

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

ASML

2 May 2022

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 (GBPs) administered by the International Capital Markets Association (ICMA) (as of June 2021)
Scope of verification	<ul style="list-style-type: none">ASML Green Bond Framework (as of April 25, 2022)ASML Selection Criteria (as of April 25, 2022)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">As long as there is no material change to the Framework

CONTENTS

SCOPE OF WORK	3
ASML BUSINESS OVERVIEW	3
ISS ESG ASSESSMENT SUMMARY	4
ISS ESG SPO ASSESSMENT	5
PART I: GREEN BONDS LINK TO ASML'S SUSTAINABILITY STRATEGY	5
A. ASSESSMENT OF ASML'S ESG PERFORMANCE	5
B. CONSISTENCY OF GREEN BONDS WITH ASML'S SUSTAINABILITY STRATEGY	7
PART II: ALIGNMENT WITH ICMA'S GREEN BOND PRINCIPLES	9
PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE	14
A. CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs	14
B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA	16
ANNEX 1: Methodology	18
ANNEX 2: ISS ESG Corporate Rating Methodology	19
ANNEX 3: Quality management processes	21
About ISS ESG SPO	22

SCOPE OF WORK

ASML commissioned ISS ESG to assist with its Green Bonds by assessing three core elements to determine the sustainability quality of the instruments:

1. Green Bonds' link to ASML's sustainability strategy – drawing on ASML's overall sustainability profile and issuance-specific Use of Proceeds categories.
2. ASML's Green Bond Framework (as of April 25, 2022) – benchmarked against the Green Bond Principles (GBPs) administered by the International Capital Market Association's (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 1).

ASML BUSINESS OVERVIEW

ASML operates in the semiconductor equipment industry, manufacturing chip-making equipment. Its value proposal is the design and manufacture of lithography machines that are an essential component in chip manufacturing. Products range from EUV and DUV lithography systems, refurbished systems, metrology and inspection systems or computational lithography.

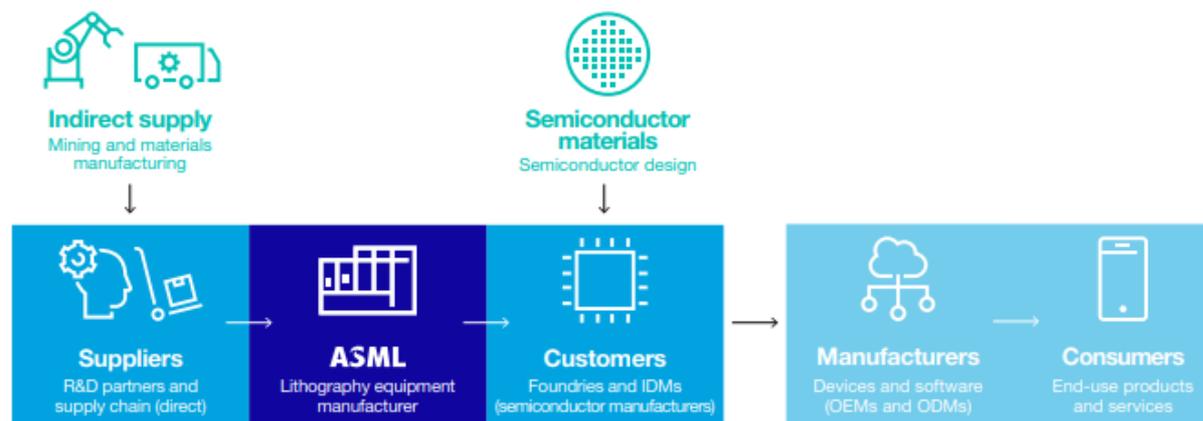


Figure 1: ASML's Business Overview

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Bonds' link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on April 22, 2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Semiconductor Equipment industry. The Issuer ranks 1st out of 32 companies within its sector.</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>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP</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 ICMA's Green Bond Principles.</p>	<p>Aligned</p>
<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 assets within Green Buildings.</p> <p>This use of proceeds category has a significant contribution to SDGs 11 'Sustainable Cities and Communities' and 13 'Climate action' and a limited contribution to SDG 7 'Affordable and Clean Energy'. The environmental and social risks associated with this use of proceeds category has been well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on the ASML's Green Bond Framework (25.04.2022 version), on the analysed Selection Criteria as received on the 25.04.2022, and on the ISS ESG Corporate Rating updated on the 21.04.2022 and applicable at the SPO delivery date.

ISS ESG SPO ASSESSMENT

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

A. ASSESSMENT OF ASML'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking Environmental, Social and Governance (ESG) data and performance assessments.

COMPANY	INDUSTRY	DECILE RANK	TRANSPARENCY LEVEL
ASML HOLDING NV	SEMICONDUCTOR EQUIPMENT	1	VERY HIGH

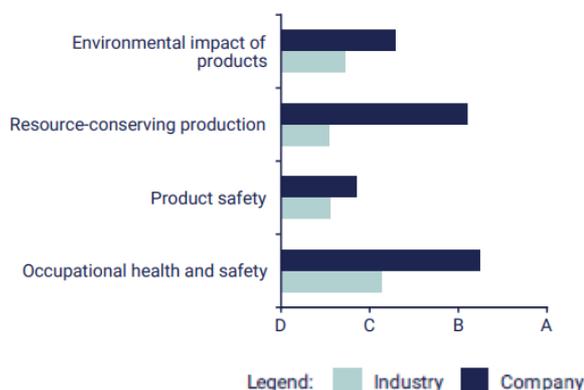
This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Semiconductor Equipment industry as it obtains a Decile Rank relative to its industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of April 29, 2022, this rating places ASML 1st out of 32 companies rated by ISS ESG in the Semiconductor Equipment industry.

Key challenges faced by companies in this industry in terms of sustainability management are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Key Issue Performance



Sustainability Opportunities

ASML designs and manufactures semiconductor equipment and thereby does not directly contribute to solving global social and environmental challenges. However, the company has a comprehensive strategy to improve the energy efficiency of its products including the use and development of techniques that enable the production of smaller transistors and chips, and a target to reduce the energy use per wafer of its future-generation NXE systems. Furthermore, as part of its strategy to reduce its environmental impact, the company ensures that products are designed in a way that promotes longevity and nearly 94% of the lithography systems ever sold across its whole portfolio are still in use at customer sites.

Sustainability Risks

ASML systematically addresses health and safety risks both related to its own operations and its products. For example, the company has implemented comprehensive health and safety management systems at the group level, the effectiveness of which is underscored by a decreasing work-related

accident rate in recent years. Regarding its products, safety aspects including tests and assessments are an integral part of product development and ASML ensures that substances of concern are not used in products. The company's comprehensive supplier code of conduct covers relevant issues related to labor rights and its compliance program includes risk assessments and audits. With respect to business ethics, the company's code of conduct covers relevant issues and is accompanied by a robust compliance system.

With regards to environmental issues, ASML is committed to improving the impact stemming from its operations and products. The company implements comprehensive and certified environmental management systems whose efficacy is reflected by a decreasing intensity trend for water and energy use, as well as waste generation and carbon emissions. Furthermore, the company's emissions reduction targets are consistent with reductions required to keep warming to 1.5°C and are approved by the Science Based Targets initiative (SBTi). The company addresses material efficiency in its production processes and its strategy includes targets to reduce waste and measures relating to the re-use of parts and materials returning from the field. In addition, the company conducts life cycle assessments (LCAs) covering energy use and ensures that products are designed in a way that extends their useful life. Regarding substances of concern, the company is committed to complying with the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) directive and aims to reduce and eliminate the use of hazardous substances as well as replace non-compliant parts with RoHS-compliant alternatives. Yet, measures, such as processes or technological adjustments, to reduce the use of substances of concern in production processes as well as to ensure responsible discharge of hazardous waste and wastewater effluents.

Governance Opinion

Regarding ASML's governance structure, the chair and all other members of the board of directors are independent. Furthermore, the board has established entirely independent committees in charge of audit, remuneration, and nomination (all governance data, as at April 1, 2022). The remuneration policy for ASML's executives is disclosed and includes long-term components, thereby creating incentives for sustainable value creation.

While the company's executive leaders are in charge of ASML's ESG strategy, there is no evidence of a comparable independent board committee tasked with the supervision of sustainability issues². Sustainability performance objectives are to some extent integrated into the variable remuneration of members of the executive management team. With respect to business ethics, ASML's comprehensive code of conduct covers all relevant aspects of in general terms. In an effort to ensure compliance with the code, employees have to confirm their acceptance of its terms and receive training on it. Additionally, the company provides anonymous and confidential reporting channels, and conducts risk assessments.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of ASML's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs).

² According to ISS ESG proprietary methodology, in this indicator it is expected that there is an independent committee that specifically focuses on the oversight of ESG-related issues. ASML follows a two-tier board structure, consisting of a Board of Management (BoM) and Supervisory Board (SB) and has a Sustainability Committee which is populated by BoM members. The SB has supervisory authority and has established 4 committees: Audit, Remuneration, Selection & Nomination and Technology. It doesn't have a dedicated ESG Sustainability Committee, as it is considered that ESG topics are already covered in the existing committees.

This analysis is limited to the evaluation of final product characteristics and does not include practices along ASML's production process.

ISS ESG determined that, based on the information provided by the company, its overall business model has no net impact (contribution and/or obstruction) to the UN SDGs.

Breaches of international norms and ESG controversies

As of April 29, 2022, the company is not facing any severe controversy.

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

Key sustainability objectives and priorities defined by the issuer

In 2021, ASML defined a 9-folded strategy aimed at contributing to the UN SDGs, based in the 3 pillars of ESG and with specific focus elements in each dimension:

1. Energy efficiency and climate action
2. Circular economy
3. Attractive workplace for all
4. Innovation ecosystem
5. Responsible supply chain
6. Valued partner for ASML's communities
7. Integrated governance
8. Stakeholder engagement
9. Transparent reporting

Alongside, the company has committed to different environmental targets:

- Net Zero CO₂ emissions in Scope 1 and 2 by 2025
- Net Zero emissions in Supply Chain and waste disposal in landfill by 2030
- Net Zero emissions in Value Chain by 2040

So far, the company executed close to 100 energy-saving projects targeting their own operations, with a cumulative reduction of over 260 TeraJoule (Tj) since 2010. Over the same period, natural gas consumption remained stable despite a significant growth in the number of clean rooms and offices (over 10.000 m²). The company aims to conduct 25 more projects with a view to reach a direct energy saving of 100 Tj.

Rationale for issuance

ASML is committed to sustainability and through its ESG Sustainability strategy, ASML aims to advance sustainability activities in all areas of the business. The net proceeds of the bond issued under the issuer's Green Bond Framework will be used to finance existing or new sustainable real estate

buildings, owned by ASML, that meet the Eligibility Criteria. ASML believes that these real estate projects support its ESG Sustainability Strategy and contribute to the UN SDGs. Through the setup of a Green Bond program, ASML wants to contribute to the financing of the transition toward carbon neutral operations and broaden its investor base to reach further like-minded investors.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under the Green Bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Semiconductor Equipment 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

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

PART II: ALIGNMENT WITH ICMA'S GREEN BOND PRINCIPLES

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

An amount equal to the net proceeds of ASML's Green Bonds will be used to finance and/or refinance, in whole or in part, new or existing commercial real estate projects ("Eligible Green Projects") as defined below.

Eligible Green Projects may consist of capital expenditures and asset values. Capital expenditures qualify for refinancing with a maximum three-year look-back period. Asset values qualify for refinancing without a specific lookback period.

GBP CATEGORY	ELIGIBILITY CRITERIA
<p>Green Buildings</p>	<p>Acquisition, Construction, Development, Management and Refurbishments of:</p> <ul style="list-style-type: none"> ▪ Buildings that have or are expected to receive: <ul style="list-style-type: none"> • BREEAM "Very Good" or above certification • LEED "Gold" or above certification • G-SEED • Buildings built before 31st December 2020 with an EPC label \geq "A" • Buildings built before 31st December 2020 belonging to the top 15% of the national or regional building stock expressed as operational primary energy demand (PED) • Buildings built after 31st December 2020 with energy performance at least 10% lower than the threshold set for Nearly Zero-Energy Building (NZEB) regulation • Buildings that have been refurbished resulting in a reduction of primary energy demand (PED) of at least 30% in comparison to the baseline performance • Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulation

Opinion: ISS ESG considers the Use of Proceeds description provided by ASML's Green Bond Framework as aligned with the ICMA's Green Bond Principles. The issuer defines a look-back period of three years, in line with best market practice.

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

ASML manages ESG sustainability through a robust framework, governed by several levels to drive accountability and execution, which include Board of Management, ESG Sustainability committee, ESG Sustainability office, topic specific action owners and experts.

The Board of Management approves and signs off our ESG Sustainability strategy. They are responsible for policymaking and the supervision of ASML's ESG Sustainability Strategy, as well as its compliance with legal and reporting requirements. This includes addressing the principal risks and opportunities related to the strategy. The Board of Management meets regularly to give guidance on relevant issues, including climate related risks and opportunities.

The ESG Sustainability Committee ("ESG SC") comprises members of the Board of Management and senior management executives and is headed by our CEO and COO. The ESG SC aims to optimize coordination and alignment at companywide level. The ESG SC gives guidance on relevant issues, including climate related risks and opportunities.

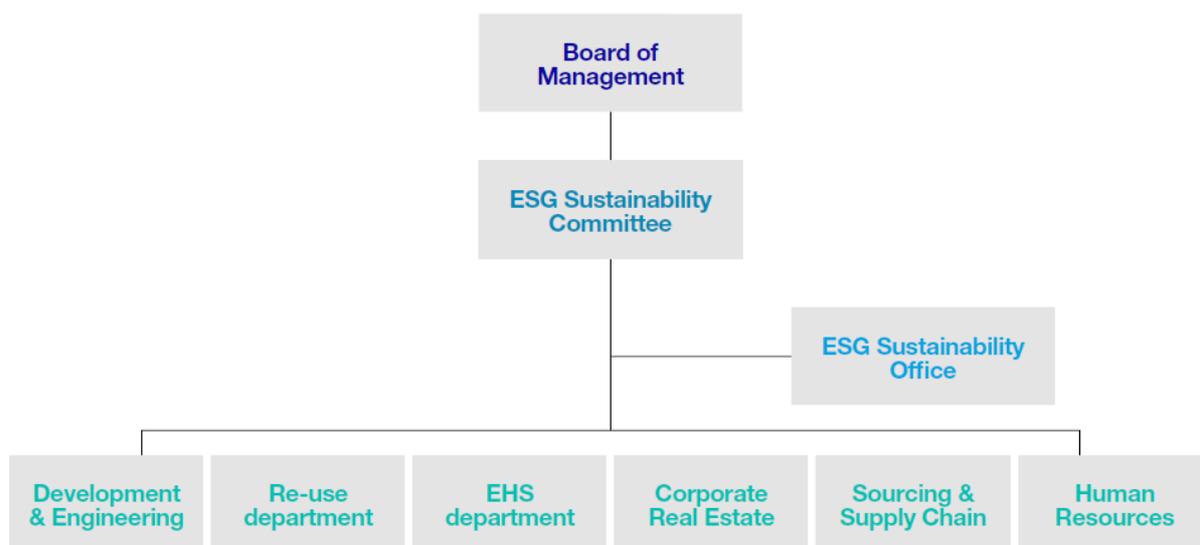


Figure 2: ASML Governance structure

The ESG SC has delegated the responsibilities regarding this green bond framework to a Green Bond workgroup, to oversee the implementation and execution of the Green Bond framework and related financing transactions, including the allocation of financing proceeds and selection of relevant assets/capital expenditures. It will be comprised of the Vice President of Corporate Real Estate, the Vice President of Treasury and Director of ESG Sustainability Strategy. Our Corporate Real Estate team/experts together with the ESG Sustainability Strategy experts, will recommend the allocation of eligible projects for approval by the workgroup. The workgroup will meet at least once a year. Any additional meetings will be scheduled as needed.

The Green Bond workgroup is, responsible for:

- Reviewing the content of ASML's Green Bond Framework and updating it to reflect any

changes in corporate strategy, market or regulatory developments on a best effort basis;

- Excluding projects that no longer comply with the Eligibility Criteria as set out in the Use of Proceeds section or have been disposed of and replacing them on a best effort basis;
- Taking into account that the environmental and social risks potentially associated with the Eligible Green Projects are properly mitigated via the due diligence processes conducted by ASML, and comply with official national and international environmental and social standards, local laws and regulations, on a best effort basis;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements;
- Reporting transparently on project-related controversies, if any, on a best effort basis;
- Liaising with relevant business segments and other stakeholders on the above.

ASML established a clear decision-making process to determine the eligibility of the selected Eligible Green Projects, in accordance with the description of the eligibility criteria mentioned above.

Sustainability Policies

ASML's sustainability policy outlines the company's ESG commitment and the long-term vision and ambition. Below some examples of relevant codes and policies from ASML:

- ASML Sustainability Policy³
- Code of Conduct⁴
- Business Ethics and Human Rights⁵

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by ASML's Green Bond Framework as aligned with the ICMA's Green Bond Principles. Moreover, the issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

The net proceeds of the Green Bonds issued under this Framework will be managed by ASML using a portfolio approach.

ASML will allocate an amount equal to the net proceeds from the Green Bonds to an Eligible Green Project Portfolio that meets the Use of Proceeds eligibility criteria and is in accordance with the Project Evaluation and Selection process presented above.

³ To be found [here](#)

⁴ To be found [here](#)

⁵ To be found [here](#)

ASML will strive, over time, to achieve a level of allocation to the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Bonds.

ASML intends, to the best of its abilities, to fully allocate the proceeds within 36 months after the issuance date of each Green Bond. Pending the allocation to the Eligible Green Projects, unallocated proceeds may be invested in any other treasury instruments.

Opinion: ISS ESG finds that Management of Proceeds proposed by ASML’s Green Bond Framework is aligned with the ICMA’s Green Bond Principles.

4. Reporting

FROM ISSUER’S FRAMEWORK

ASML will undertake and publish annual reporting on the allocation and impact of the portfolio of Eligible Green Projects. This reporting will start within one year after the first issuance of the Green Bonds, to be renewed annually until full allocation or in case of any material change. This reporting will be made publicly available on ASML’s website.

ASML intends to report on an aggregated basis for all of the ASML Green Bonds outstanding.

ASML intends to align its impact reporting with the ICMA Handbook for ‘Harmonized Framework for Impact Reporting’, June 2021 version⁶.

Allocation Reporting

The allocation report may provide indicators such as:

- The total amount of ASML Green Bonds outstanding
- The amount of proceeds allocated to Eligible Green Projects
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- The geographical distribution of the projects

Impact Reporting

The impact report may provide indicators such as:

GBP CATEGORY	POTENTIAL IMPACT INDICATORS
Green Buildings	<ul style="list-style-type: none"> ▪ Level of certification by property ▪ Estimated annual GHG emissions reduced/avoided (t CO2 eq p.a.) ▪ Estimated annual energy savings (MWh p.a.) ▪ Estimated ex-ante annual energy consumption in KWh/m2

Opinion: ISS ESG finds that the reporting proposed by ASML’s Green Bond Framework is aligned with the ICMA’s Green Bond Principles. The issuer is transparent on information reported, frequency, duration and the level of impact reporting, in line with best market practice.

⁶ To be found [here](#)

External review

FROM ISSUER'S FRAMEWORK

Verification (Post-issuance)

ASML may request, a limited assurance report of the allocation of the Green Bonds proceeds to Eligible Green Projects, provided by an external independent third party.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs⁷

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 ASML'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 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
------------------------------------	--------------------------------	--------------------------	---------------------------------	-------------------------------------

The Green Bonds' Use of Proceeds categories have been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p>Existing commercial buildings owned and managed by ASML and acquisition, construction, development and upgrades of properties that have or are expected to receive:</p> <ul style="list-style-type: none"> ▪ BREEAM certification "Very good" or above ▪ LEED certification "Gold" or above 	Significant contribution	
<p>Green Buildings</p> <p>Buildings built before 31 December 2020 within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED)</p> <p>Buildings built after 31 December 2020 with energy performance lower of at least 10% than the local threshold set for nearly zero-energy building (NZEB) regulation</p> <p>Buildings built before 31 December 2020 with an EPC label ≥ "A"</p>	Limited Contribution⁸	
<p>Green Buildings</p> <p>Existing commercial buildings owned and managed by ASML and acquisition, construction,</p>	No net impact	

⁷ The impact of the UoP categories on UN Social Development Goals is assessed with proprietary ISS ESG methodology and may therefore differ from the issuer's description in the framework.

⁸ 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 SDG.

development, and upgrades of properties that receive:

- G-SEED certification

Green Buildings

Buildings that have been refurbished resulting in a reduction of primary energy demand (PED) of at least 30% in comparison to the baseline performance

Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulation

Significant Contribution⁹

Limited Contribution



⁹ 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 Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

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

Green Buildings

The table below presents the findings of an ISS ESG assessment of the Selection Criteria against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Site selection

- ✓ The issuer has an environmental management system (EMS) in place, which is ISO 14001 certified and structured in accordance with ISO 45001 requirements. The EMS has been integrated into the company's overall environmental, health and safety (EHS) management system, on which all locations worldwide operate.
- ✓ The issuer states that the majority of buildings are or will be located within a 1 km radius of one of more modalities of public transport. For example, the issuer's main campus in Veldhoven, the Netherlands, is well connected to the local bus network. Moreover, the issuer provides several commuting solutions to its employees in the Netherlands and Korea to reduce individual car use, such as free public bus shuttles.

Labor, Health & Safety

- ✓ The issuer has several policies in place to ensure high labor, health and safety for construction and maintenance work. The issuer has a EHS Management System certified with ISO 45001 requirements. The ASML Code of Conduct outlines safety and social responsibility guidelines, in order to prevent, manage, track and report physical injuries and work-related illnesses. Secondly, the issuer has a Human Rights policy¹⁰ to express its commitment to respecting Human Rights and honoring the values of Ethics as expressed in its Code of Conduct.

Construction standards

- ✓ The issuer is a member of the Responsible Business Alliance (RBA) and adopted the RBA Code of Conduct, which provides guidance for labor, health & safety, environment and ethics. The issuer expects its key suppliers and their suppliers to comply with the RBA Code of Conduct. Moreover, the issuer states that all buildings will be BREEAM certified as "Very Good" or above, which includes requirements on green procurement of building materials.

Water use minimization in buildings

- ✓ The issuer states that all buildings will be BREEAM certified as "Very Good" or above, which includes requirements in order to reduce water consumption of buildings and increase water reuse.

¹⁰ In alignment with the UN Guiding Principles on Business and Human Rights, the provisions of ASML's Human Rights Policy are derived from key international human rights standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration of Human Rights, the UN Global Compact and the principles laid down in the OECD Guidelines for Multinational Enterprises and the Code of Conduct of the Electronics Industry Citizenship Coalition (EICC).

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

The issuer that is the subject of this report may have purchased self-assessment tools and publications from ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of ISS, or ICS may have provided advisory or analytical services to the issuer. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any issuer's use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

Deutsche Börse AG ("DB") owns an approximate 80% stake in ISS HoldCo Inc., the holding company which wholly owns ISS. The remainder of ISS HoldCo Inc. is held by a combination of Genstar Capital ("Genstar") and ISS management. ISS has formally adopted policies on non-interference and potential conflicts of interest related to DB, Genstar, and the board of directors of ISS HoldCo Inc. These policies are intended to establish appropriate standards and procedures to protect the integrity and independence of the research, recommendations, ratings and other analytical offerings produced by ISS and to safeguard the reputations of ISS and its owners. Further information regarding these policies are available at <https://www.issgovernance.com/compliance/due-diligence-materials>.

© 2022 | Institutional Shareholder Services and/or its affiliates

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 ASML'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 ASML (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 ASML's Green Bonds contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

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

Methodology - Overview

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

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

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

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

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

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

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

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

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

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

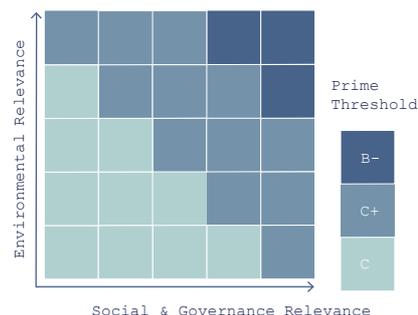
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

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

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

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

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



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

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

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

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

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

A+: the company shows excellent performance.

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

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

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

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

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

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

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

ANNEX 3: Quality management processes

SCOPE

ASML commissioned ISS ESG to compile a Green Bonds SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the ICMA's Green Bond Principles and to assess the sustainability credentials of its Green Bonds, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

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

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria

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 ASML based on ISS ESG methodology and in line with the ICMA's Green Bond Principles.

The engagement with ASML took place from March to May 2022.

ISS ESG'S BUSINESS PRACTICES

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

About 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/>

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

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

Project team

Project lead

Leontine Schijf
Associate
ESG Consultant

Project support

Fabio Silva
Associate
ESG Consultant

Project supervision

Marie-Bénédicte Beaudoin
Associate Director
Head of ISS ESG SPO Operations