



Assessment of the Sustainability Quality of the Green Bond Programme of Deutsche Hypothekenbank (Actien-Gesellschaft)

16 August 2017

Aim and Scope of this Second Party Opinion

Deutsche Hypothekenbank (Actien-Gesellschaft) (Deutsche Hypo) commissioned oekom research to assist with the issuance of Green Bonds (Green Pfandbriefe as well as Green Seniors) by confirming the sustainable added value of a green bond asset pool, from which assets for the Green Bond issuances will be chosen. The assessment of the green bond asset pool was conducted using the criteria and indicators of a Green Bond Analysis Framework developed by oekom research. The aim of the Green Bond issuances is to finance mortgage loans secured by commercial real estate mainly in Germany but also in Great Britain, BeNeLux, France, Spain and Poland. Deutsche Hypo aims to contribute to the reduction of greenhouse gas emissions by financing energy efficient buildings.

oekom research's mandate included the following services:

- Definition of a Green Bond Analysis Framework ("oekom Green Bond Analysis Framework") containing a clear description of the eligible asset category and the social and environmental criteria assigned to this category for evaluating the sustainability-related performance of the assets financed through the proceeds of the bonds.
- Analysis of the alignment of the Green Bonds to be issued out of the green bond asset pool against the ICMA's Green Bond Principles.
- Evaluation of compliance of the green bond asset pool with the oekom Green Bond Analysis Framework criteria.
- Review and classification of Deutsche Hypo's sustainability performance on the basis of the oekom Corporate Rating.

Overall Evaluation of the Green Bond Programme

oekom's overall evaluation of the Green Bond Programme of Deutsche Hypo is positive:

- Deutsche Hypo has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles (Part I of this Second Party Opinion).

- The overall sustainability quality of the selected assets for inclusion in the green bond asset pool in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Second Party Opinion).¹
- The issuer itself shows a good sustainability performance (Part III of this Second Party Opinion).

There are some aspects for which more specific selection or performance criteria would be recommended as these could add to the overall quality of the Green Bond Programme: Firstly, oekom research recommends including minimum requirements regarding energy efficiency improvements for renovations. Additionally, it would be beneficial to complement the existing energy efficiency requirements with minimum (transparency) requirements regarding water use as well as tenant health and safety, especially for those buildings that do not have green building certificates.

¹ The sustainability performance of the bonds issued may differ from this assessment depending on the assets selected for inclusion in the bonds.

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of the Green Bonds (Green Pfandbriefe as well as Green Seniors) to be issued by Deutsche Hypo will be exclusively used to finance the construction, acquisition or energy efficiency renovation of energy efficient buildings. These Green Buildings serve as collateral for loans granted by or to be granted by Deutsche Hypo.

Details regarding the projects included in the asset pool as of 16 June 2017 are listed in the following table:

No	Country	Type of building/project	Green building certification	Energy certificate available	Construction / last renovation	Loan (amounts outstanding as of 16 June 2017, mEUR)	Share of asset pool
1	DE	Office building with A.C. ² (new build)	DGNB Platinum	✓	2010	29.79	4.6%
2	DE	Office building with A.C. (acquisition)	DGNB Platinum	✓	2009	13.92	2.2%
3	DE	Retail building (acquisition)	x	✓	1958 / 2011	35.00	5.4%
4	DE	Production and storage building with heating (new build)	x	✓	2010	28.67	4.5%
5	DE	Office building with A.C. (acquisition)	x	✓	1962 / 2009	2.53	0.4%
6	DE	Office building w/o A.C. ³ (acquisition)	x	✓	1924 / 2009	23.25	3.6%
7	DE	Hotel building (4 to 5 star hotels) (renovation)	x	✓	1986 / 2012	44.94	7.0%
8	DE	Office building with A.C. (new build)	DGNB Gold	✓	2014	22.61	3.5%
9	DE	Hotel building (up to 3 star hotels) (new build)	x	✓	2016	13.20	2.1%

² with A.C.: with air conditioning

³ w/o A.C.: without air conditioning

No	Country	Type of building/project	Green building certification	Energy certificate available	Construction/last renovation	Loan (amounts outstanding as of 16 June 2017, mEUR)	Share of asset pool
10	DE	Office building with A.C. (acquisition)	DGNB Silver	x	2011	32.45	5.0%
11	DE	Office building w/o A.C. (acquisition)	DGNB Gold	✓	2013	9.65	1.5%
12	DE	Office building with A.C. (acquisition)	DGNB Gold	✓	2013	22.19	3.4%
13	DE	Office building with A.C. (renovation)	x	✓	2011 / 2013	18.57	2.9%
14	DE	Office building with A.C. (acquisition)	x	✓	1906 / 2012	54.73	8.5%
15	DE	Retail building (acquisition)	x	✓	2005	53.88	8.4%
16	DE	Hotel building (4 to 5 star hotels) (acquisition)	x	✓	2005	25.50	4.0%
17	FR	Retail building (acquisition)	BREEAM Very Good	x	1978 / 2013	75.00	11.7%
18	DE	Office building w/o A.C. (new build)	DGNB Silver	✓	2014	20.00	3.1%
19	DE	Office building with A.C. (acquisition)	DGNB Gold	✓	1922 / 2007	44.00	6.8%
20	DE	Office building with A.C. (acquisition)	x	✓	1909 / 2014	35.00	5.4%
21	DE	Production and storage building w heating (new build)	x	✓	2016	2.86	0.4%
22	DE	Production and storage building w heating (new build)	x	✓	2016	3.76	0.6%
23	FR	Office building with A.C. (acquisition)	BREEAM Excellent	x	1880 / 2016	20.00	3.1%
24	DE	Hotel building (4 to 5 star hotels) (acquisition)	x	✓	1900 / 2010	11.91	1.9%
Total						643.41	100%

2) Process for Project Evaluation and Selection

Deutsch Hypo has established a Green Building Commission to define minimum requirements for inclusion of an asset in the green bond asset pool. The Green Building Commission consists of members of the sustainability team who support the sustainability management. The eligibility criteria for inclusion of an asset in the green bond asset pool are regularly reassessed to ensure that they meet the minimum standards expected in the target markets. A financed building qualifies as a Green Building – as defined by Deutsche Hypo – if the eligibility criteria valid at the time of financing are met.

Currently, Deutsche Hypo's Green Building Commission has set the following minimum requirements for an asset to qualify as a Green Building:

Energy certificate with a maximum end energy demand or consumption in kWh/m²a by building type:

- 50 kWh/m²a for new residential properties
- 75 kWh/m²a for old residential properties
- 30 kWh/m²a for logistics buildings
- 70 kWh/m²a for retail buildings (shopping malls, department stores)
- 95 kWh/m²a for other retail buildings
- 95 kWh/m²a for hotel buildings (up to 3 star hotels)
- 105 kWh/m²a for hotel buildings (4 to 5 star hotels)
- 110 kWh/m²a for production and storage buildings (with heating)
- 110 kWh/m²a for office buildings without air conditioning
- 135 kWh/m²a for office buildings with air conditioning

or

Green building certification:

- LEED Silver or above
- BREEAM Good or above
- DGNB Silver or above (for certificates given after 01.07.2015: Gold or above)
- HQE Basic or above

If the use of renewable energies reduces the primary energy demand or consumption and it is thus below the end energy value, the primary energy demand or consumption is used for the assessment.

Further, properties of clients active in controversial business areas cannot be financed. If a property is leased by a controversial entity, it cannot be financed either. If it turns out that a Green Building is rent out to a tenant active in controversial business areas, the property will be removed from the green bond asset pool.

3) Management of Proceeds

The treasury department regularly verifies, whether buildings already earmarked as suitable for a Green Bond emission still meet the eligibility criteria. If an asset no longer meets the eligibility criteria, it is replaced by another asset. An asset no longer meets the eligibility criteria, if the green building or energy efficiency certificate expired or if a tenant active in controversial business areas occupies the building.

Deutsche Hypo seeks to ensure that eligible assets within the green bond asset pool exceed the total proceeds of outstanding and to be issued bonds. In the case of unallocated proceeds, Deutsche Hypo will invest these in deposits of financial institutions which show a good sustainability performance validated by a recognised sustainability rating agency (i.e. financial institutions rated 'Prime' by oekom research).

4) Reporting

Use of proceeds reporting:

Deutsche Hypo will publish a Green Bond Reporting on its website⁴ on an annual basis.

The Green Bond Reporting will contain the following aggregated information:

- Volume of eligible assets in the green bond asset pool
- Carbon avoidance of all eligible assets in comparison to a relevant average
- Information on Green Buildings (e.g. green building certificates, location, sustainability criteria)

Moreover, Deutsche Hypo will publish information on outstanding bonds on a regular basis.

External Review (Assurance):

Deutsche Hypo has commissioned oekom research, as an independent rating agency, to review the implementation of the Green Bond Principles and the sustainability quality of the Green Bond Programme. This Second Party Opinion will be published on Deutsche Hypo's website⁴.

⁴ www.deutsche-hypo.de

Part II – Sustainability Quality of the Green Bond Asset Pool

1) oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Deutsche Hypo's green bond asset pool. 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 green bond asset pool can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the green bond asset pool and which can also be used for reporting. Details on the individual criteria and indicators for the categories can be found in Annex 1 „oekom Green Bond Analysis Framework“.

2) Evaluation of the Assets within the Green Bond Asset Pool

Method

oekom research has evaluated whether the assets included in the green bond asset pool match the eligible project category and criteria listed in the Green Bond Analysis Framework. The evaluation was carried out using information and documents provided to oekom research on a confidential basis by Deutsche Hypo (e.g. green building certificates). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by Deutsche Hypo.

Amounts outstanding were used to calculate the share of underlying assets which fulfil an indicator requirement.

Findings

Green buildings (commercial real estate)

Sustainability Risks and Benefits of the Asset Category

Green buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy efficiency and air quality. Further, green buildings help to conserve natural resources and reduce environmental impact through the reduction of waste and wastewater. From a social point of view, green buildings can improve occupant health and comfort.

At the same time, there are possible sustainability risks that need to be taken into account. Possible social risks stem from working conditions at construction sites, the integration of new buildings into the social context and the safety of building users. Environmental risks stem from impacts on biodiversity at the planning stage, as well as from poor resource efficiency during construction phase and at the use stage.

All projects selected for the Green Bond are located in highly-regulated and developed countries.

- 1. Involvement of local residents at the planning stage (only applicable for new builds)
 - Regarding the 7 newly constructed buildings in the asset pool, no information is available on the involvement of local residents at the planning stage.
- 2. Environmental standards for site selection (only applicable for new builds)
 - ✓ 5 of the 7 newly constructed buildings, accounting for 95% of the respective asset pool's volume, are inside metropolitan areas. For the 2 newly constructed buildings outside metropolitan areas, accounting for 5% of the respective asset pool's volume, environmental impact assessments are not available.
 - ✓ 5 of the 7 newly constructed buildings, accounting for 95% of the respective asset pool's volume, were developed on brownfield sites. The 2 remaining projects, accounting for 5% of the asset pool, were developed on greenfield sites.
- 3. Access to public transport
 - ✓ 22 building projects, accounting for 95% of the asset pool, are located within a maximum of 1 km from one or more modalities of public transport. The 2 remaining projects, 2 production and storage buildings, accounting for 5% of the asset pool, are within a maximum of 2.5 km from a modality of public transport.

- 4. Social standards for construction
 - ✓ 100% of newly constructed or renovated building projects are located in countries where high labour standards are in place for construction work conducted by own employees and contractors (e.g. ILO core conventions).
 - ✓ For 100% of newly constructed or renovated building projects, high standards regarding health and safety for both own employees and contractors are in place (provided for by national legislation).
- 5. Environmental standards for construction
 - For all 9 newly constructed or renovated building projects in the asset pool, no information is available on environmental standards during construction/renovation (e.g. measures to reduce water, waste and energy consumption and adequate management of waste streams at construction sites).
- 6. Sustainable building materials
 - For all 9 newly constructed or renovated building projects in the asset pool, no information is available on sustainable procurement measures regarding building materials (e.g. recycled materials, third-party certification of wood based materials).
- 7. Safety of building users
 - For 7 building projects, accounting for 29% of the asset pool, operational safety is ensured by constructional measures (e.g. fire safety, exit routes, CCTV). For 17 projects, accounting for 71% of the asset pool, no detailed information on safety is available.
- 8. Water use minimisation in buildings
 - For 5 building projects, accounting for 21% of the asset pool, adequate measures to reduce water use are in place (e.g. greywater recycling, efficient applications). For the remaining 19 projects, accounting for 79% of the asset pool, no information is available on adequate measures.
- 9. Energy efficiency in buildings
 - ✓ 22 building projects, accounting for 95% of the asset pool, achieved good scores in the relevant sections of the respective building certificates and/or energy certificates. For the remaining 2 projects, accounting for 5% of the asset pool, no detailed information is available on energy efficiency.
- 10. Labels / certificates
 - 10 building projects, accounting for 45% of the asset pool, achieved good scores in green building certificates, i.e. minimum BREEAM "Very Good", LEED "Gold", DGNB "Silver / Gold"⁵, or HQE "Excellent". For the remaining 14 projects, building certificates are not available or no certificates were issued. These projects account for 55% of the asset pool.

⁵ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

- 11. Sustainable use / purpose of buildings
 - ✓ For 100% of building projects, production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power are excluded by Deutsche Hypo.

Controversy Assessment

- A controversy assessment on the underlying assets did not reveal any controversial activities or practices that could be attributed to Deutsche Hypo.

Part III – Assessment of Deutsche Hypothekenbank (Actien-Gesellschaft)'s Sustainability Performance

In the oekom Corporate Rating with a rating scale from A+ (excellent) to D- (poor), Deutsche Hypo was awarded a score of C+ and rated "Prime", meaning that it fulfils oekom research's demanding requirements regarding sustainability performance in its sector.



As at 16 August 2017, this rating puts Deutsche Hypo in place 4 out of 52 companies rated by oekom research in the Financials/Mortgage & Public Sector Finance sector.

In this sector, oekom research has identified the following issues as the key challenges facing companies in terms of sustainability management:

- Sustainability standards for the lending business
- Statutory ESG-standards linked to the geographical allocation of the lending portfolio
- Consumer and product responsibility
- Employee security and employee wellbeing

In three out of the four key issues, Deutsche Hypo achieved a rating that was above the average for the sector. A significant outperformance was achieved in "Employee security and employee wellbeing". Regarding "Statutory ESG-standards linked to the geographical allocation of the lending portfolio" Deutsche Hypo scores slightly below the average for the sector.

In recent years, the company was not involved in any controversies in the areas of controversial business practices or controversial areas of business, and thus does not breach any of the exclusion criteria, which are frequently applied by investors. Overall, the company has a "minor" controversy level with a controversy score of 0. The industry's average is also "minor".

Details on the rating of the issuer can be found in Annex 2 "oekom Corporate Rating of Deutsche Hypothekenbank (Actien-Gesellschaft)".

A handwritten signature in blue ink, appearing to be 'J. G. G. G.', is written over a faint circular stamp.

oekom research AG

Munich, 16 August 2017

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1. oekom research AG 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.
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3. 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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About oekom research

oekom research is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries with regard to their environmental and social performance. oekom research has extensive experience as a partner to institutional investors and financial service providers, identifying issuers of securities and bonds which are distinguished by their responsible management of social and environmental issues. More than 100 asset managers and asset owners routinely draw on the rating agency's research in their investment decision making. oekom research's analyses therefore currently influence the management of assets valued at over 600 billion euros.

As part of our Green 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 verify the compliance with the criteria in the selection of projects and draw up an independent second party opinion so that investors are as well informed as possible about the quality of the loan from a sustainability point of view.

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Annex

- Annex 1: oekom Green Bond Analysis Framework
- Annex 2: oekom Corporate Rating of Deutsche Hypothekenbank (Actien-Gesellschaft)

Annex 1: oekom Green Bond Analysis Framework

oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the green bond asset pool. 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 green bond asset pool can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the green bond asset pool and which can be used for comprehensive reporting.

Use of Proceeds

Green buildings (commercial real estate)

The proceeds of the Green Bonds to be issued by Deutsche Hypo will be exclusively used for financing Green Buildings. For buildings to qualify as Green Buildings – as defined by Deutsche Hypo – they have to meet the following requirements:

- The annual end energy demand or consumption does not exceed set limits (e.g. 70 kWh/m²a for retail buildings)

or

- External green building certificates must fulfil a minimum level (e.g. BREEAM good or above)

and

- Sustainable use of the building is ensured (no production facilities of armaments, pesticides, tobacco, pornography and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power)

Sustainability Criteria and Quantitative Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the financed projects are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for the project category. A possible quantitative indicator, allowing for measurement of progress and regular reporting, completes each criterion.

A. Green buildings (commercial real estate)

1. Involvement of local residents at the planning stage (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects for which residents are involved at the planning stage (e.g. information of residents, dialogue platforms).

2. Environmental standards for site selection (only applicable for new builds)

Quantitative indicators:

- Percentage of loans allocated to large-scale building projects (> 5,000 m²) outside metropolitan areas for which an environmental impact assessment is carried out.
- Percentage of loans allocated to building projects that are developed on brownfield sites.

3. Access to public transport

Quantitative indicator:

- Percentage of loans allocated to building projects that are located within a maximum of 1 km from one or more modalities of public transport.

4. Social standards for construction

Quantitative indicator:

- Percentage of loans allocated to building projects with high labour and health and safety standards for construction work conducted by own employees and contractors (e.g. ILO core conventions).

5. Environmental standards for construction

Quantitative indicator:

- Percentage of loans allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste is guaranteed by the implementing construction companies.

6. Sustainable building materials

Quantitative indicator:

- Percentage of loans allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

7. Safety of building users

Quantitative indicator:

- Percentage of loans allocated to building projects for which the operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

8. Water use minimisation in buildings

Quantitative indicator:

- Percentage of loans allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

9. Energy efficiency of buildings

Quantitative indicator:

- Percentage of loans allocated to building projects that received good scores in the energy efficiency ratings of the respective buildings certificates (BREEAM, LEED) or that are proven to be part of the top 15% of the local market in terms of energy efficiency.

10. Labels / Certificates

Quantitative indicator:

- Percentage of loans allocated to building projects that obtained a BREEAM "Very Good", DGNB „Silver / Gold"⁶, LEED "Gold" or HQE „excellent" or better certification.

11. Sustainable use / purpose of buildings

Quantitative indicator:

- Percentage of building projects for which production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded.

Controversies

- Description of controversial projects (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

⁶ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

Possible impact indicators: Energy consumption and avoidance of CO₂ emissions

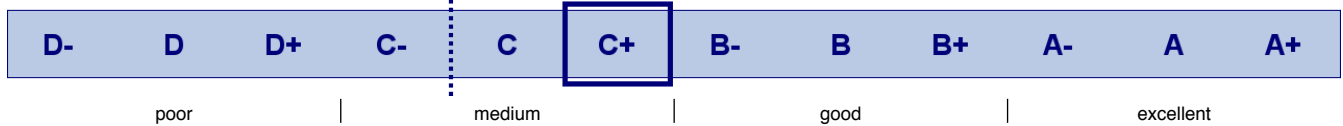
- Average primary energy consumption (in kWh/m²).
- Annual CO₂ emissions (in kg/m²) compared to the local average.

oekom Corporate Rating

Deutsche Hypothekenbank AG

Industry: Financials/Mortgage & Public Sector Finance
 Country: Germany
 ISIN: DE000DHY4614

Status **Prime**
 Rating **C+**
 Prime Threshold **C**



Competitive Position

Industry Leaders

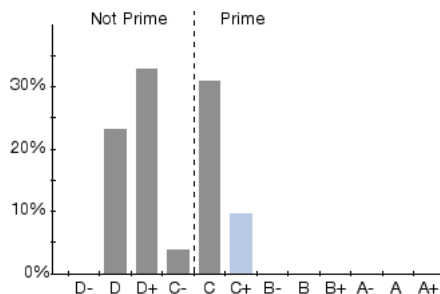
(in alphabetical order)

- Bayerische Landesbodenkreditanstalt (DE) C+
- Muenchener Hypothekenbank eG (DE) C+
- Nederlandse Waterschapsbank NV (NL) C+

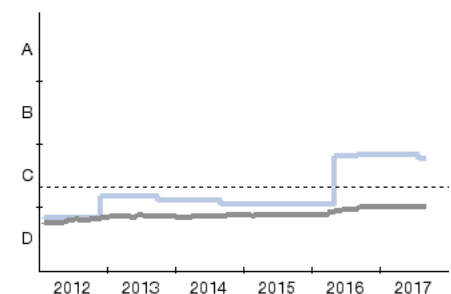
Company Industry

Distribution of Ratings

(52 companies in the industry)

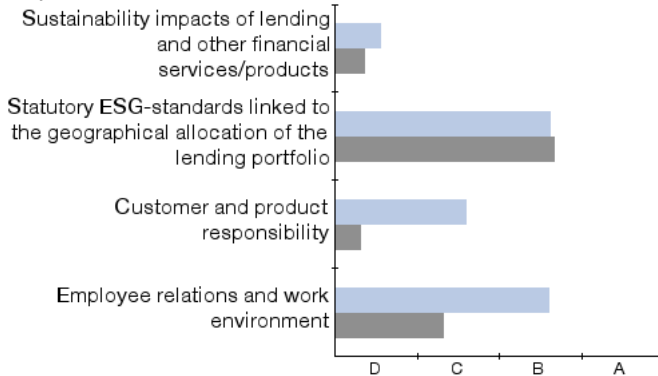


Rating History



Key Issues

Key Issue Performance



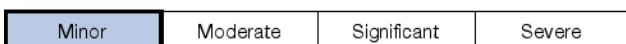
Strengths and Weaknesses

- + almost entire loan portfolio is allocated in countries with high environmental and social minimum standards
- + comprehensive policy on responsible marketing and transparent contracts
- + measures regarding responsible treatment of customers with debt repayment problems
- + various options to facilitate the work-life balance of employees
- no strict and comprehensive general environmental and social guidelines for the credit rating process with regard to commercial and public sector customers
- no activities regarding financial services to companies/projects with high social benefit

Controversy Monitor

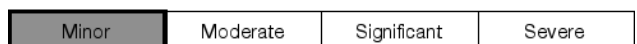
Company

Controversy Score 0
 Controversy Level Minor



Industry

Maximum Controversy Score
 Controversy Risk Minor



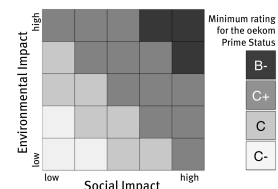
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Deutsche Hypothekenbank AG

Methodology - Overview

oekom Corporate Rating	<p>The oekom Universe comprises more than 3,800 companies (mostly companies in important national and international indices, but also small & mid caps drawn from sectors with links to sustainability as well as significant non-listed bond issuers).</p> <p>The assessment of the social and environmental performance of a company is generally carried out with the aid of approx. 100 social and environmental criteria, selected specifically for each industry. All criteria are individually weighted, evaluated and aggregated to yield an overall score (Rating). In case there is no relevant or up-to-date company information available on a certain criterion, it is graded with a D-.</p> <p>In order to generate a comprehensive picture of each company, our analysts collect information relevant to the rating both from the company itself and from independent sources. During the rating process, considerable importance is attached to cooperating extensively with the company under evaluation. Companies are regularly given the opportunity to comment on the results and provide additional information.</p> <p>An external rating committee assists the analysts at oekom research with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.</p>
Controversy Monitor	<p>The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.</p> <p>The controversy score is a measure of the number and extent of the controversies in which a company is currently involved: all controversial business areas and business practices are assigned a negative score, which varies depending on the significance and severity of the controversy. Both the score of the portrayed company and the maximum score obtained in the industry are displayed.</p> <p>For better classification, the scores are assigned to different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.</p> <p>Only controversies, for which reliable information from trustworthy sources is available, are recorded. It should be noted that large international companies are more often the focus of public and media attention and available information is often more comprehensive than for less prominent companies.</p>
Distribution of Ratings	<p>Overview of the distribution of all company ratings of an industry from the oekom Universe (company portrayed in this report: light blue). The industry-specific Prime threshold (vertical dotted line) is also shown.</p>
Industry Classification	<p>The social and environmental impacts of industries differ. Therefore, subject to its relevance, each industry analysed is classified in a Sustainability Matrix.</p> <p>Depending on this classification, the two dimensions of the oekom Corporate Rating, i.e. the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).</p>
Industry Leaders	<p>List (in alphabetical order) of the top three companies in an industry from the oekom Universe at the time of generation of this report.</p>
Key Issue Performance	<p>Overview of the company's performance with regard to important social and environmental issues that are key to the industry, compared to the industry average.</p>
Rating History	<p>Trend in the company's rating over time and comparison to the average rating in the industry.</p>
Rating Scale	<p>Companies are rated on a twelve-point scale from A+ to D-:</p> <p>A+: the company shows excellent performance.</p> <p>D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).</p> <p>Overview of the range of scores achieved in the industry (light blue) and display of the industry-specific Prime threshold (vertical dotted line).</p>
Status & Prime Threshold	<p>Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by oekom for a specific industry (absolute best-in-class approach) in the oekom Corporate Rating. Prime companies rank among the leaders in that industry.</p>
Strengths & Weaknesses	<p>Overview of selected strengths and weaknesses of a company with regard to relevant social and environmental criteria.</p>



Please note that all data in this report relates to the point in time at which the report was generated.