

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

Nord/LB
12 August 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Financing Instruments
Relevant standards	<ul style="list-style-type: none">• International Capital Market Association's (ICMA) Green Bond Principles (GBP) (June 2021)• EU Taxonomy Climate Delegated Act (June 2021)
Scope of verification	<ul style="list-style-type: none">• Nord/LB Green Bond Framework (as of 12.08.2022)• Nord/LB Selection Criteria (as of 12.08.2022)
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
ISS ESG ASSESSMENT SUMMARY	4
ISS ESG SPO ASSESSMENT	5
PART I: GREEN FINANCING INSTRUMENTS LINK TO NORD/LB'S SUSTAINABILITY STRATEGY.....	5
A. ASSESSMENT OF NORD/LB'S ESG PERFORMANCE	5
B. CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH NORD/LB'S SUSTAINABILITY STRATEGY.....	7
PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES	9
PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE	15
A. CONTRIBUTION OF THE GREEN FINANCING INSTRUMENTS TO THE UN SDGs	15
B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBLE PROJECTS	17
C. ALIGNMENT OF THE PROJECT SELECTION CRITERIA WITH THE EU TAXONOMY.....	18
ANNEX 1: Methodology	30
ANNEX 2: ISS ESG Corporate Rating Methodology	31
ANNEX 3: Quality management processes	33
About ISS ESG SPO	34

Scope of work

Norddeutsche Landesbank - Girozentrale (“the Issuer”, or “Nord/LB”) commissioned ISS ESG to assist with its Green Financing Instruments by assessing four core elements to determine the sustainability quality of the instrument:

1. Green Financing Instruments link to Nord/LB’s sustainability strategy – drawing on Nord/LB’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Nord/LB’s Green Bond Framework (12.08.2022 version) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
3. The Selection Criteria – whether the nominated project categories contribute positively to the UN SDGs.
4. The alignment with the EU Taxonomy on a best-efforts basis¹ – whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including the Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Social Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2021).

¹ Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2021, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage ISS ESG evaluates the alignment with the EU Taxonomy on a “best efforts basis”.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part 1:</p> <p>Green Financing Instruments link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 19.04.2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Public & Regional Banks industry. The issuer is rated 8th out of 266 companies within its sector.</p> <p>The Use of Proceeds financed through these Green Financing Instruments 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 Financing Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles.</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Sustainability quality of the Selection Criteria</p>	<p>The Green Financing Instruments will (re)finance eligible asset categories which include: renewable energy and green buildings.</p> <p>Those use of proceeds categories have a significant contribution to SDGs 7 'Affordable and clean energy', 11 'Sustainable cities and communities' and 13 'Climate action'.</p>	<p>Positive contribution to SDG 7, 11 and 13</p>
<p>Part 4:</p> <p>Alignment with EU Taxonomy</p>	<p>ISS ESG assessed the alignment of Nord/LB's project characteristics, due diligence processes and policies against the requirements of the EU Taxonomy (Climate Delegated Act of June 2021), on a best-efforts basis³. Based on robust processes for selection, the nominated project categories are considered to be:</p> <ul style="list-style-type: none"> • Aligned with the Climate Change Mitigation Criteria except for 7.7 Acquisition and ownership of buildings (for buildings completed after 2020) • Aligned with the Do No Significant Harm Criteria • Aligned with the Minimum Social Safeguards requirements 	

² ISS ESG's evaluation is based on the Nord/LB Green Bond Framework (12.08.2022 version), on the analysed selection criteria as received on the 11.05.2022, and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 19.04.2022).

³ Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2021, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage ISS ESG evaluates the alignment with the EU Taxonomy on a "best efforts basis".

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCING INSTRUMENTS LINK TO NORD/LB'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF NORD/LB'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
NORD/LB	PUBLIC & REGIONAL BANKS	1	VERY HIGH

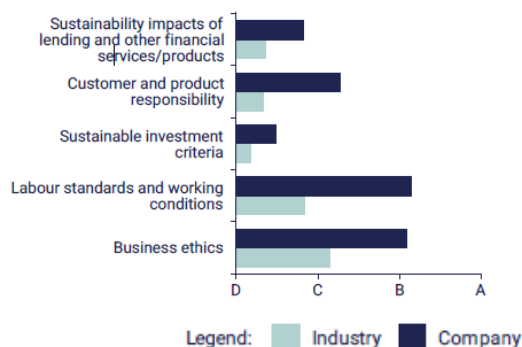
This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Public & Regional Banks industry and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 19.04.2022, this Rating places Nord/LB 8th out of 266 companies rated by ISS ESG in the Public & Regional Banks industry.

Key challenges faced by companies in terms of sustainability management in this sector 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

Nord/LB offers a range of financial products and services to private and institutional clients, as well as to corporate clients with a special focus on the agricultural, energy, infrastructure, aircraft, and real estate sectors. For financial companies, the main opportunities are the provision of financial services with social and environmental benefits as well as the provision of equal access to financial goods and services. The company provides a good range of products and services with an added social value, including promotional loans to social enterprises and community lending. The company is also very active in financing the wind energy and photovoltaics sectors, and it finances green buildings in commercial real estate. In addition, NORD/LB enables private and institutional clients to make socially responsible investments. However, these sustainability activities do not constitute the main business of the company.

Sustainability Risks

Through offering financial products and services, Nord/LB not only faces environmental and social risks relating to lending and investment activities but also risks related to its customer and product

responsibility. For the lending business, the company has undertaken steps towards an adequate risk management framework setting up several relevant guidelines for its financing activities. This includes specific guidelines for some focus areas such as shipping, aircraft and real estate, as well as for the financing of potentially controversial sectors (e.g. weapons, hydropower). Nord/LB's Guideline for ESG Requirements for Project Finance relates to the financing of customer projects in which significant ESG risks are created by the structure and scope of the projects. Sustainable minimum standards (ESG criteria) have been integrated into Nord/LB's asset management services and products. These exclude companies with certain (negative) characteristics. With regard to client-related risks, the company has adopted good measures in areas such as responsible marketing and responsible treatment of clients with debt repayment problems. In addition, business ethics risks appear to be managed comparably well through the implementation of comprehensive compliance guidelines supported by relevant compliance measures, such as anonymous and confidential reporting channels. Finally, NORD/LB has good measures in place to ensure the well-being of its employees in almost all relevant employment areas. There is no explicit policy on employment security and the company is in the process of carrying out large-scale redundancies. The company has implemented measures to avoid compulsory redundancies and the majority of the company's staff is located in Germany, where high legal standards related to the issue exist.

Sustainability Opinion

Nord/LB offers a range of products with social or environmental value even if those do not constitute the main part of its overall portfolio. Nord/LB shows a good performance with regard to the consideration of environmental and social aspects in its lending business as well as to the management of some client-related risks. The company further shows an above-average performance with regard to the management of employee-related risks.

Economic Governance Opinion

Regarding Nord/LB's governance structure, the independence of the company's chairperson, Mr. Reinhold Hilbers (as of January, 2022), is limited since, as the Minister of Finance of the State of Lower Saxony, he is a representative of the majority shareholder. However, 75% of the overall board members are considered independent. The company has set up committees in charge of audit, nomination and remuneration. However, no recent information is publicly available on their independence. The company discloses its remuneration for executives, including long-term incentive components, which may incentivise sustainable value creation.

Governance Sustainability Opinion

Regarding the company's governance of sustainability, Nord/LB has not established a sustainability committee⁴ on the supervisory board level, but has set up a Sustainability Board that reports directly to Nord/LB's board. Sustainability performance objectives are to some extent integrated into the variable remuneration of members of the executive management team. However, as the company does not publicly provide detailed information in this regard, the impact of sustainability aspects on bonus payments could not be determined. Business ethics risks appear to be managed comparably well through the implementation of comprehensive compliance guidelines covering almost all

⁴ According to ISS ESG proprietary methodology, only committees exclusively composed of board members are taken into account for the assessment.

relevant compliance aspects in detail. The company's code of conduct is supported by relevant compliance measures, such as anonymous and confidential reporting channels.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of Nord/LB's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along Nord/LB'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 19.04.2022, the company is not facing any severe controversy.

B. CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH NORD/LB'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Since 2013⁵, Nord/LB has had a sustainability strategy to serve as a strategic foundation. In April 2020, NORD/LB signed the United Nations Principles for Responsible Banking with the aim of integrating sustainability into its business model and making the impact of its business on the environment and society measurable on the basis of the Sustainable Development Goals. Since 1 January 2021⁶, Nord/LB integrated the bank's sustainability strategy into part of its business strategy. The strategy comprises of four principles that govern the daily activities:

1. Responsibility

By recognising the UN Global Compact and establishing its principles in the bank's internal guidelines, NORD/LB implements responsible actions with regard to ecological, economic and social impact as part of its business and operating activities.

2. Interest group orientation

Knowledge of and the proper handling of the requirements of specific interest groups is essential for NORD/LB and is indispensable for ensuring its long-term corporate success with a focus on sustainability.

3. Holistic approach

Sustainability affects all areas of the bank and requires a holistic approach – from the business strategy and management, to the bank's customers and products, through to employees, business operations and social commitment. We consider NORD/LB as a whole, taking into account interdependencies between areas and processes.

4. Transparency

⁵ https://www.nordlb.com/fileadmin/redaktion/Investor_Relations/pdf/2018/Sustainability_Report_2018.pdf

⁶ https://www.nordlb.com/fileadmin/redaktion/Nachhaltigkeit/pdf/NORDLB_Sustainability_Report_2020.pdf

Transparency is an essential aspect of sustainability. NORD/LB's aim is to present the positive and, if applicable, negative social effects of the bank's business across all areas in a transparent way. This is achieved by applying the Principles for Responsible Banking and by focusing on the Sustainable Development Goals. This results, for example, in added value for employees and the environment, but also in optimisation potentials and measures to avoid any negative effects in the future.

Rationale for issuance

Nord/LB published its first Green Bond Framework in June 2021. As part of a continuous effort to ensure that the Framework aligns with current best market standards and to add new eligible categories, NORD/LB has decided to update its Green Bond Framework again in 2022. For all outstanding green issuances which were issued on the basis of previous Green Bond Frameworks (in June 2021 and before the merger, via Deutsche Hypothekbank) and therefore exclusively based on Green Buildings as the eligible asset class, NORD/LB's aim is to maintain a sufficient volume of Green Buildings in the asset pool until maturity of these Green Bonds.

By issuing Green Finance Instruments, Nord/LB aims to align its financing of sustainable projects with sustainable funding, thereby meeting the increasing demand of investors in ecologically sustainable investments.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Financing Instruments 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 Public & Regional Banks industry. 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
Renewable Energy	✓	✓	Contribution to a material objective

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

PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

An amount equivalent to the proceeds of the Green Financing Instruments will be used to finance or refinance, in part or in full, new and/or existing green assets, loans and investments ("Eligible Green Assets") in the categories Green Buildings and Renewable Energy. Eligible Green Assets are required to comply with the "Eligibility Criteria" outlined in the table below. The Eligible Green Assets are also mapped to the relevant United Nations Sustainable Development Goals (SDGs) and the economic activities included in the EU Taxonomy Climate Delegated Acts.

GBP Category	Eligibility Criteria
Green Buildings	<p>New and existing residential and commercial buildings, including investments in buildings under development and building acquisitions that comply with any of the following criteria:</p> <p>1) Low carbon buildings</p> <ul style="list-style-type: none"> a) The building has at least an Energy Performance Certificate ("EPC") class A, or is within the top 15%⁷ of the national/regional building stock in terms of Primary Energy Demand⁸ b) Buildings for which the Primary Energy Demand in kWh/m² per year, as displayed on the EPC, is at least 10% lower than the threshold set for the national nearly zero-energy building (NZEB) requirements⁹ c) For German buildings specifically: Buildings with a maximum final energy demand or consumption (heat) in kWh/(m²*a) by main type of use¹⁰ <ul style="list-style-type: none"> – 60 kWh/(m²*a) for residential buildings – 30 kWh/(m²*a) for warehouse/logistics building – 70 kWh/(m²*a) for department stores, shopping centres – 95 kWh/(m²*a) for commercial buildings (e.g. discounter or department stores) – 105 kWh/(m²*a) for hotels – 110 kWh/(m²*a) for production and storage building heated – 135 kWh/(m²*a) for office buildings <p>2) Sustainable certified buildings</p> <ul style="list-style-type: none"> – BREEAM: Very Good or better – LEED: Gold or better – HQE: Very Good or better – DGNB: Gold or better

⁷ The composition of this top 15% is dynamic as real estate will become more energy efficient over time. In case NORD/LB will allocate green finance proceeds to this category, the allocation reporting will include details on the methodology for determining this top 15% based on adequate evidence

⁸ Buildings with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW are efficiently operated through energy performance monitoring and assessment

⁹ For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. Alternatively, where robust and traceable quality control processes are in place during the construction process this will be used as alternative to thermal integrity testing. In addition, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand

¹⁰ The requirements in kWh/m² are derived from the ENEC 2009/2014 building requirements representing the top 15% of energy efficient buildings in Germany.

<p>Renewable Energy</p>	<p>Investments and expenditures related to renewable energy generation and related technologies that support the energy transition, including renewable energy generation from:</p> <ul style="list-style-type: none"> a) Solar photovoltaic projects b) On and offshore wind projects c) Energy storage solutions such as batteries that optimise the use of renewable energy generated
--------------------------------	--

NORD/LB Group excludes transactions as Eligible Green Assets in case of negative impact on people and the environment as part of its business activities and as part of the exclusion sectors mentioned in chapter 1.2.2 of the green bond framework.

Within the context of its sustainability strategy, NORD/LB will examine further asset classes for their suitability for this Green Bond Framework. This assessment is based on NORD/LB's business model and is intended to underline that the bank sees itself as a partner to its customers for more sustainability. As the green finance market continues to evolve, NORD/LB's Green Bond Framework may be subsequently revised or updated to remain consistent with new suitable asset classes as mentioned above, shifting expectations, best market practices and the regulatory landscape for future transactions. In case the Green Bond Framework is updated, NORD/LB commits to provide an updated external reviewers verification.

Opinion: ISS ESG considers the Use of Proceeds description provided by Nord/LB's Green Bond Framework as aligned with the Green Bond Principles. The issuer defines exclusion criteria for harmful projects categories, in line with best market practice. Some of the use of proceeds' categories are aligned with the EU Taxonomy Delegated Act Technical Screening Criteria for substantial contribution to climate change mitigation, reflecting best market practices. An assessment of the Use of Proceeds categories' alignment with the EU Taxonomy Delegated Act (June 2021) is in Part 3.

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

Eligible Green Projects are required to comply with local laws and regulations, including any applicable regulatory environmental and social requirements. Our clients are therefore obliged to comply with given laws such as the existing building legislation (and if applicable operating permits), also in relation to the assets, which are financed under this framework. In addition, as for every other lending business of NORD/LB, the standard credit requirements, the sustainability strategy and the risk policy of NORD/LB also apply to the Eligible Green Assets intended for refinancing through Green Finance Instruments. The resulting requirements for acquisition, loan processing, valuation management (for real estate) and the Treasury are procedural and therefore binding for all employees.

Compliance with environmental and social regulations, as well as application of internal policies, will ensure high sustainability standards and aims at addressing the Do No Significant Harm (DNSH) criteria and Minimum Social Safeguards of the EU Taxonomy, on a best effort basis.

ESG aspects in the credit risk process

As part of the ESG risk assessment, NORD/LB's aim is to identify, reduce or, if necessary, exclude risks, including transition and physical risks triggered by climate change, in order to identify and minimize business and reputational risks at an early stage. Risks are assessed as part of the credit process and are incorporated into the overall vote for the business. The starting point for the assessment and evaluation of the risk potential is the expertise and experience of the employees, specific ESG guidelines and the regulations underlying the guidelines.

With regard to its direct emissions, up to now the focus of NORD/LB has been on operating economics. To improve the sub-concept of internal environmental performance, the NORD/LB Group has an environmental management system that is based on the international standard ISO 14001 and has been extended by the certification of an energy management system (DIN 50001:2018).

A new addition is the focus on financed CO₂ emissions with NORD/LB Group planning to develop a concept for emissions in the lending business.

If necessary, or if indications arise that ESG damage could occur in a business transaction, or if the transaction involves a business partner from an industry that is considered controversial, ambiguous business transactions or their possible impacts are forwarded to Sustainability Management for further assessment. The review of such unclear ESG issues is carried out by Sustainability Management together with Compliance.

An asset is deemed to qualify as Eligible Green Asset if it aligns with the Eligibility Criteria as defined in chapter 2.1 of this framework. In addition:

- Assets are not eligible for the part of the loan that has been refinanced/financed by third parties (e.g. KfW).
- No multiple use of Eligible Green Assets is allowed for the issuance of Green Finance Instruments

Green Asset Committee

The Eligibility of green assets is checked in a multi-stage process. Various working groups exist within NORD/LB to permanently ensure quality standards. For the purpose of the Green Bond issuance, NORD/LB has set up the Green Asset Committee (GAC).

The GAC reports to the Sustainability Board of NORD/LB and consists of representatives from the following departments:

- Sustainability Management/Corporate Communications (Chair)
- Treasury
- Evaluation Management
- Markets
- Structured Finance
- Deutsche Hypothekenbank (Commercial Real Estate)
- Credit Risk Management

The business lines will propose and report a list of potential projects, investments, assets and/or expenditures based on the Eligibility Criteria. On at least an annual basis, the treasury team will request an updated list of existing and potential Eligible Green Assets aligned with the Eligibility Criteria of this framework as laid out in chapter 2.1 as well as the additional evaluation and selection criteria outline in this chapter. The GAC approves assets to be added to the Eligible Assets portfolio.

The GAC also defines the current Eligibility Criteria used for selecting Eligible Green Assets. In its regular meetings, which take place at least annually, it reviews the standards prescribed in the target markets and thus ensures that the selection process for projects (assets) is in line with current market practices and regulatory requirements.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by Nord/LB's Green Bond Framework as aligned with the Green Bond Principles. Moreover, the issuer is transparent about the responsibilities of the Green Asset Committee, and involves various stakeholders in the process, in line with best market practice.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

NORD/LB will manage the net proceeds of issued Green Finance Instruments on a portfolio basis. The allocation of the net proceeds of issued Green Finance Instruments to Eligible Green Assets will be reviewed and approved by the GAC on at least an annual basis, until full allocation of the net proceeds of issued Green Finance Instruments or afterwards in case of significant change. NORD/LB intends to allocate proceeds in full within 24 months after issuance.

In case assets in the portfolio have proved to be unsuitable, not eligible or not existing anymore or do not comply with other criteria as defined in this framework, these will be removed from the Eligible Green Assets portfolio. NORD/LB intends, subject to availability, to replace the assets over time by new Eligible Green Assets in line with the Eligibility Criteria as defined in chapter 2.1. Use of Proceeds.

NORD/LB sets itself the target that the nominal volume of the portfolio of Eligible Green Assets should at least correspond to the nominal volume of Green Finance Instruments placed or to be placed. In the event that funds raised from Green Finance Instruments for the financing of Eligible Green Assets cannot be allocated in full in accordance with this framework, these unallocated funds are temporarily managed in line with regular NORD/LB liquidity management criteria with the clear aim of reallocating them to the Eligible Green Asset pool as soon as practically possible.

The allocation of the net proceeds of issued green finance instruments to Eligible Assets will be reviewed and approved by the NORD/LB GAC on at least an annual basis, until full allocation of the net proceeds of issued Green Finance Instruments.

Opinion: ISS ESG finds that Management of Proceeds proposed by Nord/LB's Green Bond Framework is aligned with the Green Bond Principles. Moreover, the issuer has defined an expected allocation period of 24 months, in line with best market practice.

4. Reporting

FROM ISSUER'S FRAMEWORK

Allocation of proceeds reporting

On an annual basis, until full allocation or in case of significant changes, NORD/LB intends to report to investors/lenders on the allocation of the net proceeds of issued green finance instruments to its portfolio of Eligible Green Assets. The report provides the following information:

- an overview of the Green Finance Instruments issued under the Framework and the total amount outstanding (in EUR) of issued Green Finance Instruments
- maturity profile of qualified Eligible Green Assets compared to Green Finance Instruments in years
- the allocation of the net proceeds of issued Green Finance Instrument to a portfolio of Eligible Green Assets, including information on:
 - development of the portfolio of qualified financing
 - the breakdown of the portfolio by Eligible Green Assets class
 - a breakdown by geographical area (country/province level)
 - a breakdown of new financing vs. refinancing (i.e., share of assets under construction/refurbishment vs. existing assets)
 - the amount of unallocated proceeds, if any
- share of the Eligible Green Assets aligned with the EU Taxonomy

Impact reporting

On an annual basis, until full allocation, NORD/LB intends to make and keep readily available a report on the output and environmental impact of the portfolio of Eligible Green Assets to which the proceeds of issued Green Finance Instruments have been allocated. Examples of items which could be included (subject to the availability of relevant data) in the impact reporting are:

Green Buildings

- an overview of Eligible Green Assets and their environmental category/classification (i.e. EPC, BREEAM, etc.), including the classification level where applicable (e.g. “Excellent”, “EPC label A”, NZEB -10%)
- estimated avoided CO₂ emissions of the Eligible Green Assets compared with governmental regulations and/or reference buildings
- for commercial real estate:
 - Distance to public transport
 - Breakdown according to soil sealing

Renewable Energy

- capacity of on-site renewable energy installed in MW
- (estimated) production of on-site renewable energy in Annual MWh

- estimated avoidance/reduction of CO₂ emissions

The underlying methodology to calculate each of these performance indicators is determined by national regulations and standards and/or sustainability labels used to certify a project, in order to allow for maximum comparability and benchmarking with other projects.

In case of national regulations and standards, the calculation methodology is reviewed by the authorities before granting planning permission. In case of sustainability labels, the calculation methodology is reviewed by an independent certification assessor/auditor.

NORD/LB commits to disclose the methodology, assumptions and results for the above-mentioned parameters in the annual impact report.

The allocation- and impact reporting will be made available at request to the investor/lender in case of bilateral financing or in case of a public bond issue made publicly available to investors via the NORD/LB website (www.nordlb.com/greenbond).

Opinion: ISS ESG finds that the reporting proposed by Nord/LB's Green Bond Framework is aligned with the Green Bond Principles. Moreover, the issuer is transparent on the level, scope, frequency, project categories impact metrics reported in the impact report, in line with best market practice.

External review

FROM ISSUER'S FRAMEWORK

NORD/LB intends to appoint one or more external verifiers that are asked to provide a pre-issuance verification and a post-issuance verification.

The pre-issuance verification verifies alignment of the Green Finance Instrument(s) with one or more of the appropriate standards in the green bonds market (such as the Green Bond Principles, the EU Green Bond Standard or any other similar standards, as applicable and as selected by the Issuer).

The post-issuance verification verifies the relevant Allocation Report when net proceeds from an issuance of Green Finance Instruments have been allocated in full towards Eligible Green Assets. Both pre-issuance verification and post-issuance verification are intended to become available on NORD/LB's website (www.nordlb.com/greenbond).

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN FINANCING INSTRUMENTS TO THE UN SDGs



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

Where the selection criteria fully aligns with the Technical Screening Criteria for Substantial Contribution to Mitigation of the EU Taxonomy Delegated Act, "significant contribution" to SDG 13 is included.

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

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

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

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings <i>New or existing residential and commercial buildings which received at least one of the following certifications:</i></p> <ul style="list-style-type: none"> • BREEAM "Very Good" and/or above • LEED "Gold" and/or above • HQE "Excellent" and/or above • DGNB "Gold" and/or above 	Significant contribution	
<p>Green Buildings <i>New or existing residential and commercial buildings comply with any of the following:</i></p> <ul style="list-style-type: none"> • Buildings with EPC label \geq "A" • Buildings belonging to the top 15% of the national building stock based on primary energy demand (PED) • Buildings with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the local market. 	Limited contribution¹¹	

¹¹ 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.

Green Buildings

*New or existing building in Germany with a maximum final energy demand or consumption (heat) in kWh/(m²*a)¹² by main type of use:*

- 60 kWh/(m²*a) for residential buildings
- 30 kWh/(m²*a) for warehouse/logistics building
- 70 kWh/(m²*a) for department stores, shopping centres
- 95 kWh/(m²*a) for commercial buildings (e.g. discounter or department stores')
- 105 kWh/(m²*a) for hotels
- 110 kWh/(m²*a) for production and storage building heated
- 135 kWh/(m²*a) for office buildings

Limited contribution¹³



Renewable Energy

Solar power (solar PV, CSP, solar thermal facilities) and wind power (on- and offshore)

Renewable Energy Storage solutions such as batteries

Significant Contribution



¹² https://www.pfandbrief.de/site/en/vdp/press/News/press_releases/20220404_Drees_Sommer_vdp.html

¹³ 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.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBLE PROJECTS

Eligible Green Categories

For the Eligible Green Categories – “Sustainable Certified Buildings”¹⁴ that are not aligned with the Substantial Contribution to Mitigation Criteria of the EU Taxonomy – Climate Delegated as displayed in Part C, the table below presents the findings of an assessment of how the key ESG risks associated with them are managed.

ASSESSMENT AGAINST ISS ESG KPI

Sustainable Certified Buildings

Site selection

- ✓ The issuer has ensured that potential impact on biodiversity from the financing under this framework has been mitigated and reduced as it is committed to align to the European Union standard in terms of Environmental Impact Assessments (evaluation and acquisition of land rights, site permitting, and engagement with stakeholders).
- ✓ 90% of the current assets are located within 1 km from one or more modalities of public transport.

Labour, Health and Safety

- ✓ The issuer finances assets only in countries that ratify all the ILO Core Conventions and the company is committed to taking into account the UN Global Compact in its business activities.
- ✓ The issuer’s portfolio will have assets located in Germany, Netherlands, France, UK, Spain, Luxembourg, Ireland, Poland and Sweden that for the majority have high health and safety standards in place.

Construction standards

- There is limited information to show that the issuer practice sustainable procurement regarding building materials.

Water use minimisation in buildings

- ✓ The various building certification schemes under which the assets will be selected, all include requirements for minimising water use measures.

Safety of building users

- ✓ The projects are located in EU countries and the UK where high safety standards are required by legislation. The Issuer confirms that all assets financed under this framework are obliged to comply with given laws and the existing building permission.

¹⁴ This is with reference to the buildings with the building certifications, such as LEED, BREEAM, HQE and DGNB, as the selection criteria

C. ALIGNMENT OF THE PROJECT SELECTION CRITERIA WITH THE EU TAXONOMY

ISS ESG assessed the alignment of Nord/LB's project selection process and company policies for the nominated Use of Proceeds project categories, with the relevant Climate Change Mitigation, Do Not Significant Harm Criteria (DNSH) and Minimum Social Safeguards requirements of the EU Taxonomy Climate Delegated Act¹⁵ (June 2021), based on information provided by Nord/LB. Where Nord/LB's projects and policies fully meet the EU Taxonomy Criteria requirements, a tick is shown in the table below, for the ISS ESG assessment against the EU Taxonomy Criteria requirements.

Nord/LB's project selection criteria overlap with the following economic activities in the EU Taxonomy for Substantial Contribution to Climate Change Mitigation.

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity generation from wind power

4.10 Storage of electricity

7.7. Acquisition and ownership of buildings

Note: In order to avoid repetition, the evaluation of the alignment of Nord/LB's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section C.5. Similarly, the evaluation of the alignment to the DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section C.6. They are applicable to all of the above activities.

The assets with eligibility criteria that do not overlap or comply with the relevant EU Taxonomy criteria requirements have not been assessed in this section, notably:

“Sustainable certified buildings”

- BREEAM: Very Good or better
- LEED: Gold or better
- HQE: Very Good or better
- DGNB: Gold or better

¹⁵ https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

C.1 4.1 - Electricity generation using solar photovoltaic technology

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁶	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity generates electricity using solar PV technology.	Solar PV projects automatically meet the Mitigation Criteria. Projects already identified by the Issuer are located in Germany, France, UK, Republic of Ireland, Spain and Sweden.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See C.5	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	Nord/LB confirms that its independent technical advisers ensure all projects have high quality and durability by regular assessment of appropriateness of the specific equipment/ asset that is in use. Nord/LB also ensures highest quality standards of the quality of materials and suppliers to achieve long operational phase of the assets. Solar panels are dismantled, refurbished or recycled to the extent technically possible. Nord/LB confirms that all projects are obliged under the loan documentation to follow local legislations and to be in compliance in all material respects with all applicable laws (e.g. EU Waste Framework Directive, Circular Economy Act in Germany). Any discrepancies (if relevant) will be highlighted in legal due diligence and required to be resolved.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		

¹⁶ This column is based on input provided by the issuer.

N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See C.6	✓

C.2 4.3 - Electricity generation from wind power

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁷	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity generates electricity from wind power.	<p>Wind power projects automatically meet the Mitigation Criteria.</p> <p>Projects already identified by the Issuer are located in Germany, France, UK, Republic of Ireland, Spain and Sweden.</p>	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See C.5	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for that descriptor.	<p>Nord/LB confirms that all (re)financed offshore wind farms are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (e.g. corresponding EU Directives, WEEE Directive etc. where applicable).</p> <p>Additionally, Nord/LB confirms that all building and operating permits are reviewed by external advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.</p>	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		

¹⁷ This column is based on input provided by the issuer.

<p>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p>	<p>Nord/LB confirms that its independent technical advisers ensure all projects have high quality and durability by regular assessments of appropriateness of the specific equipment/ asset that is in use.</p> <p>Nord/LB also ensures highest quality standards of the quality of materials and suppliers to achieve long operational phase of the assets. Equipment is dismantled, refurbished or recycled to the extent technical possible.</p> <p>Nord/LB also confirms that all projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all relevant laws (e.g. EU Waste Framework Directive, Circular Economy Act in Germany, WEEE Directive if applicable).</p> <p>Additionally, Nord/LB confirms that all building and operating permits are reviewed by external advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.</p>	<p style="text-align: center;">✓</p>
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>		
<p>GENERIC CRITERIA FOR (6)</p> <p>In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive’s Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that Directive, and as set out in Decision (EU)</p>	<p>For information relating to the generic criteria, please see C.6.</p> <p><u>For offshore wind</u></p> <p>For all wind turbines, noise emission assessments are carried out according to local legislation, e.g. “Technical Instructions on Noise Abatement – TA Noise” for German assets, and the EU Environmental Noise Directive</p>	<p style="text-align: center;">✓</p>

<p>2017/848 in relation to the relevant criteria and methodological standards for those descriptors.</p>	<p>2002/49/EC where applicable. Nord/LB confirms that all projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws.</p> <p>Additionally, Nord/LB confirms that all building and operating permits are reviewed by external advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.</p>	
--	--	--

C.3 4.10 Storage of electricity

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁸	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>The activity is the construction and operation of electricity storage including pumped hydropower storage. Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of the Annex. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of the Annex, re-electrification of hydrogen is also considered part of the activity.</p>	<p>Nord/LB confirms that they have not yet selected any assets for inclusion in the portfolio to be financed. Their asset selection process would ensure that only electric batteries which meet the EU Taxonomy criteria would be included.</p>	<p>✓</p>
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
<p>GENERIC CRITERIA FOR (2)</p>	<p>See C.5</p>	<p>✓</p>
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
<p>In case of pumped hydropower storage not connected to a river body, the activity complies with the criteria set out in Appendix B to this Annex. In case of pumped hydropower storage connected to a river body, the activity complies with the criteria for DNSH to sustainable use and protection</p>	<p>The issuer confirms no pumped hydropower storage is currently included and there are no plans to include any in the near future.</p>	<p>N/A</p>

¹⁸ This column is based on input provided by the issuer.

of water and marine resources specified in Section 4.5 (Electricity production from hydropower).		
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.	Nord/LB confirms that all future assets will be obliged under the corresponding loan documentation to be in compliance in all material respects with all relevant legislation, including the EU WEEE Directive, if applicable, which regulates electric waste, and ensure a waste management plan is in place where required.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See C.6	✓

C.4 7.7. Acquisition and ownership of buildings

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁹	ALIGNMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria</p>	<p>The asset portfolio contains projects located in Germany, Netherlands, Poland, France, Luxembourg, Republic of Ireland, Spain and UK.</p> <p>For the buildings built before 31 December 2020 in Poland, France, Netherlands and UK, Nord/LB has commissioned a technical analysis from an external consultant to confirm the thresholds which represent the top 15% of the building distribution in local market.</p> <p>As Nord/LB has not yet completed an assessment to identify which of its</p>	<p>○</p> <p>aligned for buildings built before 2021, however not aligned for buildings built after 2020</p>

¹⁹ This column is based on input provided by the issuer.

specified in Section 7.1 of the Annex that are relevant at the time of the acquisition.	assets completed after 2020 comply with the relevant thresholds, it's not currently possible to confirm that Nord/LB's buildings built after 2021 will be able to meet the criteria.	
3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.	There is limited information to assess whether buildings in Luxembourg, Republic of Ireland, or Spain meet the criteria.	
	There is limited information to assess whether all of the large non-residential buildings have energy performance monitoring systems in place.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See C.5	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A

C.5 Generic Criteria for DNSH to Climate Change Adaptation

EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁰	ALIGNMENT
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA		
The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Delegated Act by performing a robust climate risk and vulnerability assessment with the following steps:	Nord/LB confirms that the Group follows several guidelines and initiatives regarding environmental and climate protection, e.g. the Guideline for Corporate Environmental Protection that is based on ISO 14001 for environmental management, Hanover 2030 Climate Statement for	✓

²⁰ This column is based on input provided by the issuer.

(a) screening of the activity to identify which physical climate risks from the list in Section II of the Delegated Act may affect the performance of the economic activity during its expected lifetime;

(b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of the Delegated Act, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;

(c) an assessment of adaptation solutions that can reduce the identified physical climate risk.

The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

(a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

(b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.

For existing activities and new activities using existing physical assets, the economic operator implements physical and non-

climate protection and Equator Principles for risk management framework.


Nord/LB confirms that all financed projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (e.g. the relevant climate protection laws of the specific countries (e.g. BImSchG in Germany) and the applicable EU laws for the construction and operation of solar PV and wind farms). Nord/LB's independent technical due diligence check the projects to ensure expected lifespan is met. The due diligence also checks for local and physical environmental aspects and risks, including some consideration of mid and long term changes of the climate impact for the specific asset.

Nord/LB is currently working with external technical advisers to conduct climate risk and vulnerability assessments for the assets in its portfolio in accordance with the Criteria requirements, and also commits to doing such assessments for future assets to be included at a later date.

Nord/LB commits to report on the outcome of the above-mentioned assessment how current and future assets will comply with the Criteria requirements in the green bond impact reporting.

<p>physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
--	--	--

C.6 Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems


EU TAXONOMY REQUIREMENT	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²¹	ALIGNMENT
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
<p>An Environmental Impact Assessment (EIA) or screening has been completed in accordance with Directive 2011/92/EU.</p> <p>Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</p> <p>For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key</p>	<p>Nord/LB confirms that all of the projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (e.g. with the corresponding EU Directives on Environmental Impact Assessment, Strategic Environmental Assessment, EU Conservation of Natural Habitats and Wild Fauna and Flora Directive, EU Conservation of Wild Birds Directive, and relevant EIA</p>	

²¹ This column is based on input provided by the issuer.

<p>Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</p>	<p>legislation and requirements of each country.</p> <p>For assets located in or near biodiversity-sensitive areas including Natura 2000 sites, appropriate EIAs are conducted as required by local legislation.</p> <p>For project in the renewable energies sector, the approval process requires a detailed and comprehensive project assessment on the part of the local planning authority before a building and operating permit is granted.</p> <p>Additionally, Nord/LB confirms that all building and operating permits are reviewed by external advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.</p>	
---	--	--

Minimum Social Safeguards

ISS ESG assessed the alignment of the due diligence and selection processes in place with the EU Taxonomy Minimum Social Safeguards as described in Article 18 of the Taxonomy Regulation²². The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
<p>Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.</p>	<p>Nord/LB's currently financed assets are in OECD countries, which are all signatories of the OECD Guidelines.</p> <p>Controversies screening can demonstrate whether the issuer has in the past caused significant harm in the areas of human rights, labor standards and corruption. Based on ISS ESG controversy screening, the issuer does not appear to be currently involved in any controversy. Considering (i) the absence of current open controversies,</p>	<p style="text-align: center;"></p>

²² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

and (ii) the geographical location of the issuer's financed assets (all located in a country which has adopted the OECD MNEs), drawing on the EU Taxonomy Technical Expert Group (TEG) recommendations²³, ISS ESG considers the OECD Guidelines to be respected by the company.

Regarding the UN Guiding Principles on Business and Human Rights, Nord/LB has public policies relating to human rights and labor standards, which are based on the United Nations Global Compact²⁴ in its overall sustainability policy and business activities.

In particular, Germany recently passed the Supply Chain Law²⁵, which mandates companies to implement appropriate human rights due diligence measures for their supply chains by 2023 or 2024, depending on the company size.

Otherwise, NordLB currently does not have a public commitment to the UN GP throughout its assets in the other countries apart from Germany. In the other countries, there is no equivalent regulatory requirements, which explicitly reference the UN GP. Nord/LB's currently financed assets are in countries that have already ratified the ILO Core Convention²⁶. Furthermore, the employee-employer relationship at NORD/LB complies with the Lower Saxony Personnel Representation Act "NPersVG"²⁷.

²³ https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

²⁴ https://www.nordlb.lu/page/docManager/docs/562/2019.07%20Code%20of%20Conduct_V3.0_EN.PDF

²⁵ <https://www.bmas.de/DE/Service/Gesetze-und-Gesetzesvorhaben/gesetz-unternehmerische-sorgfaltspflichten-lieferketten.html>

²⁶ <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11001:0::NO::>

²⁷ <https://www.nds-voris.de/jportal/?quelle=jlink&query=PersVG+ND&psml=bsvorisprod.psml&max>

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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 compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof 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

EU Taxonomy

ISS ESG evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Nord/LB Green Bond Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2021)

The evaluation shows to understand if Nord/LB's project categories are indicatively in line with the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Nord/LB (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the issuer.

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 Nord/LB (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 Nord/LB's Green Financing Instruments contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

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

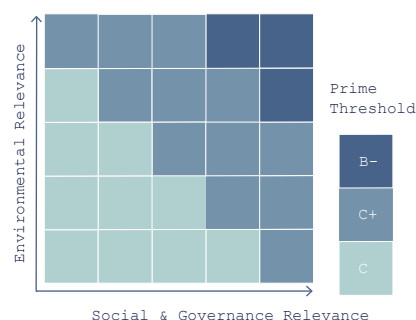
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

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

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

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (June 2021)
- EU Taxonomy Climate Delegated Act (June 2021)

ISSUER'S RESPONSIBILITY

Nord/LB's responsibility was to provide information and documentation on:

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

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Financing Instruments to be issued by Nord/LB based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with Nord/LB took place in March to June 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 behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

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

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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

For Information about this Green Financing Instruments SPO, contact: SPOOperations@iss-esg.com

Project team

Project lead

Alice Wong
Associate
ESG Consultant

Project support

Carman Mak
Associate
ESG Consultant

Project supervision

Viola Lutz
Associate Director
Head of ISS ESG Climate Solutions