

## SECOND PARTY OPINION (SPO)

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Sustainability Quality of the Issuer and Asset Pool

Bayerische Landesbodenkreditanstalt  
05 December 2019

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## Overall Evaluation of the Social Bond

Bayerische Landesbodenkreditanstalt (BayernLabo) commissioned ISS ESG to assist with the re-verification of its Social Bond Programme by confirming the three core elements to determine the sustainability quality of the Bond:

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

## ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>1</sup>
<b>Part 1: Performance against SBPs</b>	The issuer has defined a formal concept for its Social Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA SBPs.	<b>Positive</b>
<b>Part 2: Sustainability quality of the asset pool</b>	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Social Bond KPIs. The Social Bond KPIs contain a clear description of eligible asset categories which include: mortgage loans for residential buildings and social housing.  All assets of the asset pool are located in Germany, a highly regulated and developed country. Legislative frameworks in this country sets minimum standards, which reduce environmental and social risks.	<b>Positive</b>
<b>Part 3: Issuer sustainability performance</b>	The issuer itself shows a medium sustainability performance and has been given a rating of C+, which classifies it as 'Prime' by the methodology of the ISS ESG Corporate Rating.  It is rated 1 <sup>st</sup> out of 103 companies within its sector as of 05.12.2019. This equates to a high relative performance, with a Decile Rank <sup>2</sup> of 1.	<b>Status: Prime</b>  <b>Rating: C+</b>  <b>Decile Rank: 1</b>

<sup>1</sup> ISS ESG's evaluation will remain valid until any modification of the Sustainability 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 08.10.2018). The controversy check of the underlying assets was conducted on the 03.12.2019.

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

## Contribution of the Social Bond to the UN SDGs

Based on the assessment of the sustainability quality of the social bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the BayernLabo’s social 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
<b>Mortgage loans for residential buildings and social housing</b>	<b>Significant contribution</b>	 

## ISS ESG SPO ASSESSMENT

### PART I: SOCIAL BOND PRINCIPLES

#### 1. Use of Proceeds

The proceeds of the social bonds to be issued by BayernLabo (“the Social Bond”) will be exclusively used to finance or refinance subsidised loans granted in the year of issuance of the respective bond as well as loans from three preceding financial years from the following three BayernLabo loan programmes (“Eligible Loans”):

##### **Bavarian interest subsidy programme to promote home ownership**

BayernLabo supports primarily young families in building or buying their own house or flat with the aid of a low-interest loan by providing loans from the Bavarian interest subsidy programme to promote home ownership.

The idea behind the Bavarian interest subsidy programme to promote home ownership is to enable mainly young families to build or buy their own home. The subsidies on offer therefore depend on the family’s annual gross income. All households whose total income does not exceed the income threshold stated in Article 11 of BayWoFG, the Bavarian Housing Promotion Act can apply for a subsidised loan. Within the confines of the Bavarian interest subsidy programme, BayernLabo offers loan variants with a 10 or 15-year fixed interest rate and, as an additional alternative, with a 30-year fixed interest rate (full repayment).

##### **Bavarian modernisation programme**

BayernLabo grants low-interest loans for eligible modernisations and renewal measures of rental housing in apartment blocks as well as in in-patient elderly care facilities.

The objectives of the programme are to increase the utility value of housing, improve general housing conditions, adapt housing to the needs of the elderly, save energy and water, reduce carbon emissions as a result of modernisations, preserve and restore the urban function of older residential areas, ensure a socially acceptable rent after modernisations and to guarantee housing is provided to low-income households.

For a period of 10 years after modernisation, flats to be re-let must be rented to households, who’s total income does not exceed certain income limits.

##### **Municipal subsidised housing programme**

With the municipal rental housing subsidy programme the Free State of Bavaria, together with BayernLabo, supports Bavarian municipalities in their own construction of reasonably priced living space. The programme benefits the construction, alteration, extension as well as the modernisation and first purchase of rented flats. The aim of the programme is to promote residential buildings that can be used in the long term and that correspond to the goal of an orderly urban development.

The target group of the municipal rental housing subsidy programme includes municipalities which cannot construct or purchase housing on the housing market by their own efforts. The apartments should also be made available to recognized refugees to an appropriate extent, in accordance with local needs. It is the task of the respective municipality to coordinate this. The municipalities are also

required to ensure socially acceptable rent so that apartments can be rent by low-income persons in particular.

Details regarding the loan programmes included in the asset pool as of 31 December 2018 are listed in the following table:

BAYERNLABO'S LOAN PROGRAMME	OUTSTANDING AMOUNT
Bavarian programme of low-interest loans for private housing	EUR 2,173 million
Bavarian modernisation programme	EUR 1,062 million
Municipal subsidized housing programme to create rental housing in Bavaria	EUR 83 million
<b>Total outstanding</b>	<b>EUR 3,318 million</b>

**Opinion:** ISS ESG considers the Use of Proceeds description provided by BayernLabo's Social Bond Framework as complete, exhaustive and aligned with SBPs. Social benefits are described and quantified.

## 2. Process for Project Evaluation and Selection

According to the Law on Bayerische Landesbank, BayernLabo acts in accordance with the guidelines of the responsible ministry of the state in the implementation of its own programmes. State approval authorities examine the eligibility criteria and decide on the funding applications. If the eligibility requirements are met, an approval certificate is issued within the scope of the available funds and delivered to BayernLabo.

The state funding guidelines regulate, among other things, the application and approval procedures, including the selection of the buildings to be promoted.

BayernLabo is responsible for the issuance and administration of loans.

**Opinion:** ISS ESG considers the Process for Project Evaluation and Selection description provided by BayernLabo's Social Bond Framework as aligned with the SBPs. Moreover, the projects selected show alignment with the sustainability strategy of the issuer.

## 3. Management of Proceeds

BayernLabo plans to engage an auditor to review and approve the use of the proceeds to finance new and/or existing loans as part of the Bavarian interest subsidy programme to promote home ownership, the Bavarian modernisation programme and the municipal programme to create rental housing in Bavaria sub-portfolios.

**Opinion:** ISS ESG finds that Management of Proceeds proposed by BayernLabo is aligned with the SBPs.

#### 4. Reporting

BayernLabo commits itself to annual reporting, beginning one calendar year after issuance. The reporting will cover the following aspects:

- Amount of the issuance and the total amount of outstanding Social Bonds.
- Use of proceeds:
  - Number of flats subsidised in the calendar year of issuance in the Bavarian programme of low interest loans for private housing offering reduced interest rates for the promotion of homeownership.
  - Number of persons who have been enabled to build or acquire their own living space through the Bavarian programme of low-interest loans for private housing.
  - Number of flats subsidised in the calendar year of issuance in the Bavarian modernization programme.
  - Number of care places subsidised in the calendar year of the issuance in the Bavarian modernisation programme.
  - Number of flats subsidised in the calendar year of issuance in the Municipal subsidised housing programme.
  - Analogously, data of the three calendar years prior to the issuing year for which the use of proceeds were used.
  - Funding examples in the three programmes financed through the use of proceeds.

**Opinion:** ISS ESG finds that the allocation and impact reporting proposed by BayernLabo is in line with industry best practices.

#### External review

BayernLabo commissioned ISS ESG to provide a second-party opinion on its social bonds issuances.




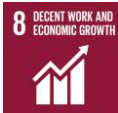
## PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

### Mortgage loans for residential buildings and social housing

As a Use of Proceeds category, mortgage loans for residential buildings and social housing have a significant contribution to the SDG 1 “No Poverty” and SDG 11 “Sustainable cities and communities”.

Additionally, when considering the deeper ESG management, mortgage loans for residential buildings and social housing can be associated to other SDGs.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
<b>A.1. Achieved energy efficiency of residential buildings and social housing</b>	
<ul style="list-style-type: none"> <li>✓ 100% of the projects must observe the requirements of the Energy Saving Ordinance (Energieeinsparverordnung / EnEV) in the version applicable at the time of credit application.</li> </ul>	
<ul style="list-style-type: none"> <li>○ No information is available either on the annual primary energy consumption or on energy performance certification with a minimum energy performance labelled “B” (on a scale from H to A+).</li> </ul>	
<ul style="list-style-type: none"> <li>○ No information is available on whether home improvement projects reach or exceed a 20% energy efficiency improvement.</li> </ul>	
<b>A.2. Social standards for construction</b>	
<ul style="list-style-type: none"> <li>✓ 100% of the projects are located in Germany where high labour and health and safety standards are in place for construction and maintenance work conducted by own employees and contractors (e.g. ILO core conventions).</li> </ul>	



### A.3. Responsible treatment of customers with debt repayment problems

- ✓ For 100% of projects, pre-emptive actions to prevent client debt repayment problems (e.g. proactively approaching customers potentially at risk, use of responsible lending performance indicators, long-term fixed interest rates) are in place.
- ✓ For 100% of projects, sustainable solutions for customers with debt repayment problems are in place (e.g. forbearance measures, foreclosure as a last resort).
- ✓ For 100% of projects, the creditor excludes the selling of contractually serviced loans.



### 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 BAYERNLABO'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime<sup>3</sup>' or 'Not Prime' based on its performance relative to the 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
<b>BAYERNLABO</b>	<b>PRIME</b>	<b>C+</b>	<b>1</b>

This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by ISS ESG. In ISS ESG's view, the securities issued by the company therefore all meet the basic requirements for sustainable investments.

As of 05.12.2019, this rating places BayernLabo 1<sup>st</sup> out of 103 companies rated by ISS ESG in the Financials/ Commercial Banks & Capital Markets sector.

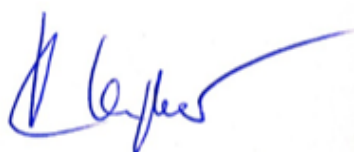
Key Challenges facing companies in term of sustainability management in this sector are:

- Sustainability impacts of lending and other financial services/products
- Customer and product responsibility
- Statutory ESG-standards linked to the geographical allocation of the lending portfolio
- Employee relations and work environment

For all of the key issues, BayernLabo rates above the average for the sector. A very significant outperformance was achieved in "Customer and product responsibility" and "Employee relations and work environment"

The company does not face significant controversy.

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



Robert Hassler, Head of ISS ESG Ratings  
London/Munich/Rockville/Zurich

<sup>3</sup> 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 BayernLabo's potential Social Bond issuances occurring between 12/2019 and 12/2020.
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 BayernLabo's 2019 ISS ESG Corporate Rating.

# ESG Corporate Rating

## Bayerische Landesbodenkreditanstalt

<b>Industry</b>	Financials/Mortgage & Public Sector Finance	<b>Status</b>	<b>Prime</b>
<b>Country</b>	Germany	<b>Rating</b>	<b>C+</b>
<b>ISIN</b>	DE000A0Z1TZ0	<b>Prime Threshold</b>	<b>C</b>
		<b>Decile Rank</b>	<b>1</b>



### 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



**Low relative performance**

**High relative performance**

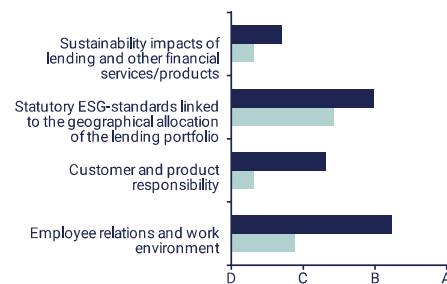
Indicates decile rank relative to industry group. A decile rank of 1 indicates a high relative ESG performance, while a 10 indicates a lower relative ESG performance.

### Industry Leaders

Company name (in alphabetical order)	Country	Grade
Berlin Hyp AG	DE	B-
Münchener Hypothekbank eG	DE	B-
de Volksbank N.V.	NL	B

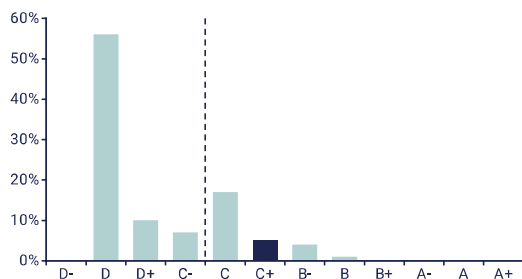
Legend: ■ Industry ■ Company --- Prime

### Key Issue Performance

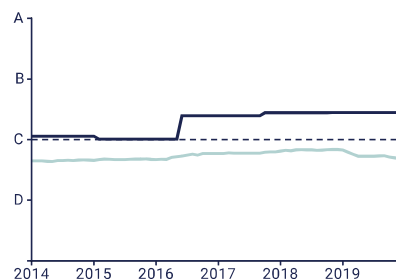


### Distribution of Ratings

100 companies in the industry



### Rating History



# Bayerische Landesbodenkreditanstalt

## Analyst Opinion

**Amery Guelker**  
Sector specialist



### Sustainability Opportunities

Bayerische Landesbodenkreditanstalt (BayernLabo) is commissioned to serve as a lender and fiduciary for social housing development promoted by German federal state of Bavaria. In addition, the institute provides funding to various other socially beneficial purposes including student housing, nurseries, loans for accessible public infrastructure and home improvements for disabled people, and municipality finance for the construction of refugee accommodations. As for the business year 2017, financial services with such a social focus constituted more than 50% of BayernLabo's overall new lending volume. Furthermore, BayernLabo offers zero-interest programmes for municipalities dedicated to energy efficiency modernisation of public non-housing real estate and for the construction or acquisition of energy-efficient buildings as well as likewise programmes for private developments (7.5%).

Thereby, the institute is contributed significantly to resolving global sustainability challenges.

### Sustainability Risks

As a public law entity exclusively entitled to promotional housing finance and municipality funding in the German federal state of Bavaria, Bayerische Landesbodenkreditanstalt (BayernLabo) accounts for a particularly low risk exposure concerning negative environmental and social impacts. BayernLabo tries to mitigate the remaining risks by applying some basic guidelines to at least parts of its lending portfolio including stipulations on conditions for resource efficiency of buildings and biodiversity. Additionally, certain sectors and businesses are identified to be barred from any finance by the institute, first and foremost banned and controversial weapons (which should not enter BayernLabo's business model anyways). However, only some regulations appear to be covenanted and application procedures remain rather weakly implemented. The bank also has implemented suitable safeguards concerning responsible marketing and the treatment of clients with debt repayment problems, but falls short to present a strategy to ensure responsible sales operations.

The company's employees are all located in Germany and thus enjoy comparably high legal working standards added up with the company's comprehensive approach towards work-life balance and health and safety for its staff, including adequate measures to address mental health risks. For managing its business ethics risk, BayernLabo applies the code of conduct of Bayerische Landesbank, its parent, covering a broad range of relevant topics, such as corruption, insider dealings and money laundering as well as providing adequate compliance procedures.

### Governance Opinion

Bayerische Landesbodenkreditanstalt (BayernLabo) is a public law institution, financially independent but not legally separated from its 'parent' Bayerische Landesbank, ultimately and entirely owned by the Free State of Bavaria. Thus, it shares the corporate governance structures of Bayerische Landesbank. There, the majority of members of the supervisory board can be considered to be independent, although some members are affiliated to the bank's owner, the Free State of Bavaria. In addition, the chairman of BayernLB, Mr Wolf Schumacher (as at April 2018) can be considered independent. Bayerische Landesbank's board has established committees charged with audit, remuneration and nomination affairs. However, they are composed partially of non-independent members. With regard to compensation, Bayerische Landesbank publishes fixed remuneration and variable payment elements for the executive management as a whole.

A sustainability committee on the board level appears to be missing. In addition, apparently, there are no ESG criteria determining variable executive compensation components.

BayernLabo applies the code of conduct of Bayerische Landesbank for its operations, which covers all relevant topics to some extent, including corruption and bribery, insider dealings and money laundering. Compliance measures include comprehensive trainings as well as compliance risk assessments and audits. In addition, employees and stakeholders can address wrongdoing via an anonymous and confidential whistleblower reporting channel.

# Bayerische Landesbodenkreditanstalt

## Methodology - Overview

The ESG Corporate Rating methodology was originally developed by 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.

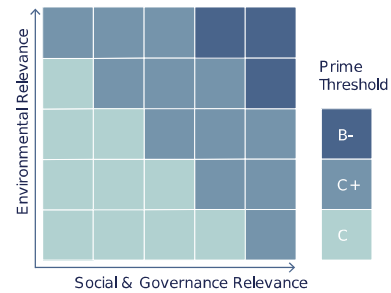
**Distribution of Ratings** - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

# Bayerische Landesbodenkreditanstalt

## 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 Social Bond KPIs

The ISS ESG Social 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 BayernLabo’s Social 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 on the following page) 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 Social 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 Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by BayernLabo (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 BayernLabo’s Social 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 Social Bond, contact:

Federico Pezzolato

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