

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

Biggeorge Property Ltd.
24 November 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Bonds
Relevant standards	<ul style="list-style-type: none">• Green Bond Principles (GPBs) from June 2021 of the International Capital Market Association (ICMA)
Scope of verification	<ul style="list-style-type: none">• Biggeorge Property's Green Bond Framework (as of 12.10.2021)• Biggeorge Property's Eligibility Criteria (as of 12.10.2021)
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

Biggeorge Property Ltd. (“Biggeorge” or “the Issuer”) commissioned ISS ESG to assist with its Green Bond Framework by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Bond Framework link to Biggeorge’s sustainability strategy – drawing on Biggeorge’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Biggeorge’s Green Bond Framework (12.10.2021 version) – benchmarked against the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA).
3. The Selection Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Bonds link to issuer's sustainability strategy</p>	<p>Biggeorge Property is a real estate developer based in Hungary with a portfolio of residential, office, and commercial properties.</p> <p>ISS ESG finds that the Use of Proceeds financed through this bond 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.</p>	Consistent
<p>Part 2:</p> <p>Alignment with GBPs</p>	<p>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 Green Bond Principles (GBPs) from June 2021 of the International Market Association (ICMA).</p>	Aligned
<p>Part 3:</p> <p>Sustainability quality of the Selection Criteria</p>	<p>The overall sustainability quality of the Selection Criteria in terms of sustainability benefits, risk avoidance and minimization is good based upon the ISS ESG assessment. The Green Bonds will (re-)finance eligible asset categories which include green buildings and energy efficiency.</p> <p>Those use of proceeds categories have a significant contribution to SDG 7 'Affordable and clean energy', SDG 11 'sustainable cities and communities' and 13 'Climate action'. The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	Positive

¹ ISS ESG's evaluation is based on the Biggeorge's Green Bond Framework (October 2021 version), on the analysed Selection Criteria as received on the 12.10.2021, and on the ISS ESG Indicative Corporate Rating.

ISS ESG SPO ASSESSMENT

PART I: GREEN BONDS LINK TO BIGGEORGE'S SUSTAINABILITY STRATEGY

A. BIGGEORGE'S INDICATIVE SUSTAINABILITY PROFILE

Methodological note: Please note that Biggeorge is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the Construction sector based on publicly available information exclusively. No direct communication between the Issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Industry Classification: Construction

Key Issues of the industry

1. Labor standards and working conditions
2. Energy and resource efficiency
3. Impact on land use and biodiversity
4. Ethical business practices
5. Protection of human rights and community outreach

Indicative ESG risk and performance assessment

Biggeorge Property is a real estate developer based in Hungary with a portfolio of residential, office, and commercial properties.

As a company which is part of the construction industry, Biggeorge Property is exposed to ESG risks that include occupational health and safety of own staff and contractors, human rights of local communities affected by construction activities, labor rights of workers in the supply chain, biodiversity impacts, and energy and resource efficiency of building projects and in the construction process. Companies in the construction industry are also exposed to business ethics risks, particularly corruption and antitrust violations. Biggeorge Property does not demonstrate how it manages these risks.

Indicative product portfolio assessment

Social impact of the product portfolio

Biggeorge Property does not appear to be involved in projects that would contribute significantly to relevant SDG objectives such as ensuring health and delivering education (e.g., construction of healthcare or educational facilities). The company's project portfolio of residential and office properties is therefore considered to have no net positive or negative social impact.

Environmental impact of the product portfolio

Real estate developers such as Biggeorge Property can contribute to the achievement of global environmental objectives such as the creation of sustainable cities and communities by having their properties certified to relevant green / sustainable building standards (e.g., BREEAM, LEED). However, no information is available on certified green buildings in Biggeorge Property's portfolio. Overall, the company's project portfolio does not seem to have a net positive or negative environmental impact.

Controversy Assessment

Company Screening

The analyst in charge of producing this report conducted a high-level controversy assessment. There is no indication of Biggeorge being involved in any of the below-mentioned controversies.

Industry risks

Based on a review of controversies in the period of 1 January 2019 – 11 October 2021, the greatest risks reported against companies operating in the Engineering & Construction industry relate to activities of business malpractice and activities that may have adverse impacts on the environment. This is closely followed by activities related to human rights and labor rights. The top three issues that have been reported against companies within the industry are as follows: alleged failure to prevent bribery, failure to assess environmental impacts, and anti-competitive behavior. This is closely followed by alleged poor stakeholder consultation, failure to respect the right to an adequate standard of living, and failure to respect the right to safe and healthy working conditions.

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

Key sustainability objectives and priorities defined by the issuer

Biggeorge's sustainability focus revolves around embedding energy efficiency and social responsibility in its operations. For example, in the residential real estate developments started after 2018, geothermal heating systems were built in accordance with renewable energy requirements, which have a much smaller ecological footprint than traditional fossil fuel usage, furthermore both thermal insulation and green roofs supported the energy efficiency of individual buildings.

Further, Biggeorge also focuses on long-term environmental considerations such as accessibility to public transport, installing electric vehicle charging infrastructure and encouraging cycling by providing safe bicycle parking. Additionally, dust protection and noise reduction will be implemented during the construction and / or operation of the buildings.

As the issue of waste becomes more and more important on a global scale, Biggeorge strives to minimize the generation of waste and to improve the rate of recycled waste in both the construction and use phases of buildings. In addition to this, emphasis is also placed on water conservation. A few examples for this can be installation of water-efficient equipment, such as automatic tap water sensors, to reduce the use of water; installation of water recycling equipment, such as grey water tanks; rain water collection and (re-)use.

In addition to sustainable operation and the protection of the environment, Biggeorge also pays attention to the social and governance pillars with emphasis on the safety and health of its employees. Further, Biggeorge engages in social dialogue and takes into account the needs of people with reduced mobility.

Biggeorge Fund Management Company has a policy in place to integrate sustainability – typically environmental – risks into its investment decision-making processes. In addition to compliance with the law, Biggeorge commits to ethical, prudent and transparent operations (eg. continuous access and information, group internal code of ethics). However, the sustainability strategy could be further improved by setting specific and quantified targets associated with those objectives.

Rationale for issuance

Biggeorge, along with its co-investment ventures or other affiliates intend to issue green bonds to finance green buildings and energy efficiency improvements in line with its sustainability strategy. As such the purpose of this Framework is to have a comprehensive methodology in place for all future Green Bond issuances. Further, the issuer has the goal to develop an environmentally friendly and energy efficient sustainable real estate portfolio.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Bond 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 Construction sector. 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 sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

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

Opinion: *ISS ESG finds that the Use of Proceeds financed through this bond are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing green bonds is described by the issuer.*

PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES

1. Use of Proceeds

FROM ISSUER’S FRAMEWORK

The net proceeds of Biggeorge’s Green Bond(s) will be allocated exclusively to finance and/or refinance in whole or in part, real estate projects that contribute to making the building stock sustainable (“Eligible Green Projects”). Eligible Green Projects include sustainable and energy efficient property construction or renovation. Such financing or re-financing may include in part or in full, new or already existing Eligible Green Projects. Eligible Green Projects can be owned directly or indirectly (including a chain of legal entities, such as companies, funds, sub-funds as well as joint venture companies) by Biggeorge Property, or any of its subsidiaries. Projects shall qualify for refinancing with a maximum 36 months look-back period before the issuance of the Green Bond as long as they follow the relevant eligibility criteria.

Biggeorge’s objectives with the Eligible Green Projects are to increase the portfolio of energy efficient buildings, and foster energy efficient and sustainable infrastructure. These projects will also have environmental benefits, such as energy savings and GHG emissions reduction.

Eligible Green Projects will contribute to climate change mitigation while Green Buildings will also contribute to climate change adaptation, pollution prevention and control, and natural resource conservation.

Eligible Green Projects are required to meet the eligibility criteria as set in the table below:

ELIGIBLE GREEN PROJECTS	DESCRIPTION OF ELIGIBLE GREEN PROJECTS
Green buildings	<p><u>Commercial buildings:</u></p> <p>Acquisition, construction or refurbishment of office, hotel, retail, industrial and logistics buildings which meet at least one of the criteria mentioned below:</p> <ul style="list-style-type: none"> ▪ Certified or to be certified according to one of the following internationally recognized green building standard²: <ul style="list-style-type: none"> ○ BREEAM: “Very Good” or above ○ BREEAM In-use “Very good” or above ○ LEED “Gold” or above
Energy efficiency	<p><u>Commercial buildings:</u></p>

² The certifications will be obtained at the latest at the delivery of the building.

Acquisition, construction or refurbishment of office, hotel, retail, industrial and logistics buildings which meet at least one of the criteria mentioned below:

- Increased installed renewable energy share for the whole building³
 - 10 % higher renewable energy share than the requirement where Nearly Zero Energy Building (“NZEB”) requirements are applicable, in addition to complying with the NZEB requirements⁴
 - 25% renewable energy share for building parts which are not subjected to the national regulations, therefore neither the NZEB requirement, nor the renewable share requirement applies (industrial unit or storage area)³
- Major renovations leading to reduction of Primary Energy Demand of at least 30% in comparison with the energy performance of the building before the renovation

Residential buildings:

Acquisition, construction or refurbishment of residential buildings which meet at least one of the criteria mentioned below:

- Primary Energy Demand at least 10 % lower than the threshold⁵ set for the nearly zero-energy building (NZEB) requirements^{6 7}
- Major renovations leading to reduction of Primary Energy Demand of at least 30% in comparison with the energy performance of the building before the renovation

³ According to the requirements of the Hungarian legislation, in the case of logistics buildings only the special conditions apply, for more information, see [Government Decree 178/2008](#) (VI. 30.) 1. § e.).

⁴ Commercial buildings, including office, hotel, retail, industrial and logistics buildings which do not have low energy demand (for more information, see [Government Decree 178/2008](#) (VI. 30.)), have to comply with the NZEB requirements, including that the energy demand of the building must be provided from at least 25% of renewable energy sources. More details can be found in [Ministry without Portfolio Decree No. 7/2006. \(V.24.\) on the determination of buildings’ energy performance.](#)

⁵ Upper limit

⁶ As required in the EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council), the Primary Energy Demand is 10% lower than the threshold set for the nearly zero-energy building requirements in the Hungarian Directive: [Ministry without Portfolio Decree No. 7/2006. \(V.24.\) on the determination of buildings’ energy performance.](#) ANNEX to the Commission Delegated Regulation Supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council „The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC)”.

⁷ Covering more than 25% of consumption with renewable energy (new or existing on-site renewable energy assets such as rooftop solar panels, energy storage capabilities, etc).

Opinion: ISS ESG considers the Use of Proceeds description provided by Biggeorge's Green Bond Framework as aligned with the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA).

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

The Project Evaluation and Selection Process will ensure that the proceeds of Green Bond(s) are allocated to finance or refinance projects that meet the criteria and objectives set out in this Framework (in the Use of Proceeds section). Biggeorge has established a Green Bond Committee (GBC) in order to identify, select and monitor Eligible Green Projects to be funded by Green Bonds.

The Committee is chaired by the Chief Executive Officer (CEO), and consisting of the following representatives:

- Chief Executive Officer
- Chief Financial Officer
- Development and Acquisition Director
- Construction Development Director
- Investor Relations Director

The Green Bond Committee will review, select and validate the pool of Eligible Green Projects, based on the Green Bond Framework and will screen the projects whether they meet the Eligibility Criteria and comply with local laws and regulations. In addition, the GBC maintains the Green Bond Framework up to date in order to be in-line with market best practices and latest environmental and social standards, local laws and regulations. The GBC will review and validate the annual report for investors and also approves the annual Allocation and Impact Report. It is also the GBC's responsibility to modify and approve the pre-defined eligibility criteria, or to exclude projects that no longer comply with these criteria.

The GBC will meet at least semi-annually following the issuance of a Green Bond, or as further required in order to review and approve allocation of proceeds and reporting.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by Biggeorge's Green Bond Framework as aligned with the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA).

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

The net proceeds from Biggeorge's Green Bonds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects in

accordance with Biggeorge's Green Bond Framework. This process will be managed by Biggeorge's Green Bond Committee.

Biggeorge will track all issued amounts of Green bonds based on its own internal process. To ensure proceeds are allocated in accordance with the Green Bond Framework, this internal process will contain necessary information about the bonds, Eligible Green Projects, allocation, etc., ensuring all Eligible Expenditures in the Green Bonds are appropriately identified. This information will serve as a basis of the allocation and impact reporting.

Biggeorge will strive, over time, to achieve a substantial level of allocation for the Eligible Green Project Portfolio. As long as the Green Bonds under this Framework are outstanding, Biggeorge aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Project Portfolio, as defined in the Use of Proceeds section. Additional Eligible Green Projects will be added to Biggeorge's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects. Whilst any Green Bond net proceeds remain unallocated, Biggeorge will hold the balance of net proceeds not yet allocated to Eligible Green Projects in its portfolio of money market instruments at its own discretion based on its own policy (Policy for integrating sustainability risks into investment decision-making processes). Biggeorge intends to allocate the full amount of proceeds within the next 36 months following the issuance of the Green Bonds.

If a project is divested, discontinued or does no longer meet the definition of Eligible Green Projects as included in the Use of Proceeds section, it will be removed from the portfolio of Eligible Green Projects and replaced by another Eligible Green Project.

The payment of principal and interest on the Green Bond issued by Biggeorge under the Green Bond Framework will be made from its general funds and will not be linked to the performance of any Eligible Green Assets and Projects.

Opinion: ISS ESG finds that Management of Proceeds proposed by Biggeorge's Green Bond Framework is well aligned with the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA). Further, the excepted allocation period has been defined, in line with best market practices.

4. Reporting

FROM ISSUER'S FRAMEWORK

To be fully transparent towards Green investors and other market stakeholders, Biggeorge will be providing updates for the Green Bond investors by consistent updates of an Allocation Report and an Impact Report. These reports will be available on the company's [website](#) and will provide insight and opportunity to the investors to follow the progress of the Green Bonds. Biggeorge will report on the allocation of net proceeds and associated environmental benefits annually until the proceeds of each Green Bond have been fully allocated, and as necessary in the event of material changes.

The reports will cover the following areas:

Allocation reporting

To the extent practicable, Biggeorge may provide information such as:

- Total amount of Green Bonds issued;
- The total amount of proceeds allocated;
- The share of financing / refinancing;
- The number of projects and level of certification, geographical distribution of Eligible Green Projects; and
- The balance of unallocated proceeds.

Impact reporting

Biggeorge will provide an impact report in line with the approach outlined under the Harmonized Framework for Impact Reporting⁸. Biggeorge will on an annual basis report on the impact of the asset’s environmental aspects until full allocation of the Green Bond net proceeds or until the applicable Green Bonds are no longer outstanding. The impact reporting will be reviewed and approved by the Green Bond Committee. The impact reporting will aim to provide, where feasible, metrics regarding the Eligible Green Project’s environmental impacts. Set out examples of the providable impact reporting can be found in the table below. The impact report will contain one or several of the relevant (below stated) information regarding to the projects, in context of the project categories.

GBP ELIGIBILITY CRITERIA	IMPACT REPORTING METRICS (EXAMPLES)
Green buildings	<ul style="list-style-type: none"> ▪ Type of scheme, certification level and m² Gross Building Area (GBA)⁹ ▪ Annual greenhouse gas emissions reduced/avoided (tCO₂eq/year) ▪ Expected annual renewable energy generation (MWh) ▪ Installed renewable energy capacity (MW)
Energy efficiency	<ul style="list-style-type: none"> ▪ Annual energy savings in MWh/GWh and/or GJ/TJ ▪ Annual greenhouse gas emissions reduced/avoided (tCO₂eq/year) ▪ Expected annual renewable energy generation (MWh) ▪ Installed renewable energy capacity (MW)

⁸ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf>

⁹ For commercial properties or buildings only

Opinion: ISS ESG finds that the reporting proposed by Biggeorge’s Green Bond Framework is aligned with the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA). Further, Biggeorge will provide an impact report with the reported information, frequency, scope and duration defined, in line with best market practices.

External review

FROM ISSUER’S FRAMEWORK

The second party opinion can be found on Biggeorge’s [website](#).

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE









A. CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Bonds Selection Criteria and using a proprietary methodology, ISS ESG assessed the contribution of the Biggeorge's Green Bonds to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 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	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings <i>Commercial Buildings that are certified with either BREEAM "Very Good" or above or LEED "Gold" or above</i>	Significant contribution	
Construction and Acquisition of Energy efficient Buildings <i>With an EPC label or equivalent and the goal of improving energy efficiency including increasing the renewable energy share</i>	Limited contribution	
Energy efficiency <i>Insulation materials</i>	Significant contribution	 
Energy efficiency <i>Renovations of commercial and residential buildings and construction of residential buildings that lower the primary energy demand by min. 10% than the threshold set for the nearly zero-energy building (NZEB) requirements</i>	Significant contribution¹⁰	
Energy efficiency <i>e.g. renovations with the goal of improving energy efficiency including increasing the renewable energy share</i>	Limited contribution	
Energy efficiency <i>e.g. renovations with the goal of improving energy efficiency including increasing the renewable energy share</i>	Limited contribution	 

¹⁰ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an issuer's product and service portfolio on the SDGs. For the projects to be financed under Biggeorge's Use of Proceeds categories that comply with the Technical Screening Criteria for Climate Change Mitigation as defined by the EU Taxonomy Technical Annex, a significant contribution to SDG 13 is attested.

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

Green Buildings and Energy Efficiency

As a Use of Proceeds category, green buildings and energy efficiency have a positive contribution to SDG 7 “Affordable and clean energy”, SDG 11 “Sustainable cities and communities”, and 13 “Mitigating climate change”. The table below presents the findings of an ISS ESG assessment of the Selection Criteria against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Energy Efficiency

- ✓ The company ensures to undertake an appropriate and detailed selection process that ensures good standards regarding energy efficiency for all buildings. 50% of recently completed residential assets have excellent energy efficiency certification. These projects are classified under AA+ energy efficiency class. Further the heating demand of these projects is below 50 kWh/m²a. All new projects are designed to achieve AA or AA+ energy efficiency ratings.

Site selection

- ✓ All of Biggeorge’s buildings to be (re-)financed are not located on a site of high environmental value. None of Biggeorge’s current commercial developments are located on site of high environmental value and 90-95% of Biggeorge’s residential buildings can be classified as brownfield developments (official Hungarian classification of brownfield cases is in process). Further, the issuer ensures that it will exclude sites with the Hungarian environmental classification of “Natura 2000”.
- ✓ 90% of the commercial assets and 70% of residential assets are located within 1 km from one or more modalities of public transport.

Construction standards

- ✓ 100% of assets are located in the EU where high labour and health and safety standards are in place (e.g. ILO core conventions). Further, the issuer’s general contractor company applies ISO 45001.
- No or limited information is available regarding the provision for sustainable procurement regarding building materials (e.g. recycled materials, third-party certification of wood-based materials).

Water use minimization

- ✓ For all commercial buildings, measures to reduce water consumption (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting) are in place.
- For residential buildings, 20% of Biggeorge’s projects utilize the harvested rainwater actively. Further, this ratio is planned to be increased for its projects.

Safety of building users

- ✓ For all residential and commercial buildings operational safety (e.g. emergency exits, fire alarm systems) is ensured by national legislation.

Sustainability Labels for Green Buildings

- ✓ All green buildings will receive, or are expected to receive, a certification such as BREEAM standard label (Very Good or above).

Environmental aspects of items related to Energy Efficiency

- ✓ None of the assets contain substances of concern. All hazardous materials have been removed or treated with the relevant Hungarian regulations and ISO 14001 Environmental Management System (EMS) is implemented in Biggeorge's projects.

Safety measures regarding Energy Efficiency

- ✓ For all future projects regarding improvements of energy efficiency operational safety is ensured (i.e. control center, electrical flow and consumption monitoring).

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 the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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4. All statements of opinion and value judgements 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 credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: Methodology

ISS ESG Green 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 Biggeorge’s Green Bonds.

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 asset pool 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 Biggeorge (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 Biggeorge’s Green Bonds contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Biggeorge commissioned ISS ESG to compile a Green Bonds SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA) 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 (GPBs) from June 2021 of the International Market Association (ICMA)
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria & Asset Pool
- Documentation of ESG risks management at the Framework and 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 Bonds to be issued by Biggeorge based on ISS ESG methodology and in line with the ICMA Green Bond Principles (GPBs) from June 2021 of the International Market Association (ICMA).

The engagement with Biggeorge took place in October until November 2021.

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.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

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/>

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