oekom research
AKTIENGESELLSCHAFT

Second Party Opinion

Verification of the sustainability quality of the first Green Bond issued by TenneT

Aim and scope of this Second Party Opinion

TenneT commissioned oekom research to assist with the issuance of its first green bond by verifying and confirming the sustainable added value of this green bond using the criteria and indicators of a sustainability framework concept. The aim of the green bond issuance is to finance projects with an environmental added value.

oekom research's mandate included the following services:

- Definition of a verification framework containing a clear description of a category of eligible projects and the social and environmental criteria assigned to this category for evaluating the sustainability-related performance of the projects financed through the proceeds of the bond.
- Verification of compliance of the financed projects with the verification framework criteria.
- Verification of the alignment of the financed projects with the Green Bond Principles.
- Review and classification of TenneT's sustainability performance on the basis of the oekom Corporate Rating.

Overall evaluation of the Green Bond of TenneT

oekom's overall evaluation of the inaugural Green Bond issued by TenneT is positive:

- The green bond's formal concept, defined processes and (announced) disclosures are aligned with the Green Bond Principles (Part I of this Second Party Opinion).
- The overall sustainability quality of the bond and the sustainability performance of each of the funded assets in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Second Party Opinion).
- The issuer itself shows a good sustainability performance (Part III of this Second Party Opinion).

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of this green bond are used exclusively to finance projects relating to the transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology. The three projects financed through this bond include several different components, such as:

- Offshore convertor platforms, converting wind power
- Offshore cables located in the German North Sea
- Onshore cables
- Onshore convertor station in Northern Germany

If in future, further projects are financed through this bond, these could also be located in the Netherlands.

The project category for verifying the sustainability quality of the proceeds is defined as follows:

"Transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology"

This project category is positive from a sustainability perspective because it is a prerequisite for increasing the part of wind energy in the overall European energy mix. In addition, all projects meet specific and demanding sustainability standards (see part II of this document). These criteria are clearly defined and verifiable using quantitative indicators. The criteria ensure a substantial positive impact of the projects that is not impaired by adverse impacts and effects in other areas (e.g. social standards, environmental impacts, impacts on local communities).

The three projects financed through the Green Bond are the following:

	"DolWin 1"	"DolWin 2"	"DolWin 3"
General description	High voltage direct current transmission line connects an 800 MW offshore wind power cluster in the German Bight with the German electricity grid. Alternating current from wind power plants is transformed into direct current on the offshore converter platform DolWin alpha. Direct current is transformed back into alternating current to be fed into the grid at the onshore converter station Dörpen West.	High voltage direct current transmission line that connects a 916 MW offshore wind power cluster in the German Bight with the German electricity grid. Alternating current from wind power plants is transformed into direct current on the offshore converter platform DolWin beta. Direct current is transformed back into alternating current to be fed into grid at the onshore converter station Dörpen West.	High voltage direct current transmission line that connects a 900 MW offshore wind power cluster in the German Bight with the German electricity grid. Alternating current from wind power plants is transformed into direct current on the offshore converter platform DolWin gamma. Direct current is transformed back into alternating current to be fed into the grid at the onshore converter station Dörpen West.
Feed-in point	Dörpen West (Germany)	Dörpen West (Germany)	Dörpen West (Germany)
Transmission power	800 MW	916 MW	900 MW
Cable length	165 km (75km submarine, 90 km underground)	135 km (45 km submarine, 90 km underground)	162 km (83 km submarine, 79 km underground)
Start operation	2015	2016	2017

For all three cable-laying projects, TenneT has/had to lay high voltage transmission lines through environmentally sensitive areas in order to connect offshore wind power plants to the onshore electricity grid. Environmentally sensitive areas affected by these projects include the German Wadden Sea National Park and protected natural habitats of wild fauna and flora, such as Unterems and Außenems.

2) Process for Project Evaluation and Selection

The selection of the three projects has been carried out by TenneT internally. The applied eligibility criterion is that selected projects should allow for the connection of renewable energy plants to the overall electricity grid. TenneT's sustainability and treasury departments made a positive judgement on the three projects based on financial and non-financial criteria.

In addition, oekom research has defined a framework of criteria allowing for a detailed evaluation of the selected projects. This verification framework is presented in Part II and Annex 1 of this document.

3) Management of Proceeds

TenneT has committed itself that pending allocation of the net proceeds of the Green Bond to the eligible projects, the proceeds will be moved to a sub portfolio with the special purpose to finance, refinance and/or invest in eligible projects. The net proceeds will be held, at TenneT's discretion, in cash or other liquid marketable instruments. The balance of the portfolio, until such amount is used in full, will be reduced by the amounts invested in the eligible projects. TenneT commits to establishing a system to monitor and account for the net proceeds for investment in eligible projects.

TenneT states that the total current budget for the three projects amounts to approx. EUR 3.8 bn. About 18% of the current total budget have already been financed via other sources such as third party minority participations and bank funding. The net proceeds of the Green Bond will make an additional contribution to the overall financing of the aforementioned three projects in the building phase.

4) Reporting

TenneT commits to a regular reporting towards the Green Bond's investors. This reporting will comprise the following information:

- The allocation of proceeds to the three projects
- The advancement of the projects in building phase
- Environmental and social impact indicators

In particular, TenneT plans to report on the following key performance indicators:

- Project-related safety performance (accident rate, fatal accidents)
- SF6 emissions related to the projects
- Average interruption time related to the projects
- Transmission losses between offshore converter stations and onshore converter stations
- Significant controversies (major leaks, heavy accidents, etc.)

In addition, the impact indicators as defined in the Green Bond Verification Framework will be updated on a yearly basis.

This reporting will be carried out once a year until the maturity date of the allocated bonds. It will be reviewed by a second party consultant or with limited assurance by the independent auditor. It will be provided by TenneT on its website (www.tennet.eu).

Part II – Sustainability Quality of the Green Bond

1) Green Bond Verification Framework

The Green Bond verification Framework serves as a framework for verifying the sustainability quality and thus the social and environmental added value of the use of proceeds of this green bond issuance. The framework comprises firstly a clear definition of eligible categories of projects offering environmental added value. Secondly, it encloses the specific sustainability criteria for each project category by means of which this added value and therefore the sustainability performance of the green bond can be clearly identified and verified. The sustainability criteria are complemented by specific and measurable indicators which not only make it possible to set ambitious targets but also enable quantitative measurement of the sustainability performance of the bond issue, as well as informative reporting. In addition, two impact indicators have been defined, thus providing investors with concrete information of environmental added value.

Details of the individual criteria and indicators for the project category can be found in Annex 1 "Green Bond Framework".

2) Verification of the projects financed through the Green Bond

Methods

oekom research has verified whether the projects funded through the bond match the criteria listed in the Green Bond Verification Framework.

The verification was carried out using information and documents provided to oekom research, partly on a confidential basis, by TenneT (e.g. environmental impact assessments, health and safety standards for contractors and subcontractors, official planning approvals, petitions of affected parties).

Findings

Project category A: Transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology

A.1. Consideration of environmental aspects in planning and installation of offshore converter platforms

- ✔ For DolWin alpha, beta and gamma (the offshore converter platforms of DolWin 1, 2 and 3), TenneT performed comprehensive environmental impact assessments and conducted research with respect to possibly affected animals such as marine mammals, birds, fish and bats.
- ✔ For all three offshore converter platforms, TenneT and its contractors (will) use low-noise construction methods or noise-reducing technology to avoid negative impacts on marine mammals living in the vicinity of the platforms. Aversive conditioning measures and „soft-start"-procedures are implemented to keep away and thus protect porpoises during installation work.
- ✔ TenneT requires its contractors to prove that their ships have „fit-for-purpose" certifications as well as systems in place that guarantee „zero effluents" during maintenance operations.

A.2. Consideration of environmental aspects in operation of offshore and onshore converter stations

- ✔ Hazardous waste from all of the offshore converter platforms is or will be appropriately treated in Germany.
- ◯ No information is available on environmentally friendly antirust protection of the converter platforms' steel jackets.
- ✔ For all converter stations (onshore and offshore), TenneT's SF6 policy applies. It covers clear responsibilities for SF6 management, the ambition to reduce the SF6 leakage rate by 20% by 2020 compared to the 2015 level, and the commitment to biennial pilot projects that can help to reduce SF6 in insulation systems.
- ✔ According to TenneT's SF6 policy, for onshore installations in Germany (including the converter station in Dörpen) it aims to achieve an SF6 leakage rate below 0.4% by 2020. In addition, Dolwin alpha, beta and gamma are expected to fulfil the manufacturers' specifications (leakage rate <0.1%) in the first years of operation (beginning in 2015, 2016 and 2017).
- ◯ TenneT has not set specific SF6 leakage rate targets (e.g. by 2020) for DolWin alpha, beta and gamma, and the converter station in Dörpen.

A.3. Consideration of environmental aspects in cable-laying (onshore and offshore)

- ✔ For all cable-laying projects, TenneT – in consultation with experts – has considered alternative routes during planning and discussed the final route planning in detail in order to minimise the environmental impact of construction work.
- ✔ For all three cable-laying projects, TenneT has performed comprehensive environmental impact assessments and conducted research with respect to affected flora, fauna, water and soil. Some resting birds might be affected by construction work in the short term, but – according to research done by environmental experts – a sufficient number of alternative resting areas is available nearby.
- ✔ 100% of the projects' cables are laid underground.
- ✔ For 100% of the cables laid, TenneT takes appropriate measures to avoid/reduce soil warming. Cables are laid 1.5m beneath the surface in the Wadden Sea area and 2.5m below the ground in dune areas.
- ✔ According to the biodiversity assessments for 100% of the projects, none of the cables affects endangered species. Relocations are therefore not necessary.
- ✔ All Flora-Fauna-Habitat-areas onshore (DolWin 1, 2 and 3) are tunnelled completely. In addition, construction areas of former cable-laying projects have been used or widened to reduce the environmental impact of cable-laying.
- ✔ For all three projects, breading periods of birds have been taken into account in the planning for cable-laying work. Therefore, clearances have only been carried out between 1st of October and 28th of February.
- ✔ For 100% of cable-kilometers in the Wadden Sea National Park, construction work is conducted between 15th of July and the 30th of September to avoid disturbance of birds during their breading periods.

A.4. Standards for decommissioning and rehabilitation of cable-laying construction sites

- ✔ For all of the construction sites, TenneT ensures the rehabilitation of the landscape and the removal of construction equipment after cable-laying.
- ✔ For DolWin 1 and 2, TenneT is required to make compensation payments for rehabilitation measures in affected and/or circumjacent conservation areas (in consultation with the state authorities). So far no such information is available with respect to DolWin 3, which is still at the planning stage. However, TenneT indicates that similar measures will be taken there.

A.5. Standards for decommissioning and recycling of offshore converter platforms at end-of-life

- ✔ For all three projects and in accordance with German law, TenneT is required to remove offshore converter platforms and ensure safe disposal of maritime installations on land after decommissioning.
- ✔ Regarding DolWin alpha and beta, TenneT is required to provide securities to ensure removal costs are covered after decommissioning. So far no such information is available with respect to DolWin gamma as it is still at the planning stage.
- ◯ No information is available on disassembling and recycling standards for offshore converter platforms at their end-of-life.

A.6. Community dialogue

- ✔ Regarding all three projects, TenneT takes comprehensive measures to inform affected communities at an early stage and has feedback mechanisms for public consultation in place.
- ✔ For all projects, TenneT compensates landowners whose property is crossed by the cable routes.

A.7. Working conditions during construction and maintenance work

- ✔ For all three projects, TenneT requires high safety standards from its contractors and subcontractors working on onshore and offshore construction sites. Comprehensive health and safety management systems have to be implemented, comprising e.g. clear responsibilities, emergency plans, data compilation and appropriate training. Audits are conducted to check such systems and their implementation.
- ✔ For all of the cable-laying projects and the onshore converter station in Dörpen, TenneT requires its contractors and sub-contractors to adhere to the German law on working time (*Arbeitszeitgesetz*). Further, freedom of association and minimum wages are guaranteed in Germany.
- ◯ No information is available on labour rights requirements for contractors and subcontractors (e.g. on safety, payment, working time) working on offshore converter platform construction outside of Europe.
- ✔ For all three projects, TenneT requires high safety standards from its contractors during maintenance work. Comprehensive health and safety management systems have to be implemented, comprising e.g. clear responsibilities, emergency plans, data compilation and appropriate trainings. Audits are conducted to check such systems and their implementation.
- ✔ No fatal accidents occurred in the context of the projects so far and no lost workday cases occurred in the context of DolWin 1 and DolWin 3 in 2014.
- ◯ Four lost workday cases occurred in the context of DolWin 2 in 2014. No information is available on the related working hours so no accident rate could be calculated. Further, there is no information available on whether accidents occurred in the context of DolWin 1 and DolWin 3 in 2012 and 2013.

A.8. Social standards in the supply chain

- ◯ No information is available on supplier standards applied to the projects that cover labour rights and working conditions.
- ◯ No information is available on supplier standards applied to the projects that cover environmental issues such as wastewater or hazardous substances management.

Impact Indicator n°1: Number of households provided with access to wind power

The new transmission lines would allow approximately 2.9 million households in Germany (ca. 7.2% of all German households) to switch to 100% renewable energy. This calculation is based on the average electricity consumption of one German household in 2012 and the assumption that a) full capacity of the new transmission lines is used, b) connected wind power plants reach 4,000 full load hours per year and c) around 6.4% of electricity produced is lost during transmission and distribution.

Impact Indicator n°2: Potential avoidance of CO_2 emissions

If the full capacity of the new transmission lines is used, wind parks connected to the electricity grid through the three transmission lines would provide approximately 9.8 TWh of renewable energy per year and annually avoid about 7.9 million tons of CO_2 emissions. This calculation is based on the average carbon intensity of fossil fuel-based electricity generation in Germany in 2015 (ENTSO-E-Mix) and the assumption that a) full capacity of the new transmission lines is used, b) connected wind power plants reach 4,000 full load hours per year and c) around 6.4% of electricity produced is lost during transmission and distribution.

Part III – assessment of TenneT's sustainability performance

In the oekom Corporate Rating with a rating scale from A+ (excellent) to D- (poor), TenneT was awarded a score of B- and classified as "Prime". This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by oekom research. In oekom research's view, the securities issued by the company thus all meet the basic requirements for sustainable investments.

As at 07.05.2015, this rating puts TenneT in place 18 out of 162 companies rated by oekom research in the "Utilities" sector.

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

- Climate protection, renewables and resource efficiency
- Safe operation of plants and infrastructure
- Reliable energy and water supply for the entire population
- Business ethics
- Worker safety and accident prevention

In four out of five of these key issues, TenneT achieved a rating that was above the average for the sector.

The company has a controversy level that is very low in comparison to a very high sector average.

Details on the rating of the issuer can be found in Annex 2 "Issuer rating results".

oekom research AG
Munich, 11 May 2015

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 decisionmaking. 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.

Contact: *oekom research AG, Goethestraße 28, 80336 Munich, Germany, tel: +49/(0)89/544184-90, e-mail: info@oekom-research.com*

Annex

- Annex 1: oekom Green Bond Framework
- Annex 2: Issuer rating results

Annex 1: Green Bond Framework

Green Bond Framework

The Green Bond Framework serves as a structure for verifying the sustainability quality – i.e. the social and environmental added value – of the projects to be financed through the Green Bond issuance. It comprises firstly the definition of use of proceeds categories offering social and/or environmental added value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Green Bond issue can be clearly identified and verified.

The sustainability criteria are complemented by specific indicators, which make it possible to enable possible quantitative measurement of the sustainability performance of the Green Bond issue and can be used for comprehensive reporting.

Use of proceeds

The proceeds of green bonds issued by TenneT will be exclusively used for the following project category:

A. Transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology

Sustainability criteria and quantitative indicators for use of proceeds

Sustainability risks and benefits of the project category

The environmental **benefits** of this project category comprises climate protection and the transition towards a low carbon economy.

At the same time, it is important from a sustainability perspective to take into account all **possible risks** linked to this project category.

From a social perspective, these risks are linked to the following aspects:

- Health and safety standards, especially for contractors and subcontractors
- Supply chain standards with respect to labour rights and working conditions
- Community dialogue with affected public and private parties

From an environmental perspective, possible risks are linked to:

- Specific impacts on biodiversity (mainly in the planning stage)
- Impacts on the environment (construction, operation plus decommissioning stage)
- Supply chain standards with respect to environmental issues

In addition, risks can be associated with project-related controversies.

Sustainability criteria and Quantitative indicators for use of proceeds

In order to make sure that the remaining related environmental and social risks linked to potential projects are prevented and the opportunities clearly fostered, a list of sustainability criteria has been established for each project category.

Project category A: Transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology

A.1. Consideration of environmental aspects in planning and installation of offshore converter platforms

Quantitative indicator: Percentage of offshore converter platforms that fulfil high environmental standards and requirements (environmental impact assessment, biodiversity assessment, research on impacts on maritime fauna).

Quantitative indicator: Percentage of offshore converter platforms that fulfil high environmental standards during offshore construction works (noise mitigation, avoidance of pile driving, minimisation of discharges to ocean).

A.2. Consideration of environmental aspects in operation of offshore and onshore converter stations

Quantitative indicator: Percentage of offshore converter platforms that fulfil high environmental standards and requirements during operations (noise mitigation, safe waste storage and disposal, environmentally friendly antirust protection).

Quantitative indicator: Percentage of converter stations for which high standards regarding SF6-leakage prevention are applied (alternatives to SF6 insulation, replacement of equipment with persistent leaks, maintenance of infrastructure).

A.3. Consideration of environmental aspects in cable-laying (onshore and offshore)

Quantitative indicator: Percentage of offshore cables in biodiversity hotspots for which alternative route planning has been considered and/or route planning has been optimised in consultation with experts.

Quantitative indicator: Percentage of onshore and offshore cables that fulfil high environmental standards and requirements (environmental impact assessment, biodiversity assessment, research on impacts on flora and fauna, relocation of endangered species if applicable, research and mitigation with regard to soil warming).

Quantitative indicator: Percentage of onshore cables for which low-impact methods are applied during cable-laying (horizontal drilling, consideration of breading periods of affected animals).

A.4. Standards for decommissioning and rehabilitation of cable-laying construction sites

Quantitative indicator: Percentage of projects for which decent decommissioning and rehabilitation of construction sites is conducted.

A.5. Standards for decommissioning and recycling of offshore converter platforms at end-of-life

Quantitative indicator: Percentage of projects for which environmental and social impacts at end-of-life (after at least 20 years of operation) will be minimised (recycling and reuse of parts, sound treatment of waste, financial provisions, high safety standards for workers).

A.6. Community dialogue

Quantitative indicator: Percentage of projects where community dialogue is conducted as an integrated part of the planning process and during operation (sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).

A.7. Working conditions during construction and maintenance work

Quantitative indicator: Percentage of projects where the company itself as well as its contractors apply high labour and safety standards during construction work (for all projects).

Quantitative indicator: Percentage of projects where the company itself as well as its contractors apply high labour and safety standards during maintenance work (only for offshore converter platforms).

Quantitative indicator: Occurrence of fatal accidents and annual accident rate related to construction and maintenance work (own employees and contractors) at project sites.

A.8. Social standards in the supply chain

Quantitative indicator: Percentage of projects where suppliers have to fulfil high standards regarding working conditions.

Quantitative indicator: Percentage of projects where suppliers have to fulfil high standards regarding environmental issues.

Impact Indicator n°1: Number of households provided with access to wind power

Quantitative indicator:

- For the initial verification of a project:

  Total number of households per transmission line that would be able to switch to 100% renewable energy through the new transmission line (based on the average electricity consumption of one German household and if full capacity of new transmission lines was used).

- For annual reporting per project:

  1. Total number of households per transmission line that would be able to switch to 100% renewable energy through the new transmission line (based on the average electricity consumption of one German/Dutch household in the relevant year and if full capacity of new transmission lines was used).

  2. Total number of households that would be able to switch to 100% renewable energy through the new transmission line (based on the average electricity consumption of one German/Dutch household, and the amount of wind power installed and transmitted through the line in the relevant year).

Impact Indicator n°2: Potential avoidance of CO2 emissions

Quantitative indicator:

- For the initial verification of a project:

  Potential avoidance of CO2-emissions per year as soon as the project is in operation and if 100% of cable capacity is used (compared to the carbon intensity of fossil fuel-based electricity generation in Germany).

- For annual reporting per project:

  1. Potential avoidance of CO2-emissions per year as soon as the project is in operation and if 100% of cable capacity is used (compared to the carbon intensity of fossil fuel-based electricity generation in Germany/the Netherlands in the relevant year).

  2. CO2 emissions avoided through the transmission of 100% wind power from offshore plants to the electricity grid (compared to the carbon intensity of fossil fuel-based electricity generation in Germany/the Netherlands, and based on the amount of wind power transmitted through the respective line in the relevant year).

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oekom Corporate Rating

TenneT Holding BV

Industry:	Utilities
GICS Industry:	#N/A
Country:	Netherlands
ISIN:	XS0513509959
Bloomberg Ticker:	1590Z NA Equity

Status	**Prime**
Rating	**B-**
Prime Threshold	**B-**

Corporate Responsibility Prime rated by oekom research

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

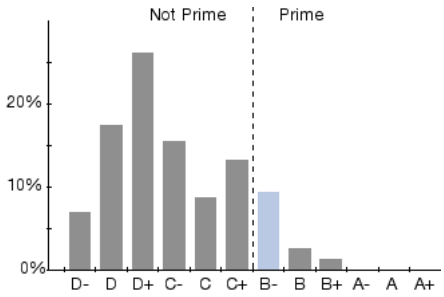
Competitive Position

Industry Leaders
(in alphabetical order)

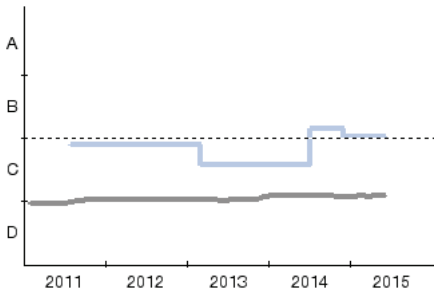
- Red Eléctrica Corporación SA (ES) B
- REN - Redes Energéticas Nacionais, SGPS, S.A. (PT) B+
- Terna Rete Elettrica Nazionale (IT) B+

Company Industry

Distribution of Ratings
(162 companies in the industry)

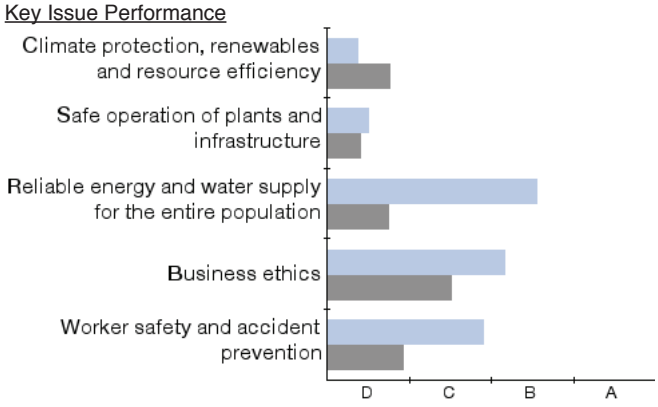


Rating History



Key Issues

Key Issue Performance



Strengths and Weaknesses

+ comparatively low annual electricity transmission losses
+ comprehensive initiatives to enhance community awareness and outreach
+ adequate measures to minimise environmental impacts of electricity transmission systems
+ various activities to integrate renewable energy sources in the electricity grid

- increasing greenhouse gas emissions intensity in recent years
- lack of transparency on participation in public policy making and lobbying activities

Controversy Monitor

Company

Controversy Score	0
Controversy Level	Minor

Minor	Moderate	Significant	Severe

Industry

Maximum Controversy Score	-46
Controversy Risk	Severe

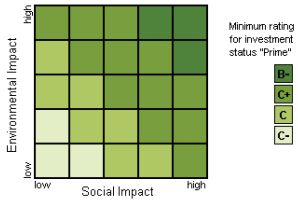
Minor	Moderate	Significant	Severe

Contact details: oekom research AG, Munich / Germany. Fon: +49 89 544184 90. Email: info@oekom-research.com

TenneT Holding BV

Methodology - Overview

oekom Corporate Rating	The oekom Universe comprises more than 3,500 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). 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-. 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. 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 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. For better classification, the scores are assigned to 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. 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.
Distribution of Ratings	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.
Industry Classification	The social and environmental impacts of industries differ. Therefore, subject to its relevance, each industry analysed is classified in a Sustainability Matrix. 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).
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 important social and environmental issues that are key to the industry, compared to the industry average.
Rating History	Trend in 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. Overview of the range of scores achieved in the industry (light blue) and display of the industry-specific Prime threshold (vertical dotted line).
Sources of Information	Data for the Bloomberg Ticker, Company Name, Country, GICS Industry and ISIN was sourced from Bloomberg.
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 leaders in that industry.
Strengths & Weaknesses	Overview of selected strengths and weaknesses of a company with regard to relevant social and environmental criteria.



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

