friendly buildings	a. New buildings constructed after 31 Dec. 2020: primary energy demand at least 10% lower than the maximum level defined in the requirements for nearly-zero energy buildings (NZEBs) (in accordance with Directive 2010/31/EU of the European Parliament and of the Council). Energy efficiency is certified by the EPC. b. Acquisition/ownership of buildings constructed between 1 Jan. 2016 and 31 Dec. 2020, and which are among the top 15% of the national building stock. The buildings must have an EPC of class B or above. c. Properties that have obtained at least one (or more) of the following classifications: - LEED: Platinum or Gold - BREEAM: Outstanding, excellent or very good - DGNB family, in accordance with DGNB - ÖGNI or SGNI: Platinum or Gold - klimaaktiv: Gold or Silver d. Building refurbishment meets the applicable requirements for significant renovations; alternatively, renovation results in a reduction in primary energy demand of at least 30%	

All of the buildings financed through the green bond asset pools are located in Austria and meet the green buildings criteria outlined above.

5 PROJECT EVALUATION AND SELECTION PROCESS

The sustainability officers assessed the green buildings in the green bond asset pools in terms of their green bond compliance based on the buildings' energy performance certificates, and in accordance with the eligibility criteria defined in the bond frameworks. The final decision on allocation is made by unanimous resolution of the Sustainability Bond Committee. The membership of the committee is published in the Sustainability Bond Framework on the HYPO NOE website (HYPO NOE Sustainability Bond Framework).

6 ALLOCATION AND IMPACT REPORT

6.1 ALLOCATION REPORT

The asset pools for all of the benchmark bonds issued by HYPO NOE (2023/2025) as well as the 2024 green bond are made up entirely of assets from the first category in the Green Bond Framework, i.e. green buildings. The financed buildings can be broken down according to the value of the asset pools to which they are allocated, the building category, the residual maturity, the buildings' energy efficiency, as well as the building code and the year of construction.

As at the reporting date (30 June 2025), HYPO NOE had issued two EUR 500m benchmark green bonds and one CHF 100m green bond. Each green bond was assigned its own green bond asset pool. The allocated assets were assigned to the relevant issue and indicated accordingly in the core banking system.

The total value of all green bonds in issue is EUR 1.1bn[4], while the value of the 631 allocated assets amounts to EUR 1.15bn, which ensures surplus coverage of the issues. As at 30 June 2025, the total surplus coverage was 4.2%.

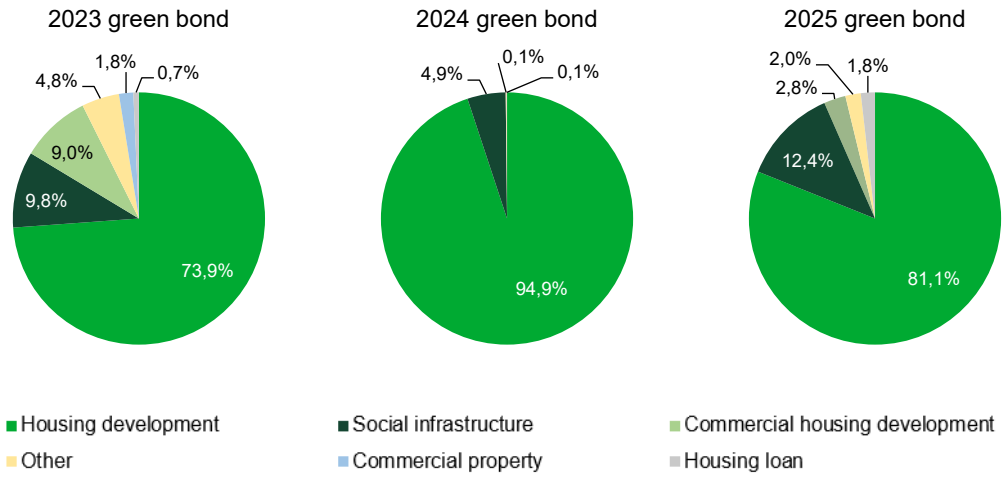
Issue	2023 green bond	2024 green bond	2025 green bond
ISIN	AT0000A32HA3	CH1271007952	AT0000A3JH04
Amount	EUR 500m	CHF 100m	EUR 500m
Allocated assets, EUR	**519,082,418**	**129,532,294**	**504,244,019**
Number of loans allocated	269	60	302

[4]The exchange rate of 1:1.07 as at 30 June 2025 was applied for the CHF-denominated issue (CHF 100m).

6.1.1 Green bond asset pools by building category

As the bank for the state of Lower Austria, financing affordable, subsidised housing is just as important a priority for HYPO NOE as lending for social infrastructure and health, education and culture facilities. Austria has strict requirements for housing and public-sector construction projects. The energy-efficiency regulations make a distinction between residential and service buildings, with the former subject to stricter standards. The Lower Austrian housing subsidy regulations also include even more rigorous environmental and social requirements.

Subsidised housing development accounts for the majority – between 73.9% and 94.9% – of the buildings in the green bond asset pools. Financing for social infrastructure buildings also makes up a significant proportion (between 4.9% and 12.4%) of the asset pools. The 2023 and 2025 asset pools also include a small proportion of energy-efficient commercial housing (9% and 2.8% respectively), as well as energy-efficient commercial real estate. The allocations for the most recent issue – in 2025 – were again primarily accounted for by subsidised housing development and social infrastructure.



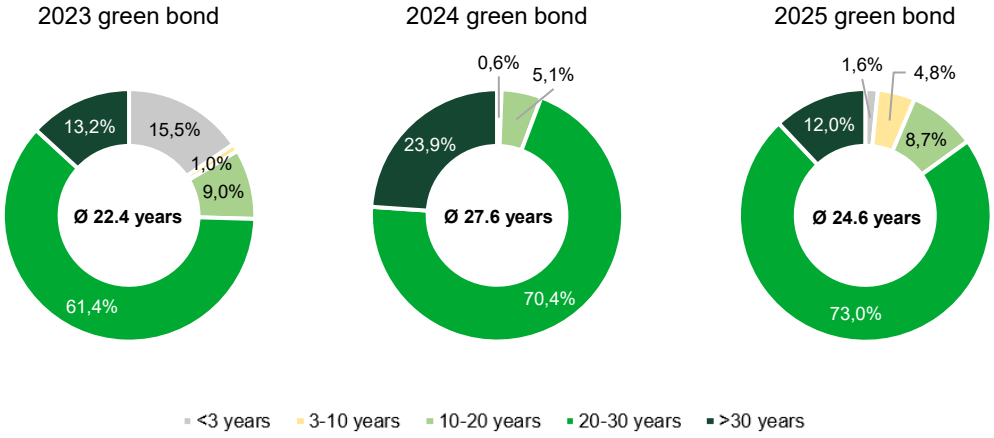
6.1.2 Green bond asset pools by UN SDG

The largest proportions of financing in the green bond asset pools contribute to the achievement of UN SDG 11 Sustainable Cities and Communities – this goal accounts for between 83.8% and 95.0% of funding – and SDG 4 Quality Education.

2023 green bond	2024 green bond	2025 green bond
85.7%	95.0%	83.8%
7.2%	4.9%	10.0%
4.9%	0.1%	4.2%
2.2%		2.0%

6.1.3 Green bond asset pools by residual maturity

At 30 June 2025, the three green bond asset pools had an average residual maturity of more than 22 years, which is significantly longer than the residual maturities of the green bond issues (2023 green bond: 16 months; 2024 green bond: 40 months; 2025 green bond: 65 months). In the event of regular or irregular maturities, the financing concerned is replaced in order to ensure sufficient coverage of the asset pools concerned at all times.



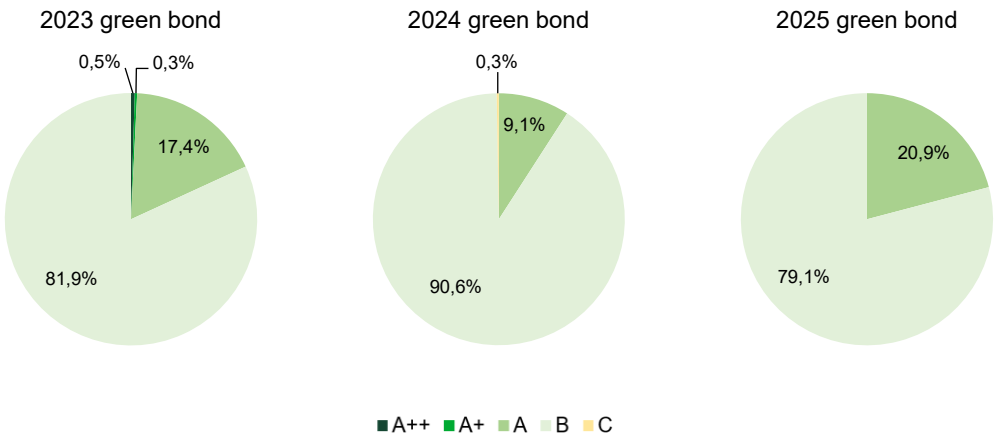
6.1.4 Green bond asset pools by energy efficiency

All of the buildings in the green bond asset pools have a valid EPC, from which detailed data were taken for the relevant calculations. The Sustainability Bond Framework stipulates that all energy performance certificates must be stored in the core banking system. The sustainability officers are responsible for carrying out energy efficiency assessments based on the EPCs.

Only buildings in energy-efficiency class B or above are included in the asset pools. As far as building renovation is concerned, the focus is primarily on the energy savings achieved (which must be at least 30% compared with the baseline consumption). The resulting energy-efficiency class only plays a subordinate role and can be below class B.

The majority of the assets to which financing is allocated (between 79% and 90.6%) are in class B. Between 9.1% and 20.9% of the buildings are in energy-efficiency class A. The 2024 green bond asset pool includes a transaction of EUR 0.3m, or 0.3% of the total asset pool value, for a property in energy-efficiency class C. This relates to a renovation project, which

resulted in an improvement in energy efficiency from class G (unrenovated) to class C (after renovation)[5].



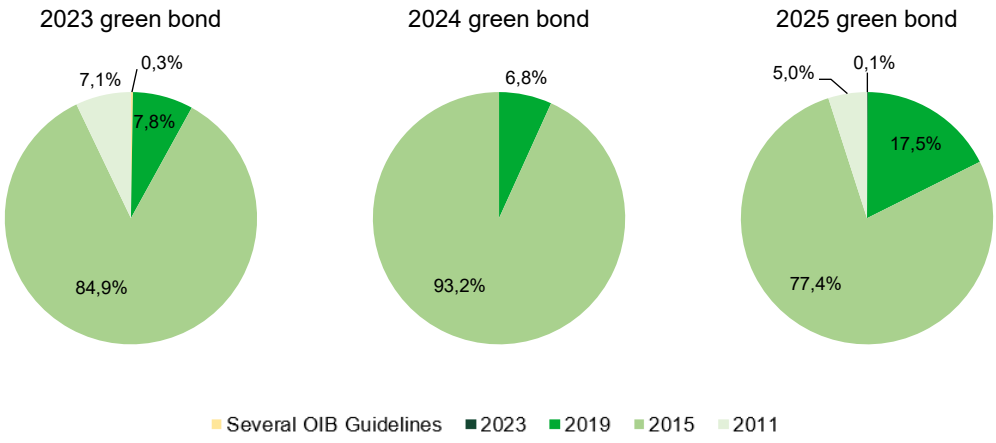
6.1.5 Green bond asset pools by applicable building regulations regarding energy efficiency

When defining the requirements, there was a particular emphasis on ensuring that the ages of buildings and the underlying regulatory requirements (OIB guidelines) were also taken into account. The green bond asset pools only include real estate built in accordance with OIB Guideline 6 2011, OIB Guideline 6 2015, OIB Guideline 6 2019 or OIB Guideline 6 2023. In terms of weighted volume, the majority of the buildings conform to the newer 2015, 2019 and 2023 versions of OIB Guideline 6[6].

7.8% of the allocated financing in the 2023 green bond asset pool and 6.8% of the financing in the 2024 green bond asset pool relates to buildings with EPCs issued in accordance with OIB Guideline 6 2019. Buildings covered by OIB Guideline 6 2019 also account for 17.5% of the financing in the 2025 green bond asset pool.

[5]The renovation project resulted in a 90.2% reduction in primary energy demand, meaning that the transaction meets the requirements of the Sustainability Bond Framework (renovation leading to a reduction in primary energy demand of at least 30%).

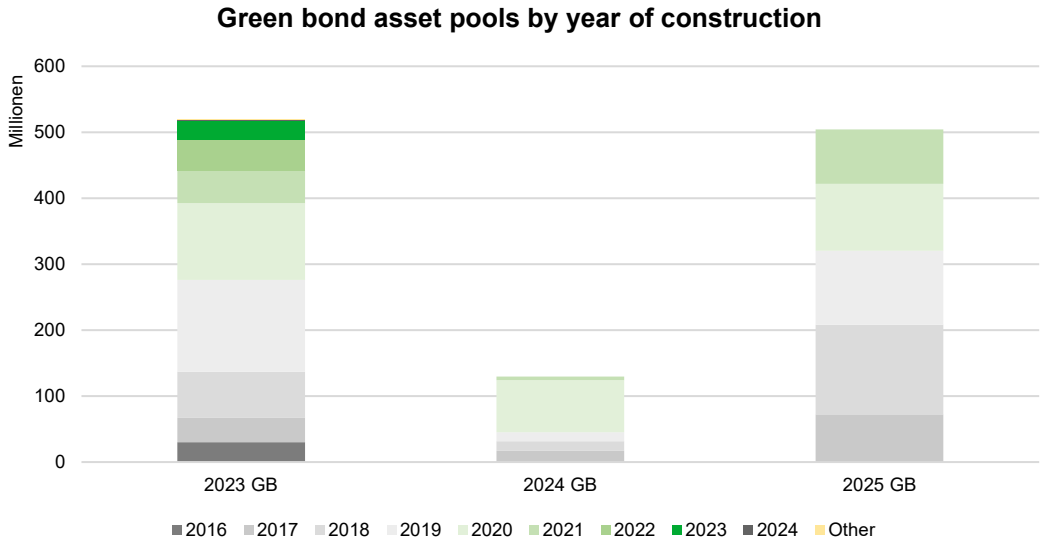
[6]The 2023 green bond asset pool includes a transaction of EUR 1.3m, or 0.3% of the total pool value, relating to multiple building sections covered by several different OIB guidelines. This is referred to as “Several OIB guidelines” in the key.



6.1.6 Green bond asset pools by year of construction

The green bond asset pools only contain buildings that were built or completed after 2016. The information sources used to determine the year of construction include the year stated on the EPC, the internal property valuation documents, the letter of undertaking regarding the subsidy extended by the State of Lower Austria, and the notice of completion. Particularly with large-scale construction projects, the construction phase often extends beyond the year of construction shown on the EPC.

In comparative terms, the 2023 green bond asset pool includes the highest proportion of buildings constructed after 2020. At 16%, the 2025 green bond asset pool also contains a large proportion of such buildings.



6.1.7 Green bond asset pools from the perspective of the EU Taxonomy Regulation

The three green bond asset pools were assessed using criteria that determine whether they make a substantial contribution to climate change mitigation in accordance with the EU taxonomy. Until now, only financing for economic activities 7.1. (construction of new buildings) and 7.7. (acquisition and ownership of buildings) has been allocated to the asset pools. As a result, the following criteria were applied for the assessment:

	2023 green bond	2024 green bond	2025 green bond	Total
Green bond asset pools, total value as at 30 Jun. 2025	**519,082,418.26**	**129,532,293.84**	**504,244,019.22**	**1,152,858,731.32**
Criterion for substantial contribution				
7.1 Buildings with non-renewable PED =<36.9 kWh/m²/a (10% below NZEB); built after 31 Dec. 2020	40,795,485.99	-	79,262,331.94	**120,057,817.93**
7.1 Buildings with non-renewable PED =<36.9 kWh/m²/a (10% below NZEB); regardless of construction date	*140,591,122.99*	*46,820,751.24*	*190,726,004.07*	***378,137,878.30***
7.7 Buildings with class A EPC or better (built before 31 Dec. 2020) – alternative criterion 1	69,085,591.04	6,627,738.33	96,628,555.06	**172,341,884.43**
7.7 Building is within the top 15% of Austrian building stock in terms of carbon efficiency (built before 31 Dec. 2020) – alternative criterion 2	392,436,501.52	123,986,254.03	421,749,363.86	**938,172,119.41**
Substantial contribution to climate change mitigation in accordance with EU taxonomy (1st criterion fulfilled)	433,231,987.51	123,986,254.03	501,011,695.80	**1,058,229,937.34**
Substantial contribution to climate change mitigation in accordance with EU taxonomy (1st criterion fulfilled), % of green bond asset pool	83.5%	95.7%	99.4%	**91.8%**
"Aligned/taxonomy-compliant" in accordance with EU taxonomy, % of green bond asset pool	**1.8%**	**0.0%**	**0.0%**	**0.8%**

91.8% of the allocated financing for all three green bond asset pools meets the requirements in the first step of assessing compliance with the technical screening criteria regarding a substantial contribution to climate change mitigation as set out in the EU Taxonomy Regulation[7]. 0.8% of the allocated assets are currently classified as "aligned".

[7]Minimum requirements for buildings according to the EU taxonomy – substantial contribution to climate change mitigation: klimaaktiv.at, EU-Taxonomiekonformität im Gebäudesektor, table 1, page 15

6.2 IMPACT REPORT

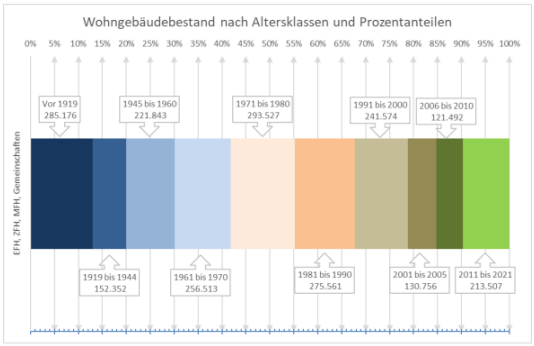
The following section describes the methodology and shows the impacts calculated for HYPO NOE's three green bond issues, including CO_2e emissions benchmarking as at 30 June 2025. The measurement method used in last year's impact report – 'Comparison of CO_2e emissions per m^2 with the national CO_2e benchmark by building category (PCAF)' – was applied without changes in this report. The PCAF method provides building-specific and up-to-date benchmarking options (several building asset categories).

6.2.1 Information – allocated assets are among the top 15% of the Austrian building stock

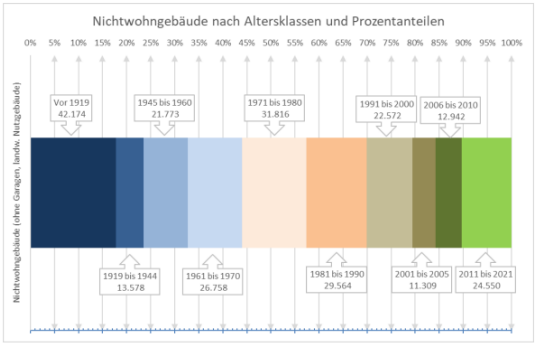
The Republic of Austria's plan for increasing the number of residential and non-residential buildings that meet the nearly-zero energy building (NZEB) standard by 2020 was first published in 2014 and reviewed in 2018. The construction guidelines in effect when the Green Bond Framework was drawn up (OIB Guideline 6 2015)[8] provided for stricter requirements to be implemented at two-year intervals, in order to hit the 2020 targets and achieve conformity with EPC class B. Meanwhile, OIB Guideline 6 2019[9] and OIB Guideline 6 2023[10] have introduced even stricter requirements regarding energy efficiency. Due to the tightening of these guidelines, the energy efficiency of new and renovated buildings has improved steadily over the past ten years.[11]

HYPO NOE's green bond asset pools only include buildings constructed or completed from 2016 onwards. Consequently, all of the allocated buildings are subject to strict building requirements regarding energy efficiency, which have gradually become more stringent over time. As only 10% of the total residential building stock and 10% of the non-residential building stock was built between 2011 and 2021 (see charts below), and these properties were subject to the stricter building regulations, the financed buildings in the asset pools are among the top 15%[12] of Austria's building stock in terms of energy efficiency.

[8] OIB Guidelines 2015
[9] OIB Guidelines 2019
[10] OIB Guidelines 2023
[11] Implementation-of-the-EPBD-in-Austria---2020.pdf (epbd-ca.eu)
[12] klimaaktiv.at, EU-Taxonomiekonformität im Gebäudesektor, page 47ff



Quelle: pulswerk GmbH auf Basis ÖSTAT Statcube Auswertung 2022



Quelle: pulswerk GmbH auf Basis ÖSTAT Statcube Auswertung 2022

6.2.2 Comparison of CO_2e emissions per m^2 with the CO_2e benchmark by building category (PCAF)

The asset pools also contain some buildings with EPCs issued in accordance with OIB Guideline 6 2011. As these certificates do not contain detailed figures for CO_2e emissions for the buildings concerned, in all cases the values are reconciled with the available data for heating energy demand per m^2, stated in tonnes of CO_2e, using the energy mix conversion factor.

Baseline scenario: comparison of CO_2e emissions per m^2 of the allocated building with the national CO_2e benchmark by building category (PCAF)

PCAF provides national figures for both residential and non-residential buildings. Updated national benchmarks for building sub-categories (including for large housing developments) are also available. This has the advantage of making the comparative measurement more informative, as the type of allocated building in the asset pools can be compared with the national PCAF benchmark for the corresponding building sub-category.

The comparative method is applied as follows:

- [a] Determination of the heating energy demand in kWh/m^2 (according to the EPC) and confirmation of the building type
- [b] Calculation of the difference in heating energy demand in kWh/m^2 of the financed building minus the relevant national PCAF asset class benchmark (type of building)
- [c] The difference in kWh (heating energy demand [kWh/m^2]) is multiplied by the energy mix conversion factor[13] (CO_2e per kWh)
- [d] The result of the calculation (difference in CO_2e emissions) is multiplied by the gross floor area of the building according to the EPC (tonnes of CO_2e)
- [e] The result of step [d] is multiplied by HYPO NOE's share of financing (in the event that the property was not fully financed by HYPO NOE or repayments have already been made), stated in EUR: current exposures from the loans in the green bond asset pool (EUR) are divided by the total construction costs (EUR)[14] => financed difference in CO_2e emissions (tonnes of CO_2e/year)
- [f] Calculation of CO_2e emissions intensity per EUR m of financing: financed difference in CO_2e emissions (tonnes of CO_2e/year) divided by current exposure multiplied by 1,000,000

6.2.3 Results: impact achieved – annual perspective

Measurement of the impacts showed that the buildings allocated to the green bond asset pools were clearly more energy-efficient and generated lower carbon dioxide emissions than the national building benchmark.

Measurement of the difference in CO_2e emissions using the PCAF benchmark shows that construction of the buildings in the green bond asset pools was more efficient and caused fewer CO_2 emissions than the national building benchmark, generating emissions reductions of 14,314t for the 2023 green bond, 2,860t for the 2024 green bond and 12,905t for the 2025 green bond. Of these amounts, 6,724t (2023 green bond), 1,492t (2024 green bond) and 6,044t (2025 green bond) were attributable to the proportion of total construction costs per year financed by HYPO NOE.

		2023 green bond	2024 green bond	2025 green bond
Measurement of difference in CO_2e emissions (PCAF)	Total difference	14,314t	2,860t	12,905t
	HYPO NOE share of financing per year	**6,724t**	**1,492t**	**6,044t**

In total, construction of the energy-efficient buildings financed by HYPO NOE and allocated to its three green bond asset pools generated 30,079t less CO_2e than the national PCAF building

[13]The differences in CO_2e emissions presented in section 6.2.3. are converted into kg and multiplied by the energy mix conversion factor (kg CO_2e/kWh); https://secure.umweltbundesamt.at/co2mon/co2mon.html

[14]If the total construction costs as per the letter of undertaking are not available for the calculation, in exceptional cases the construction company's breakdown of the construction costs or the total investment stated in the planning approval application is used.

benchmark. Of this amount, 14,260t were attributable to the proportion of financing provided by HYPO NOE as at 30 June 2025.

The average CO_2e emissions intensity for every EUR 1m of financing provided was 12.95t (2023 green bond), 11.52t (2024 green bond) and 11.99t (2025 green bond). HYPO NOE's green bond asset pools have financed the construction of a total of 1,328,225.68m^2 of more energy-efficient usable space.

Measurement of the difference in MWh consumed based on the PCAF benchmark shows that 68,488 MWh less electricity than the national PCAF building benchmark was used in the construction of the buildings financed from the 2023 green bond proceeds; construction of the buildings financed through the 2024 and 2025 green bonds consumed 13,683 MWh and 61,744 MWh less than the national PCAF building benchmark, respectively. The proportion of total construction costs covered by HYPO NOE financing accounted for 32,171 MWh (2023 green bond), 7,141 MWh (2024 green bond) and 28,918 MWh (2025 green bond) of these reductions.

		2023 green bond	2024 green bond	2025 green bond
Measurement of difference in MWh consumed (PCAF)	Total difference	68,488 MWh	13,683 MWh	61,744 MWh
	HYPO NOE share of financing per year	**32,171 MWh**	**7,141 MWh**	**28,918 MWh**

The impact achieved for each green bond asset pool can vary year-on-year depending on changes in the input factors such as the energy mix conversion factor per kWh, the PCAF benchmark for each building type, and any exceptional maturities in the green bond asset portfolios.

6.2.4 Results: lifetime impact achieved based on residual maturity

HYPO NOE can only apportion the achieved impact for the period in which financing forms part of the bank's lending portfolio. As a result, the achieved lifetime impact of a financed building is only calculated for the residual maturity of the financing for the building concerned. This is done by multiplying the recorded annual figures (see section 6.2.3. above) by the relevant residual maturities[15] for the allocated financing in the HYPO NOE portfolio.

[15]After the loan matures (i.e. after the end of the residual maturity), the impact no longer forms part of HYPO NOE's overall impact and is instead attributed in its entirety to the building owner. When calculating the lifetime impact, the average residual maturity is taken into consideration, and not the exact maturity profile for the individual transactions at the time of calculation. In addition, the conversion factor (Austrian electricity mix) and PCAF asset class benchmarks are assumed to be stable for the residual maturity of the transactions, owing to the lack of available data for the future.

		2023 green bond	2024 green bond	2025 green bond
Measurement of difference in CO_2e (PCAF), tonnes of CO_2e	HYPO NOE share of financing for residual maturity	130,884t	39,387t	147,585t
Measurement of difference in MWh consumed (PCAF)	HYPO NOE share of financing for residual maturity	626,239 MWh	188,455 MWh	706,150 MWh

7 EXTERNAL REVIEWS

7.1 SECOND PARTY OPINION – FRAMEWORK

ISS ESG prepared the second party opinion (SPO) for the HYPO NOE Sustainability Bond Framework and confirmed that the framework conforms to the ICMA Green Bond Principles (June 2021 edition with June 2022 Appendix 1), Social Bond Principles (June 2023 edition) and Sustainability Bond Guidelines (June 2021 edition). The SPO is available in the Investor Relations section of the HYPO NOE website.

7.2 AUSTRIAN ECOLABEL FOR SUSTAINABLE FINANCIAL PRODUCTS (UZ 49)

All of the green bonds issued to date are certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)[16].

The Ecolabel is awarded to products and services that represent the more environmentally compatible options within a range of comparable products. The competent body for the Ecolabel is the Federal Ministry for Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management. Working on behalf of the ministry, the Austrian Consumer Association (VKI) is responsible for the development and administration of the Ecolabel Guidelines, which constitute the basis for the award of the label.

A product's compliance with the guidelines must be confirmed by a qualified control body. During the Ecolabel recertification process, HYPO NOE confirmed that only those loans which do not contravene the UZ 49 exclusion criteria would be allocated to the green bond asset pools. HYPO NOE commissioned ESG Solutions GmbH to carry out the assessment, in order to ensure that all of the UZ 49 requirements were met.

[16] The Austrian Ecolabel: HYPO NOE

Certification by ESG Solutions GmbH confirms that HYPO NOE fulfils the specifications of the Austrian Ecolabel. The award of the Ecolabel was conditional on meeting the relevant exclusion criteria[17].

Proof of the relevance of financing for achievement of the UN SDGs must also be provided. Financing for the projects concerned must make a clear positive contribution to sustainable development and/or to the achievement of the EU's six environmental objectives.

7.3 REVIEW BY AN EXTERNAL EXPERT

The review report for the 2025 allocation and impact report was prepared by KPMG. The review report can be found on the HYPO NOE website at Independent Assurance Report on the Green Bond Allocation and Impact Reporting 2025

8 DISCLAIMER

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[17] Austrian Ecolabel Guideline UZ 49

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