

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

PSP Swiss Property AG

29 September 2022

VERIFICATION PARAMETERS

Type(s) of instrument(s) contemplated	<ul style="list-style-type: none">• Green Bonds
Relevant standard	<ul style="list-style-type: none">• Green Bond Principles as administered by the International Capital Market Association (updated June 2021)
Scope of verification	<ul style="list-style-type: none">• PSP Green Bond Framework (as of September 23, 2022)• PSP eligibility criteria (as of September 23, 2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change to the Framework

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SCOPE OF WORK

PSP Swiss Property AG (hereafter ‘the Issuer’ or ‘PSP’) commissioned ISS Corporate Solutions to assist with its Green Bonds by assessing three core elements to determine the sustainability quality of the instruments:

1. PSP’s Green Bond Framework (September 23, 2022 version) – benchmarked against the International Capital Market Association (ICMA) Green Bond Principles (GBP).
2. The eligibility criteria – whether the Use of Proceeds categories contribute positively to the UN SDGs and how they perform against ISS ESG’s issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Green Bonds link to PSP’s sustainability strategy – drawing on PSP’s overall sustainability profile and issuance-specific Use of Proceeds categories.

PSP BUSINESS OVERVIEW

PSP Swiss Property AG is a holding company that engages in the provision of real estate. It’s activities include the investment and management, development and sale of properties predominantly office and commercial assets. It operates through the following segments: Real Estate Investments, Property Management, and Holding. The Real Estate Investment segment refers to all properties including investment properties, investment properties earmarked for sale, own-used properties, sites, and development properties as well as development projects earmarked for sale for rental purposes.

The Property Management segment includes all services and activities with regard to the management of own real estate portfolio. The Holding segment refers to the traditional corporate functions such as finance, legal, corporate communications, human resources, and information technology. The company was founded on July 28, 1999 and is headquartered in Zug, Switzerland.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Alignment with GBP</p>	<p>In its Green Bond Framework, 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 ICMA Green Bond Principles.</p>	Aligned
<p>Part 2:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The Green Bonds will (re-)finance eligible asset categories which include Green buildings.</p> <p>The use of proceeds categories have a positive contribution to SDGs 7 'Affordable and clean energy', and 13 'Climate action'.</p> <p>The environmental and social risks associated with those use of proceeds categories are well managed.</p>	Positive
<p>Part 3:</p> <p>Green Bonds link to Issuer's sustainability strategy</p>	<p>The key sustainability objectives and the rationale for converting all of its outstanding bonds to Green Bonds and issuing new Green Bonds are clearly described by the Issuer.</p>	Consistent

¹ ISS ESG's evaluation is based on the PSP's Green Bond Framework (September 2022 version), on the analysed eligibility criteria as received on September 23, 2022, and on the ISS ESG Corporate Rating updated on September 1, 2022 and applicable on the SPO delivery date.

SPO ASSESSMENT

PART I: ALIGNMENT WITH ICMA GREEN BOND PRINCIPLES

This section describes ISS ESG's assessment of the alignment of PSP's Green Bond Framework (dated September 23, 2022) with the ICMA Green Bond Principles.

ICMA GREEN BOND PRINCIPLES	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by PSP's Green Bond Framework as aligned with the ICMA Green Bond Principles.</p> <p>The Issuer's green categories align with the project categories as proposed by the ICMA Green Bond Principles. Criteria are defined in a clear and transparent manner. Environmental benefits are described and quantified.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Asset Evaluation and Selection description provided by PSP's Green Bond Framework is aligned with the ICMA Green Bond Principles.</p> <p>The project selection process is defined. 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.</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 market practice.</p> <p>The Issuer involves various stakeholders in this process, in line with best market practice.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds proposed by PSP's Green Bond Framework is aligned with the ICMA Green Bond Principles.</p> <p>The proceeds collected will be at least equal to the amount allocated to eligible Green Assets, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>

		<p>The Issuer has defined an expected allocation period of 12 months, in line with best market practice.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting proposed by PSP’s Green Bond Framework is aligned with the ICMA Green Bond Principles.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. PSP explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, as long as Green Bonds are outstanding.</p> <p>The Issuer is transparent on the level of impact reporting, the information reported, the reporting frequency, the scope, and the duration, in line with best market practice.</p> <p>The Issuer discloses the location and link of the report, in line with best market practice.²</p>

² <https://www.psp.info/en/sustainability/sustainability-in-our-business-strategy/overview-and-organisation>

PART II: SUSTAINABILITY QUALITY OF THE USE OF PROCEEDS CATEGORIES

A. CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs³

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.

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 specific products and services is displayed on a 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant 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
Green Buildings (Investment in properties in use)⁴ <i>CO₂ Emissions below:</i> 12 kgCO ₂ e/m ² /yr at end-2022 11 kgCO ₂ e/m ² /yr at end-2025 9 kgCO ₂ e/m ² /yr at end-2030 6 kgCO ₂ e/m ² /yr at end-2035 And Classification Wüest ESG minimum 3.5	Limited Contribution	

³ The impact of the Use of Proceeds categories on the UN Sustainable Development Goals is assessed using a proprietary methodology and may therefore differ from the Issuer's description in the Framework.

⁴ The calculation methodology of CO₂ emissions is followed by an external independent third party and outlined in a document shared by the Issuer. **Criteria for Climate-Compatible Building Financing in Switzerland** (Kriterien für klimaverträgliche Gebäudefinanzierung in der Schweiz), 16 April 2021, https://www.tep-energy.ch/en/projects/detail/p1113_RE_Taxonomy.php. TEP (for Technology, Economics, and Policy) Energy, together with Raiffeisen Schweiz, has defined criteria for identifying environmentally sustainable buildings. Green Buildings considered under the underlying Framework belong to the top 15% of the national building stock.

Green Buildings (Renovation of existing buildings)⁵

Expected CO₂ Emission after completion below:

12 kgCO₂e/m²/yr at end-2022

11 kgCO₂e/m²/yr at end-2025

9 kgCO₂e/m²/yr at end-2030

6 kgCO₂e/m²/yr at end-2035

and Classification

Wüest ESG minimum 3.5

Limited
Contribution



Green Buildings (Renovation of existing buildings)

Expected CO₂ Emission after completion 30% reduction in CO₂/m²/yr after completion

and Classification

Wüest ESG minimum 3.5

Significant
Contribution



Limited
Contribution



Green Buildings (Construction of new buildings)⁵

Expected CO₂ Emission after completion below:

5 kgCO₂e/m²/yr

and No fossil heating systems

Limited
Contribution



⁵ The calculation methodology of CO₂ emissions is followed by an external independent third party and outlined in a document shared by the Issuer. **Criteria for Climate-Compatible Building Financing in Switzerland** (Kriterien für klimaverträgliche Gebäudefinanzierung in der Schweiz), 16 April 2021, https://www.tep-energy.ch/en/projects/detail/p1113_RE_Taxonomy.php.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE GREEN BOND FRAMEWORK

Green commercial real estate

The table below presents the findings of an ISS ESG assessment of the Green Assets eligibility criteria against ISS ESG KPIs. All of the assets are/or will be located in Switzerland.

ASSESSMENT AGAINST ISS ESG KPI

Site selection

- ✓ PSP confirms that all of its properties in the Green Asset Portfolio are or will be located within 1 km from one or more modalities of public transport. It is further noted that all (re)financed assets are located in Switzerland exclusively with adequate local public transport modalities.

Labour, health and safety

- ✓ All PSP projects are located in Switzerland where high labour and health and safety standards are in place (e.g. ILO core conventions).

Environmental aspects of construction

- PSP does not have 'hard' systematic criteria in place that ensure that all assets (re)financed under this framework provide for the sustainable procurement of construction materials.

Nevertheless, it is noted that with respect to sustainable construction materials the Issuer does require a set of considerations that asset managers are to take into account when making investment decisions.

Moreover, particularly for bigger renovations, the Issuer asks to carry out a "Pre-Verification" assessment, based on Swiss sustainable building standards. The concrete requirements with respect to specific materials (e.g. "use low-CO2 cement") are project specific and are set in the different contracts with their planners/contractors.

Water use minimization in buildings

- ✓ PSP has measures to reduce water consumption through the use of high-efficiency fixtures and fittings, and building-level water metering. Water use data is tracked on an asset level.

Safety of building users

- ✓ To ensure operational safety, quality management is implemented on all properties and sites. Health and safety checks are carried out in particular at the development projects. Standard requirements by the federal government, SUVA (Swiss National Accident Insurance Fund), SIA (Swiss Society of Engineers and Architects), and PSP's internal regulations are strictly followed. On fire safety, the Issuer follows regulations in place for new buildings and renovations, for which compliance is regularly assessed.

Conservation and biodiversity management



All (re-)financed buildings are located in Switzerland, where national legislation requires an environmental impact assessment (Federal Environmental Impact Assessment Ordinance).

PART III: GREEN BONDS LINK TO PSP'S SUSTAINABILITY STRATEGY

A. PSP'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Real Estate industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY

Green building considerations

Climate protection, energy efficiency and renewables

Environmental and social aspects in site selection

Health and well-being of occupants

Occupational health and safety

ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating research, further information about the Issuer's ESG performance can be found on ISS ESG Gateway at: <https://www.issgovernance.com/esg/iss-esg-gateway/>.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG’s Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the Issuer’s current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the Issuer’s production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ⁶	DIRECTION OF IMPACT	UN SDGS
Buildings certified to a comprehensive sustainable building standard, buildings certified to a relevant sustainable building standard	8.2%	CONTRIBUTION	

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the Issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Real Estate industry are as follows: 1) Climate protection, energy efficiency and renewables, 2) Worker safety and accident prevention and 3) Green building considerations.

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

⁶ Percentages presented in this table are not cumulative. Reference year FY 2020.

B. CONSISTENCY OF GREEN BONDS WITH PSP'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Since the launch of its sustainability programme in 2010, the Issuer states that its efforts have resulted in a 50% reduction in specific CO₂ emissions and an average 20% reduction in specific energy consumption. Today, the share of energy purchased for heating purposes from renewable sources is around 50%, and 99% of the landlord controlled purchased electricity comes from renewable sources. By 2025, the Issuer plans to purchase all electricity from renewable sources.

The focus areas for the reporting year and the 2022 financial year are as follows:

- 1) Portfolio
 - a) CO₂ reduction/ resource conservation
 - b) Flexibility of use
 - c) Local development
- 2) Tenants
 - a) Operational efficiency
 - b) Service orientation
 - c) Wellbeing of tenants
- 3) Employees
 - a) Corporate culture
 - b) Employee development and retention
 - c) Employee health and wellbeing

Rationale for issuance

With its portfolio of sustainable properties, PSP Swiss Property intends to switch under this Framework all of its existing and future bonds to the Green Bonds. This will be accomplished by allocating an amount at least equivalent to all the outstanding and future Green Bonds to a portfolio of eligible green Assets.

Contribution of Use of Proceeds categories to sustainability objectives and key ESG industry challenges

ISS ESG mapped the Use of Proceeds categories (re)financed under the Green Bonds with the sustainability objectives defined by the Issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Real Estate industry. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings industry. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds category

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green buildings	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the use of proceeds categories (re)financed through Green Bonds are consistent with the Issuer’s sustainability strategy and material ESG topics for the Issuer’s industry. The rationale for issuing Green Bonds is clearly described by the Issuer.*

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we provide Second Party Opinion (SPO) on bonds based on data provided by the Issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them, and the use thereof shall be excluded. In particular, we point out that the verification of the asset pool is based on random samples and documents submitted by the Issuer.
4. All statements of opinion and value judgments given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and creditworthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, certain images, text, and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are the property of ISS and are protected under copyright and trademark law. Any use of such ISS property shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

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ANNEX 1: Methodology

ISS ESG Green Bond KPIs

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of PSP’s Green Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the Green Asset Portfolio match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by PSP (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the Issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which PSP’s Green Bond contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond Issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

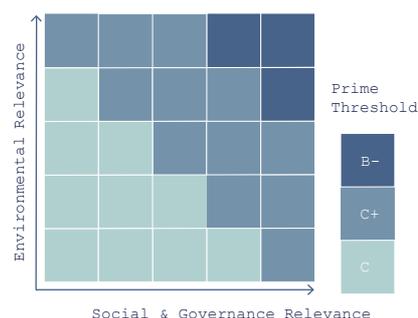
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

PSP commissioned ISS ESG to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the ICMA 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

- ICMA Green Bond Principles
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria/ Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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.

ISS ESG has conducted this independent Second Party Opinion of the Green Bond to be issued by PSP based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with PSP took place from August to September 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour 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 ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green Bond SPO, please contact: SPOoperations@iss-esg.com

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