

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability Bond Framework

Stiftung PWG

15 March 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Sustainability Bond

Relevant standards

- Green Bond Principles (GBP), as administrated by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Social Bond Principles (SBP), as administrated by ICMA (as of June 2023 with June 2023 Appendix 1)
- Sustainability Bond Guidelines (SBG), as administered by the ICMA (as of June 2021)

Scope of verification

- Stiftung PWG's Sustainability Bond Framework (as of March 15, 2024)
- Stiftung PWG's Eligibility Criteria (as of March 15, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

CONTENTS

SCOPE OF WORK.....	3
STIFTUNG PWG OVERVIEW.....	4
ASSESSMENT SUMMARY.....	5
SPO ASSESSMENT.....	7
PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES, AND SUSTAINABILITY BOND GUIDELINES.....	7
PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA.....	9
A. CONTRIBUTION OF THE SUSTAINABILITY BOND TO THE UN SDGs.....	9
B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA.....	13
PART III: CONSISTENCY OF SUSTAINABILITY BOND WITH STIFTUNG PWG'S SUSTAINABILITY STRATEGY.....	17
ANNEX 2: QUALITY MANAGEMENT PROCESSES.....	21
About this SPO.....	22

SCOPE OF WORK

Stiftung PWG (“the Issuer”) commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Sustainability Bond by assessing three core elements to determine the sustainability quality of the instruments:

1. Stiftung PWG’s Sustainability Bond Framework (as of March 15, 2024) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Consistency of the Sustainability Bond with Stiftung PWG’s Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

STIFTUNG PWG OVERVIEW

Stiftung PWG is a non-profit, public foundation for the preservation of affordable residential and commercial spaces in the city of Zurich. It was founded in 1990 on the basis of a popular initiative.

ESG risks associated with the Issuer Industry

Stiftung PWG is classified in the Real Estate industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies¹ in this industry are: Climate protection, Energy efficiency and renewables, Environmental and social aspects in site selection, Green building considerations, Health and well-being of occupants, Occupational health and safety.

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.

¹ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part I:</p> <p>Alignment with GBP, SBP and SBG</p>	<p>The Issuer has defined a formal concept for its Sustainability Bond 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, Social Bond Principles, and Sustainability Bond Guidelines.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Eligibility criteria</p>	<p>The Sustainability Bond will (re)finance eligible asset categories which include:</p> <p>Green categories: Residential Buildings – New;</p> <p>Social categories: Affordable Residential and Commercial Space.</p> <p>Product and/or service-related use of proceeds categories³ individually contribute to one or more of the following SDGs:</p> <div data-bbox="517 1211 1098 1442" data-label="Image"> </div> <p>Process-related use of proceeds categories⁴ individually improve (i) the Issuer’s/Borrower’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s/Borrower’s sector on one or more of the following SDGs:</p> <div data-bbox="692 1727 924 1839" data-label="Image"> </div>	<p>Positive</p>

² The evaluation is based on the Stiftung PWG’s Sustainability Bond Framework (March 15, 2024 version), on the analysed Eligibility Criteria as received on March 15, 2024.

³ Residential Buildings – New, Affordable Residential and Commercial Space.

⁴ Residential Buildings – Refurbishments, Energy Efficiency.

	The environmental and social risks associated with those use of proceeds categories are managed.	
<p>Part III:</p> <p>Consistency of Sustainability Bond with Stiftung PWG's Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing Sustainability Bonds are clearly described by the Issuer. All of the project categories considered are in line with the sustainability objectives of the Issuer.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p>Consistent with Issuer's sustainability strategy</p>

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES, AND SUSTAINABILITY BOND GUIDELINES

This section evaluates the alignment of the Stiftung PWG’s Sustainability Bond Framework (as of March 15, 2024) with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG).

ICMA GBP, SBP, AND SBG	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by Stiftung PWG’s Sustainable Finance Framework is aligned with the GBP, SBP, and SBG.</p> <p>The Issuer’s green and social categories align with the project categories as proposed by the ICMA GBP, SBP, and SBG. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and commitment to report by project category has been provided, and environmental and social benefits are described. The Issuer defines exclusion criteria for harmful project categories.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Stiftung PWG’s Sustainable Finance Framework is aligned with the GBP, SBP, and SBG.</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 through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer and clearly show the intended benefit to the relevant population.</p> <p>The Issuer involves various stakeholders in this process, in line with best market practice.</p>

<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by Stiftung PWG’s Sustainable Finance Framework is aligned with the GBP, SBP, and SBG.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner and managed on an aggregated basis for multiple Green Bonds (portfolio approach). Stiftung PWG confirms to have a monitoring system in place to avoid double counting risk and commits not to finance the same eligible expenditure under this framework with multiple sustainability bonds. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has defined an expected allocation period of 36 months.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Stiftung PWG’s Sustainable Finance Framework is aligned with the GBP, SBP, and SBG.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer’s website. Stiftung PWG explains that the level of expected reporting will be at the portfolio level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The Issuer is transparent on the information reported in the impact report, in line with best market practice. Moreover, the Issuer discloses the location and link of the report and commits to get the allocation report audited by an external party.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE SUSTAINABILITY BOND TO THE UN SDGs⁵

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

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

1. Products and services

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

The assessment of UoP categories for (re)financing specific products and services⁵ is displayed on a 3-point scale:

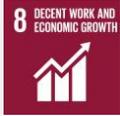


Each of the Sustainability Bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Residential Buildings – New</p> <p><i>Buildings that fulfil one of the following standards.⁶</i></p>	<p>Contribution</p>	 

⁵ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

⁶ The new buildings fulfil the criteria of recognized Swiss building standards (Minergie P/A/ECO, SNBS Gold, GEAK A/B or SIA 2040). Compliance with the standards is verified upon completion of construction by independent third-party providers.

<ul style="list-style-type: none"> ▪ <i>Minergie energy consumption values (P/A/ECO)</i> ▪ <i>SNBS (Gold) / 2000 Watt</i> ▪ <i>GEAK (A/B) / SIA 2040</i> 		
<p>Affordable Residential and Commercial Space</p> <ul style="list-style-type: none"> ▪ <i>Creation and maintenance of affordable residential space for lower and middle-income earners and low-income small businesses (neighbourhood supply)</i> ▪ <i>This may include purely residential properties as well as mixed-use properties</i> 	<p>Contribution</p>	
<p>Affordable Residential and Commercial Space</p> <ul style="list-style-type: none"> ▪ <i>Creation and maintenance of affordable commercial space for low-income small businesses⁷ (neighbourhood supply)</i> ▪ <i>This may include purely commercial properties</i> 	<p>Contribution</p>	

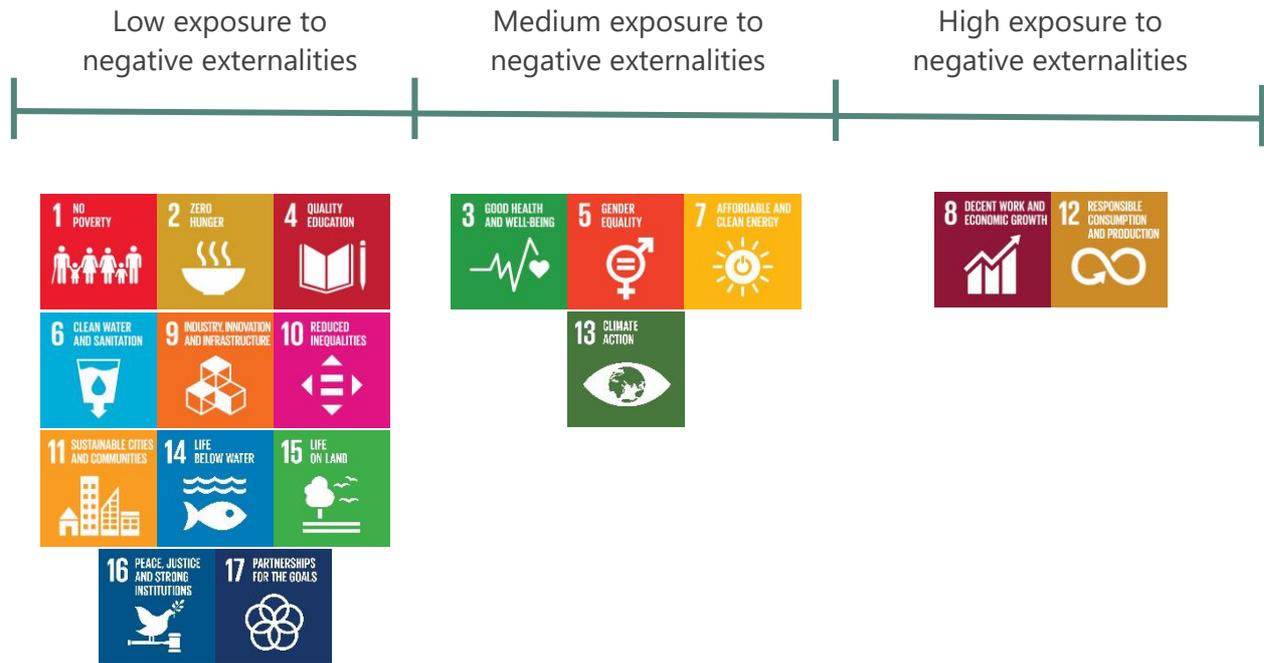
2. Improvements of operational performance (processes)

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

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities⁸ in the Real Estate (to which Stiftung PWG belongs) are the following:

⁷ Small business enterprises are considered if they employ less than 50 full-time equivalents (FTEs), in line with the criterion of the State Secretariat for Economic Affairs (SECO).

⁸ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3 of the SPO.



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

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT	SUSTAINABLE DEVELOPMENT GOALS
<p>Residential Buildings – Refurbishments</p> <p><i>Building renovations that reduce energy consumption by at least 30%¹⁰</i></p>	<p>✓</p>	 
<p>Energy Efficiency</p> <p><i>Energy efficiency measures, including improved appliance selection, maintenance and settings:</i></p> <ul style="list-style-type: none"> ○ 100% green electricity (from water, wind and solar) ○ 100% biogas (from mid-2024) ○ Heating systems: geothermal probe heat pump, external thermal 	<p>✓</p>	 

⁹ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

¹⁰ The client confirms that an independent party assesses the energy saving for each renovation project.

insulation, photovoltaic system and district heating

- *LED light fittings for indoor and outdoor lighting*
- *Storage of renewable energy*
- *Purchase of appliances with the best current energy efficiency class (e.g., household devices, such as refrigerators, dishwashers, washing machines, tumble dryers, indoor and outdoor lightning) ^{11 12}*

Energy Efficiency

Energy efficiency measures, including improved appliance selection, maintenance and settings:

- *Remote control and monitoring of heating systems and consumption (e.g., smart meter)¹³*



¹¹ The review is limited to the examples of projects spelled out.

¹² Stiftung PWG procurement is in conformity with the products listed on "Topten.ch", www.topten.ch

¹³ The review is limited to the examples of projects spelled out.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

Green commercial real estate

The table below evaluates the Selection criteria against issuance-specific KPIs. All of the assets are/will be located in Switzerland.

ASSESSMENT AGAINST KPIs

Labor, Health, and Safety

All categories



The assets are located in Switzerland, where high labor, health, and safety standards are in place (i.e., International Labor Organization (ILO) core conventions).

Energy Efficiency



The Issuer does not have internal policies implemented to perform systematic due diligence on their suppliers for energy-efficient appliances ensuring a high level of labor, health, and safety standards in the supply chain. Due to the limited capacity of Stiftung, the company depends on an external provider to procure themselves with energy efficient appliances which impacts their ability to control for labor, health and safety standards in their supply chain. However, for external thermal insulation and storage of renewable energy, Stiftung PWG has an internal policy on building requirements, which sets out requirements for their contractors to submit evidence of compliance with labor laws and social standards such as the prohibition of child labor or forced labor.

Conservation and biodiversity management

Green Buildings and Affordable Housing



Stiftung PWG does not have measures in place systematically ensuring that assets financed under this framework underwent environmental impact assessments at the planning stage.

Environmental aspects of construction (or production) and operation

Energy Efficiency



Stiftung PWG does not have measures in place systematically ensuring that assets financed under this framework meet high environmental standards and requirements in the supply chain. However, Stiftung PWG uses the

platform Topten for the procurement of energy-efficient household devices, LED lighting, green electricity, biogas and heating systems.¹⁴ Topten was founded by World Wildlife Fund (WWF), SAFE (Swiss agency for energy efficiency) and EWZ (energy supplier of City of Zurich) and is also supported by the Swiss government, Greenpeace, Pro Natura. The platform has a procurement policy to ensure that the end products meet high energy efficiency standards, nonetheless, no information is available to confirm that its suppliers adhere to strict environmental management system during the production of those products. For thermal insulation, the issuer avoids utilizing insulating materials with unfavourable ecological impact such as flame retardants.



The treatment of end-of-life electronic equipment waste in Switzerland is identical to the process specified in Directive 2011/65/EU (RoHS2) covering the avoidance, recovery, and disposal of waste aspects of hazardous substances in electrical and electronic equipment.¹⁵ Furthermore, in Switzerland, recyclable waste must be separated from all non-recycled combustible waste as they are intended for incineration under the Ordinance on the Prevention and Disposal of Waste (VVEA).¹⁶

Green Building and Affordable Housing



Stiftung PWG has measures in place systematically ensuring that assets financed under this framework provide for sustainable procurement of construction materials. Sustainable procurement practices are ensured as wood supply must comply with the chain of the Forest Stewardship Council (FSC) which ensures sustainable forestry management practices of wood suppliers.¹⁷ When technically possible, Stiftung PWG uses recycled concrete that is available within a 25km radius from the construction site.

Environmental Impact

Affordable Housing



Stiftung PWG abides by the Swiss Society of Engineers and Architects Directive (SIA) 2040 and System for assessing the sustainability of architectural projects in the area of the environment (SNARC) SIA Directive 0200 which ensure energy efficiency in the construction, operation, and

¹⁴ Toptep procurement policy, available at: <https://www.topten.ch/business/page/pro>

¹⁵ Ordinance of 18 May 2005 on the Reduction of Risks relating to the Use of Certain Particularly Dangerous Substances, Preparations and Articles (Chemical Risk Reduction Ordinance, ORRChem) [SR 814.81 - Ordinance of 18 May 2005 | Fedlex \(admin.ch\)](https://www.fedlex.admin.ch/eli/cc/2005/814)

¹⁶ Ordinance on the Avoidance and the Disposal of Waste (Waste Ordinance, ADWO), <https://fedlex.data.admin.ch/filestore/fedlex.data.admin.ch/eli/cc/2015/891/20230101/en/pdf-a/fedlex-data-admin-ch-eli-cc-2015-891-20230101-en-pdf-a.pdf>

¹⁷ Forest Stewardship Council principles: <https://www.fsc-deutschland.de/was-ist-fsc/fsc-prinzipien/>

mobility of properties as well as the life cycle of a property, from creation, use, to any replacement investment.¹⁸

On site safety

Energy Efficiency



Stiftung PWG has measures in place systematically ensuring that assets financed under this framework fulfil operational safety standards (e.g., control centre, monitoring, inspections, emergency plants). This is provided among others, by the issuer's Internal Control System and Information and communication technology. As of June 2024, the Issuer will be equipped with an Internal Control System complying with ISO-9001 quality management, ISO-14001 environmental management, ISO-27001 Information Security, ISO-27017 Information, and Security Cloud ISO-27018 Data Protection Cloud.

Inclusion

Affordable Housing



Stiftung PWG has an internal policy as part of its Requirements for Buildings (LAB), ensuring that assets financed under this framework are to promote inclusion and non-discriminatory access referencing fair prices. These measures are in line with statutory definitions expressed in the national legislation. The company rents apartments without discrimination based on gender, age, religion or nationality.

User Safety

Green Buildings, Affordable Housing



In Switzerland, building safety is governed by the national building code whereby building permits are granted by the "Amt für Baubewilligung (Abteilung Baukontrolle)" implementing safety measures at the municipal level. The Swiss national building law along with the cantons rules the process for building permits and sets thresholds to provide protection such as against noise, vibrations, moisture, and fire for living quarters.¹⁹ In addition, the operational safety of buildings is governed by a series of regulations related to building construction that cover fire safety, protection against noise, and hygiene. The Noise Abatement Ordinance and the

¹⁸ Swiss Society of Engineers and Architects directive (SIA) 2040 and its SNARC Directive, https://www.sia.ch/fileadmin/content/download/sia-norm/kommissionen/SIA_Faltblatt_Effizienzpfad_A4.pdf

¹⁹ Swiss National Building Code, <https://www.iccsafe.org/products-and-services/global-services/countries/switzerland/>

Environmental Protection Act provide the legal basis for noise abatement measures, aiming to reduce noise at the source through technology and state-of-the-art solutions.²⁰ Furthermore, the fire protection standards, declared mandatory by the Association of Cantonal Fire Insurance Companies (AEAI), establish the framework for fire protection in terms of general duties, construction, fire protection equipment, organizational aspects, and associated fire protection measures.²¹

Site Location

Green Buildings and Affordable housing



The assets financed under this framework will be located only in Zurich, ensuring that the buildings will be located within a maximum of 1 km from one or more modalities of public transport. Indeed, the Passenger Transport Act (PVG) ensures that a means of public transportation can be reached within 300 meters in the city of Zurich.

Water use minimization in buildings

Green Building



The Issuer has measures in place systematically ensuring that the assets financed under this framework provide for water consumption savings or water improvements reduction. Such measures encompass the limitation of the water flow rate and the usage of high-efficiency appliances for shower heads. In addition, water-efficient appliance installations are subsidized in Switzerland (sanitary examples: WC flush with economy switch, shower head, shower instead of bath).

²⁰ Environmental Protection Act: https://www.fedlex.admin.ch/eli/cc/1984/1122_1122_1122/de

²¹ The Fire Protection Standard: https://www.sbf.admin.ch/dam/sbf/en/dokumente/2019/11/brandschutz.pdf.download.pdf/protection_incendie_e.pdf

PART III: CONSISTENCY OF SUSTAINABILITY BOND WITH STIFTUNG PWG'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Topic	ISSUER APPROACH
Strategic ESG Topics	The Issuer's core strategy is to preserve affordable residential and commercial spaces in the city of Zurich. In addition, Stiftung PWG has the ambition to promote green buildings and to contribute to sustainable urban development. ²²
ESG goals/targets	<p>To achieve its strategic ESG topics, the Issuer aims to achieve a net-zero balance in terms of direct greenhouse gas emissions by 2040, by investing in environmentally friendly materials, green electricity and promote circular economy wherever is possible. In addition, by mid-2024, the Issuer will increase the proportion of biogas from the current 30% to 100%, which will save an additional 1,500 tons of CO₂ per year. This goal is monitored on a yearly basis. However, this goal is not made public.</p> <p>Regarding social issues, Stiftung PWG core strategy is to develop and manage affordable housing projects and contribute to the city of Zurich's goal: one third of all housing in the city should be "affordable".²³</p>
Action plan	Stiftung PWG has created a Net Zero Strategy by 2040 approved by the city council in February 2024.
Climate Transition Strategy	The measures to achieve net zero direct greenhouse gas emissions by 2040 revolves around replacing existing fossil-fueled heating systems with CO ₂ -neutral alternatives. In 2021, the Board of Trustees approved the proposal to actively connect all fossil-fueled heat generation systems built in 2010 or earlier to existing district heating sources or alternative renewable energy sources to achieve the 2000-watt targets by 2030 and replace all fossil fueled heat generation systems by 2050. Thanks to that, 1,500 tons of CO ₂ can be saved annually with immediate effect.

²² The PWG Foundation, available at: <https://www.pwg.ch/ueber-uns#/organisation>

²³ Strategies Zurich 2035, available at: https://www.stadt-zuerich.ch/portal/en/index/politik_u_recht/strategies-zurich-2035.html

<p>ESG Risk and Sustainability Strategy Management</p>	<p>Each purchase opportunity is scrutinized by the Acquisition Committee with regard to social, ecological, economic aspects and risks. Controlling is ensured by the Committee of the Board of Trustees through the application process for all phases (strategy, planning, project planning, construction loan) and the construction loan statement.</p>
<p>Top three areas of breaches of international norms and ESG controversies in the industry²⁴</p>	<p>Accounting/ disclosure standards, Unspecified pollution, and Strike action.</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p>Sustainability Reporting</p>	<p>The Issuer reports on its ESG performance on an annual basis. The report is prepared according to the Global Reporting Initiative standards (GRI).</p>
<p>Industry associations, Collective commitments</p>	<p>Stiftung PWG is a member of the social housing association.²⁵</p>
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>Stiftung PWG does not have previous sustainable issuances or transactions and publication of sustainable financing framework.</p>

Rationale for issuance

The eligible categories of Stiftung PWG for use of proceeds from its Sustainability Bonds are presented in Section 2 of the Sustainability Bond Framework. The categories have been chosen based on Stiftung PWG’s ambition to promote green buildings and affordable housing in the city of Zurich. The use of proceeds will be used to finance the growth and modernization of affordable flats and commercial premises, as well as energy-efficient refurbishment of older properties.

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

²⁴ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Real Estate industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

²⁵ Housing cooperatives in Switzerland, available at: https://www.wbg-schweiz.ch/information/wohnbau-genossenschaften_schweiz/mitglieder/genossenschaften

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1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
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the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management's ownership of ISS are withdrawn.

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Stiftung PWG commissioned ISS-Corporate to compile a Sustainability Bond SPO. The Second Party Opinion process includes verifying whether the Sustainability Bond Framework aligns with the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines and to assess the sustainability credentials of its Sustainability Bond, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Green Bond Principles (GBP), as administrated by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Social Bond Principles (SBP), as administrated by ICMA (as of June 2023 with June 2023 Appendix 1)
- Sustainability Bond Guidelines (SBG), as administered by the ICMA (as of June 2021)

ISSUER'S RESPONSIBILITY

Stiftung PWG's responsibility was to provide information and documentation on:

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

ISS-CORPORATE'S VERIFICATION PROCESS

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

This independent Second Party Opinion of the Sustainability Bond to be issued by Stiftung PWG has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

The engagement with Stiftung PWG took place in February and March 2024.

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.

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.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

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

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