

SECOND PARTY OPINION (SPO) on Sustainable Finance Framework

Deutsche Bank Group
27 July 2020

CONTENTS

ISS ESG ASSESSMENT SUMMARY	3
Overall Evaluation of the Sustainable Finance Framework	4
ISS ESG SPO ASSESSMENT	4
PART I: ALIGNMENT OF SUSTAINABLE TRANSACTION PROCESSES WITH MARKET STANDARDS FOR SUSTAINABLE FINANCE	4
PART II: SUSTAINABILITY SOUNDNESS OF DEUTSCHE BANK'S TAXONOMY AND ELIGIBILITY PARAMETERS	10
Environmentally sustainable activities	11
Socially sustainable activities	18
PART III: ASSESSMENT OF DEUTSCHE BANK'S ESG PERFORMANCE	20
DISCLAIMER	21
ANNEX: ISS ESG Corporate Rating	22
About ISS ESG SPO	27

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1: Alignment of sustainable transaction processes with market standards for Sustainable Finance</p>	<p>Deutsche Bank has set a formal and ambitious concept for sustainable transactions under its Sustainable Finance Framework. This framework defines a clear sustainability strategy and objectives for the group, eligible activities in line with stringent market guidelines and taxonomies, processes for evaluation and selection of transactions and for their governance during the investment period.</p> <p>This concept aligns with Deutsche Bank's existing Sustainability policies and with best market practices in terms of sustainable capital markets, investments and financing.</p>	<p>Positive</p>
<p>Part 2:</p> <p>Sustainability soundness of Deutsche Bank's taxonomy and eligibility parameters</p>	<p>The sustainability quality of the sustainable transactions contemplated under this framework is credible and ambitious. The environmental and social eligible activities defined in this framework, and their associated eligibility parameters, are in line with the ICMA Green and Social Bonds Principles project categories and with best market practices. Additionally, the environment-related eligible activities refer to the Technical Expert Group final report on the EU Taxonomy and Technical Annex requirements on a best effort basis².</p> <p>Even if the taxonomy does not fully align with the activity-specific criteria defined by the EU Taxonomy, Deutsche Bank is among the first international banks to explicitly refer to this market guideline in its group-level sustainability policy.</p>	<p>Positive</p>
<p>Part 3:</p> <p>Deutsche Bank sustainability performance</p>	<p>Deutsche Bank shows a medium sustainability performance and has been given a rating of C, in a rating scale going from D- (poor performance) to A+ (excellent performance). Deutsche Bank is classified as 'Prime' by the methodology of the ISS ESG Corporate Rating.</p> <p>It is rated 10th out of 285 companies within the Commercial Banks & Capital Market sector as of 27.07.2020. This equates to a high relative performance, with a Decile Rank³ of 1.</p>	<p>Status: Prime</p> <p>Rating: C</p> <p>Decile Rank: 1</p>

¹ The ISS ESG's present evaluation will remain valid until any modification of the Deutsche Bank Sustainable Finance Framework (v.1.03), and as long as the Corporate Rating does not change (last modification on the 06.07.2020).

² Deutsche Bank's ambition is to align its framework with the requirements of the upcoming EU Taxonomy regulation to the extent possible and on a best effort basis.

³ Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

Overall Evaluation of the Sustainable Finance Framework

Deutsche Bank Group (“Deutsche Bank”) commissioned ISS ESG to review its Sustainable Finance Framework by assessing three core elements:

1. Deutsche Bank’s Sustainable Finance Framework alignment with market standards for Sustainable Finance and Deutsche Bank’s existing sustainability policies, benchmarked against the International Capital Market Association’s (ICMA) Green and Social Bond Principles (GSBPs).
2. The sustainability soundness of the eligibility parameters defined in Deutsche Bank’s Sustainable Finance Framework – whether the eligible activities align with the examples of project categories defined in the GSBPs and with the eligible activities defined in the TEG final report on the EU Taxonomy⁴ and Technical Annex⁵.
3. Deutsche Bank’s sustainability performance, according to the ISS ESG Corporate Rating.

The Deutsche Bank’s Sustainable Finance Framework can be found [here](#).

ISS ESG SPO ASSESSMENT

PART I: ALIGNMENT OF SUSTAINABLE TRANSACTION PROCESSES WITH MARKET STANDARDS FOR SUSTAINABLE FINANCE

ISS ESG’s assessment methodology against relevant market standards

In its Sustainable Finance Framework, Deutsche Bank defines a process for identification, selection, management of and reporting on sustainable activities and products. This framework is applicable to sustainable transactions in Capital Markets (Debt Capital Markets/Equity Capital Markets) and financing (lending/debt).

ISS ESG reviewed this process against the ICMA Green and Social Bond Principles. As the Sustainable Finance Framework of Deutsche Bank is relevant not only to Fixed Income products, every requirement defined in the ICMA GSBPs cannot be considered *stricto sensu*. ISS ESG thus derived key principles for transparency and non-contamination of sustainable labelled-products from the ICMA GSBPs and best market practices from other market standards for Sustainable Finance, such as the Loan Market Association Green Loan Principles and Sustainability-Linked Loans Principles, the EU Green Bond Standards usability guide (March 2020), the TEG final report on the EU Taxonomy and Technical Annex, and Principles for Responsible Investment Guidelines for ESG integration in equity and fixed-income.

⁴ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

⁵ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

0. Sustainability strategy and objectives of Deutsche Bank

Deutsche Bank's sustainability commitments

In alignment with its purpose, sustainability and the underlying sustainability principles are part of Deutsche Bank's Code of Conduct. The following sustainability principles are stated as being at the core of Deutsche Bank's business and outline the bank's commitment to environmental and social responsibility:

- Deutsche Bank commit to balancing economic success with environmental and social responsibility;
- Deutsche Bank identify and address the environmental and social impacts of our business activities;
- Deutsche Bank foster business that enables sustainable growth;
- Deutsche Bank are guided by internationally recognized principles and standards;
- Deutsche Bank ensure that our sustainability strategy is firmly grounded in robust governance, policies and processes;
- Deutsche Bank encourage transparent communication and open dialogue with stakeholders.

Furthermore, Deutsche Bank has demonstrated its commitment to sustainability by setting an ambitious target of facilitating €200bn in Sustainable Finance and Responsible Investments by 2025. The bank follows internationally recognized principles for sustainable business and banking, such as the UN Global Compact, the UN Principles for Responsible Investments and UN Guiding Principles on Business and Human Rights.

Opinion: ISS ESG finds that the sustainability commitments defined by Deutsche Bank are relevant to its sector and business model. Furthermore, ISS ESG reviewed the alignment of Deutsche Bank Sustainable Finance Framework and found it aligns with the other sustainability related policies defined by the group.

1. Sustainable Finance Eligible Activities and Products

Sustainable Finance is broadly defined as any form of financial product / service that promotes positive environmental and / or social (ES) purposes while contributing to the achievement of the Paris Agreement targets and Sustainable Development Goals (SDGs). Deutsche Bank define six guiding principles for the classification of economic activities as environmentally and / or socially sustainable.

Principles for environmental sustainability

1. Climate change mitigation and adaptation:
Economic activities enabling, directly or indirectly, a substantial reduction of GHG emissions and / or increase of energy efficiency. Measures adapting to acute and chronic physical risks caused or intensified by climate change.
2. Protection, restoration and promotion of natural resources and healthy ecosystems:
Protection of marine and terrestrial [living] resources incl. water, critical and high-carbon stock ecosystems, and other primary resources. Restoration of biodiversity and ecosystems. Pollution protection and control and general reduction of resource use.
3. Transition to a circular economy:
Prevention of waste and promotion of recycling and reusing of material.

Principles for social sustainability

1. Respect for human rights:
Respect for, protection and enablement of basic human rights e.g. food provision, labour protection.
2. Enabling living conditions:
Access to affordable housing and infrastructure for transportation, ICT and energy provision.
3. Access to essential services:
Inclusive access to health, education, and financial services.

Under this framework, any financing including but not limited to asset-based lending, corporate-level lending, trade finance as well as Capital Markets instruments including but not limited to all forms of the certified sustainability-linked loans or sustainability linked hedging or other instruments can be classified as Sustainable Finance. DB defines three parameters based on which a transaction can be classified:

1. use of proceeds,
2. company profile and / or
3. financial product in itself

If one of the three parameters contributes to the achievement of the Paris Agreement goals and SDGs and is in line with Deutsche Bank's principles for environmental and social sustainability outlined above, a transaction can be classified as "Sustainable Finance".

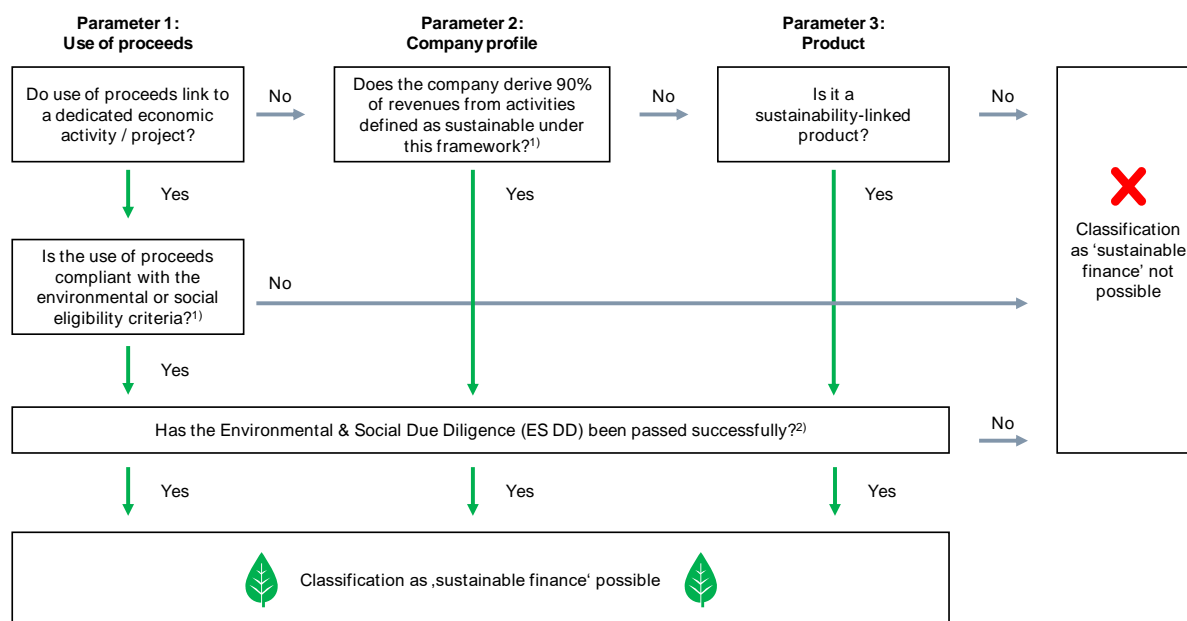
Link with EU Taxonomy

Deutsche Bank’s ambition is to align this framework to the extent possible with the requirements of the EU Taxonomy regulation. Specifically, Deutsche Bank will:

- consider as far as feasible technical screening criteria formulated by the EU Taxonomy for climate mitigation and adaption, especially for parameters 1) use of proceeds and 2) company profile;
- start evaluating any gaps between the requirements of the Do No Significant Harm (DNSH) assessment and alignment with social minimum safeguards under the EU taxonomy and its internal environmental and social due diligence approach.

Deutsche Bank’s existing due diligence requirements are based on the international standards listed in the Taxonomy regulation, e.g. the UN Guiding Principles on Business and Human Rights. The bank aims to close any gaps identified while developing this framework. Equally, Deutsche Bank will continue developing the internal framework to fully embed the technical screening criteria developed by the EU in our internal classification process.

The simplified classification logic and application process is outlined below:



Parameter 1: Use of proceeds

Where a dedicated use of proceeds can be determined, environmental and social criteria will be applied to classify whether the underlying economic activities are deemed sustainable. There are two basic considerations: firstly, activities helping to sustain, improve and protect the environment; and secondly, activities enabling social development, especially in marginalized target groups.

The criteria for classification of activities as environmentally sustainable follow the existing recognised international market standards and practices e.g. ICMA Green Bond Principles, and where feasible link to the technical screening criteria developed by the EU Taxonomy.

Social criteria are defined in accordance with the ICMA Social Bond Principles. As the overall understanding of environmental and social matters evolves and work on the EU Taxonomy

continues, the criteria outlined in the framework may require modification. Deutsche Bank will update its classification criteria according to periodical changes in the market approach and to the EU Taxonomy, and in adherence to the bank's internal processes.

In the Part 2 of this SPO, a detailed review of the applicable eligibility criteria has been conducted.

Parameter 2: Company profile

If the use of proceeds is not specified or dedicated to facilitate a certain activity (e.g. general corporate purposes), eligibility of a transaction for classification as Sustainable Finance will be assessed on the basis of the company profile. Transactions are eligible if the company:

1. derives $\geq 90\%$ of its revenues from activities eligible under section 3.2.1 of the framework;
2. is not involved in any activities excluded under section 3.3 of the framework

Parameter 3: Sustainability linked products

Deutsche Bank facilitates the development of innovative sustainable finance solutions incentivizing clients' commitment to sustainability and to support environmentally and socially sustainable economic activity and growth.

Sustainability linked products are financial instruments that cannot be classified based on their use of proceeds as per the defined categories. Their structure is based on pre-determined overall or specific sustainability performance targets (SPTs). SPTs need to be:

- ambitious;
- material for clients' business and core economic activities; and
- compliant with the core principles for environmental and social sustainability (see part 2 of this SPO).

Underlying KPIs for the SPT should address the key, sector specific ESG challenges faced by a client and its industry in a holistic way and be linked to the client's overall sustainability and/or transition strategy if available. SPTs should be verifiable and reported regularly by the client. Preferably, they should be measured or audited by a recognized and reputable external provider. This could be an ESG rating or certification or a second party opinion. Where applicable, specific sustainability-linked products should further adhere to recognized industry standards such as the LMA Green Loan Principles and Sustainability Linked Loan Principles or the ICMA Green Bond Principles and Social Bond Principles.

The final validation for new structures for sustainability linked product issued under this Sustainable Finance Framework will be carried out by Group Sustainability taking into consideration market standards.

Exclusion criteria & Environmental and Social due diligence (ES DD)

In order to confirm any transaction classified as 'Sustainable Finance' does not have material negative environmental and / or social impacts, an ES DD will be conducted. For clients in the high or enhanced ES risk sectors, the respective assessment procedure follows the ES Risk assessment as outlined in the Deutsche Bank Environmental and Social (ES) Risk Framework⁶. For sectors that are

⁶ <https://www.db.com/cr/en/docs/DB-ES-Policy-Framework-English.pdf>

currently not in scope of the Deutsche Bank ES Risk Framework, ES DD will be conducted by business and by Group Sustainability on a best effort basis. The objective is to align the existing ES DD approach with the EU Taxonomy requirements in regard to the Do No Significant Harm assessment and social safeguards in the future.

Opinion: ISS ESG considers the eligible activities and products defined by the Sustainable Finance Framework of Deutsche Bank as broadly aligned with the concepts for transparency set in the ICMA Green and Social Bond Principles, core element 1. Use of Proceeds. The Framework eligible activities and products are in line with the sustainability objectives defined by Deutsche Bank. (A detailed assessment of the associated eligibility parameters is conducted in part 2 of this SPO).

2. Process for Activities and Products Evaluation and Selection

Eligible sustainable finance activities as defined by the Framework will be reviewed and validated continuously following a three-step verification process: (1) Front office representatives will identify sustainable transactions, products or companies for each business activities in their area of responsibility and conduct a preliminary ES assessment; (2) dedicated Business Reviewer who have been nominated by corporate divisions will perform sanity checks on classified cases; and (3) Group Sustainability verifies each transaction and conducts a 2nd party ES DD check. In the case of an escalation with respect to the classification as Sustainable Finance e.g. due to issues identified through the ES DD assessment process, the appropriate [Reputational Risk Committee](#) may be used as an ultimate decision body.

Opinion: ISS ESG considers the Process for Products and Activities Evaluation and Selection described in the Sustainable Finance Framework as in line with the concepts for transparency set in the ICMA Green and Social Bond Principles, core element 2. Process for Selection & Evaluation. Appropriate responsibilities and evaluation processes are defined, and eligibility criteria are transparently displayed.

3. Management of products during investment period

In line with the Reputational Risk Policy, throughout the life-cycle of the product, continuous compliance with all relevant criteria will be monitored. In case of any identified non-compliance this will be address and either resolved or result in de-classification of the transaction.

Opinion: ISS ESG finds that the management of products labelled as sustainable during the investment period is in line with the concepts for transparency set in the ICMA Green and Social Bond Principles, core element 3. Management of proceeds. Compliance checks are conducted during the entire investment period and can lead to declassification of the products as sustainable.

4. Reporting

Deutsche Bank's sustainable finance activities are published annually as part of the non-financial reporting. The contribution to the overall Sustainable Finance volume financed or facilitated by Deutsche Bank is calculated based on established practices for measuring performance within the categories of Financing, Facilitation and Investments. An overview of reporting details per type of activity will be given in a subsequent version of the Deutsche Bank's Sustainable Finance Framework.

Opinion: ISS ESG finds that the Deutsche Bank's reporting processes align with the concepts for transparency set in the ICMA Green and Social Bond Principles, core element 4. Reporting. The reporting occurs annually, and its scope is defined.

PART II: SUSTAINABILITY SOUNDNESS OF DEUTSCHE BANK'S TAXONOMY AND ELIGIBILITY PARAMETERS

ISS ESG's assessment methodology against relevant market standards

In its Sustainable Finance Framework, Deutsche Bank defines environmental and social eligible activities for sustainable transactions. This taxonomy is relevant for every transaction contemplated under this framework. ISS ESG reviewed the sustainability soundness of the taxonomy defined by Deutsche Bank and its associated eligibility parameters against relevant market guidelines.

For environmentally sustainable activities, ISS ESG assessed the activities against the best market practices and the TEG final report on the EU Taxonomy and its Technical Annex, and the project categories defined by the ICMA Green Bond Principles. The EU Taxonomy is among the most technical and ambitious reference points for green activities in the market to date, while the ICMA GBP is one of the best-established guidelines related to green finance.

For socially sustainable activities, ISS ESG assessed the activities against the project categories and targeted populations defined in the ICMA Social Bond Principles and against the social IFC Performance Standards. Those two voluntary guidelines are among the most acknowledged and best-established guidelines for social finance.

Finally, ISS ESG assessed the compliance of both environmentally and socially sustainable activities with international guidelines outlined in the EU Taxonomy, namely the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organization's ('ILO') declaration on Fundamental Rights and Principles at Work, the International Bill of Human Rights and, where applicable, more stringent EU / regional legislation.

Environmentally sustainable activities

In this part, Deutsche Bank’s eligible green activities are assessed against the ICMA Green Bond Principle, the TEG final report on EU Taxonomy and Technical Annex (referred to in this section as “EU Taxonomy”) and market best practices.

Contribution to environmental objectives and sustainability quality of eligibility criteria

The table below presents the outcome of ISS ESG’s review of those activities and their associated eligibility criteria in line with the Technical Screening Criteria (TSC) defined in the EU Taxonomy, market practices and with the example of eligible green project categories displayed in the ICMA GBPs. ISS ESG assessed positively activities that contributes to environmental objectives in line with those standards and for which robust eligibility criteria have been defined.

CLIMATE CHANGE MITIGATION				
SECTOR	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT ⁷	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW
Manufacturing	Low carbon technologies	Aligns with “renewable energy”, “clean transportation” and “energy efficiency”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Low-carbon, low energy cement, aluminium, iron, steel and chemicals	Does not explicitly align with examples of green project categories.	While eligibility criteria refer to applicable TSC as a guidance, no carbon intensity eligibility threshold has been defined by Deutsche Bank for those highly emitting activities.	✗
	Plastics	Does not align with examples of green project categories.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Utilities	Renewable energy and gas combustion	Aligns with “renewable energy”, except for gas combustion projects which do not align with examples of green project categories.	The eligibility criteria related to solar, wind and ocean energy conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy. For production of electricity from hydropower and geothermal, no specific eligibility criteria have been defined but detailed environmental risks screening are conducted by Deutsche Bank.	✓

⁷ The eligible Green Project categories, listed in the ICMA Green Bond Principles, include, but are not limited to the example provided.

SECTOR	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT ⁸	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW
Utilities	Gas combustion	Does not align with examples of green project categories.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Bioenergy	Aligns with “renewable energy”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Energy transmission, distribution & storage	Aligns with “renewable energy”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy. Deutsche Bank defined additional eligibility criteria for district heating activities that increase the robustness of the sustainability quality of the selection process.	✓
	Hydrogen storage	Aligns with “renewable energy”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Water & Waste	Water Management	Aligns with “sustainable water and wastewater management”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Waste Management	Aligns with “pollution prevention and control”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Material recovery from non-hazardous waste	Aligns with “pollution prevention and control”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Anaerobic digestion facilities for production of biogas and digestate from bio-waste	Aligns with “pollution prevention and control”.	While not fully aligning with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy, the eligibility criteria refer to TSC for which identification of compliant transactions is possible as of now and align with current good market practices across all transactions by capturing key environmental risks associated with those activities.	✓

⁸ The eligible Green Project categories, listed in the ICMA Green Bond Principles, include, but are not limited to the example provided.

SECTOR	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT ⁹	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW
Water & Waste	Facilities for composting of bio-waste	Aligns with “pollution prevention and control”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Landfill gas capture and utilisation in permanently closed landfills	Aligns with “pollution prevention and control”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Anthropogenic emission mgmt.	Aligns with “pollution prevention and control”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Construction & Real Estate	Construction and acquisition	Aligns with “green buildings”.	While not fully aligning with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy, the eligibility criteria refer to TSC for which identification of compliant transactions is possible as of now and align with current good market practices across all transactions by ensuring that all assets belong to the top 15% energy efficient buildings of their local market.	✓
	Renovation	Aligns with “green buildings”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Individual measures and professional services related to improving efficiency	Aligns with “green buildings”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Transportation & storage	Rail transport (passenger and freight)	Aligns with “clean transportation”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Road transport (passenger and freight)	Aligns with “clean transportation”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓

⁹ The eligible Green Project categories, listed in the ICMA Green Bond Principles, include, but are not limited to the example provided.

SECTOR	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT ¹⁰	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW
Transportation & storage	Inland water transport (passenger and freight)	Aligns with “clean transportation”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Infrastructure for low carbon transport (land)	Aligns with “clean transportation”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	Infrastructure for low carbon transport (water)	Aligns with “clean transportation”.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Information and Communications Technology (ICT)	Data infrastructure	Does not align with examples of green project categories.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	ICT for climate change	Does not align with examples of green project categories.	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Agriculture, forestry & fishing	Growing of crops	Aligns with “environmentally sustainable management of living natural resources and land use”.	While not fully aligning with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy, the eligibility criteria refer to TSC for which identification of compliant transactions is possible as of now and align with current good market practices across all transactions by requiring for sustainable agricultural processes and measures (e.g. regarding water and organic fertilisers consumption).	✓
	Forestry (Afforestation, Reforestation, Restoration, Rehabilitation, Forest Mgmt., Conservation)	Aligns with “environmentally sustainable management of living natural resources and land use”.	While not fully aligning with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy, the eligibility criteria refer where possible to applicable TSC and align with good market practices by ensuring Sustainable Forest Management requirements implementation.	✓

¹⁰ The eligible Green Project categories, listed in the ICMA Green Bond Principles, include, but are not limited to the example provided.

CLIMATE CHANGE ADAPTATION				
SECTOR	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT ¹¹	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW
Adapted activities	An economic activity is adapted to all material physical climate risks identified	Aligns with “climate change adaptation”.	The eligibility criteria conform with Screening criteria for adapted activities defined in the Technical Annex of the EU Taxonomy.	✓
Activities enabling adaptation of an economic activity	The activity reduces material physical climate risk in other economic activities and/or addresses systemic barriers to adaptation and is itself also adapted to physical climate risks.	Aligns with “climate change adaptation”.	The eligibility criteria conform with Screening criteria for an activity enabling adaptation defined in the Technical Annex of the EU Taxonomy.	✓
OTHER ENVIRONMENTAL OBJECTIVES				
OBJECTIVE	ACTIVITY	ICMA GBPS ELIGIBLE GREEN PROJECT	ISS ESG COMMENT ON ELIGIBILITY CRITERIA	ISS ESG REVIEW ¹²
Protection, restoration and promotion of natural resources and healthy ecosystems	Eligibility for classification will be assessed on a case-by-case basis only	Aligns with “terrestrial and aquatic biodiversity conservation”.	No eligibility criteria are defined in Deutsche Bank Sustainable Finance Framework for this category.	-
Transition to a circular economy	Eligibility for classification will be assessed on a case-by-case basis only	Aligns with “pollution prevention and control”.	No eligibility criteria are defined in Deutsche Bank Sustainable Finance Framework for this category.	-

Opinion: ISS ESG finds that the majority of the environmentally sustainable activities defined in the Sustainable Finance framework and their associated eligibility criteria are robust, credible and aligned with best market practices. For most of the activities, Deutsche Bank refers to activity-specific Technical Screening Criteria defined by the EU Taxonomy, to the eligible green projects defined by the ICMA GBPs or to market good practices. Thus, they have a positive contribution to environmental objectives.

¹¹ The eligible Green Project categories, listed in the ICMA Green Bond Principles, include, but are not limited to the example provided.

¹² As the eligible activities will be assessed on a case-by-case basis, ISS ESG cannot provide for an assessment of the sustainability quality of those activities.

Environmental risks management

The table below presents the outcome of ISS ESG’s review of the conditions for avoiding ‘significant harm’ defined in the Sustainable Finance Framework of Deutsche Bank in line with the relevant activity-specific Do No Significant Harm criteria stated in the EU Taxonomy.

DEUTSCHE BANK’S ENVIRONMENTAL OBJECTIVE	ALIGNMENT WITH EU TAXONOMY ENVIRONMENTAL OBJECTIVE	ISS ESG COMMENT ON KEY ENVIRONMENTAL CONSIDERATIONS	ISS ESG REVIEW
CO₂ and other GHG emissions and climate change adaptation	Mitigation	The Sustainability Policy, Environmental and Social Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, prevent sustainable transactions from significantly damaging those objectives. The Climate Risk Management policies of Deutsche Bank is including Scenario Analysis and is in line with the Task Force for Climate-Related Financial Disclosure Recommendations ¹³ .	✓
	Adaptation		
Sustainable use and protection of water and marine resources	Water	The Sustainability Policy, Environmental and Social Policy and the Reputational Risk Policy, prevent sustainable transactions from significantly damaging this objective. Water management and protection provision measures (e.g. considering water scarcity, recycling of wastewater, responsible use of pesticides and herbicides) are considered for relevant sectors.	✓
Transition to a circular economy, waste prevention and recycling	Circular economy	The Sustainability Policy, Environmental and Social Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, prevent sustainable transactions from significantly damaging this objective. Waste management and recyclability are considered for relevant sectors.	✓
Pollution prevention and control	Pollution	The Sustainability Policy, Environmental and Social Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, prevent sustainable transactions from significantly damaging this objective.	✓
Protection of healthy ecosystems	Ecosystems	The Sustainability Policy, Environmental and Social Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, prevent sustainable transactions from significantly damaging this objective. Assets located in key biodiversity areas are excluded.	✓

Opinion: ISS ESG finds that the environmental risks management established in the Sustainable Finance framework address relevant other environmental objectives. The environmental due diligence processes are robust, involving appropriate departments and expertise (see part I, section 1. for detailed opinion on processes). The high-level environmental key considerations defined by Deutsche Bank for each objective are ensuring minimum level of environmental performance for all sustainable transactions.

¹³ <https://www.fsb-tcf.org/>

Social risks management

The table below presents the outcome of ISS ESG’s review of the Minimum Social Safeguards defined in the Sustainable Finance Framework of Deutsche Bank with the international guidelines outlined in the EU Taxonomy.

DEUTSCHE BANK’S MINIMUM SOCIAL SAFEGUARDS	COMPLIANCE WITH THE EU TAXONOMY MINIMUM SOCIAL SAFEGUARDS	ISS ESG REVIEW
OECD Guidelines for Multinational Enterprises	Conforms with the Minimum Social Safeguards defined in the TEG final report on EU Taxonomy.	✓
UN Guiding Principles on Business and Human, including the International Labour Organization’s (‘ILO’) declaration on Fundamental Rights and Principles at Work, the International Bill of Human Rights and, where applicable, more stringent EU / regional legislation.	Conforms with the Minimum Social Safeguards defined in the TEG final report on EU Taxonomy.	✓

Opinion: ISS ESG finds that the Minimum Social Safeguards set in the Sustainable Finance framework are in line with the ones defined by the EU Taxonomy. Thus, they ensure minimum labor, and health and safety standards for all sustainable transactions.

Socially sustainable activities

In its Sustainable Finance Framework, Deutsche Bank defined eligible social activities based on the ICMA Social Bond Principles.

Contribution to social objectives defined in line with the ICMA Social Bond Principles

The table below presents the outcome of ISS ESG's review of those activities with the example of eligible social project categories displayed in the ICMA SBPs.

PROJECT CATEGORY	ACTIVITY	ICMA SBPS ELIGIBLE SOCIAL PROJECT	ISS ESG REVIEW
Affordable basic infrastructure	Projects providing / expanding affordable access to clean energy, clean drinking water, sanitation and transport	Aligns with "Affordable basic infrastructure".	✓
	Development of tele-communication networks and related infrastructure	Aligns with "Affordable basic infrastructure".	✓
Access to essential services	Improve access to and / or affordability of health care	Aligns with "Access to essential services".	✓
	Enhance access to, quality of and/or affordability of education	Aligns with "Access to essential services".	✓
	Inclusive access without discrimination on the basis of sex or other factors e.g. race, disability	Aligns with "Access to essential services".	✓
Affordable housing	Building of affordable and / or improved housing	Aligns with "Affordable housing".	✓
SME Financing and Microfinance	Equal access to banking, financial services and other economic resources	Aligns with "Employment generation including through the potential effect of SME financing and microfinance".	✓
	Financing / advisory services for micro, small, and medium sized enterprises	Aligns with "Employment generation including through the potential effect of SME financing and microfinance".	✓
	Overall socioeconomic advancement	Aligns with "Employment generation including through the potential effect of SME financing and microfinance".	✓
Food security	Investments aiming to enhance agricultural productivity	Aligns with "Food security".	✓
	Extension of sustainable farming practices / sustainable land use	Aligns with "Food security".	✓

Opinion: ISS ESG finds that the socially sustainable activities defined in the Sustainable Finance framework and their associated thresholds align with the eligible social projects and example of targeted populations defined by the ICMA Social Bond Principles. Thus, they have a positive contribution to social objectives.

Social risks management

The table below presents the outcome of ISS ESG’s review of the conditions for avoiding ‘significant harm’ defined in the Sustainable Finance Framework of Deutsche Bank in line with the IFC Performance Standards.

DEUTSCHE BANK’S SOCIAL OBJECTIVE	IFC PERFORMANCE STANDARDS ¹⁴	COMPLIANCE WITH IFC PERFORMANCE STANDARDS REQUIREMENTS	ISS ESG REVIEW
Labor	Performance Standard 2: Labor and Working Conditions	The Sustainability Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, ensure that the due diligence processes comply with the requirements.	✓
Community	Performance Standard 4: Community Health, Safety, and Security	The Sustainability Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, ensure that the due diligence processes comply with the requirements.	✓
Land resettlement	Performance Standard 5: Land Acquisition and Involuntary Resettlement	The Sustainability Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, ensure that the due diligence processes comply with the requirements.	✓
Indigenous Peoples	Performance Standard 7: Indigenous Peoples	The Sustainability Policy and the Reputational Risk Policy, applied to the Sustainable Finance Framework, ensure that the due diligence processes comply with the requirements.	✓

The table below presents the outcome of ISS ESG’s review of the Minimum Social Safeguards defined in the Sustainable Finance Framework of Deutsche Bank with the international guidelines outlined in the EU Taxonomy.

DEUTSCHE BANK’S MINIMUM SOCIAL SAFEGUARDS	COMPLIANCE WITH THE EU TAXONOMY MINIMUM SOCIAL SAFEGUARDS	ISS ESG REVIEW
OECD Guidelines for Multinational Enterprises	Conforms with the Minimum Social Safeguards defined in the TEG final report on EU Taxonomy.	✓
UN Guiding Principles on Business and Human, including the International Labour Organization’s (‘ILO’) declaration on Fundamental Rights and Principles at Work, the International Bill of Human Rights and, where applicable, more stringent EU / regional legislation.	Conforms with the Minimum Social Safeguards defined in the TEG final report on EU Taxonomy.	✓

Opinion: ISS ESG finds that the due diligence criteria set for socially sustainable activities are in line with the IFC Performance Standards and Minimum Social Safeguards defined in the EU Taxonomy. Thus, they ensure that minimum standards are in place toward labor conditions, communities health, safety and security, land resettlement and rights of indigenous people.

¹⁴ IFC Performance Standards on Environmental and Social Sustainability, January 2012: https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-be9b-226188c95454/PS_English_2012_Full-Documents.pdf?MOD=AJPERES&CVID=jkV-X6h

PART III: ASSESSMENT OF DEUTSCHE BANK'S ESG PERFORMANCE

ISS ESG's assessment methodology

This assessment is based on the ISS ESG Corporate Rating of Deutsche Bank. The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime15' 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
DEUTSCHE BANK	PRIME	C	1

As of 27.07.2020, this rating places Deutsche Bank 10th out of 285 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
- Sustainable investment criteria
- Labour standards and working conditions
- Business ethics

In four of the key issues, Deutsche Bank rates above the average for the sector. A very significant outperformance was achieved in "Sustainable investment criteria". The company lags the industry's average performance in "Business ethics".

The company is facing a significant controversy level. Severe and very severe controversies relating to weaknesses in anti-money laundering controls, allegations on anti-competitive behavior, and aiding tax evasion in the US have been revealed.

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

Opinion: ISS ESG finds 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 company's operations therefore all meet the basic requirements for sustainable investments.

¹⁵ 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 Deutsche Bank's Sustainable Finance Framework (v.0.32), until any modification of the Framework and as long as the Corporate Rating does not change (last modification on the 24.03.2020).
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) based on data from the company.
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 documents submitted by the company.
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 company 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 company 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 company. 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 company'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.

ISS is an independent company owned by entities affiliated Genstar Capital ("Genstar"). ISS and Genstar have established policies and procedures to restrict the involvement of Genstar and any of Genstar's employees in the content of ISS' reports. Neither Genstar nor their employees are informed of the contents of any of ISS' analyses or reports prior to their publication or dissemination. The company that is the subject of this report may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS.

© 2020 | Institutional Shareholder Services and/or its affiliates

ANNEX: ISS ESG Corporate Rating

The following pages contain extracts from Deutsche Bank 2020 ISS ESG Corporate Rating.

Deutsche Bank AG

Corporate ESG Performance
Prime
 RATED BY
ISS ESG

Company Information

Country
Germany

ISIN
DE0005140008

Industry
Financials/Commercial Banks & Capital Markets

Key Results

Rating
C

Decile Rank
1

Transparency Level
Very High

Status
Prime

Performance score
55.63

Prime Threshold
C

Absolute Rating

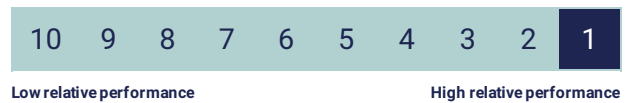


The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively.

Transparency Level



Decile Rank



Industry Leaders

Company name (in alphabetical order)	Country	Grade
ABN AMRO Bank N.V.	NL	C+
BNP Paribas S.A.	FR	C+
NIBC Holding N.V.	NL	C+

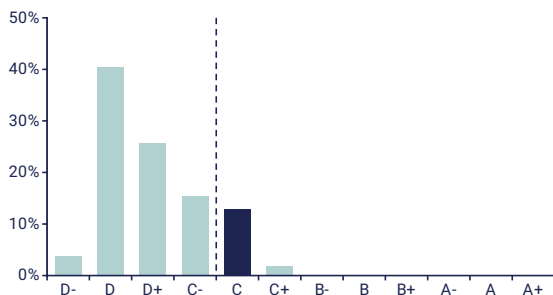
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

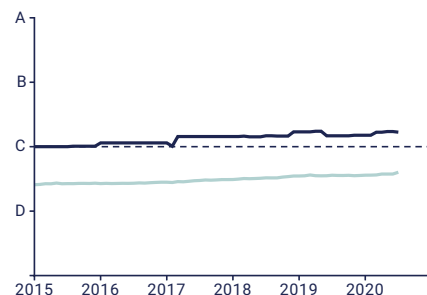


Distribution of Ratings

285 companies in the industry



Rating History



Deutsche Bank AG

Analyst Opinion

Sustainability Opportunities

Deutsche Bank offers its clients several SRI mutual funds, impact investments as well as SRI portfolio management services. In 2019, total ESG related assets under management, encompassing a broad range from lenient to strict approaches, amounted to EUR 69.7 billion. This included ESG and sustainable assets under management, real estate investments in certified green-labeled buildings, as well as infrastructure assets in renewable assets, representing about 9% of total assets under management. Furthermore, Deutsche Bank has a long-standing tradition of supporting micro-entrepreneurs. In addition, Deutsche Bank arranges project finance to renewable energy projects. However, these products and activities do not constitute a major business for Deutsche Bank.

Sustainability Risks

In the financial sector, the main sustainability challenges are in the lending and investment banking as well as asset management businesses. Deutsche Bank has implemented an environmental and social policy framework addressing corporate finance, including project finance, trade finance and investment banking. Deutsche Bank will not finance e.g. activities and/or clients that use child or forced labour; projects or activities located in or involving the clearing of primary tropical moist forests, illegal logging or uncontrolled and/or illegal use of fire; or activities of mining companies which materially use mountain top removal in the United States. In addition, the company does not provide financing for new coal-fired power plants or new greenfield coal mining projects. Deutsche Bank's sustainability department is responsible for assisting business units in assessing environmental and social issues and associated risks. In asset management, Deutsche Bank has set up an investment portal through which analysts have access to the latest results of ESG ratings and can include them in their decision-making. Companies which manufacture cluster munitions and landmines are excluded from its investment universe.

In the field of customer and product responsibility, the results of client satisfaction surveys, mystery shopping as well as customer satisfaction indexes influence the assessment of success of Deutsche Bank's sales teams. Sales staff are trained on responsible sales practices and their performance is monitored on a regular basis.

As announced in July 2019, Deutsche Bank is in the process of cutting about 18,000 jobs until 2022, mainly in the UK and the US. The company tries to avoid compulsory redundancies and provides outplacement services. Yet, it remains unclear whether all affected employees will be covered by these measures. A group-wide health and safety management system is in place and the company has implemented some measures to prevent mental health problems.

Deutsche Bank has established group-wide codes and policies covering in varying levels of detail all important issues in the field of business ethics, such as corruption, antitrust violations, insider dealings and conflicts of interest. The company conducts compliance trainings as well as compliance risk assessments and audits. In addition, Deutsche Bank has implemented non-compliance reporting channels for whistleblowers. In recent years, Deutsche Bank has been involved in numerous major controversies such as price fixing in the market for credit default swaps and non-compliance with anti-money laundering regulations. Further controversies include allegations of failures to control business practices in its foreign exchange trading operations.

Governance Opinion

Regarding Deutsche Bank's governance structure, the independence of the company's chairman, Mr. Paul Achleitner (as at June 4, 2020), is ensured and the majority of board members are independent. However, only a minority of the directors of the audit and the remuneration committees are considered independent. The nomination committee consists of a majority of independent directors. The remuneration policy for executives is publicly disclosed and includes long-term incentive components, which could incentivize sustainable value creation.

Deutsche Bank has set up a board committee tasked with the supervision of its sustainability strategy, which is composed of 67% independent members (as at May 8, 2020). Additionally, sustainability performance objectives are to some extent integrated into the variable remuneration of members of the executive management team. Deutsche Bank has established group-wide codes and policies covering many important issues in the field of business ethics, such as corruption, antitrust violations, insider dealings and conflicts of interest. The company conducts compliance trainings as well as compliance risk assessments and audits. In addition, Deutsche Bank has implemented non-compliance reporting channels for whistleblowers. In recent years, Deutsche Bank has been involved in numerous major controversies such as price fixing in the market for credit default swaps and non-compliance with anti-money laundering regulations. Further controversies include allegations of failures to control business practices in its foreign exchange trading operations.

Deutsche Bank AG

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.

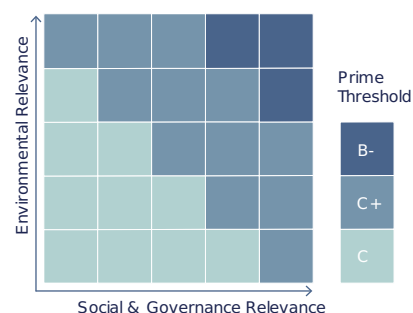
Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile 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.

Deutsche Bank AG

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.

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).

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).

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.

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 company 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 Sustainable Finance Framework, contact:

Federico Pezzolato

Federico.Pezzolato@isscorporatesolutions.com

SPO@isscorporatesolutions.com

+44.20.3192.5760