oekom research AKTIENGESELLSCHAFT

Second Party Opinion

Annual Re-Assessment of the Sustainability Quality of the Green Bond Asset Portfolio of Nordea Bank AB

15 March 18

Aim and Scope of this Second Party Opinion

In 2017, Nordea commissioned oekom research to assist with confirming the sustainable added value of a Green Bond Asset Portfolio, from which assets for Green Bond issuances will be chosen. The assessment of the Green Bond Asset Portfolio was conducted using the criteria and indicators of a Green Bond Analysis Framework developed by oekom research.

Additionally, Nordea commissioned oekom research to carry out an annual re-assessment in order to provide investors with assurance that the asset selection still complies with the eligibility criteria and that new projects are selected accordingly.

oekom research's mandate included the following services:

- Reassessment of compliance of the financed projects with the analysis framework criteria.
- Assessment of compliance of newly added projects with the analysis framework criteria.
- Annual review and classification of Nordea's sustainability performance on the basis of the oekom Corporate Rating.

Overall Re-Evaluation of the Green Bond Asset Portfolio

oekom's overall evaluation of the Green Bond Asset Portfolio of Nordea remains positive:

- Nordea 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 Green Bond Asset Portfolio 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).

As the additions to the Green Bond Asset Portfolio are in line with Nordea's eligibility criteria and are – as in 2017 – all in Nordic countries, the structure of the Green Bond Asset Portfolio has not changed significantly. Therefore, oekom's positive opinion as well as recommendations for possible improvements remain the same.

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

There are some aspects for which more specific selection or performance criteria would be recommended as that could still add to the overall quality of the Green Bond Asset Portfolio. Regarding wind power and hydro power assets, selection criteria should include comprehensive environmental impact assessments for all larger assets and environmental screening for smaller assets as well as measures to mitigate environmental impacts and disclosure thereof.

Regarding some of the issues that could be improved and missing disclosures mentioned in the findings, the large variety of use of proceeds needs to be taken into account. For example, loans were granted for private wind power plants on agricultural land but also for the acquisition of several hydro power plants or the construction of large, commercial real estate assets. From a sustainability point of view, this variety is also considered positive as economic diversity is fostered.

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of the Green Bonds will be used exclusively to finance assets matching Nordea's Green Bond Framework. This framework covers six eligible Green Asset Categories: Renewable Energy, Energy Efficiency, Green Buildings, Pollution Prevention and Control, Clean Transportation and Sustainable Management of Living Natural Resources. From a sustainability point of view, the Green Asset Categories are positive: All categories contribute towards a transition to a low carbon economy and/or to prevention of pollution and protection of natural resources.

Some loans in Nordea's Green Bond Asset Portfolio were granted to finance a portfolio of assets. In these cases, Nordea included only the actual or estimated share of costs spent on eligible purposes in the Green Bond Asset Portfolio. All assets are eligible in accordance with Nordea's Green Bond Framework.

The assets included in the Green Bond Asset Portfolio cover a large variety of use of proceeds, ranging from retail banking to corporate banking. For example, loans were granted for private wind power plants on agricultural land but also for the acquisition of several hydro power plants or the construction of large, commercial real estate assets.

Details regarding the assets included in the Green Bond Asset Portfolio are listed in the following table:

Green Asset Category	Subcategories	Assets included in Green Bond Asset Portfolio	Share of Green Bond Asset Portfolio
A Renewable Energy	Wind power	✓ yes	EUR 243.7m (13%)
	Solar power	× no	EUR 0m (0%)
	Hydro power	✓ yes	EUR 144.8m (8%)
	Integration of renewable energy into the transmission network	× no	EUR 0m (0%)
B Energy Efficiency	Smart grids	× no	EUR 0m (0%)
	Energy storage	× no	EUR 0m (0%)
	District heating	× no	EUR 0m (0%)
C Green Buildings	Certified green buildings	✓ yes	EUR 1,428.4m (76%)

	Green Asset Category	Subcategories	Assets included in Green Bond Asset Portfolio	Share of Green Bond Asset Portfolio
D	**Pollution Prevention and Control**	Water management (water supply)	✓ yes	EUR 22.3m (1%)
		Waste water management	✓ yes	EUR 16.5m (1%)
		Waste-to-energy	✓ yes	EUR 33.0m (2%)
E	**Clean Transportation**	Public transportation / Freight transportation	× no	EUR 0m (0%)
F	**Sustainable Management of Living Natural Resources**	Sustainable Forestry	× no	EUR 0m (0%)
		Sustainable Agriculture	× no	EUR 0m (0%)
TOTAL				**EUR 1,888.7m**

2) Process for Project Evaluation and Selection

Nordea has set up a process for project selection and evaluation, which is subject to continuous reviews and updates. Details on the process can be found in the initial Second Party Opinion from 2017.

For assets to qualify under Nordea's Green Bond Framework[2]– as defined by Nordea – they have to meet certain requirements. These requirements are subject to continuous review and have been updated regarding Real Estate assets. Buildings need to be awarded certain certifications, either at least LEED "Gold", BREEAM "Very good", or Miljöbyggnad "Silver" or Nordic Swan Ecolabel (the latter one has been added to the eligibility criteria since 2017). Furthermore, renovations have to lead to a certain improvement in energy performance (at least 25% lower than national regulations or a 25% overall improvement).

3) Management of Proceeds

Details regarding the Management of Proceeds can be found in the initial Second Party Opinion from 2017.

4) Reporting

Use of proceeds reporting:

Nordea will annually publish a Green Bond Report on its website that provides:

2 Available online: https://www.nordea.com/en/investor-relations/reports-and-presentations/bonds/green-bonds/

- The amount of net proceeds that has been allocated within each Green Bond Asset Category (and, when possible and relevant, further information on the Green Bond Assets).
- The remaining balance of net proceeds which have not been allocated to Green Bond Assets.
- Examples of Green Bond Assets (if not subject to confidentiality agreements).

Impact reporting:

In each annual Green Bond Report, Nordea will also include information on the environmental impact of the Green Bond Assets for each Green Bond Asset Category.

Nordea aims to include the following indicators in the reporting, subject to the availability of information and baseline data.

Green Bond Asset Category	Subcategories	Impact indicators	
A Renewable Energy	Wind power Solar power Hydro power	Installed renewable energy production capacity (MW)	Estimation of avoided CO_2e emissions
B Energy Efficiency	Smart grids Energy storage District heating	Amount of energy saved (MW)	Estimation of avoided CO_2e emissions
C Green Buildings	Certified green buildings	Amount of energy saved (MW)	Estimation of avoided CO_2e emissions
D Pollution Prevention and Control	Water management (water supply) Waste water management	Water withdrawals or treatment capacity (m^3/day)[3]	
	Waste-to-energy	Production capacity (MW)	
E Clean Transportation	Public transportation / Freight transportation	Number of passengers or amount of freight shipped	
F Sustainable Management of Living Natural Resources	Sustainable Forestry Sustainable Agriculture	Area certified to organic/sustainability standards	

[3] Nordea might develop further impact indicators for the category Pollution Prevention and Control.

Part II – Sustainability Quality of the Green Bond Asset Portfolio

1) oekom Green Bond Analysis Framework

Details of the individual criteria and indicators for the assessment of the projects can be found in the initial Second Party Opinion.

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

Method

oekom research reassessed compliance of the (re-)financed projects with the analysis framework criteria.

The re-assessment was carried out using information and documents provided to oekom research by Nordea (e.g. green building certificates, energy performance certificates). Further national legislation and standards, depending on the project location, were drawn on to complement the information provided by Nordea.

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

Findings

Wind Power

Wind power assets	Percentage of volume of all wind power assets
Small scale assets	33%
Large scale assets	67%

- 1. Consideration of environmental aspects during planning and operation
  - ✓ 100% of underlying assets comply with local regulations which provide for minimum standards regarding the assessment of possible environmental impacts of wind power plants (i.e. environmental impact assessment compulsory for large scale plants, basic environmental screenings).
  - O The exact number of underlying assets which underwent individual and in-depth environmental impact assessments was not disclosed.
  - ✓ 100% of underlying assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural Word Heritage, IUCN protected areas I-IV).
  - ✓ 100% of underlying assets comply with local regulations and meet high environmental standards during the construction phase (e.g. rehabilitation after construction phase, regulation of noise).
  - ✓ 100% of underlying assets comply with local regulations and provide for measures to protect wildlife and habitat if necessary (e.g. monitoring of bat population, regulations on noise and shadows).

- 2. Environmental aspects of wind power plants

  Small scale assets

  ✓ More than 80% of small scale wind power assets generally financed by Nordea are produced by manufacturers that carry out life-cycle assessments of the wind power plants and/or its components. For the remaining 20%, no information regarding life-cycle assessments is available.

  O No information is available on the exact number of underlying assets for which life-cycle assessments were carried out, as information regarding manufacturers was only disclosed on a generic level and not on an individual basis.

  Large scale assets

  ✓ 100% of underlying, large scale assets are produced by manufacturers that carry out life-cycle assessments of the wind power plants and/or its components.

- 3. Community dialogue (onshore wind power projects only)

  ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents' interests during the planning phase (e.g. information meetings).

- 4. Working conditions during construction and maintenance work

  ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).

  ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors (provided for by national legislation).

- 5. Social standards in the supply chain

  Small scale assets

  ✓ 100% of small scale wind power assets generally financed by Nordea are produced by manufacturers that primarily produce (i.e. have more than 50% of production sites) in countries with high social standards.

  ✓ More than 50% of small scale wind power assets generally financed by Nordea are produced by manufacturers that require high social standards from their suppliers (e.g. ILO core conventions). For the remaining 50%, either no information is available or supplier standards are not of sufficient quality.

  O No information is available on the exact number of underlying assets and the respective manufacturers, as information regarding manufacturers was only disclosed on a generic level and not on an individual basis.

  Large scale assets

  ✓ 100% of underlying, large scale assets are produced by manufacturers that primarily produce (i.e. have more than 50% of production sites) in countries with high social standards.

  ✓ 100% of underlying, large scale assets are produced by manufacturers that require high social standards from their suppliers (e.g. ILO core conventions).

Controversy assessment

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

Hydro power (small run-of-river and existing plants)

- 1. Consideration of environmental aspects during planning and operation
  - ✓ 100% of underlying assets comply with local regulations which provide for minimum standards regarding the assessment of possible environmental impacts of hydro power plants (i.e. environmental impact assessment compulsory for large scale plants).
  - O The exact number of underlying assets which underwent individual and in-depth environmental impact assessments was not disclosed.
  - ✓ 100% of underlying assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural Word Heritage, IUCN protected areas I-IV).
  - ✓ 100% of underlying assets comply with local regulations that generally require the mitigation of negative environmental impacts during construction and operation of hydro power plants.
  - O Specific measures and/or standards during the construction phase were not disclosed (e.g. renaturation after construction work).
  - O Specific measures and/or standards to protect habitat and wildlife were not disclosed (e.g. provision of fish passes, fish-friendly turbines, provision for sediment transport, management of erosion risks).
- 2. Community dialogue
  - ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents' interests during the planning phase (e.g. public dialogue schemes).
- 3. Working conditions during construction and maintenance work
  - ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).
  - ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors (provided for by national legislation).

Controversy assessment

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

Green buildings (commercial and residential real estate)

- 1. Involvement of local residents at the planning stage (only applicable for new builds)
  - ✓ 100% of relevant underlying assets provide for involvement of residents at the planning stage (e.g. information of residents; also provided for by national legislation).
- 2. Environmental standards for site selection (only applicable for new builds)
  - O No information is available regarding the development of new buildings on brownfield sites.
  - \- 100% of relevant underlying assets are located inside metropolitan areas and/or are of small scale. Therefore, the indicator regarding environmental impact assessment is not applicable.
- 3. Access to public transport
  - ✓ 100% of underlying assets are located within a maximum of 1 km from one or more modalities of public transport.
- 4. Social standards for construction (only applicable for new builds and renovations)
  - ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).
  - ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors (provided for by national legislation).
- 5. Environmental standards for construction (only applicable for new builds and renovations)
  - ✓ 39 out of 43 relevant underlying assets, representing 80% of the relevant underlying assets' volume, provide for good environmental standards at the construction site (e.g. material and energy efficiency). For the remaining 4 relevant assets, representing 20% of the relevant assets' volume, no information on environmental standards for construction is available.
- 6. Sustainable building materials (only applicable for new builds and renovations)
  - ✓ 39 out of 43 relevant underlying assets, representing 80% of the relevant underlying assets' volume, consider sustainable building materials in the building process (e.g. recycled materials). For the remaining 4 relevant assets, representing 20% of the relevant assets' volume, no information on sustainable building materials is available.
- 7. Safety of building users
  - ✓ 100% of relevant underlying assets provide for measures to enhance operational safety (e.g. fire safety, elevator safety).
- 8. Water use minimisation in buildings
  - O 8 out of 70 underlying assets, representing 25% of the underlying assets' volume, provide for measures to reduce water consumption (e.g. water metering, efficient appliances). For the remaining 62 assets, representing 75% of the assets' volume, no information on water use minimisation is available.
- 9. Energy efficiency in buildings
  - ✓ 65 out of 70 underlying assets, representing 83% of the underlying assets' volume, received good scores in energy efficiency ratings or have relevant measures in place regarding energy efficiency. Regarding five underlying assets, representing 17% of the assets' volume, no detailed information on energy efficiency is available.

- 10. Labels / certificates
  - ✓ 100% of underlying assets are certified to a strict Green Building standard. 8 out of 70 underlying assets, representing 25% of the underlying assets' volume, obtained a LEED "Gold", BREEAM "Very Good" or a BREEAM "Excellent" certification. The remaining 62 assets, representing 75% of the assets' volume obtained a slightly less detailed certification. These assets obtained at least a Swedish Miljöbyggnad "Silver" label or a Nordic Swan Ecolabel.
- 11. Sustainable use / purpose of buildings
  - ✓ 100% of underlying assets are neither production facilities of armaments, pesticides or tobacco nor generation facilities for nuclear power or fossil fuelled energy.

Controversy assessment

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

Water management (water supply)

- 1. Consideration of environmental aspects during planning and construction
  - ✓ 100% of underlying assets underwent environmental impact assessments at the planning stage.
  - ✓ For 100% of underlying assets, the location of water supply plants in key biodiversity areas can be excluded.
  - ✓ For the majority of underlying assets (no percentage available), the location of infrastructure for water withdrawal from natural water reservoirs in key biodiversity areas can be excluded. For the minority underlying assets, the location in a Ramsar site cannot be excluded.
- 2. Environmental impacts of water treatment
  - ✓ 100% of underlying assets provide for high standards regarding sustainable water withdrawal (e.g. risk assessments, monitoring, pollution prevention).
  - O Only basic information is available regarding the reduction leakages from the water distribution system (e.g. regular inspections, response management).
  - ✓ 100% of underlying assets provide for high standards regarding water quality (e.g. thorough purification process, reporting).
- 3. Social aspects of water treatment
  - O Underlying assets only have single measures in place to encourage different customer groups to save water.
  - ✓ 100% of underlying assets are located in countries in which access to water is regulated and provided for by social welfare.
- 4. Working conditions during construction and operation
  - ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).
  - ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors (provided for by national legislation).

Controversy Assessment

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

Wastewater management

- 1. Consideration of environmental aspects during planning and construction
  - ✓ 100% of underlying assets underwent environmental impact assessments at the planning stage.
  - ✓ 100% of underlying assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural Word Heritage, IUCN protected areas I-IV).
  - ✓ 100% of underlying assets comply with local regulations and meet high environmental standards during the construction phase (e.g. noise mitigation, minimisation of pollution).
- 2. Environmental impacts of wastewater treatment plants
  - ✓ 100% of underlying assets feature measures to prevent leakage of sewerage systems (e.g. monitoring).
  - ✓ 100% of underlying assets use sewage sludge for energy generation and apply strict environmental standards for agricultural use of and landfill of sewage sludge. No information is available on a strategy to reduce environmental impacts of sewage sludge disposal (e.g. regarding the reduction of agricultural use and landfill disposal).
  - ✓ 100% of assets feature thorough cleaning processes in order to provide for high quality of treated water.
- 3. Community dialogue
  - ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents' interests during the planning phase (e.g. information meetings).
- 4. Working conditions during construction and operation
  - ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).
  - ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors provided for by national legislation).

Controversy Assessment

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

Waste-to-energy (combustion)

- 1. Consideration of environmental aspects during planning and construction
  - ✓ 100% of underlying assets underwent environmental impact assessments at the planning stage.
  - ✓ 100% of underlying assets are not located in key biodiversity areas such as Ramsar sites, UNESCO Natural World Heritage and IUCN protected areas I-IV.
  - O No information is available on high environmental standards during the construction phase (e.g. noise mitigation, minimisation of environmental impact during construction work).
- 2. Environmental aspects of waste to energy plants
  - ✓ 100% of underlying assets provide for high standards concerning environmentally safe operation of plants (e.g. strict control of air emissions, measures to prevent the release of residues).
  - ✓ 100% of underlying assets apply cogeneration technology.
- 3. Safety aspects of waste to energy plants
  - ✓ 100% of underlying assets provide for high safety standards (e.g. regarding fire and explosion risks).
- 4. Community dialogue
  - ✓ 100% of underlying assets feature community dialogue as an integral part of the planning process and construction stage (e.g. sound information of communities, community advisory panels and committees, online dialogue platforms and grievance mechanisms).
- 5. Working conditions during construction and operation
  - ✓ 100% of underlying assets are located in countries where high labour standards are in place for both employees and contractors (provided for by national legislation).
  - ✓ 100% of underlying assets are located in countries where high health and safety standards are in place for both employees and contractors (provided for by national legislation).

Controversy assessment

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

Part III – Assessment of Nordea's Sustainability Performance

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

Corporate Responsibility Prime rated by oekom research

As at 27 February 2018, this rating puts Nordea in place 20 out of 253 companies rated by oekom research in the Financials/Commercial Banks and Capital Markets sector.

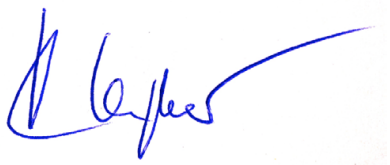
In this sector, oekom research has identified the following issues as the key challenges facing companies in term of sustainability management:

- Sustainability impacts of lending and other financial services/products
- Customer and product responsibility
- Sustainable investment criteria
- Employee relations and work environment
- Business ethics

In all key issues, Nordea achieved a rating that was above the average for the sector. A very significant outperformance was achieved in "Sustainable investment criteria" and "Business ethics".

The company has not committed any violations 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 only a "minor" controversy level compared to a level of "significant" in the industry's average.

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



oekom research AG

Munich, 15 March 2018

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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 Corporate Rating of Nordea Bank AB

oekom Corporate Rating

Nordea Bank AB

Industry	Financials/Commercial Banks & Capital Markets	**Status**	**Prime**
Country	Sweden	**Rating**	**C**
ISIN	SE0000427361	**Prime Threshold**	**C**

Corporate Responsibility Prime
rated by oekom research

D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
poor			medium			good			excellent		

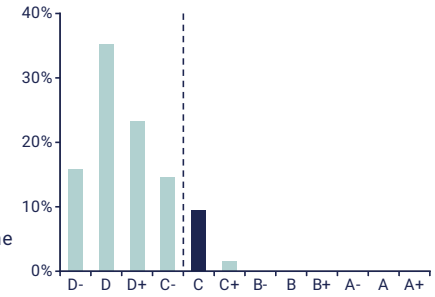
Industry Leaders

Company name (in alphabetical order)	Country	Grade
ABN AMRO Group N.V.	NL	C+
De Volksbank N.V.	NL	C+
NIBC Bank N.V.	NL	C+

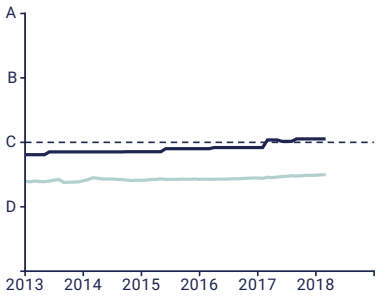
Legend: Industry Company Prime

Distribution of Ratings

253 companies in the industry



Rating History



Key Issue Performance

Strengths and Weaknesses

+ implementation of Equator Principles fostering the consideration of environmental and social aspects in project finance
+ approach concerning the integration of sustainability issues into shareholder advocacy activities
+ integration of environmental and social aspects into the asset management business
+ reasonable measures taken to grant access to financial services without discrimination

- inadequate strategy on offshore banking activities and tax compliance
- no strict and comprehensive environmental and social lending and/or investment banking guidelines

Controversy Monitor

Company		Industry	
Controversy Score	-1	Maximum Controversy Score	-45
Controversy Level	Minor	Controversy Risk	Significant

Minor	Moderate	Significant	Severe

Minor	Moderate	Significant	Severe

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

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Nordea Bank AB

Methodology - Overview

oekom Corporate Rating - The oekom Universe comprises more than 3,800 companies (mostly companies in important national and international indices, but also small and mid caps drawn from sectors with direct links to sustainability as well as significant non-listed bond issuers).

The assessment of a company's social and environmental performance is based on approximately 100 environmental, social and governance criteria, selected specifically for each industry. All criteria are individually weighted and evaluated and the results are aggregated to yield an overall score (rating), in which the key issues account for at least 50 per cent of the total weight. In case there is no relevant or up-to-date company information available on a certain criterion and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the criterion is graded 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 itself as well as information from 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.

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.

Controversy Monitor - The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.

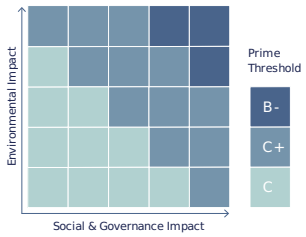
The controversy score is a unit of measurement for the number and severity of a company's current controversies. All controversial business areas and business practices receive a negative score, which can vary depending on the significance, number and severity of the controversies. Both the company's score and the maximum score obtained in the industry are displayed.

For better classification, the scores are assigned different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.

Only controversies for which reliable information from trustworthy sources is available are recorded. In addition to proven misconduct and activities of companies, alleged misconduct and activities are also assessed when the facts and circumstantial evidence provided by those sources, taking into account the experience of specialised analysts for each topic, is estimated to be sufficiently reliable. It should be noted that large international companies are more often the focus of public and media attention. Thus, the information available on those companies is often more comprehensive than for less prominent companies.

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

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analysed is classified in a Sustainability Matrix.
Depending on this classification, the two dimensions of the oekom Corporate Rating, 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).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the oekom 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.

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).

Status & Prime Threshold - 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 sustainability leaders in that industry.

Strengths & Weaknesses - Overview of selected strengths and weaknesses of a company with regard to the key issues of the industry from a sustainability point of view.

