

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Asset Pool

NRW.BANK

13 January 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Bond• Green Bond Principles (2021) as administered by the International Capital Market Association (ICMA), June 2021 version
Relevant standards	<ul style="list-style-type: none">• Draft Model of EU Green Bond Standard (March 2020 version as requested by NRW.BANK)• Technical Expert Group Final Report on EU Taxonomy and associated Technical Annex (March 2020 version as requested by NRW.BANK)
Scope of verification	<ul style="list-style-type: none">• NRW.BANK's Green Bond Framework (as of November 2020)• NRW.BANK's Green Bond portfolio (as of 08.11.2021)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• This SPO is valid as long as no new project categories are added to the analyzed asset pool.

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SCOPE OF WORK

NRW.BANK (“NRW.BANK” or “the Issuer”) commissioned ISS ESG to assist with its Green Bond Framework by assessing three core elements to determine the sustainability quality of the bond:

1. NRW.BANK’s sustainability performance, according to the ISS ESG Corporate Rating.
2. NRW.BANK’s Green Bond Framework – benchmarked against the as administered by The International Capital Market Association (ICMA), June 2021 version and on a best effort basis against the Draft Model of EU Green Bond Standard¹ (EU GBS March 2020 version).
3. The asset pool – whether the projects align with the Technical Expert Group Final Report on EU Taxonomy (March 2020) and associated Technical Annex² (EU Taxonomy) on a best effort basis.³
4. While the EU Commission released [Delegated Acts](#) on the EU Taxonomy in April 2021, NRW.BANK referred in its Framework to the Taxonomy Report: Technical Annex from March 2020 and requested that this SPO be conducted with reference to that version. Thus, ISS ESG reviewed the alignment of the due diligence processes of NRW.BANK for each project categories to be (re-)financed under this Framework against the EU Taxonomy March 2020 Technical Annex.
5. Similarly, NRW.BANK’s Framework references the March 2020 proposal of the EU GBS and therefore this SPO has used an assessment of the Framework against the March 2020 version of the EU GBS.

¹ Usability Guide EU Green Bond Standard (March 2020)

https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teggreen-bond-standard-usability-guide_en.pdf

² Taxonomy Report: Technical Annex (March 2020)

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

³ ISS ESG reviewed the alignment of the framework with the EU GBS and the processes in line with the EU Taxonomy activity-specific requirements for all project categories.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁴
<p>Part 1:</p> <p>Green Bond Framework link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 27.10.2021, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Development Banks industry. The issuer is rated 15th out of 44 companies within its industry.</p> <p>The Use of Proceeds categories described in this Green Bond Framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Performance against the draft of EU GBS & GBPs</p>	<p>The issuer has defined a formal concept for its Green Bond Framework regarding Strategy and Rationale, Process for Selection of Green Projects, Green Projects, Management of Use-of-Proceeds and Reporting. This concept is in line with the draft of EU GBS (March 2020), as well as with the ICMA GBPs.</p> <p>The green bonds will (re-)finance eligible project categories which include Renewable Energy, Energy Efficiency, Green Buildings, Sustainable (Waste) Water Management.</p>	<p>Positive</p>
<p>Part 3:</p> <p>Alignment of the asset pool with the EU Taxonomy</p>	<p>For these green project categories, ISS ESG assessed their alignment against the criteria requirements of the EU Taxonomy (March 2020). The issuer's eligible categories correspond to the following EU Taxonomy activities: (4.3) "Production of Electricity from Wind Power", (4.15) "District Heating/Cooling Distribution", (4.16) "Installation and operation of Electric Heat Pumps Sector" ,(5.2) "Centralized Wastewater Treatment", (6.3) Urban and suburban passenger land transport (public transport)", (7.1) "Data processing, hosting and related activities", and (8.3) "Individual Measures and Professional Services".</p> <p>Based on processes for selection of Green Projects, most of the Green Projects are considered as aligned, on a best-efforts basis, with the EU Taxonomy (March 2020), and the relevant activity-specific Technical Screening Criteria, Do No Significant Harm Criteria and Minimum Social Safeguards, except Expansion of the broadband network is not explicitly mentioned in the EU Taxonomy⁵.</p>	<p>Positive</p>

⁴ ISS ESG's evaluation is based on the NRW.BANK Green Bond Framework (November 2020 version), on the analysed green portfolio as received on the November 2021, and on the most recent ISS ESG Corporate Rating applicable (06.10.2020). ISS ESG reviewed the alignment of the framework with the EU GBS (March 2020) and the projects with the EU Taxonomy (March 2020) criteria.

⁵ Given some studies considered Optical fiber (Fiber to the Home – FTTH) would be the better solution for energy-saving providing at the high data rates compared with the fixed-line networks - https://www.academia.edu/download/53653079/energy_efficiency.pdf

ISS ESG SPO ASSESSMENT

PART I: ASSESSMENT OF NRW.BANK' ESG PERFORMANCE

ASSESSMENT OF NRW.BANK'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	INDUSTRY	DECILE RANK	TRANSPARENCY LEVEL
NRW.BANK	Development Banks	3	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Development Banks industry and obtains a Decile Rank relative to the industry group of 3, given that a decile rank of 1 indicates the highest relative ESG performance out of 10.

ESG performance

As of 18.11.2021, this Rating places NRW.BANK 15th out of 44 companies rated by ISS ESG in the Development Banks.

Key challenges faced by companies in terms of sustainability management in this industry are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Key Issue Performance



Sustainability Opportunities

NRW.BANK is the promotional bank of the German federal state of North Rhine-Westphalia. Its three developmental focus areas lie in the promotion of economy, housing, as well as municipalities and infrastructure. NRW.BANK has issued various green bonds in recent years and its first social bond in 2020, to refinance its promotional activities, e.g. in the field of climate and environmental protection and social housing. As a promotional bank, NRW.BANK directly contributes to the UN's Sustainable Development Goals (SDGs).

Sustainability Risks

NRW.BANK manages the social and environmental risks associated with financed activities to some extent. Its various promotional programmes demand certain environmental and/or social prerequisites in order to be eligible for support. There is, however, no comprehensive ESG lending guideline that ensures the inclusion of a similar level of environmental and social standards across all financing activities, although the company excludes certain controversial business areas and practices from its portfolio. In addition, the bank does not further elaborate on the application

processes of its environmental and/or social prerequisites. NRW.BANK carries out monitoring and evaluation efforts regarding the sustainable development impacts of minor parts of its promotional activities. It does provide some transparency on its promotional business on an aggregated level, displaying volumes, sectors and regions it has supported throughout a specific year. However, no disclosure is given on the level of the project or the client. Finally, on behalf of the German state of North Rhine-Westphalia, NRW.BANK owns several companies that organize jointly the state-licensed lottery business in the region.

In contrast, as regards its own operations. NRW.BANK is advanced in the provision of good working conditions for its staff and the environmental management of its buildings and operations.

Governance opinion

While separate persons are holding the positions of CEO and chair of the board of directors, its governance structure does not ensure effective oversight of the executive management. The chair of the board of directors (Andreas Pinkwart, as at October 21, 2021) is not considered independent as he is a minister in the government of the German federal state of North Rhine-Westphalia, the single owner of NRW.BANK. In addition, the majority of board directors are not independent, and neither are the established board committees charged with audit, remuneration and nomination. The company discloses its remuneration policy for executives on an individual basis. All managing board members exclusively receive fixed remuneration. Regarding the bank's governance of sustainability, there is no indication of an independent board committee on sustainability matters. However, NRW.BANK has several business ethics related guidelines in place, which cover the most important topics to some extent. These are accompanied by several relevant compliance procedures, although measures for whistleblower protection are still missing.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of NRW.BANK's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along NRW.BANK's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Emergency aid	7%	CONTRIBUTION	
Financing of healthcare facilities, financing of water and/or wastewater services for residential customers	4%	CONTRIBUTION	 
Financing of educational facilities, financing of	5%	CONTRIBUTION	

educational programs, financing of student housing			
Financing of childcare and/or dependent care services	1%	CONTRIBUTION	
Financing of affordable housing (for low- to median-income households), financing of non-luxury residential housing, financing of social housing, financing of water and/or wastewater services for residential customers	16%	CONTRIBUTION	
Financing of water and/or wastewater services for residential customers	2%	CONTRIBUTION	
Financing of energy efficiency improvements, financing of renewable energy	7%	CONTRIBUTION	
Financing of energy efficiency improvements, financing of renewable energy	7%	CONTRIBUTION	
Financing of terrestrial ecosystem restoration	2%	CONTRIBUTION	
Others	N/A	NO NET IMPACT	N/A

Breaches of international norms and ESG controversies

The issuer is not facing any severe/very severe controversy.

PART II: ALIGNMENT WITH THE GBPs and DRAFT MODEL OF EU GREEN BOND STANDARD (MARCH 2020)

1. Strategy and rationale (EU GBS)

NRW.BANK first published its Green Bond Framework in June 2019. The Green Bond Framework has now been updated and expanded to reflect the latest developments within the agency and the EU as well as to be aligned with the draft EU Green Bond Standard. NRW.BANK has responded to the EU action plan on sustainable finance and the Green Deal. Going forward, the Green Bond Framework 2020 shall apply to all green bonds issued by NRW.BANK and may be updated from time to time.

NRW.BANK is part of the European Commission Climate Strategy. In order to keep global warming - in line with the Paris Agreement - close to 1.5 degree Celsius the European Commission (EC) targets a zero (net)emission economy by 2050. EC's roadmap is converted into national climate strategies. Germany's goal is to reduce emissions by 65% in 2030 vs 1990 and to zero in 2045. NRW.BANK is contributing to these targets via its building renovation, energy infrastructure and e-mobility loan programmes.

NRW.BANK bank has a long-standing commitment to sustainability, having issued several Green Bonds in the past.

Opinion: ISS ESG considers the Strategy and Rationale description provided by NRW.BANK's Green Bond Framework as aligned with the draft model of EU Green Bond Standard (EU GBS March 2020). The rationale for issuance is stated clearly and the environmental objectives are adequately linked to the issuer's strategy and with EU Taxonomy objective "Climate change mitigation". Furthermore, the issuer describes its sustainability strategy and associated key targets in relation to international sustainability commitments such as the Paris Agreement.

2. Process for Selection of Green Projects (EU GBS) – Process for Evaluation and Selection (GBPs)

The NRW.BANK ESG-Team selects projects with the highest contribution to the climate policy of the agency, the Federal State of North Rhine-Westphalia, the Federal Republic of Germany and the EU. It ensures that the required Do No Significant Harm (DNSH) criteria and Minimum Social Safeguards are systematically fulfilled during the selection process. The focus of each bond is on dark green assets (renewable energy, clean transportation, etc.). Medium green assets (residential and public green buildings) are only added to the pool in order to reach the minimum size of EUR 500 million. NRW.BANK classifies these assets as climate mitigation projects. The climate adaptation part includes fluvial projects with the focus on flood protection and on the improvement of biodiversity (e.g. the restoration of the river Emscher and its tributaries) as well as municipal climate projects. These assets are classified as dark green. In a next step, the ESG-Team looks at the maturity of the respective assets. NRW.BANK follows the approach of a static asset pool: there will not be any changes made during the lifetime of the green bond. In order to achieve this, the shortest loan maturity determines the longest possible maturity of the bond.

Opinion: ISS ESG considers the Process for Selection of Eligible Green Projects described by NRW.BANK's Green Bond Framework as aligned with the draft model of EU GBS (March 2020). The

issuer shows in its framework the potential EU Taxonomy activities with which its projects may be aligned with.

ISS ESG conducted a screening of the procedure in place to identify eligible assets in line with the activity-specific requirements of the EU Taxonomy (see part III of this report).

Moreover, ISS ESG finds that the Process for Evaluation and Project Selection description provided by NRW.BANK aligns with the GBPs. The issuer provides transparency about internal responsibility over the selection process.

3. Green Projects (EU GBS) – Use of Proceeds (GBPs)

FROM ISSUER'S FRAMEWORK

An amount equal to the net proceeds of any NRW.BANK Green Bond will be allocated to refinance existing projects which have been identified as eligible by the internal ESG-Team and which are not older than 12 months before the initiation of the SPO for the respective green bond. These projects are focused on the goals of climate mitigation and climate adaptation. It is ensured that the required Do No Significant Harm (DNSH) criteria and Minimum Social Safeguards are systematically fulfilled. Climate mitigation projects aim to support the 1.5-degree-target of the Paris Agreement by avoiding/reducing CO₂ emissions, whereas climate adaption projects deal with the already existing impacts of climate change, e.g. by raising resilience against heavy precipitation events or supporting biodiversity. All projects need to meet the technical standards defined in the draft taxonomy.

During a transition period, NRW.BANK may allocate a mixture of taxonomy-aligned and likely taxonomy-aligned assets to be (re)financed by a green bond issuance. Likely aligned assets are assets that are aligned with the green bond principles and mapped to the UN SDGs and are reasonably assumed to meet the Taxonomy thresholds although it is difficult to factually determine this due to insufficient data. NRW.BANK will provide the investor in a transparent manner with the information it can provide about the (re)financed assets. It is NRW.BANK's ambition to keep the transition period short and the proportion of likely taxonomy aligned assets low.

NRW.BANK has included the relevant EU taxonomy criteria requirements, including quantitative thresholds, in its project selection criteria.

Opinion: *ISS ESG finds that the Green Projects description proposed by NRW.BANK's Green Bond Framework aligns with the draft model of EU GBS (March 2020) as Green Projects are defined in line with the EU Taxonomy activities. The issuer clearly outlines the environmental objectives of the project categories.*

Moreover, ISS ESG finds that the Use of Proceeds description provided by NRW.BANK aligns with the GBPs. The issuer sets in its framework a list of exclusion criteria, which follow best market practices.

4. Management of Use-of-Proceeds (EU GBS) – Management of Proceeds (GBPs)

FROM ISSUER'S FRAMEWORK

Since the asset pool of NRW.BANK's Green Bonds is static and does not change during the lifetime of the respective bond, tapping does not fit into this approach and is therefore excluded. A corresponding amount is used for thematically corresponding projects within the business operations of the issuer in accordance with the Act on NRW.BANK and its mandate of providing promotion loans, in case of changes in the asset pool structure. Ring-fencing of the proceeds is not necessary: the underlying loans were already disbursed and are not older than 12 months before the initiation of the respective SPO. The entire asset-pool is earmarked in the agency's systems.

Opinion: ISS ESG finds that the Management of Use-of-Proceeds defined by NRW.BANK's Green Bond Framework aligns with the draft model of EU GBS (March 2020). The issuer ensures that proceeds are appropriately earmarked and the expected allocated period is clearly defined. As no proceeds will remain unallocated, the reporting of unallocated proceeds requirement of the EU GBS (March 2020), is not applicable.

Moreover, ISS ESG finds that the Management of Proceeds description provided by NRW.BANK aligns with the GBPs.

5. Reporting (EU GBS & GBPs)

FROM ISSUER'S FRAMEWORK

Allocation Reporting

NRW.BANK publishes an annual allocation report on its website⁶ and will continue to do so until full allocation of proceeds of the bond.

Impact Reporting

The draft EU GBS (March 2020) recommend issuers to keep investors updated about the expected ecologic impact of the issuances. NRW.BANK reports on each single green bond on a bond-by-bond-basis annually within the agency's Sustainability Report in order to achieve full transparency. The issuer works together with different institutions and authorities in order to guarantee scientifically accurate figures about the impact of its green bonds:

Climate Change Mitigation

For calculating the CO₂ savings of the green bond, NRW.BANK cooperates with the Wuppertal Institute (WI), an academic research institution that is specialised in topics regarding climate, environment and energy. From 2019 onwards, the CO₂ savings of renewable energy projects are calculated based on three different benchmarks: the energy mix of North Rhine-Westphalia,

⁶ <https://www.nrwbank.de/en/about-us/sustainability/>

Germany and the EU. In doing so, NRW.BANK reacts to requests from investors to provide comparable figures for CO₂ savings. Furthermore, the WI reports on the annual energy generation of renewable energy projects. This impact reporting is fully aligned with the Multilateral Development Banks Harmonised Framework.

See table below for more impact reporting indicators:

ELIGIBLE GREEN PROJECTS	EXAMPLES OF ENVIRONMENTAL KPIS
Renewable Energy	<ul style="list-style-type: none"> • Total CO₂ emissions reduced/avoided in tonnes* • Annual Energy Generation in GWh/a and MW • Length of grids in km
Clean Transportation	<ul style="list-style-type: none"> • Total CO₂ emissions reduced/avoided in tonnes* • Number of refinanced vehicles • Number of charging stations, fuel stations, etc. • Length of the tracks in km
Residential Green Buildings	<ul style="list-style-type: none"> • Total CO₂ emissions reduced/avoided in tonnes* • Number of refurbished houses
Public Green Buildings	<ul style="list-style-type: none"> • Total CO₂ emissions reduced/avoided in tonnes* • Number and usage of refurbished buildings (m²)
Terrestrial and Aquatic Biodiversity Conservation and Climate Change Adaptation	<ul style="list-style-type: none"> • Km of sewers in the river and in the catchment area • Km of renatured parts • Number of species in the aquatic and terrestrial biodiversity (animals, plants, fungus, etc.) • Number of species in the Macroenthos • Annually prevented flooding damages in EUR • (Re-)Created retention basins in m³ • (Re-)Created water areas, floodplains and adjacent land areas (real wetlands) in m²
Sustainable (Waste) Water Management	<ul style="list-style-type: none"> • Number of persons benefiting directly from access to clean drinking water provided by local waterworks and sewage treatment plants • kWh/cbm • ILI

* The avoided/reduced CO₂-emissions are calculated against the energy mix of North Rhine-Westphalia, Germany and the EU. The total savings will furthermore be shown as: per year and million EUR, per year and per bond volume and during the total lifetime of the bond.

External Review – Second Party Opinion (SPO) and full Allocation Report

NRW.BANK will choose an accredited external reviewer - as soon as available - for verifying this Green Bond Framework and the full allocation report. Before the green bond issuance, NRW.BANK will publish an external review in form of a SPO on its website. This independent review will provide investors with the following information:

- Alignment with the draft EU Green Bond Standard (EU GBS March 2020) and the Green Bond Principles (GBP)
- SDGs targeted by the asset categories of the respective bond
- Consideration of environmental aspects during planning and construction of the projects
- Performance of essential KPIs: lifecycle and supply chain analyses, compliance with national law, fulfilment of social standards and workers' rights, etc.

Opinion: ISS ESG finds that the Reporting proposed by NRW.BANK's Green Bond Framework partially aligns with the draft model of EU Green Bond Standard. The allocation and impact reports will be appropriately disclosed and publicly available. While the issuer describes how the impact metrics contribute to the environmental objectives of the bond, it is not indicated how they are linked to the DNSH criteria.

Moreover, ISS ESG finds that the transparency on the level of expected reporting and on the type of information to be reported is aligned with the GBPs.

PART III: SUSTAINABILITY QUALITY OF THE USE OF PROCEEDS

1. CONTRIBUTION OF THE ELIGIBLE PROJECT CATEGORIES TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the NRW.BANK Green Bond project categories to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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The Green Bond project categories have been assessed for their contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION ⁷	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy (Solar)	Significant contribution	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
District heating and cooling with installation of heat pump	Significant contribution Limited contribution	13 CLIMATE ACTION, 7 AFFORDABLE AND CLEAN ENERGY
Clean Transportation (Electric Trams)	Significant contribution	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Individual Measures (building renovation)	Significant contribution Limited contribution	13 CLIMATE ACTION, 7 AFFORDABLE AND CLEAN ENERGY
Expansion of Broadband	No Net Impact	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Centralized Wastewater Treatment	Significant contribution	13 CLIMATE ACTION, 6 CLEAN WATER AND SANITATION

⁷ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an issuer's product and service portfolio on the SDGs.

The insight on the project level in the scope of the current SPO allows to take into account more granular information on the project level, in particular with regard to EU Taxonomy Technical Annex (March 2020) for the all activities. As the projects to be financed under the Use of Proceeds categories have been found to comply with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation by the projects is attested.

2. ALIGNMENT OF THE ASSETS WITH THE EU TAXONOMY

ISS ESG assessed the alignment of the Eligible Green Projects included in the Green Bond pool with the EU Taxonomy criteria (March 2020 Technical Annex). All Green Projects are located in the State of North Rhine-Westphalia. The results of the assessments are shown below. Simplified versions of the EU Taxonomy criteria are included.

For almost all of the DNSH criteria assessments below, a high-level assessment was conducted. This is because NRW.BANK is a house bank with limited access to project specific information. NRW.BANK provides assurances that projects are in compliance with all laws and regulations that may be relevant to the EU Taxonomy criteria. Given the highly regulated nature of projects in the state of North Rhine-Westphalia and NRW.BANK's systems, this legal compliance is used as a basic proxy for the purposes of the DNSH criteria assessments.

2.1 PRODUCTION OF ELECTRICITY FROM WIND POWER (4.3)

Projects under this category include wind farms.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
Facilities operating at life cycle emissions lower than 100gCO ₂ e/kWh, declining to net-0gCO ₂ e/kWh by 2050, are eligible.	Wind power is automatically eligible	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	The projects comply with German environmental legislation, such as the Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Assessments of physical climate risks are conducted at the planning stage and relevant measures are applied to reduce identified risks.	✓
Supporting system adaptation	Environmental risks assessments conducted as part of the planning process ensure that the projects do not increase the climate risks for other stakeholders and they are consistent with regional and national adaptation efforts.	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Water quality and water consumption	Environmental assessments conducted as part of the planning process include considerations of impacts on water quality. As per compliance with BImSchG (Federal Immission Control Act), measures regarding water use are in place.	✓

Compliance with the EU Water legislation	The projects comply with the EU Water legislation.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
End-of-life waste management and decommissioning	Decommissioning obligations are part of the planning process and approvals.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
Environmental Impact Assessment or Strategic Environmental Assessment has been conducted and required mitigation measures implemented.	The projects all comply with the German Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Thus, they all involve an Environmental Impact Assessment or a Strategic Environmental Assessment when relevant. Any required mitigation measures for protection of biodiversity/eco-systems have been implemented.	✓

2.2 DISTRICT HEATING/COOLING DISTRIBUTION(4.15)

The projects are related to construction and operation of pipelines and associated infrastructure for distribution of heating and cooling.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
Construction and operation of pipelines and associated infrastructure for distributing heating and cooling is currently eligible, if the system meets the definition of efficient district heat/cool systems in the EU Energy Efficiency Directive.	The project is operated by 100% electricity from renewable sources. Lifecycle emissions are below 100g CO2e/kWh.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	The projects comply with German environmental legislation, such as the Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Assessments of physical climate risks are conducted at the planning stage	✓

	and relevant measures are applied to reduce identified risks.	
The economic activity and its adaptation measures do not adversely affect the adaptation efforts of other people, nature and assets.	Environmental risks assessments conducted as part of the planning process ensure that the projects do not increase the climate risks for other stakeholders and the district heating/cooling distribution is part of the regional, national and EU climate strategy.	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Identify and manage risks related to water quality and/or water consumption at the appropriate level. Ensure that water use/conservation management plans, developed in consultation with relevant stakeholders, have been developed and implemented.	The environmental impact assessments required by the building and operation permit for the district heating/cooling distribution and a stakeholder dialogue is part of the entire planning process.	✓
Ensure fulfilment of the requirements of EU water legislation	Water consumption and water quality risks are identified and addressed during the environmental impact assessments required by the building and operation permit for the district heating/cooling distribution .	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
Not Applicable	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
Fans, compressors, pumps and other equipment, which is covered by the Ecodesign Directive and used must comply, where relevant, with the top-class requirements of the energy label, and otherwise comply with the latest implementing measures of the Ecodesign Directive and represent the best available technology.	Approval of safeguarding water bodies (e.g. groundwater) is required by the building and operation permit for the district heating/cooling distribution).	✓
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
Environmental Impact Assessment or Strategic Environmental Assessment	The projects all comply with the German Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Thus, they all involve an	✓

has been conducted and required mitigation measures implemented.	Environmental Impact Assessment or a Strategic Environmental Assessment when relevant. Any required mitigation measures for protection of biodiversity/eco-systems have been implemented.	
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2.3 INSTALLATION AND OPERATION OF ELECTRIC HEAT PUMPS SECTOR (4.16)

The projects are related to installation and operation of electric heat pumps in Germany.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
Currently, installation and operation of electric heat pumps is eligible. Eligible criteria please refer to the TEG Taxonomy	NRW.BANK is confident that the heat pumps are using the most advanced refrigerants and best energy efficiency requirements.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	The projects comply with German environmental legislation, such as the Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Assessments of physical climate risks are conducted at the planning stage and relevant measures are applied to reduce identified risks.	✓
The economic activity and its adaptation measures do not adversely affect the adaptation efforts of other people, nature and assets.	Environmental risks assessments conducted as part of the planning process ensure that the projects do not increase the climate risks for other stakeholders and they are consistent with regional and national adaptation efforts.	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Identify and manage risks related to water quality and/or water consumption at the appropriate level. Ensure that water use/conservation management plans, developed in consultation with relevant stakeholders, have been developed and implemented.	The issuer confirms this criteria requirement is met, on the basis of their assumption that the project is in compliance with all relevant regulatory and legal requirements, as well as adopting best market practices	✓

Ensure fulfilment of the requirements of EU water legislation	The issuer confirms this criteria requirement is met, on the basis of their assumption that the project is in compliance with all relevant regulatory and legal requirements, as well as adopting best market practices.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
Not Applicable	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
Not Applicable	N/A	N/A
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
Not Applicable	N/A	N/A

2.4 CENTRALIZED WASTEWATER TREATMENT (5.2)

Projects under this category are focused on the sewage treatment plant and sewer canals around the Emscher river. The projects are part of a river restoration project which also contributes to climate change adaptation.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
Construction or extension of centralized wastewater systems is eligible, provided that the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems. No threshold applies.	The new projects replace more GHG emission-intensive wastewater treatment systems.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	The projects comply with German environmental legislation, such as the Renewable Energy Act (EEG) and the Federal Building Code (BauGB). Assessments of physical climate risks are conducted at the planning stage and relevant measures are applied to reduce identified risks.	✓
Supporting system adaptation	Environmental risks assessments conducted as part of the planning process ensure that the projects do not increase the climate risks for	✓

	other stakeholders and they are consistent with regional and national adaptation efforts.	
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
Ensure emissions to water are within the ranges set in the Urban Wastewater Treatment Directive 91/271/EEC	The issuer confirms this criteria requirement is met, on the basis of their assumption that the project is in compliance with all relevant regulatory and legal requirements, as well as adopting best market practices.	✓
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
Environmental Impact Assessment or Strategic Environmental Assessment has been conducted and required mitigation measures implemented.	The projects comply with relevant legislation and underwent an Environmental Impact Assessment or a Strategic Environmental Assessment when relevant. Required mitigation measures for protection biodiversity/ecosystems have been implemented.	✓

2.5 URBAN AND SUBURBAN PASSENGER LAND TRANSPORTATION (PUBLIC TRANSPORT) (6.3)

Projects under this category are focused on the electric trams which contribute to climate change adaptation.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
Zero direct emissions land transport activities (e.g. light rail transit, metro, tram, trolleybus, bus and rail) are eligible	The new projects support buying electric trams to increase the number of zero-emission fleets.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	As confirmed by Issuer, the projects comply with German environmental legislation, such as the General Railway Act (Allgemeinen Eisenbahngesetz – AEG) and Renewable Energy Act (EEG) and the Federal Building Code	✓

	(BauGB). Which are a part of the operating permit requirements. Besides Assessments of physical climate risks are conducted at the planning stage and relevant measures are applied to reduce identified risks.	
Supporting system adaptation	As confirmed by Issuer, Environmental risks assessments conducted as part of the planning process ensure that the projects do not increase the climate risks for other stakeholders and they are consistent with operating permit requirements issued by EBA (Eisenbahn Bundesamt) and KBA (KraftfahrBundesamt).	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
Regarding both maintenance and end-of-life management of vehicles or rolling stock, compliance with EU and national legislation on hazardous waste generation, management and treatment.	As confirmed by Issuer, both maintenance and end-of-life management of vehicles or rolling stock are consistent with operating permit requirements issued by EBA (Eisenbahn Bundesamt) and KBA (KraftfahrBundesamt).	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
Railcars, locomotives must comply with latest applicable standards (currently stage 5) of Non-Road Mobile Machinery Regulation Tyres must comply with the (revised) Tyre labelling regulation. It includes noise labelling requirements but not requirements on tyre abrasion.	The issuer confirms this criteria requirement is met which they are part of the operating license requirements, on the basis of their assumption that the project is in compliance with all relevant regulatory and legal requirements, as well as adopting best market practices.	✓
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A

2.6 DATA PROCESSING, HOSTING AND RELATED ACTIVITIES (7.1)

Projects under this category are focused on implementing a comprehensive set of energy efficiency practices for the data centres to make a substantial contribution to climate change mitigation.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The data centre implements the European Code of Conduct for Data Centre Energy Efficiency.	Expansion of the broadband network is not explicitly mentioned in the EU Taxonomy ⁸	○

2.7 INDIVIDUAL MEASURES AND PROFESSIONAL SERVICES (8.3)

Projects under this category include small scale renovations and measures that increase the energy efficiency of the building. Project examples include new windows and front doors; external wall and roof insulation; and replacements of inefficient boilers.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
There are no defined metrics across the individual measures and professional services.	All efforts to improve energy efficiency of a building are financed by this programme, such as small-scale building renovations and measures such as rooftop solar panels which are eligible.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
Reducing material physical climate risks	Modifications to buildings comply with relevant Germany legislation, which considers various risk assessments. These include physical climate risks.	✓
Supporting system adaptation	Modifications to buildings, environmental risks assessments are conducted as part of the planning process. The assessments ensure that the projects do not increase the climate risks for other stakeholders and they are consistent with regional and national adaptation efforts.	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
Not applicable	N/A	N/A

⁸ Given some studies considered Optical fiber (Fiber to the Home – FTTH) would be the better solution for energy-saving providing at the high data rates compared with the fixed-line networks - https://www.academia.edu/download/53653079/energy_efficiency.pdf

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

<p>Building components and materials do not contain asbestos nor substances of very high concern as identified on the basis of the “Authorisation List” of the REACH Regulation</p>	<p>NRW.BANK provides assurances that all projects are conducted in accordance with local regulatory and legal requirements, which include proper handling of any asbestos relevant materials in renovation works of older buildings.</p> <p>NRW.BANK also provides assurance that all projects are conducted to the best market standards and therefore do not contain substances of very high concern on the REACH list.</p>	<p>✓</p>
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6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

<p>Not applicable</p>	<p>N/A</p>	<p>N/A</p>
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Minimum Social Safeguards

ISS ESG assessed the alignment of NRW.BANK’s due diligence and processes with the EU Taxonomy Minimum Social Safeguards. The results of this assessment are applicable for every project financed under this framework and are displayed below:

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
<p>OECD Guidelines on Multinational Enterprises</p>	<p>Germany is an OECD country and therefore companies in Germany are expected to follow them. As with other OECD countries, there is a National Contact Point (NCP) which is responsible for ensuring that companies follow them, even if the companies do not make explicit references to the Guidelines in their policies or other internal documents. All of projects financed by this bond are located in Germany.</p>	<p>✓</p>
<p>UN Guiding Principles on Business and Human Rights</p>	<p>Germany adopted the National Action Plan to implement the UN Guiding Principles on Business and Human Rights at the federal level in 2016.</p>	<p>✓</p>
<p>ILO Core Labour Conventions</p>	<p>The Core Conventions have been ratified in Germany and are included in German legislation. NRW.BANK’s compliance processes ensure the company’s alignment with the relevant legislation. Risk control processes are in place to identify and prevent any potential compliance breach at the project level. Projects can be</p>	<p>✓</p>

	removed from the bond's financing in case of non-compliance.	
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DISCLAIMER

1. Validity of the SPO: This SPO is valid as long as no new project categories are added to the asset pool.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from NRW.BANK's ISS ESG Corporate Rating.

NRW.BANK

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
 - Degree of verification of allegations and claims
 - Severity of impact on people and the environment, and systematic or systemic nature of malpractices
- Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

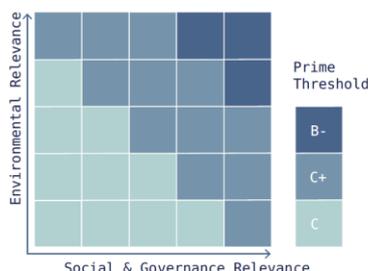
Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

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

NRW.BANK

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix. Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ASSESSMENT OF THE CONTRIBUTION AND ASSOCIATION TO THE SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which the NRW.BANK Green Bond project categories contribute to related SDGs.

ANNEX 3: Quality management processes

SCOPE

NRW.BANK commissioned ISS ESG to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the ICMA Green Bond Principles and to the extent possible, with the Draft Model of EU Green Bond Standard (EU GBS). Moreover, the assessment included whether the Green Bond project categories align with the EU Taxonomy (March 2020), on a best effort basis.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles, Draft Model of EU Green Bond Standard (EU GBS March 2020) and EU Taxonomy (March 2020).

ISSUER'S RESPONSIBILITY

NRW.BANK's responsibility was to provide information and documentation on:

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level for EU taxonomy

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bond Financing Framework issued by NRW.BANK based on ISS ESG methodology and in line with the ICMA Green Bond Principles and Draft Model of EU Green Bond Standard (EU GBS).

The engagement with NRW.BANK took place from November 2021 to January 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information about SPO services, please contact: SPOsales@isscorporatesolutions.com

For Information about this Green Bond SPO, contact: SPOOperations@iss-esg.com

Project team

Project lead

Adams Wong
Associate Vice President
SPO Operations

Project support

Carman Mak
Associate
ESG Consultant

Project supervision

Viola Lutz
Associate Director
Deputy Head of Climate Services