SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Social Bond Framework

Bayerische Landesbodenkreditanstalt

25 August 2026

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Social Bond
Relevant standards	▪ Social Bond Principles (SBP), as administered by the International Capital Market Association (ICMA) (as of June 2025)
Scope of verification	▪ BayernLabo Social Bond Framework (as of Aug. 21, 2026) ▪ BayernLabo eligibility criteria (as of Aug. 21, 2026)
Lifecycle	▪ Pre-issuance verification
Validity	▪ Valid as long as the cited Framework remains unchanged

www.iss-corporate.com

CONTENTS

SCOPE OF WORK

The Bayerische Landesbodenkreditanstalt ("the Issuer," "the Company" or "BayernLabo") commissioned ISS-Corporate to assist with its Social Bond by assessing three core elements to determine the sustainability quality of the instrument:

1. BayernLabo's Social Bond Framework (as of Aug. 21, 2026), benchmarked against the International Capital Market Association's (ICMA) Social Bond Principles (SBP).
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate's proprietary issuance-specific management of key ESG risks (see Annex).
3. Overview of BayernLabo's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

BAYERNLABO OVERVIEW

Overview

BayernLabo is an organizationally and economically independent, but legally dependent, public-law institution of the Bavarian State Bank Munich (BayernLB). It is mandated with implementing the Bavarian state housing policy and consolidates banking-specific tasks related to housing and urban development, including housing promotion, support for housing and community development, support for the housing industry, promotion of infrastructure measures to support housing policy objectives, and promotion of urban and municipal development. The BayernLabo was founded in 1884 and is headquartered in Munich, Germany.

ESG risks associated with the Issuer's industry

BayernLabo is classified in the Mortgage & Public Sector Finance industry, as per ISS Sustainability's sector classification. Key sustainability issues faced by companies[1] in this industry are statutory ESG-standards linked to the geographical allocation of the lending portfolio, employee relations and work environment, sustainability impacts of lending and other financial services/products, and employee relations and work environment.

This report focuses on the sustainability credentials of the issuance. Part III of this report provides an overview of the Issuer's overall sustainability strategy.

Rationale for issuance

BayernLabo acts as the extended arm of the Free State of Bavaria in the implementation of the housing and urban development funding. By issuing social bonds, BayernLabo is supporting the sustainable financing strategy of the Free State Bavaria and will in particular use the proceeds to (re)finance loans under the Bavarian Municipal Housing Support Program, the Bavarian Interest Subsidy Program, and the Bavarian Modernization Program to promote affordable housing, as well as loans to municipal associations to support access to basic social services and affordable basic infrastructure.

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

ASSESSMENT SUMMARY

<table>
<tr><th>SPO SECTION</th><th>SUMMARY</th><th>EVALUATION[2]</th></tr>
<tr><td>Part I:

Alignment with SBP</td><td>The Issuer has defined a formal concept for its Social Bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the SBP.</td><td>Aligned</td></tr>
<tr><td>Part II:

Sustainability quality of the eligibility criteria</td><td colspan="2">The Social Bond will (re)finance the following eligible asset categories: Affordable Housing, Access to Basic Social Services - Education, and Affordable Basic Infrastructure.

The use of proceeds categories[3] individually contributes to one or more of the following SDGs:

The environmental and social risks associated with the use of proceeds categories and the financial institution are outlined in part II.B.</td></tr>
<tr><td>Part III:

BayernLabo's sustainability strategy</td><td colspan="2">The Issuer has disclosed its ESG pillars. Internal performance targets are set for these pillars. Progress on the sustainability strategy is being publicly reported.</td></tr>
</table>

[2] The evaluation is based on BayernLabo's Social Bond Framework (Aug. 21, 2026) and on the analyzed eligibility criteria as received on Aug. 21, 2026.
[3] Affordable Housing, Access to Basic Social Services - Education, and Affordable Basic Infrastructure.

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE SOCIAL BOND PRINCIPLES

This section evaluates the alignment of BayernLabo's Social Bond Framework (as of Aug. 21, 2026) with the SBP.

SBP	ALIGNMENT	OPINION
1. Use of proceeds	✓	The use of proceeds description provided by BayernLabo's Social Bond Framework is **aligned** with the SBP. The Issuer's social categories align with the project categories as proposed by the SBP. Criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and social benefits are described and quantified.
2. Process for project evaluation and selection	✓	The process for project evaluation and selection description provided by BayernLabo's Social Bond Framework is **aligned** with the SBP. The project selection process is defined. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy and clearly show the intended benefit to the relevant population. The Issuer defines exclusion criteria for harmful project categories. The Issuer involves various stakeholders in this process, in line with best market practice.
3. Management of proceeds	✓	The management of proceeds provided by BayernLabo's Social Bond Framework is **aligned** with the SBP. The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately. The net proceeds are managed on an aggregated basis for multiple social bonds (portfolio approach). Moreover, the

SBP	ALIGNMENT	OPINION
		Issuer discloses the temporary investment instruments for unallocated proceeds. The Issuer has defined an expected allocation period of 12 months, in line with best market practice.
4. Reporting	✓	The allocation and impact reporting provided by BayernLabo's Social Bond Framework is **aligned** with the SBP. The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer's website. BayernLabo has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the project category level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated. The Issuer is transparent on the level of impact reporting and the information reported and further defines the duration and frequency of the impact reporting, in line with best market practice.

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE SOCIAL BOND INSTRUMENTS TO THE U.N. SDGs[4]

Financial Institutions support the advancement of SDGs through their lending activities. Bank's borrowers can either finance the production of solutions with positive social and environmental impacts or work on minimizing potential negative externalities.

The assessment of Use of Proceeds (UoP) categories for (re)financing/investing activities is based on a variety of internal and external sources, such as ISS Sustainability's SDG Solutions Assessment, which evaluates the impact of financed activities on the U.N. SDGs, as well as other ESG benchmarks (e.g., the EU Taxonomy Climate Delegated Act, the Green/Social Bond Principles, and relevant regional taxonomies, standards, and sustainability criteria)

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

Obstruction	No Net Impact	Contribution

Each of the Social Bond Instrument's use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS[5]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Affordable housing *Loans to Bavarian municipalities for the creation of affordable housing (Municipal Housing Support Program)* Target population: *Low-income households as defined in Section 2 of the Bavarian Housing Promotion Act (Bay-WoFG), particularly families, people with disabilities, seniors, and students* *Loans for home ownership (Bavarian Interest Subsidy Program)* Target population: *Low-income households as defined in Article 11 of*	Contribution	

[4] The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.
[5] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS[5]	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
the BayWoFG, particularly people with disabilities		
Affordable housing *Loans for the modernization of existing residential units (Bavarian Modernization Program)* Target population: *Low-income tenant households and residents of long-term care facilities*	**Contribution**	
Access to basic social services: Education *Loans to Bavarian school districts (School buildings, general expenditure)* Target population: *Participants in primary education*	**Contribution**	
Access to basic social services: Education *Loans to Bavarian school districts (School buildings, general expenditure)* Target population: *Participants in secondary to tertiary education*	**Contribution**	
Affordable basic infrastructure *Loans to Bavarian water associations (Inlets and outlets, sewage treatment plants, elevated tanks, operating buildings to support water operations, wells)* Target population: *The entire Bavarian population*	**Contribution**	

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

Financial institutions are exposed to E&S risks through their financing of economic activities that impact E&S factors and, to a lesser extent, through their own operations and impacts they themselves generate on the environment and society in which they operate.

The table below describes sustainability-related risks considered relevant to the Bank's operations and the types of projects (re)financed via the Framework.

The assessment covers all business lines and locations across Bavaria, Germany.

Integration of ESG guidelines into the financing process
Environmental and social risk management system in lending In the EU, the European Banking Authority (EBA) issued several guidelines to credit institutions, as mandated through the Capital Requirements Directive (CRD) (Directive 2013/36/EU) and the Capital Requirements Regulation (Regulation 2024/1623), stating minimum standards for the identification, measurement and management of E&S risks, as well as disclosure requirements regarding their E&S risk management systems. Furthermore, the European Central Bank (ECB), through the Guide on climate-related and environmental risks, requires banks in the euro area to integrate climate and environmental risks into their business strategies, risk management, and governance by the end of 2024. For credit institutions, E&S risks manifest through credit, market and operational risks. Of particular relevance is the manifestation through credit risk, as emphasized by regulators and supervisors. BayernLabo confirms that the individual loan exposures allocated to the Social Bond consist exclusively of exposures guaranteed by the Free State of Bavaria and are therefore assigned to the category of non-risk-relevant business. Accordingly, at the BayernLabo level, these exposures do not entail material credit risk that could be amplified or triggered by ESG factors. Since ESG risks are considered solely as drivers of credit risk (and other traditional risk types), the separate identification, assessment, and ongoing monitoring of ESG risks is not considered material for these specific, fully guaranteed exposures. Nevertheless, the exposures are subject to a Reputational Risk Management Process conducted by BayernLabo. Furthermore, where a loan could be EU Taxonomy aligned, BayernLabo assesses its alignment. As part of this process, the Natural Hazard Assessment Network (NATHAN) tool is used to assess and map natural hazard risks. Identified ESG risks are flagged and included in the reporting to relevant stakeholders. However, in line with its mandate, as long as the project does not violate the terms of the

program law, the Bank cannot take action in relation to a loan. There are escalation processes in place in case of controversies.

Furthermore, BayernLB Group has defined ESG exclusion criteria as set out in its Guiding Principles for Transformation that seeks to minimize the risk of financing environmentally or socially controversial projects, which also applies to BayernLabo. However, pursuant to Article 20 of the Law on Bayerische Landesbank, BayernLabo is only permitted to engage in certain areas[6] of financing in order to fulfil its mandate.

Due diligence measures for labor, health, safety, biodiversity, community dialogue

BayernLabo confirms that the entirety of the bank's portfolio is in Bavaria, where aspects related to human rights, non-discrimination, data protection, health and safety standards, biodiversity protection and participation of affected communities are subject to strict laws and policies. Furthermore, per BayernLB Group's Guiding Principles for Transformation, the BayernLB Group does not engage in business activities connected with exploitative (child) labor or forced labor. BayernLB also expects its suppliers and service providers to comply with minimum social standards. Its Sustainability Agreement, drafted for this purpose, was also brought in line with the Supply Chain Act (Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten, LkSG). Where deemed necessary, BayernLabo conducts a Reputational Risk Assessment to evaluate reputational risks in the context of ESG. The assessment reviews negative societal and/or social risks posed by a customer and/or transaction, including, for example, inadequate product safety, poor working conditions, and human rights violations. It also covers ecological risks, such as the destruction of biodiversity, high levels of air pollution, high levels of waste generation.

Regarding due diligence measures for community dialogue, BayernLabo confirms that as a financial services provider, it does not engage in any business activities that have a significant actual or potential negative impact on local communities. As part of the environmental analysis required for EMAS certification, BayernLB conducts annual neighborhood talks with neighboring companies.

Governance over ESG topics

BayernLabo embeds ESG considerations systematically into its enterprise risk management (ERM) framework. The coordinated implementation of environmental protection measures is carried out within the framework of a structured management system, which is validated

[6] Subsidized housing, promotion of housing and settlement matters, promotion of the housing industry, promotion of infrastructure measures to support housing policy aims, promotion of the structural development of towns and municipalities, promotion of housing policy measures to develop structurally weak regions, promotion of other measures, insofar as these are designated in laws, regulations or published guidelines and are transferred to BayernLabo from the Free State of Bavaria.

according to the EMAS regulation and certified according to the ISO 14001 standard. The risks are included in internal control frameworks, such as internal audits.

The Board of Management and the Supervisory Board of BayernLB, including its Risk Committee and Audit Committee, are accountable for oversight and management of environmental (including physical, transitory and liability risks) and social risks (including the Bank's customers' handling of human rights, employee concerns, customer protection, product responsibility and corporate citizenship).

The Supervisory Board's Risk Committee and Audit Committee have been assigned the responsibility for ESG topics. The committee's members are all members of the Supervisory Board of BayernLB.[7] The Risk Committee receives regular (usually yearly) and ad hoc reports on the risk situation and governance in relation to sustainability risks. The Chief Sustainability Officer reports to BayernLB's governing bodies, regular and ad-hoc, in accordance with statutory and regulatory requirements.

In addition, the Sustainability Board assists with and monitors the BayernLB Group's sustainability policies along the entire value chain. This is based on a regular assessment of material ESG-related impacts, risks and opportunities. As an advisory body, it provides impetus for the Board of Management and Supervisory Board to increase the transparency and consideration of the ESG issues. The objective of the Sustainability Board is to ensure that all resolutions comply with the strategy and the internal governance principles. Its role is to ensure the effective implementation and further development of the ESG strategy in line with the bank's strategic direction, including ESG KPIs, management reporting, portfolio development, ESG ratings, and internal capability building. It governs and monitors ESG projects under the Sustainability program, ensures compliance, prioritizes initiatives, and allocates resources across business units, subsidiaries, and international locations. The Sustainability Board prepares ESG-related decision proposals for the Management Board, monitors progress toward decarbonization targets and recommends corrective measures where needed, and regularly reviews and provides feedback on transition plans, while final steering and approval authority remains with the Management Board. The Sustainability Board is composed of the heads of designated business units and central functions. The Chief Sustainability Officer participates with veto rights. If required, the Board of Management, in its capacity as a higher-ranking body, may expand upon or correct the decisions of the Sustainability Board.

Sustainability performance objectives are integrated into the variable remuneration of members of the executive management team.

Other elements of the risk management framework

[7] Further details on its members can be found here.

BayernLabo integrates additional elements into its risk management framework, including a defined risk appetite statement for ESG risks. Under its publicly available Guiding Principles for Transformation, the BayernLB Group sets its risk appetite by laying down specific exclusion criteria, for example. ESG risks are included as risk drivers in the risk-bearing capacity (economic capital adequacy) calculation and are therefore an integral part of the process for determining the risk appetite for medium-term planning purposes.

The ESG risk drivers identified in the risk inventory as material for each period are applied under the stress testing program. This is done in stress tests designed specifically for ESG issues or, alternatively, material ESG aspects can also be combined with macroeconomic stress scenarios. For example, in 2024, a climate stress test was conducted specifically to assess physical risks.

Inclusion (non-discrimination)

BayernLabo confirms that the entirety of the bank's portfolio is in Bavaria, where aspects related to human rights and non-discrimination are subject to strict laws and policies. The Bank ensures that borrowers have equal access to credit by preventing discrimination based on age, disability, ethnic origin, family status, race, religion, gender, sexual orientation, nationality, or social origin.

The Issuer confirms that it adheres to EU legislation related to anti-discrimination such as the Consumer Credit Directive (Directive 2023/2225). The Directive explicitly prohibits lenders from discriminating on grounds such as gender, age, ethnicity, disability, sexual orientation, religion or socioeconomic status when granting credit, setting terms, or assessing risk. It requires transparent, objective criteria and equal-treatment safeguards. Additionally, the EBA's Guidelines on policies and controls for the effective management of money laundering and terrorist financing (ML/TF) risks when providing access to financial services (EBA/GL/2023/04) stipulate that decisions by financial institutions to refuse business relationships or apply risk-mitigating measures must be proportionate and consistent with the principle of non-discrimination, as enshrined, inter alia, in Article 21 of the EU Charter of Fundamental Rights (EU CFR). Furthermore, the Issuer adheres to the Bavarian Act on Equal Opportunities for Persons with Disabilities (Bayerisches Behindertengleichstellungsgesetz, BayBGG), which prohibits discrimination against people with disabilities by the public authorities in Bavaria. One focus area is the enhancement of accessibility within the construction sector.

Through BayernLB's Code of Conduct, all employees and managers commit themselves to the zero-tolerance of any form of discrimination or harassment towards customers on the grounds of age, gender, religion, ideology, race, ethnic or social origin, handicap, or sexual identity or orientation.

Inclusion (access to essential services)

Access to essential services for vulnerable populations is ensured through various measures and legislation. In the context of this transaction, this aspect is relevant in relation to the loans granted to Bavarian school associations.

BayernLabo confirms that only loans are (re)financed that aim at public schools with free tuition. Accordingly, the basic services financed under this transaction are provided free of charge to students. Further measures to ensure access include taking into account, when granting funding, the specific needs of the target population, in particular requirements for barrier-free construction for persons whose mobility is permanently or temporarily restricted due to age, disability, or illness. This requirement is underpinned by Article 48 of the Bavarian Building Code (Bayerische Bauordnung, BayBO), which governs obligations relating to barrier-free construction in Bavaria. Its core purpose is to ensure that buildings can be accessed and used by people with disabilities, older persons, and others with limited mobility without undue difficulty and, as a rule, without outside assistance. In addition, the principle of inclusive education is enshrined in law, for example, in Article 2(2) of the Bavarian Education and Teaching Act (Bayerisches Gesetz über Erziehungs- und Unterrichtswesen, BayEUG), which provides that inclusive teaching is the responsibility of all schools.

Responsible lending practices

In terms of responsible lending practices, financial institutions in the EU are required, through guidance issued by the EBA, to implement responsible sales and marketing practices, with due care for customer protection.

Sales practices

Consumer Credit Directive II (Directive 2023/2225) and Insurance Distribution Directive (Directive 2016/97) require that remuneration structures (e.g., commissions) do not conflict with customer interests. BayernLabo confirms that retail loans are granted by state authorities. BayernLabo's responsibility is to finance the loans and to conduct banking due diligence. Accordingly, BayernLabo confirms that no conflicts of interest arise in this context. Credit officers who grant loans to municipalities and their associations are not remunerated based on sales volume and commissions.

Responsible marketing

Correct information about financial product characteristics, risks, the total price, including all related fees, charges, and expenses, as well as any other relevant additional materials, must be disclosed to customers.

EBA's Guidelines on remuneration policies and practices related to the sale and provision of retail banking products and services (EBA/GL/2016/06), which regulate the remuneration structures applied to sales staff involved in the provision of retail credit and financial services to customers. In addition, the Unfair Commercial Practices Directive (Directive 2005/29/EC) prohibits misleading or aggressive marketing across the EU. Consumer Rights Directive and Directive (EU) 2019/2161 require that all pricing be transparent, including taxes and fees; Price Indication Ordinance (PAngV) mandates that all prices include VAT and any additional charges Product Liability Directive (EU) 2024/2853 expands obligations for informing consumers about risks, especially for digital and AI-based products

BayernLabo has also Guidelines for Responsible Marketing in place, in which it commits to compliance with relevant national and international legislation as well as ethical and responsible marketing practices. The marketing principles commit BayernLabo to transparent, balanced, fact-based marketing communication aligned with its Code of Conduct, including a clear disclosure of opportunities and risks, a rejection of greenwashing and other deliberately misleading, deceptive, or discriminatory practices.

Responsible treatment of customers with debt repayment problems

Financial institutions must ensure that the products offered to customers do not contribute to over-indebtedness. Forbearance measures take into account the interests of consumers and comply with consumer protection requirements as set out in the EBA Guidelines on arrears and foreclosure (EBA/GL/2015/12). BayernLabo confirms that it has a dedicated department that helps clients with payment difficulties to meet their obligations. Standard procedures include the deferral of repayment schedules or reducing the redemption amount. Foreclosure is used as a last option if no viable forbearance solution has been found. In addition, the Consumer Credit Directive II (Directive 2023/2225) includes provisions encouraging responsible lending and early intervention for over-indebted consumers and promotes early warning systems to help prevent repayment issues.

Furthermore, BayernLabo has internal policies in place to ensure the responsible treatment of customers with debt repayment problems. Preventive actions include conservative design features. For example, capping loans at a maximum of one-third of total costs, secured by a land charge (Grundschuld), and constrained within 80% of the total costs rank structure. Further features include fixed interest periods such as 10 or 15 years. Furthermore, affordability is assessed through income and asset checks carried out in cooperation with the competent approval authorities, ensuring that applicants retain sufficient disposable income to meet ongoing living expenses and debt-servicing obligations.[8]

[8] Further details can be found here and here, p. 9.

PART III: BAYERNLABO'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Core ESG pillars	The Issuer focuses on the following ESG pillars across its business areas:[9] *Corporates* ▪ Increasing the green loans granted (including renewable energy, rolling stock) and the share of ESG-aligned loans in the portfolio, providing transformation financing (including ESG-linked) ▪ Financing and using subsidy programs, e.g. based on the climate transformation fund ▪ Financing additional business opportunities of their customers in the Construction & Infrastructure focus sector *Real Estate* ▪ Growing the share of ESG-aligned real estate in the portfolio ▪ Expanding the share of green (transformation) loans ▪ Financing the modernization of existing properties by offering transformation loans *Savings Banks & Financial Institutions & Public Sector* ▪ Helping the savings banks with their strategic sustainability agenda by providing deposit services and products, such as sustainable infrastructure funds ▪ Distributing the BayernLB Group's ESG products and services for the ESG action areas of savings banks' customer and proprietary business ▪ In cooperation with the savings banks, using BayernLB Group expertise in sustainability to provide more help and support (debt capital & equity) for municipalities with their transformation and infrastructure measures to reduce greenhouse gas emissions and their actions to adapt to climate change, e.g. by financing geothermal power plants, flood prevention measures using appropriate subsidies in pass-through business and related ESG training and consulting

[9] For the full list, please visit BayernLB Group's Sustainability Strategy. The BayernLB Group's Sustainability strategy applies to BayernLB Bank, including BayernLabo.

TOPIC	ISSUER APPROACH
	Principal Bank for the Free State of Bavaria ▪ Supporting the sustainability and innovation strategy of the Free State of Bavaria with their products and services by financing the actions specified in it, such as promoting environmentally-friendly activities, protecting natural resources and fostering social cohesion ▪ Assisting the Free State of Bavaria with actions for the state and administration and with upgrades to energy efficiency and decarbonization of the real estate portfolio *Development Bank* ▪ In its role supporting subsidized rental housing, BayernLB uses grants (e.g., the sustainability subsidy and inner-city subsidy) to promote matters such as holistic resource utilization, local production of renewable energy, the use/consolidation of existing city structures, and subsidy programs to help implement energy-efficiency measures on existing rental housing ▪ Incentives are provided to treat existing buildings and structures sustainably in the form of higher subsidies for using existing buildings in the Municipal Subsidized Housing Program and home ownership subsidies ▪ Offering various subsidy programs to help create housing that caters to demand and generational needs and is affordable; both maintaining economically strong urban areas with a good quality of life and bolstering rural areas are given equal weight here
Definition of core ESG pillars	The ESG pillars of the Issuer have been defined using the Global Reporting Initiative (GRI) and through the Corporate Sustainability Reporting Directive (CSRD) materiality assessment.
ESG targets and timeline	To achieve its sustainability commitments, the Issuer has set targets and timelines, including the following: ▪ Climate-neutral portfolio aligned with Paris Climate Goals before 2050[10] ▪ Reduction of CO_2 Footprint in own operation, net, i.e. before unavoidable off-setting by 30% before 2030 70% before 2040[11]

[10] Sustainability Strategy, 2025, pp. 10, 16, available here.
[11] Sustainability Strategy, 2025, pp. 16-17, available here.

TOPIC	ISSUER APPROACH
	▪ Achieve sector-specific decarbonisation pathways for identified greenhouse gas-intensive sectors, including real estate, power generation, aviation, shipping, steel, cement, chemicals, oil and gas, and automotive, with interim milestones through 2050[12]
SBTi Targets	The Issuer has not set any SBTi targets.
Financial budget to achieve the ESG targets (CapEx, OpEx, Product Mix)	There is no information available on the Issuer's financial budget to achieve its ESG targets.
Association/ Collective commitments	The Issuer is a member of/signatory to: ▪ UNEP FI since 1995 ▪ UN Global Impact since 2021 ▪ Principles for Responsible Banking (PRB) since 2021 ▪ London Bullion Market Association (LBMA) since 2002
Sustainability reporting	The Issuer reports on its ESG performance and initiatives annually. The report is prepared in line with GRI recommendations. The report is available on the Issuer's website.
Previously issued sustainable/sustainability-linked issuances or transactions and publication of sustainable financing frameworks	The Issuer previously issued sustainable instruments or transactions and published a sustainable financing framework (2022, ISS externally verified).

[12] Unser Weg zu Net Zero: Dekarbonisierungspfade der BayernLB nach CRR Art. 449a Säule III , 2025, available here.

DISCLAIMER

Validity of the External Review Report ("External Review"): Valid as of the date of issuance of the External Review Report and subject to the scope, assumptions, qualifications and limitations stated therein. Where the External Review relates to a European Green Bond under Regulation (EU) 2023/2631, the review has been performed within the applicable regulatory framework in force at the date of issuance of the External Review Report.

ISS Corporate Solutions, Inc. ("ISS-Corporate") is a wholly owned subsidiary of Institutional Shareholder Services Inc. and part of the ISS STOXX group of companies ("ISS STOXX"). ISS-Corporate AB is a Swedish entity, and a wholly owned subsidiary of ISS-Corporate.

For external review services provided in connection with European Green Bonds subject to Regulation (EU) 2023/2631 and corresponding regulatory supervision, ISS-Corporate AB is the contracting entity and acts in its capacity as an external reviewer registered with and supervised by the European Securities and Markets Authority ("ESMA"). This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information"), is the property of ISS-Corporate or its affiliates. The Information may not be reproduced or disseminated in whole or in part without prior written permission of ISS-Corporate. ISS-Corporate makes no express or implied warranties or representations with respect to the Information. The ISS STOXX Governance and Sustainability research teams, which are separate from ISS-Corporate, will not give preferential treatment to, and are under no obligation to support, any proxy proposal of a corporate issuer nor provide a favorable rating, assessment, and/or any other favorable results to a corporate issuer (whether or not that corporate issuer has purchased products or services from ISS-Corporate). No statement from an employee of ISS-Corporate should be construed as a guarantee that ISS STOXX will recommend that its clients vote in favor of any particular proxy proposal or provide a favorable rating, assessment or other favorable result.

External Reviews are based on information provided to ISS-Corporate by the contracting party and are subject to the scope, assumptions, qualifications and limitations set out in the applicable External Review Report. For External Reviews relating to European Green Bonds under Regulation (EU) 2023/2631, the review is performed within the applicable regulatory framework and in accordance with the relevant methodology in effect at the date of issuance of the External Review Report. ISS-Corporate does not warrant that the information presented in this External Review is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of this External Review, or any information provided therein. If the External Review is provided in English and other languages, in case of conflicts, the English version shall prevail.

Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the External Review is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.

This External Review Report, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property

ANNEX: QUALITY MANAGEMENT PROCESSES

SCOPE

BayernLabo commissioned ISS-Corporate to compile a Social Bond SPO. The second-party opinion process includes verifying whether the Social Bond Framework aligns with the SBP and assessing the sustainability credentials of its Social Bond, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

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

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria
- Documentation of ESG risk management at the asset level

ISS-CORPORATE'S VERIFICATION PROCESS

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

This independent second-party opinion of the Social Bond to be issued by BayernLabo has been conducted based on proprietary methodology and in line with the ICMA SBP.

The engagement with BayernLabo took place from February to August 2026.

ISS-CORPORATE'S BUSINESS PRACTICES

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

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

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

Please visit ISS-Corporate's website to learn more about our services for bond issuers.

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

Project team

Project lead	Project support	Project supervision
Margherita Goetze-von Heyking Analyst Sustainable Finance Research	Justin Chow Associate Sustainable Finance Research	Adams Wong Vice President Head of Sustainable Finance Research