

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Asset Pool

Aargauische Kantonalbank
04 May 2020

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Overall Evaluation of the Green Bond

Aargauische Kantonalbank (AKB) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the Bond:

1. AKB's Green Bond framework – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
2. The asset pool – whether the projects aligned with ISS ESG's issue-specific key performance indicators (KPIs) (See Annex 2).
3. AKB's sustainability performance, according to the ISS ESG Corporate Rating.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Performance against GBPs	The issuer has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Part 2: Sustainability quality of the asset pool	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green Bond KPIs. The Green Bond KPIs contain a clear description of eligible asset categories which exclusively include private mortgage loans for energy efficient buildings. All assets of the asset pool are located in Switzerland, a highly regulated and developed country. Legislative frameworks in this country set minimum standards, which reduce environmental and social risks.	Positive
Part 3: Issuer sustainability performance	AKB shows a poor sustainability performance and has been given a rating of D+, which classifies it as 'Not Prime' by the methodology of the ISS ESG Corporate Rating. It is rated 45 th out of 281 companies within its sector as of 04.05.2020. This equates to a high relative performance, with a Decile Rank ² of 2.	Status: <i>Not Prime</i> Rating: <i>D+</i> Decile Rank: 2

¹ The ISS ESG's present evaluation will remain valid until any modification of the Green Bond Framework or addition of new assets into the asset pool by the issuer and as long as the Corporate Rating does not change (last modification on the 17.04.2019).

² Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.


Contribution of the Green Bond to the UN SDGs

Based on the assessment of the sustainability quality of the green bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of AKB's green bond to the Sustainable Development Goals defined by the United Nations (UN SDGs).

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



Each of the bond'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
Green buildings – private mortgages	Limited Contribution	

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

1. Use of Proceeds

AKB designed a new financing product called the AKB Green mortgages specifically for the purpose of financing green buildings and/or energy efficient renovations.

The following conditions must be fulfilled for the allocation:

- The issue money is used exclusively to finance owner-occupied residential property (owner-occupied home) of private clients (natural persons).
- For these home ownership financing transactions, the permissible property location covers the whole of Switzerland.
- The following owner-occupied property categories are considered owner-occupied homes:
 - Single family homes
 - Terraced houses
 - Condominium ownership
 - Two-family houses (at least one unit owner-occupied)
- Suitable projects include financing for
 - New buildings (incl. first-time occupation of condominiums)
 - Individual energy-related measures (renovations)
 - Comprehensive energy interventions for existing property owners or following the acquisition of a new property

The following set of criteria in the form of a points table shows the selection criteria for new buildings, individual energy-related measures or comprehensive overall renovations and serves as the basis for classifying a climate-friendly property:

ELIGIBILITY CRITERIA	POINTS (1-4)			POTENTIAL IMPLEMENTATIONS
New construction			X	<ul style="list-style-type: none"> ▪ Compliance with cantonal building regulations and energy ordinances ▪ General exclusion of fossil fuel energy sources (oil / gas) ▪ In general, the first-time occupation of the defined property categories falls under this category (especially condominium ownership)

Renewable energy source	X			<ul style="list-style-type: none"> ▪ Installation of a new climate-friendly heating system ▪ Exclusion of fossil fuel energy sources (oil / gas)
Optimisation of insulation / outer shell	X			<ul style="list-style-type: none"> ▪ Reinforcement / extension of insulation of facade, outer wall, roof, cellar or building ground ▪ Replacement of exterior doors with a more energy-efficient model
Window renovation	X			<ul style="list-style-type: none"> ▪ Improvement of building emissions by replacing all windows
Optimisation of building technology	X			<ul style="list-style-type: none"> ▪ Renewal of ventilation, air conditioning or hot water preparation ▪ Installation of a heat or electricity storage system ▪ Installation of new energy-saving built-in lighting and systems ▪ Installation of low-flow (low pressure) water pipes in kitchens and sanitary facilities ▪ Installation of intelligent electricity meters (3rd generation smart meters) ▪ Installation of intelligent heat regulation systems (various types of smart thermostats) and sensor technology such as lighting control via motion detectors (each for domestic use) ▪ Installation of a building management system
Renewable energy sources	X			<ul style="list-style-type: none"> ▪ Installation of photovoltaic systems ▪ Installation of panels for the preparation of hot water ▪ Installation of wind turbines ▪ Installation of heat generating solar collectors/facades

Electrical infrastructure	X				<ul style="list-style-type: none"> ▪ Installation of Charging point / line infrastructure for electric mobility
Certificate for entire building				X	<ul style="list-style-type: none"> ▪ Cantonal Energy Performance Certificate (GEAK) with overall efficiency: <ul style="list-style-type: none"> ○ For new buildings of at least class B ○ For existing buildings of at least class C ▪ Minergie: <ul style="list-style-type: none"> ○ Minergie ○ Minergie-P ○ Minergie-A ○ Minergie ECO ▪ Certification by the Swiss Standard for Sustainable Building (SNBS)

Further general conditions:

Proof must be provided by corresponding offers, invoices or certificates from a specialist planner (architect / specialist). The measures and certificates may not be more than 2 years old.

Points are awarded for each selection criterion regardless of the amount of investment.

Individual energy-related measures or renovations that meet one or more of the above criteria can be financed via the AKB Green Mortgage regardless of the total number of points achieved.

A property is considered to be climate-friendly (energy efficient) overall if at least a total score of 4 is achieved.

If a building has an energy source that uses fossil fuels (oil or gas), the entire property will always be classified as not climate friendly. In this case, only individual energy-related measures or renovations can be financed, even if the required total score is achieved through extensive interventions.

Opinion: ISS ESG considers the Use of Proceeds description provided by AKB's Green Bond Framework as complete, exhaustive and aligned with the Green Bond Guidelines.

2. Process for Project Evaluation and Selection

The purpose of AKB's Green Bond is the (re-) financing of existing and future AKB Green mortgages. The allocation is subject to the allocation criteria described under "1. Use of Proceeds".

A dual control principle is used to ensure that the selection criteria are met in terms of processes and organisation, as well as sufficient documentation is provided: the Private Clients & Private Banking division and the Corporate Clients & Institutional Banking division (sales units) carry out the initial audit. In the Credit & Finance division, the subsequent second audit and control is carried out. Documentation is provided in the form of corresponding evidence in the loan dossier (created per mortgage). Product Management Credits acts as an advisory capacity and is the final escalation stage.

In the event of a controversy (e.g. legal dispute) in connection with the issue of the AKB Green Bond and the implementation of the Green Bond Principles, AKB will make this transparent as part of its annual reporting, provided that it is both a systemic and a substantial incident involving the bulk of the asset pool.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by AKB's Green Bond Framework as aligned with the Green Bond Principles. The Green Bonds show alignment with the sustainability strategy of AKB.

3. Management of Proceeds

AKB commits itself to use the proceeds from the issue of the Green Bond to refinance existing and future AKB Green mortgages. In order to ensure that funds are used for a specific purpose, the proceeds from the Green Bond issue are recorded on a clearly separated balance sheet item. The loan disbursement for AKB Green mortgages is made directly via this balance sheet account in each case. In addition, new Green Bonds are only issued if, following a planned new issue, the total outstanding volume of AKB Green mortgages on the bank's balance sheet exceeds the issue volume of Green Bonds by at least 10%. In addition, AKB excludes existing and future AKB Green mortgages from the cover pool of Pfandbrief loans.

If the volume of outstanding Green Bonds exceeds the total volume of outstanding AKB Green Mortgages at any time, the excess funds from Green Bond issues will be used as follows:

- Holding the funds in cash and / or
- Investment in green bonds of other issuers.

The following criteria are applied when investing in green bonds of other issuers:

- Currency/rank: CHF, EUR, or USD / senior unsecured
- Issuer rating: investment grade
- At least one independent review: Second Party Opinion or Green Bond Rating

Accepted examiners:

Second Party Opinion: ISS ESG, CICERO, Sustainalytics, Vigeo EIRIS or DNV GL

Green Bond Rating: Moody's or S&P

The use of surplus funds as described above will continue until there are enough AKB Green mortgages again or Green Bonds are repaid. AKB is also entitled to buy back any number of Green Bonds at any time for its own investment or repayment purposes.

Opinion: ISS ESG finds that the Management of Proceeds proposed by AKB is well aligned with the Green Bond Principles and follows best-market practice through the segregation of Green Bond proceeds. Moreover, ESG criteria are defined for temporary investments through an innovative solution of investing in other verified Green Bonds.

4. Reporting

AKB will regularly, at least once a year, provide up-to-date information on the use of the proceeds and the environmental impact of the Green Bonds. Reporting is guaranteed during the term of the Green Bond, i.e. at least until final maturity, and includes all funds from the asset pool or proceeds.

- Green Bond framework
- Green Bond Annual Reporting
 - Overview and use of allocated funds
 - Statement of surplus funds not yet used
- Second Party Opinion from ISS ESG

Opinion: ISS ESG finds that the reporting proposed by AKB is aligned with the Green Bond Principles.

External review

Second Party Opinion

AKB has obtained a second party opinion from ISS ESG to confirm the transparency and reliability of the Green Bond framework. The Second Party Opinion will be published on AKB's website.

Annual review

AKB will publish annually a report on the proceeds allocation for all bonds issued. ISS ESG, as an independent external review provider, will be commissioned to review the compliance of the allocated AKB Green mortgages with the criteria documented in AKB's Framework and to release an external review. The report and the external review will be published on AKB's website.

PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

Green buildings: private mortgage loans

As a Use of Proceeds category, green buildings (private mortgages) has a limited contribution to the SDG 11 “Sustainable cities and communities”.

A. GREEN BUILDINGS: PRIVATE MORTGAGE LOANS

Energy Efficiency prerequisites

- ✓ 100% of the assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

Construction standards

- ✓ 100% of the assets are located in Switzerland, where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions).

Responsible treatment of customers with debt repayment problems

- ✓ For 100% of the assets, pre-emptive actions to prevent client debt repayment problems (e.g. data collection on client indebtedness, long-term fixed interest rates) are in place.
- ✓ For 100% of the assets, sustainable solutions for customers with debt repayment problems are in place (e.g. debt counselling, foreclosure as a last resort).
- ✓ For 100% of the assets, the creditor does not exclude the selling of contractually serviced loans. However, AKB will only sell loans in case of contract breaching by clients and, in case of selling, the conditions will not be detrimental to the clients, e.g. no additional costs.

Controversy assessment

Due to a low controversy risk, ISS ESG does not carry out a controversy assessment for private mortgage loans.

PART III: ASSESSMENT OF AARGAUISCHE KANTONALBANK'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime³' or 'Not Prime' based on its performance on basic ESG requirements for its industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance.

COMPANY	STATUS	Rating	DECILE RANK
Aargauische Kantonalbank	NOT PRIME	D+	2

This means that in terms of industry-specific sustainability requirements the company performed poorly. However, compared to others in the industry AKB performs well.

As of 04.05.2020, this rating places AKB 45th out of 281 companies rated by ISS ESG in the Financials/Public & Regional Banks sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Sustainability impacts of lending and other financial services/products
- Customer and product responsibility
- Sustainable investment criteria
- Labour standards and working conditions
- Business ethics

In three of the key issues, AKB rates above the average for the sector:

- A very significant outperformance was achieved in "Sustainable investment criteria"
- And outperformance was achieved in "Customer and product responsibility" and "Labour standards and working conditions"
- The company lags the industry's average performance slightly in "Sustainability impacts of lending and other financial services/products" and "Business ethics"

Details on the rating of the issuer can be found in Annex 1.

³ Prime is only awarded to the top sector performers, often less than 10% of companies within the respective sector.

DISCLAIMER

1. Validity of the SPO: For AKB's first issuance following the SPO release date.
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.
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ANNEX 1: ISS ESG Corporate Rating

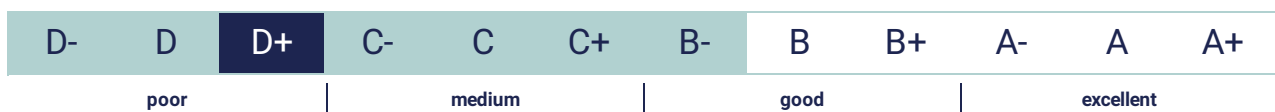
The following pages contain extracts from AKB'S 2020 ISS ESG Corporate Rating.

ESG Corporate Rating

Aargauische Kantonalbank

Industry	Financials/Public & Regional Banks	Status	Not Prime
Country	Switzerland	Rating	D+
ISIN	CH0262085076	Prime Threshold	C
		Decile Rank	2

Absolute Rating



The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively

Decile Rank



Indicates decile rank relative to industry group. A decile rank of 1 indicates a high relative ESG performance, while a 10 indicates a lower relative ESG performance.

Industry Leaders

Company name (in alphabetical order)	Country	Grade
Berner Kantonalbank AG	CH	C+
Deutsche Kreditbank AG	DE	B-
La Banque Postale S.A.	FR	B-

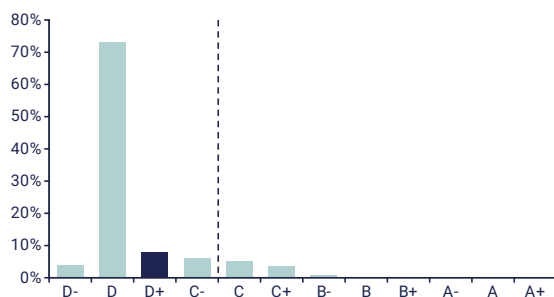
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

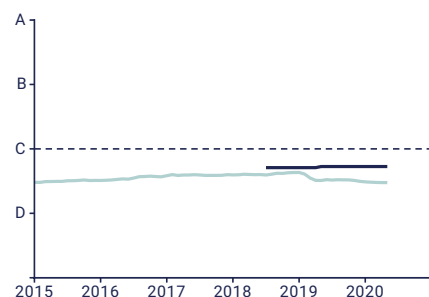


Distribution of Ratings

281 companies in the industry



Rating History



Aargauische Kantonalbank

Analyst Opinion

Sustainability Opportunities

Aargauische Kantonalbank (AKB) provides various banking products and services for private and corporate clients, and institutional investors in Switzerland with a focus on the canton of Aargau in which it is located. The financial industry aims to provide solutions to sustainability challenges via the provision of equal access to financial products, financial services with high social benefit and sustainable investment products. AKB offers various SRI products through its partner Swisscanto subject to a wide range of best-in-class and exclusion criteria such as weapons, tobacco and nuclear energy. Via Swisscanto it additionally offers sustainability themed investments on water and climate. However, these products and initiatives so far do not constitute a major business of the company and sustainability issues are seemingly not yet integrated into the company's core business.

Sustainability Risks

Through the offering of financial products and services, Aargauische Kantonalbank (AKB) faces not only environmental and social risks relating to lending and investment activities but also risks related to customer and product responsibility. AKB offers SRI products subject to a wide range of best-in-class criteria as well as theme funds through its partner Swisscanto. It further offers a basic banking account subject to moderate terms and offers banking services to clients with physical impairments. As the company only addresses some of the risks it faces with these measures, it needs to be considered that AKB is a regional bank, focussed on the canton of Aargau. Exposure to international project finance and thereby risks related to its lending business are therefore limited. Regarding the responsible treatment of its workforce, the company has established comprehensive regulations for its employees on workplace flexibility as well as sabbaticals and offers financial support to employees with children. Located in Switzerland only, the employees also benefit from high standards on issues such as employment security. As for business ethics, the company has established a code of ethics covering important compliance topics such as insider dealings, conflicts of interest and money laundering in general terms. AKB further conducts compliance audits risk assessments and has installed reporting channels for non-compliance reporting and ensures non-retaliation against whistleblowers.

Governance Opinion

Aargauische Kantonalbank (AKB) is wholly owned by the canton of Aargau, the ownership structure is therefore considered to be stable (as at April 15, 2019). Concerning the company's governance structure, while the chair of the board (Mr Dieter Egloff, as at April 15, 2019) also has executive duties and is therefore not independent, board independence is assured as the remaining eight board members are company outsiders. AKB has further established independent audit, nomination and remuneration committees. AKB discloses the remuneration of its CEO individually and of the executive management team as a whole and further sub-divides the amounts according to fixed and variable performance-related components. The company further states that there are no long-term components.

With regard to its governance of sustainability, while a sustainability committee is in place, it is only staffed with a minority of independent board members. In terms of remuneration for the executives, it remains unclear whether ESG targets are included in the variable remuneration. Concerning business ethics, AKB has established a code of ethics covering important compliance topics such as insider dealings, conflicts of interest and money laundering in general terms. AKB further conducts compliance audits and risk assessments and has installed reporting channels for non-compliance reporting and ensures non-retaliation against whistleblowers.

Aargauische Kantonalbank

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.

Controversial Business Practices - 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.

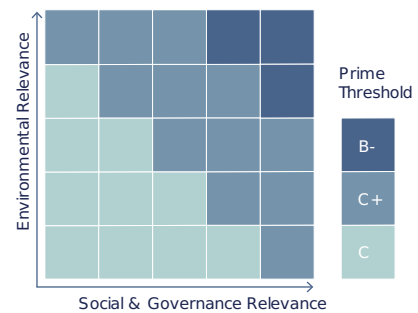
Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Aargauische Kantonalbank

Methodology - Overview

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.

Major Shareholders & Ownership Summary - Overview of the company's major shareholders at the time of generation of this report. All data as well as the categorisation system for the investor types is based on information from S&P Capital IQ.

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.

ANNEX 2: Methodology

ISS ESG Green Bond KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of AKB'S Green Bond.

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.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation 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 AKB (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 AKB's Green Bond contributes to related SDGs and has a positive association with their respective sub-targets.

The contribution assessment is split into two Levels:

1. **Level 1:** Contribution and/or obstruction of the Use of Proceeds categories to be financed through the bond to the UN SDGs
2. **Level 2:** Association of the assets' ESG performance with further SDGs

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, and this Green Bond, contact:

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