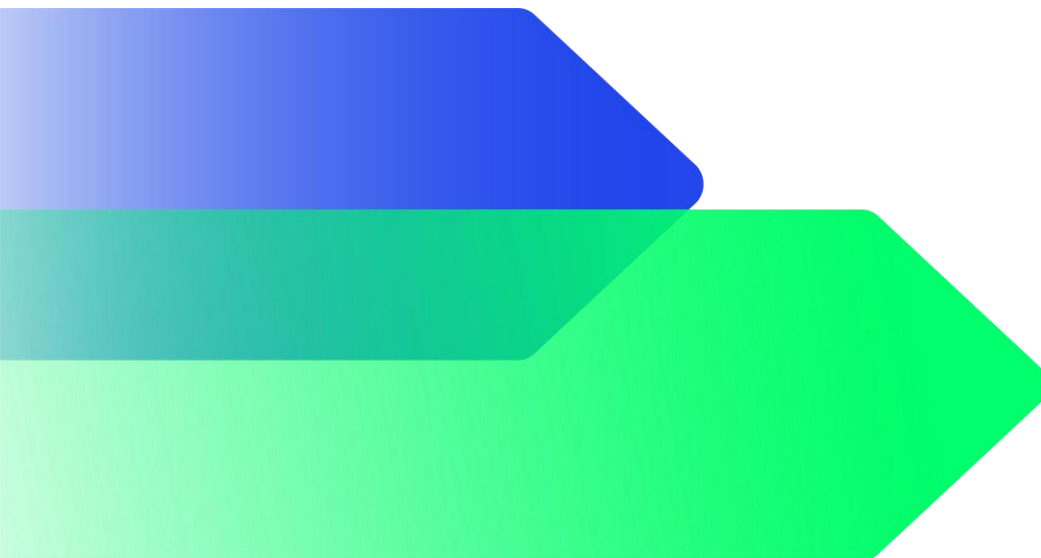




SECOND PARTY OPINION CONCERNING

Tatra Banka ESG Deposit^{TB} Framework

March 2024





Prepared by:

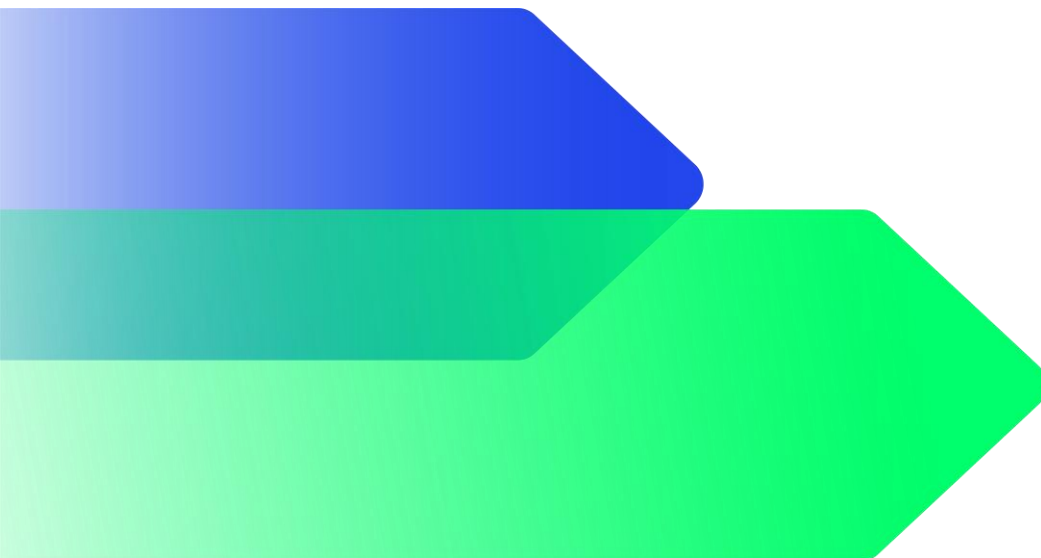
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The External Reviewer's Opinion

Terms of Engagement and Scope of the Second Party Opinion

Carbon Trust Advisory Limited (the “**External Reviewer**”) has been commissioned by Tatra Banka a.s. (“**Tatra**” / the “**Lender**”) as an independent External Reviewer to provide a Second Party Opinion (“**SPO**”) on the alignment of the Tatra Banka ESG **Deposit**^{TB} Framework (“the **Framework**”), with the five core components of the ‘Sustainability Linked Loan Principles, Supporting environmentally and socially sustainable economic activity’ (“**Sustainability Linked Loan Principles**”, “**SLLP**”) (February 2023)¹ jointly issued by the Asia Pacific Loan Market Association (“**APLMA**”) Loan Market Association (“**LMA**”) and Loan Syndications and Trading Associations (“**LSTA**”).

In the capacity of an Independent External Reviewer, the Carbon Trust's role has been to undertake a pre-signing external review as identified in SLLP (February 2023), and to provide a Second Party Opinion as contemplated in International Capital Market Association (ICMA) ‘Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews’ (June 2022)² in so far as these guidelines are appropriate for loans.

It is important to note that no opinion or assurance is provided regarding the financial performance of the Framework or the value of any investments in the Framework or any asset deriving value from the Framework. The Carbon Trust's objective has been solely to provide an opinion concerning the Framework as described in the Basis of the Second Party Opinion. The borrower has committed to making this Report accessible to relevant parties to the Framework.

The scope of this External Review concerns the Framework with respect to eligible sustainability-linked financial products and does not concern the deposits made to Tatra.

Carbon Trust Second Party Opinion Statement

Aligned to LMA,
APLMA and LSTA
Green Loan Principles
core components
(February 2023)

Based on the work we have undertaken, and the evidence provided by the Tatra Banka, we believe that the **ESG Deposit**^{TB} **Framework** is aligned to the requirements of the five core components of the Sustainability Linked Loan Principles (February 2023), being:

- **KPIs**
- **Calibration of SPTs**
- **Loan Characteristics**
- **Selection of**
- **Reporting**
- **Verification**

¹ <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

² https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines_June-2022-280622.pdf

March 2024

This Second Party Opinion Statement shall be read in the context of the Basis of the Second Party Opinion, the inherent limitations of the procedures, the respective responsibilities of the parties to the Second Party Opinion Statement, and this statement's intended use.



Hugh Jones, Managing Director,
Carbon Trust Advisory Limited
20.03.24

This external review has been prepared by Carbon Trust Advisory Limited ("CTA") and is addressed solely to Tatra Banka a.s. ("Tatra Banka") in accordance with the terms of the engagement contract between us and Tatra Banka. Those terms permit disclosure to other parties solely for the purpose of enabling Tatra Banka to show that it has obtained a second opinion as contemplated by the SLLP in connection with the ESG Deposit^{TB} Framework. We have not considered the interest of any other party in the Opinion. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party for our work, for this statement or for the conclusions we have reached. CTA will not accept any form of liability for the substance of the Opinion and/or any liability for damage arising from the use of the Opinion and/or the information provided in it. As the Opinion is based on information made available by Tatra Banka, CTA does not warrant that the information presented in this Opinion is complete, accurate or up to date. Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability of investing in any securities or any asset whose value is derived from any securities. Any person other than Tatra Banka who obtains access to the Opinion or a copy thereof and chooses to rely on it will do so at its own risk. Furthermore, this Opinion shall in no event be interpreted and construed as an assessment of the economic performance and credit worthiness of Tatra Banka or the ESG Deposit^{TB} Framework. The ESG Deposit^{TB} Framework and the performance of Tatra Banka and the ESG Deposit^{TB} Framework is outside the scope of this engagement. We have consented to the inclusion of the Opinion (or an appropriate summary approved by CTA) via the Borrower's website. We reserve the right to withdraw such consent at any time.

No part of the Opinion may be reproduced, transmitted, or published in any form or by any means without the prior written permission of CTA.

All rights reserved.

Key Findings of the External Review

This section presents a summary of the key results of the External Review concerning the Framework, in respect of the specifications of the five core components³ of the Sustainability Linked Loan Principles (February 2023).



An overview of the Lender and the Framework can be found in the ‘Basis of the Second Party Opinion’, and the detailed External Review can be found in **Appendix 1: Detailed External Review in line with the Sustainability Linked Loan Principles** (.).

Table 1 express how each of the SLLP sub-criteria were scored, according to the key provided.





For each core component, the charts in Key ■ *Meets and goes beyond requirements* ■ *Meets requirements* ■ *Does not meet requirements* ■ *Not relevant / applicable to the Borrower and/or External Review* ○ *Opportunity for enhancement*





Key ■ *Meets and goes beyond requirements* ■ *Meets requirements* ■ *Does not meet requirements* ■ *Not relevant / applicable to the Borrower and/or External Review* ○ *Opportunity for enhancement*

Table 1 Summary of External Review key findings on the alignment of the Framework with the Sustainability Linked Loan Principles (February 2023) – core components

SLLP core component	Component aspects ratings	External review result summary
 Core component Selection of KPIs		<ul style="list-style-type: none"> The Lender seeks to incentivise the borrower’s achievement of ambitious, predetermined sustainability performance objectives. The Lender’s Framework states that KPIs (defined by the borrower in line with their sustainability and business strategy) should be determined and set between the borrower and lender group for each transaction and defined within the corresponding loan agreement. The Lender stipulates that the KPIs should be measurable and quantifiable, to be reported at least once a year. The Lender stipulates that KPIs are to address relevant and core ESG challenges of the industry sector, and, where possible, compared to a benchmark or external reference. The Framework identifies practical examples of KPIs relevant to the Lender’s business sectors. <p>In the External Reviewer’s opinion, the Framework’s approach to selection of KPIs is aligned to the requirements of the SLLP Principle One – Selection of KPIs</p>

³The five Core components of the GLP are: Selection of KPIs, Calibration of SPTs, Loan Characteristics, Reporting and Verification

 <p>Core component Calibration of SPTs</p>		<ul style="list-style-type: none"> • The Framework states that KPIs relevant to SPTs should be ambitious, material and in line with the borrower’s overall sustainability strategy. • The Framework states that: <ul style="list-style-type: none"> ○ The borrower’s SPTs must demonstrate an improvement over time compared to recent performance levels. ○ It is preferred to have external benchmarks, such as peers or reference to science or international targets such as the Paris Agreement on Climate Change or UN SDGs, for setting the levels of the SPTs. • The Framework stipulates that disclosures on target setting should make clear reference to the timeline for the target achievement. Borrowers must obtain independent verification of the performance level against each SPT for each KPI. • The Framework states that KPIs and SPTs for each eligible category should be determined and set between the borrower and lender group for each transaction and defined within the corresponding loan agreement. • The Framework states that the borrower should make clear reference how the borrower intends to reach its SPTs. <p>In the External Reviewer’s opinion, the Framework’s approach to calibration of SPTs is aligned to the requirements of the SLLP Principle Two – Calibration of SPTs</p>
 <p>Core component Loan Characteristics</p>		<ul style="list-style-type: none"> • Qualifying sustainability linked financial products incentivise the borrower’s achievement of predetermined sustainability performance objectives in line with the SLLP. The definition of appropriate SPTs and associated KPIs are a key characteristic of the credit process. • The Framework states that Tatra is monitoring the status of achievement of the SPTs and has confirmed there is an economic outcome linked to its compliance or non-compliance. This economic outcome takes the form of a margin adjustment in basis points depending on whether KPIs have been reached. • The Framework includes a mechanism for immediately removing sustainability linked financial products that are no longer eligible from the ESG Deposit^{TB} Portfolio, without waiting for a suitable sustainability linked financial product to replace them. <p>In the External Reviewer’s opinion, the Framework’s characteristics are aligned to the requirements of the SLLP Principle Three – Loan Characteristics</p>

 <p>Core component Reporting</p>		<ul style="list-style-type: none"> • The Framework states that borrowers should provide lenders participating in the loan with up-to-date information, sufficient to allow them to monitor the performance of the SPTs. The scope and frequency of the reporting should be defined within the corresponding loan agreement. • The Framework states that the information provided by the borrower should be sufficient to allow the Lender to monitor the performance of the SPT. • The Framework states that borrowers are encouraged to publicly report information relating to their SPTs. The Framework additionally recommends that the verification of performance against the SPTs is made publicly available. • The Framework states that a clear definition of the SPTs should be provided and should include the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline and be benchmarked against an industry standard where feasible. • The Framework should state that the information disclosed by the borrower should be sufficient to allow the Lender to determine that the SPTs remain ambitious and relevant to the borrower’s business. <p>In the External Reviewer’s opinion, the Framework’s process for reporting is aligned to the requirements of the SLLP Principle Four – Reporting</p>
 <p>Core component Verification</p>		<ul style="list-style-type: none"> • The Framework stipulates that borrowers must obtain independent verification of the borrower’s performance level against each SPT for each KPI, at least once per annum. • The Framework recommends the verification of the performance against the SPTs is made publicly available where appropriate. • The Framework states that on an annual basis, the Lender will review the ESG Deposit^{TB} Portfolio to ensure the eligibility of the selected sustainability-linked financial products. This review will include the status of SPT achievement (overachieving, achieving, or underachieving). <p>In the External Reviewer’s opinion, the Framework’s approach to verification is aligned to the requirements of the SLLP Principle Five – Verification</p>

Basis of the Second Party Opinion

Purpose of the External Review and this Report

Context

1.1.1. About the Lender

Tatra Banka (“**Tatra**”) is part of the Raiffeisen Bank International (“**RBI**”) Group which operates in 12 markets in the Republic of Austria, Central and Eastern Europe. Tatra is a leader in corporate banking, private banking, and the premium and student segments within the Slovakian banking sector for more than 30 years.

1.1.2. About the ESG Deposit^{TB} Framework

With this ESG **Deposit**^{TB} Framework, Tatra aims to stimulate the origination of new sustainability linked financial products. Tatra will use an amount equivalent to the ESG **Deposit**^{TB} proceeds to finance and/or re-finance, in part or in full, new and/or existing sustainability linked financial products with a positive ESG impact within Tatra’s core markets.

Qualifying sustainability linked financial products are any types of loan, leasing instruments and/or contingent facilities (such as bonding lines, guarantee lines or letters of credit) which incentivises the borrower’s achievement of ambitious, material and quantifiable predetermined sustainability performance objectives in line with the LMA, APLMA and LSTA Sustainability-Linked Loan Principles (SLLP) Qualifying sustainability linked financial products also include investments in bonds that are in line with ICMA Sustainability Linked Bond Principles (SLBP) .

The ESG **Deposit**^{TB} Framework references green and social categories defined in Tatra Banka’s Sustainable Bond Framework. For the purpose of this external review, we will focus on the Sustainability Linked Loan Principles (February 2023) as a Second Party Opinion has already been issued against the Sustainable Bond Framework.

1.1.3. About the External Review

The Lender has appointed Carbon Trust Advisory Limited (the “Carbon Trust”), as a suitably qualified and experienced independent external review service provider, to perform an external review and provide a Second Party Opinion regarding the ESG **Deposit**^{TB} Framework and alignment with the LMA, APLMA and LSTP Sustainability Linked Loan Principles (February 2023).

The SLLP are a set of voluntary process guidelines for issuing Sustainability Linked Loans that “enables lenders to incentivise the sustainability performance of the borrower”. The External Reviewer’s role concerning the Framework has been to undertake a pre-signing external review as identified in SLLP (February 2023) and to provide a Second Party Opinion as contemplated in ICMA ‘*Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews*’ (June 2022) in so far as these guidelines are appropriate for loans.

Basic Information

Lender's name: Tatra Banka

Lender's ESG Deposit^{TB} Framework: Tatra Banka ESG **Deposit^{TB}** Framework

Sustainability standard applicable: LMA, APLMA and LSTA *Sustainability Linked Loan Principles, Supporting environmentally and socially sustainable economic activity* (February 2023)

Role of Independent External Review Service Provider

<input checked="" type="checkbox"/>	Second Party Opinion / Consultant Review	<input type="checkbox"/>	Certification
<input type="checkbox"/>	Verification	<input type="checkbox"/>	Scoring / Rating
<input type="checkbox"/>	Other (please specify):		

Timing

<input checked="" type="checkbox"/>	Pre-signing external review	<input type="checkbox"/>	Post-signing annual verification
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Scope of Review

The review assessed the following elements and confirmed their alignment with the SLLP:

<input checked="" type="checkbox"/>	Selection of KPIs	<input checked="" type="checkbox"/>	Calibration of KPIs
<input checked="" type="checkbox"/>	Loan Characteristics	<input checked="" type="checkbox"/>	Reporting
<input checked="" type="checkbox"/>	Verification		

Publication of the External Review

The Lender has committed that the full version of the Second Party Opinion will be made available to borrowers participating in the Framework.

Furthermore, the full version of the Second Party Opinion can be found on Tatra Banka's website.

Applicable Standards Concerning the External Review

Sustainability Linked Loan Principles (February 2023)

The SLLP is a set of recommended voluntary process guidelines for sustainability linked loans to be applied on a deal-by-deal basis; a sustainability linked loan being "any types of loan instruments and/or contingent facilities [...] which incentivise the borrower's achievement of ambitious, predetermined sustainability performance objectives", with the characteristics based on the five core components of the Sustainability Linked Loan Principles.

The SLLP is comprised of five core components. It is against these, that the Carbon Trust has reviewed the alignment of the Framework and related supporting documentation.

Management Responsibilities

Tatra Banka management is responsible for the following “**Procedures**”:

- Maintaining suitable processes for identifying and managing environmental and social risks and impacts of operations, projects and/or assets.
- Designing, implementing, and maintaining internal controls relevant to the preparation, execution, and management of the Framework.
- Selecting and defining appropriate KPIs which align with the loan terms, measuring its pertinent sustainability performance and obtaining independent and external verification of its pertinent sustainability performance.
- Calibrating SPTs per KPI through the application of appropriate methodologies.
- Providing sufficient data to external review providers concerning the selection of KPIs and calibration of SPTs, including assumption and calculations methodologies.
- Maintaining suitable processes for identifying and managing environmental and social risks associated with the selected KPIs and SPTs, and the strategies to achieve the SPTs.
- Implementing and maintaining governance, management, and operational processes to achieve the SPTs and the terms set out in the indicative term sheet and loan facility agreement.
- Maintaining continued alignment between the Framework and the on-going requirements of the respective SLLP principles and criteria and further lender requirements, as applicable.

External Reviewer Responsibility

The External Reviewer’s responsibility is to plan and perform work to form an independent opinion on whether the ESG **Deposit**^{TB} Framework and relevant supporting documentation has been prepared in alignment with the requirements of the five core components of the SLLP, as described in the ‘Basis of the Second Party Opinion’, and to report to the Borrower in the form of a ‘Second Party Opinion’ based on the work undertaken and the evidence obtained.

The Second Party Opinion is based on information provided to us by Tatra and we have relied on the accuracy of that information. Our work does not include an audit or other verification that the information provided by Tatra is correct or accurate.

The Carbon Trust’s opinion does not guarantee any aspect of borrower capacity or performance, or the likelihood of sustainability-linked targets being achieved.

Assurance Standards

The type of External Review undertaken is a Second Party Opinion as identified in the SLLP. The Carbon Trust’s services are aligned to the ICMA ‘*Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews*’ (June 2022), and has considered the LMA, APLMA and LSTA ‘*Guidance on Sustainability Linked Loan Principles*’ (February 2023). The External Reviewer has considered these to confirm alignment of the Sustainability Linked Loan with the five core components of the SLLP, as set out in the ‘Basis of the Second Party Opinion’.

The External Reviewer has worked in accordance with its assurance methodology which is based on the International Standard on Assurance Engagements 3000 (“**ISAE 3000**”) (Revised), **noting that this Second Party Opinion is not an assurance opinion in accordance with ISAE 3000 (Revised)**.

The External Reviewer’s Competence and Independence

Who we are

The Carbon Trust is a trusted, expert guide to Net Zero, bringing purpose-led, vital expertise from the climate change frontline. We have been pioneering decarbonisation for more than 20 years for businesses, governments and organisations around the world.

We draw on the experience of over 400 experts internationally, accelerating progress and providing solutions to this existential crisis. We have supported over 3,000 organisations in 50 countries with their climate action planning, collaborating with 150+ partners in setting science-based targets, and supporting cities across five continents on the journey to Net Zero.

Independence and conflict of interest policy

We, the Carbon Trust, maintain our independence from our clients and objectivity with regards to engagements, by maintaining and adhering to appropriate governance processes that reflect industry best practice for assurance and independent review services. We evaluate potential conflicts and threats to our independence and objectivity, introduce suitable mitigants where these are relevant, and represent to the Borrower concerning these issues.

Our commitment to impartiality and quality assurance is established in policies, procedures, and management structure and reflect international standards for quality management. As a result, the conclusions in this report reflect an impartial undertaking of the scope of the engagement.

The outcome of all verification and certification assessments is internally reviewed by senior management to ensure that the approach is rigorous and transparent. We have undertaken this independent External Review guided by the fundamental ethical and professional principles of integrity, objectivity, professional competence, due care, appropriate confidentiality, and professional behaviour throughout.

Competence and credentials

The Carbon Trust is a leader in the evaluation and certification of sustainability and environmental frameworks, practices, performance, and projects, providing an independent point of view to help on the decision-making in connection with thematic bonds and loans. We have a dedicated green finance team based in London, UK, with in-country experts in our country offices including Germany and the Netherlands. Carbon Trust is a leading provider of assurance and verification concerning thematic bonds, loans and other thematic financial instruments, in line with accepted international standards.

The Carbon Trust evaluates its competency and suitability to perform the External Review given the objective, scope of the work and the particulars of the thematic financial instrument and eligible assets and projects. The Carbon Trust ensures the selection of appropriate professionals to carry out the work to give this Second Party Opinion Statement, based on their qualifications, training and experience. This

includes the combination of multidisciplinary teams as appropriate, including team members with suitable financial expertise and environmental and sustainability expertise as required.

The Carbon Trust is an Observer to the ICMA Principles approved by the Secretariat as contemplated in the Governing framework Section 4.2⁴ and provides regular inputs to updates and other matters put to public comment by ICMA with regards the Principles. In October 2020, the Carbon Trust was nominated to sit on the ICMA GBP and SBP Advisory Council.

External Review procedures

The Carbon Trust planned and performed the work to obtain all the information and explanations considered necessary to provide a basis for its opinion. The Carbon Trust's work included, but was not restricted to, the following activities:

- Reviewing the Lender's positioning of the related documents and information in context of overarching objectives, strategy, policy, and other processes relating to environmental, social and sustainability matters as relevant.
- Evaluating the ESG **Deposit**^{TB} Framework and supporting documentation and procedures against the respective five core components of the SLLP (February 2023), including the selection of KPIs, setting of SPTs and the proposed management, reporting, tracking and verification of performance against the targets in respect of sustainability-linked Financial Products.
- Reviewing the Lender's processes to identify and manage environmental and social risks and impacts, and manage risk mitigants effectively, including through exclusion criteria.
- Reviewing relevant internal procedures implemented by the Lender in relation sustainability-linked Financial Products and assessing the suitability of the procedures.
- Interviewing relevant personnel of the Lender to understand the key related processes, systems, controls, both current and committed, and related documentation.
- Preparation and revision of the Second Party Opinion report, incorporating the findings, conclusions and relevant information gathered during the evaluation process.

Relevant documentation

Borrower documentation

The following information and documents, provided by the Borrower, have been reviewed to form the basis of the SPO (the "Borrower Documentation"):

- > Tatra Banka_ESG Deposit Framework_V3 (March 2024)
- > Tatra Banka Environmental Policy

⁴ <https://www.icmagroup.org/green-social-and-sustainability-bonds/governance-framework>

Other documentation

- > LMA, APLMA and LSTA '*Sustainability Linked Loan Principles, Supporting environmentally and socially sustainable economic activity*' (February 2023)
- > ICMA '*Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews*' (June 2022)
- > LMA, APLMA and LSTA '*Guidance on Sustainability Linked Loan Principles*' (February 2023)

Limitations of the External Review

Given that our External Review work (in relation to the Scope) was undertaken as a pre-signing external review, our procedures have been confined to the reviewer activities set out in this document, and we did not evaluate the Borrower's performance against each SPT for each KPI or the continued effectiveness of the Borrower's procedures. We did not perform assessments on data and information beyond the defined scope and reviewer activities as defined in this Report.

The Second Party Opinion is based on information provided to us by the Lender and we have relied on the accuracy of that information. Our work does not include an audit or other verification that the information provided by the Lender is correct or accurate. The Carbon Trust has not conducted an assurance exercise on the baseline data which has been provided by the Borrower.

The External Reviewer has not performed any work and does not express any conclusion regarding the effectiveness of management functions with regard to the SLL.

The Second Party Opinion Statement is based on information and data available, and the results of our assessment carried out, on or before 26th February 2024 and no further information and data subsequent to that date were considered or further assessment carried out.




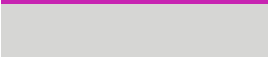

Distribution and Intended Use

This Report and Second Party Opinion Statement is made solely to the Lender in accordance with the terms of engagement, which include agreed arrangements for disclosure. The work was undertaken by the External Reviewer so as to state to the Lender those matters contained in this Report and for no other purpose. The Report should not be regarded as suitable to be used or relied on by any party other than the Lender for any purpose or in any context. Any party other than the Lender who chooses to rely on the report (or any part thereof) will do so at its own risk. To the fullest extent permitted by the law, the External Reviewer accepts or assumes no responsibility or liability to any party other than the Lender for this Report.

Appendix 1: Detailed External Review in line with the Sustainability Linked Loan Principles (February 2023)

Set out below are our component specific findings and statements in relation to each of the five SLLP core components, as they relate to the Sustainability Linked Loan Framework.

Results of the assessment

	Meets and goes beyond requirements
	Meets requirements
	Does not meet requirements
	Not relevant/applicable to the Borrower and/or External Review
	Opportunity for enhancement

Principle One – Selection of KPIs

Detailed review of Sustainability Linked Framework alignment to SLLP (February 2023) Principle One – Selection of KPIs

SLLP (February 2023) specification	Carbon Trust comment	Assessment result
Sustainability-linked loans look to improve the borrower’s sustainability profile over the term of the loan.	The Lender aims to stimulate the origination of new sustainability linked financial products. The Lender will use an amount equivalent to the ESG Deposit ^{TB} proceeds to finance and/or re-finance, in part or in full, new and/or existing sustainability linked financial products with a positive ESG impact within its core markets. The Lender aims to incentivise the borrower’s achievement of ambitious, material and quantifiable predetermined sustainability performance objectives. The Framework outlines potential KPIs on how they would seek to improve the borrower’s sustainability profile over the term of the loan.	Meets requirements

<p>Has the Lender aligned the loan terms to the borrower's performance measured using one or more sustainability KPIs?</p>	<p>The Framework stipulates that the borrower's performance should be measured using predefined SPTs, which can be internal or external, and which measure improvements in the borrower's sustainability profile. The Framework states three qualifying categories for measuring the borrower's performance against sustainability linked financial products: (1) ESG KPI linked financial products, (2) EU Taxonomy linked financial products and (3) ESG Rating linked financial products.</p> <p>Within the credit process the local business and the Sustainable Finance Committee are responsible for ensuring that the sustainability linked financial products are properly sourced, comply with the eligible criteria and are monitored on how ambitious, meaningful, and relevant the KPIs and related SPTs are.</p>	<p>Meets requirements</p>
<p>The KPIs should be material to the borrower's core sustainability and business strategy.</p>	<p>The Framework states that the chosen KPIs should be material to the borrower's core sustainability and business strategy. Practical examples of KPIs for the Lender's business sectors are given in the Framework, including the references of exemplary KPIs.</p>	<p>Meets requirements</p>
<p>The KPIs should address relevant environmental, social and/or governance (ESG) challenges of the industry sector.</p>	<p>The Framework stipulates that the chosen KPIs should address relevant and core environmental, social and/or governance (ESG) challenges of the industry sector.</p>	<p>Meets requirements</p>
<p>The KPIs should be relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations.</p>	<p>The Framework stipulates that the chosen KPIs should be material to the borrower's core sustainability and business strategy. The Framework also states that the KPIs should have high strategic significance to the borrower's current and/or future operations. Practical examples of KPIs for the Lender's business sectors are given in the Framework, including the references of exemplary KPIs.</p>	<p>Meets requirements</p>
<p>The KPIs should be measurable or quantifiable on a consistent methodological basis.</p>	<p>The Framework states the importance of measurable and quantifiable KPIs. <i>Table 1 Overview of the qualifying categories for sustainability linked financial products</i> of the Framework states that the borrowers should, where possible and at least once per annum and on a consistent methodological basis, provide the lenders participating in the loan with up-to-date information sufficient to allow them to monitor the performance of the SPTs. The Lender also stipulates that the scope and frequency of the reporting should be defined within the corresponding loan agreement.</p>	<p>Meets requirements</p>

<p>The KPIs should be able to be benchmarked, i.e., as much as possible using an external reference or definitions to facilitate the assessment of the SPT’s level of ambition.</p>	<p>The Framework states that KPIs should be measurable and quantifiable, should be regularly monitored, and be compared to a benchmark or an external reference where possible. The Framework states it is preferred to have external benchmarks (peers and reference to science or international targets such as the Paris Agreement on Climate Change or UN Sustainable Development Goals) for setting the levels of the SPTs.</p>	<p>Meets requirements</p>
<p>A clear definition of the KPI(s) should be provided and should include all specified elements.</p>	<p>The Framework is set around having three eligible categories for the KPIs, (1) ESG KPI-linked financial products, (2) EU Taxonomy-linked financial products, and (3) ESG-Rating linked financial products. The borrower should align to one of these categories.</p> <p>The Framework stipulates that the KPIs should be defined by the borrower in line with their sustainability and business strategy. A clear definition of the KPI(s) and SPT(s) should be provided and should include the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline and be benchmarked against an industry standard where feasible.</p>	<p>Meets requirements</p>

Detailed review result

<p>Aligned to SLLP (February 2023) Principle One – Selection of KPIs</p>	<p>In the External Reviewer’s opinion, the Borrower’s approach to the selection of KPIs is aligned with the requirements of the SLLP Principle One – Selection of KPIs.</p>
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Principle Two – Calibration of SPTs

Detailed review of Sustainability Linked Loan alignment to SLLP (February 2023) Principle Two – Calibration of SPTs

SLLP (February 2023) specification	Carbon Trust comment	Assessment result
<p>The SPTs should be set in good faith and should remain relevant (so long as they apply) throughout the life of the loan.</p>	<p>The Framework states that the SPTs should be set in good faith by the borrower, and that the SPTs should be determined on a predefined timeline, set before or concurrently with origination of the loan.</p>	<p>Meets requirements</p>
<p>The SPTs should represent a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory.</p>	<p>The Framework states the importance that KPIs relevant to SPTs should be ambitious in the sense of representing a material improvement in the borrower’s ESG characteristics. The Framework additionally states that it is preferable to set SPTs around external benchmarks such as peers and science or international targets such as the Paris Agreement on Climate Change or UN Sustainable Development Goals. Given the nature of these ambitious targets, it’s the External Reviewer’s opinion that these imply a ‘beyond the business as usual’ trajectory.</p>	<p>Meets requirements</p>
<p>The SPTs should where possible be compared to a benchmark or an external reference</p>	<p>The Framework stipulates that it is preferred to have external benchmarks (peers and reference to science or international targets such as the Paris Agreement on Climate Change or UN Sustainable Development Goals) when setting the SPTs.</p>	<p>Meets requirements</p>
<p>The SPTs should be consistent with the borrower’s overall sustainability / ESG strategy</p>	<p>The Framework states that the SPTs should be consistent with the borrower’s overall sustainability strategy.</p>	<p>Meets requirements</p>
		<p>Meets requirements</p>

<p>The SPTs should be determined on a predefined timeline, set before or concurrently with the origination of the loan</p>	<p>The Framework states that the SPTs should be determined on a predefined timeline, determined on a predefined timeline, set before or concurrently with origination of the loan.</p>	<p>Meets requirements</p>
<p>Targets should be based on recent performance levels and be based on a combination of benchmarking approaches:</p> <p>1. The borrower’s own performance over time, for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended; and</p> <p>2. The borrower’s peers, i.e. the SPT’s relative positioning versus its peers’ where available (average performance, best in class performance) and comparable, or versus current industry or sector standards; and/or</p> <p>3. Reference to the science, i.e. systematic reference to</p>	<p>The Framework states that:</p> <ol style="list-style-type: none"> 1. The borrower’s SPTs must demonstrate an improvement over time compared to recent performance levels. 2. It is preferred to have external benchmarks such as peers for setting the levels of the SPTs. 3. It is preferred to have external benchmarks, such as reference to science or international targets such as the Paris Agreement on Climate Change or UN Sustainable Development Goals, for setting the levels of the SPTs. 	<p>Meets requirements</p>

<p>science-based scenarios, or absolute levels (e.g. carbon budgets), or to official country/regional/international targets (Paris Agreement on Climate Change and net zero goals, Sustainable Development Goals, etc.) or to recognised best-available-technologies or other proxies to determine relevant targets across ESG themes</p>		
<p>Disclosures on target setting should make clear reference to the timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of review of the SPTs</p>	<p>The Framework stipulates that disclosures on target setting should make clear reference to the timeline for the target achievement. The Framework additionally states that borrowers should, where possible and at least once per annum, provide lenders participating in the loan with up-to-date information, sufficient to allow them to monitor the performance of the SPTs. Borrowers must obtain independent and external verification of the performance level against each SPT for each KPI at the frequency agreed within the corresponding loan agreement. The scope and frequency of the reporting should be defined within the corresponding loan agreement.</p>	<p>Meets requirements</p>
<p>Disclosures on target setting should make clear reference to where relevant, the verified baseline or science-based reference point selected for improvement of KPIs as well as the rationale for that baseline or</p>	<p>The Framework outlines that all disclosures on target setting are to make clear reference to the verified baseline or science-based reference point selected for improvement of KPIs as well as rational for that baseline or reference point to be used. The Framework states that it is preferred to have external benchmarks such as reference to science or international targets such as the Paris Agreement on Climate Change or UN Sustainable Development Goals for setting the level of ambition of the SPTs.</p>	<p>Meets requirements</p>

<p>reference point to be used (including date/period)</p>		
<p>Disclosures on target setting should make clear reference to where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place</p>	<p>The Framework stipulates that disclosures on target setting are to make clear reference to (where relevant) in what situations recalculations or pro-forma adjustments of baselines will take place and are referred to any other any other key factors beyond the borrower’s direct control that may affect the achievement of the SPTs.</p>	<p>Meets requirements</p>
<p>Disclosures on target setting should make clear reference to where possible and taking competition and confidentiality considerations into account, how the borrower intends to reach such SPTs, e.g. by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, i.e. through highlighting the key levers/ type of actions that are expected to drive the performance towards the SPTs as well as their expected respective</p>	<p>The Framework encourages a clear definition of the SPTs, including the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline; this allows for a better understanding on how the borrower intends to reach such SPTs, which are set in line with the borrower’s sustainability strategy.</p> <p>Within all three eligible categories, the SPTs must demonstrate an improvement over time compared to recent performance levels and that the borrowers should provide the lenders participating in the loan with up-to-date information sufficient to allow them to monitor the performance of the SPTs.</p> <p>Additionally, the Framework states that borrowers are encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower’s integrated annual report or sustainability report.</p>	<p>Meets requirements</p>

<p>contribution, in quantitative terms wherever possible</p>		
<p>Disclosures on target setting should make clear reference to any other key factors beyond the borrower’s direct control that may affect the achievement of the SPTs</p>	<p>The Framework mentions that target disclosure, if relevant, will refer to any other key factors beyond the borrower’s direct control that may affect the achievement of the SPTs. The Framework also stipulates that, post-signing, in case of any material change to perimeter/ KPI methodology and/or SPT(s) calibration, borrowers are encouraged to ask external reviewers to assess any of these changes.</p>	<p>Meets requirements</p>
<p>Appropriate KPIs and SPTs should be determined and set between the borrower and lender group for each transaction</p>	<p>The Framework states that KPIs and SPTs for each eligible category should be defined and determined between the borrower and lender group for each transaction and defined within the corresponding loan agreement.</p>	<p>Meets requirements</p>
<p>A borrower may elect to arrange its sustainability linked loan product with the assistance of one or more “Sustainability Coordinator(s)” or “Sustainability Structuring Agent(s)” and, where appointed, they will assist with negotiating the KPIs</p>	<p>Optional and therefore not required.</p>	<p>Not relevant/ applicable</p>

<p>and calibrating the SPTs with the borrower</p>		
<p>Post-signing, in case of any material change to perimeter/ KPI methodology/SPT(s) calibration, borrowers are encouraged to ask external reviewers to assess any of these changes</p>	<p>The Framework states that in post-signing, if there is any material change to perimeter, KPI methodology or SPT(s) calibration, the borrower is encouraged to ask external reviewers to assess any of these changes.</p>	<p>Meets requirements</p>
<p>In cases where no external input is sought, it is strongly recommended that the borrower demonstrates or develops the internal expertise to verify its methodologies. Borrowers are recommended to thoroughly document any such expertise, including the related internal processes and expertise of their staff. This documentation should be provided to lenders.</p>	<p>The Framework stipulates that borrowers must obtain independent and external verification of the borrower’s performance level against each SPT for each KPI (for example, limited or reasonable assurance or audit by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency), at the frequency as agreed within the corresponding loan agreement. Therefore, this principle does not apply to the Framework, as there are no cases where no external input is sought.</p>	<p>Not relevant/ applicable</p>

Detailed review result

<p>Aligned to SLLP (February 2023)</p> <p>Principle Two – Calibration of SPTs</p>	<p>In the External Reviewer’s opinion, the Borrower's approach to the calibration of SPTs is aligned with the requirements of the SLLP Principle Two – Calibration of SPTs.</p>
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Principle Three – Loan Characteristics

Detailed review of Sustainability Linked Loan alignment to SLLP (February 2023) Principle Three – Loan Characteristics

SLLP (February 2023) specification	Carbon Trust comment	Assessment result
<p>A key characteristic of a sustainability linked loan is that an economic outcome is linked to whether the selected predefined SPT(s) are met.</p>	<p>The aim of the Framework is to facilitate and support environmentally and socially sustainable economic activity and growth. All potential sustainability-linked loans are subject to the Lender’s standard credit process and only loans that have been approved through this process can be considered eligible for an ESG Deposit^{TB}.</p> <p>If a loan no longer meets the Eligibility Criteria set forth in the Framework, the loan will be immediately removed from the ESG Deposit^{TB} Portfolio.</p> <p>The Framework states that Tatra is monitoring the status of achievement of the SPTs and has confirmed there is an economic outcome linked to its compliance or non-compliance. This economic outcome takes the form of a margin adjustment in basis points depending on whether KPIs have been reached. A Sustainability Discount is applied if all KPIs have been reached. If no KPIs have been reached, a Sustainability Premium is applied. If some but not all KPIs have been reached, there is no change. This would evidence that an economic outcome is linked to whether the selected predefined SBTs are met.</p>	<p>Meets requirements</p>

Detailed review result

<p>Aligned to SLLP (February 2023)</p> <p>Principle Three – Loan Characteristics</p>	<p>In the External Reviewer’s opinion, the Sustainability Linked Loan’s characteristics are aligned with the requirements of the SLLP Principle Three – Loan characteristics.</p>
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Principle Four – Reporting

Detailed review of Sustainability Linked Loan alignment to SLLP (February 2023) Principle Four – Reporting

SLLP (February 2023) specification	Carbon Trust comment	Assessment result
<p>Borrowers should, where possible and at least once per annum, provide the lenders participating in the loan with up-to-date information</p>	<p>The Framework states that borrowers should, where possible and at least once per annum, provide the lenders participating in the loan with up-to-date information, sufficient to allow them to monitor the performance of the SPTs. The scope and frequency of the reporting should be defined within the corresponding loan agreement.</p>	<p>Meets requirements</p>
<p>The information should be sufficient to allow the lender to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business</p>	<p>The Framework states that the information provided by the borrower should be sufficient to allow the Lender to monitor the performance of the SPT and determine that the SPTs remain ambitious and relevant to the borrower's business.</p>	<p>Meets requirements</p>
<p>As transparency is of particular value in this market, borrowers should be encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower's integrated annual report or sustainability report. However, this will not always</p>	<p>The Framework states that as transparency is important for ESG washing prevention, borrowers are encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower's integrated annual report or sustainability report. The Framework additionally recommends that the verification of performance against the SPTs is made publicly available where appropriate.</p>	<p>Meets requirements</p>

<p>be the case and, where appropriate, a borrower may choose to share this information privately with the lenders rather than making this publicly available.</p>		
<p>Borrowers are also encouraged to provide details of any underlying methodology of SPT calculations and/or assumptions when reporting to lenders and/or publicly.</p>	<p>The Lender’s Framework states that a clear definition of the SPTs should be provided and should include the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline and be benchmarked against an industry standard where feasible. The Lender also recommends to borrowers that the verification of the performance against the SPTs is made publicly available where appropriate.</p>	<p>Meets requirements</p>

Detailed review result

<p>Aligned to SLLP (February 2023) Principle Four – Reporting</p>	<p>In the External Reviewer’s opinion, the Borrower’s approach to reporting is aligned with the requirements of the SLLP Principle Four – Reporting.</p>
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Principle Five - Verification

Detailed review of Sustainability Linked Loan alignment to SLLP (February 2023) Principle Five – Verification

SLLP (February 2023) specification	Carbon Trust comment	Assessment result
<p>Borrowers must obtain independent and external verification of the borrower’s performance level against each SPT for each KPI (for example, limited or reasonable assurance or audit by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency), at least once a year.</p>	<p>The Framework stipulates that borrowers must obtain independent and external verification of the borrower’s performance level against each SPT for each KPI (for example, limited or reasonable assurance or audit by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency), at the frequency as agreed within the corresponding loan agreement. The frequency of reporting should be at least once per annum.</p>	<p>Meets requirements</p>
<p>It is recommended that the verification of the performance against the SPTs should be made publicly available where appropriate</p>	<p>The Framework recommends to borrowers that the verification of the performance against the SPTs is made publicly available where appropriate.</p>	<p>Meets requirements</p>
<p>Once reporting has been completed and external review has taken place, the lenders will evaluate the borrower’s performance against the SPTs and KPIs</p>	<p>The Framework states that on an annual basis, the Lender will review the ESG Deposit^{TB} Portfolio to ensure the eligibility of the selected sustainability-linked financial products. This review will include the status of SPT achievement (overachieving, achieving or underachieving).</p>	<p>Meets requirements</p>

March 2024

based on the information available		
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Detailed review result

Aligned to SLLP (February 2023) Principle Five – Verification	In the External Reviewer’s opinion, the Borrower’s approach to verification is aligned with the requirements of the SLLP Principle Five – Verification.
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