

Second Party Opinion on alignment of TeneT Green Financing Framework with the ICMA Green Bond Principles

TeneT
23 January 2020

CONTENTS

Overall Evaluation of the Green Financing Framework.....	3
ISS ESG SPO ASSESSMENT.....	4
PART I: GREEN BOND PRINCIPLES.....	4
PART II: ASSESSMENT OF TENNET'S ESG PERFORMANCE	11
ANNEX 1: ISS ESG Corporate Rating.....	12
About ISS ESG SPO	18

Overall Evaluation of the Green Financing Framework

TenneT commissioned ISS ESG to assess the alignment of its Green Financing Framework with the International Capital Market Association's (ICMA) Green Bond Principles (GBPs) and to assess the issuer sustainability performance, based on the ISS ESG Corporate Rating.

SCOPE	SUMMARY	EVALUATION ¹
Performance against GBPs	The issuer has defined a formal concept for its Green Financing Instruments (incl. Green Bonds) regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Sustainability quality of the asset pool	Not applicable for this mandate. Since 2015, ISS ESG verified and re-verified Green Financing Instruments issued by TenneT. All previous SPOs conducted by ISS ESG for TenneT's Green Financing Instruments are available on the ICS website ² .	Not applicable
Issuer sustainability performance	The issuer shows a good sustainability performance and has been given a rating of B, which classifies it as 'Prime' by the methodology of the ISS ESG Corporate Rating. It is rated 5 th out of 43 companies within the Network operator sector as of 23.01.2020. This equates to a high relative performance, with a Decile Rank ³ of 1.	Status: Prime Rating: C+ Decile Rank: 1

¹ ISS ESG's evaluation will remain valid until any modification of TenneT Green Financing Framework and any material change of the ISS ESG Corporate Rating.

² <https://www.isscorporatesolutions.com/solutions/esg-solutions/second-party-opinion/>

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

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

TenneT intends to provide a sustainable and secure supply of electricity to society and have established this Green Financing Framework as a structure for verifying the sustainability quality of the projects financed through the issuance of Green Financing Instruments.

Green Financing Instruments may include Green senior or hybrid bonds, Green Schuldscheindarlehen, Green USPP, Green Loans, Green Commercial Paper and other types of debt instruments where the use of proceeds will be exclusively applied to finance or refinance, in part or in full, new and / or existing Eligible Green Projects with environmental benefits.

Further details will be described in the relevant product documentation.

The ICMA Green Bond Principles (GBP) and the LMA Green Loan Principles (GLP) represent a set of voluntary guidelines that promote transparency, disclosure and integrity in the development of the Green bond/loan market by clarifying the approach for issuing a Green Bond and Green Loans.

The TenneT Green Financing Framework is aligned to the 2018 ICMA Green Bond Principles and the 2018 LMA Green Loan Principles which provide guidance in the following four areas:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For each Green Financing Instrument issued under this Framework, TenneT asserts that it will adopt the provisions specified below under (1) Use of Proceeds; (2) Process for Project Evaluation and Selection; (3) Management of Proceeds and (4) Reporting.

The TenneT Green Financing Framework also follows the recommendations of the Green Bond Principles / Green Loan Principles regarding External Review.

The Framework will apply to any Green Financing instruments issued by TenneT and will be in force as long as any Green Financing instrument is outstanding.

Any future updated version of this framework that may exist, will either keep or improve the current levels of transparency and reporting disclosures including the corresponding review by a second party opinion provider or by an independent auditor with limited assurance.

Annual reporting⁴ on the current and future Eligible Green Projects will be combined within the Green Project Portfolio.

⁴ Annual Reporting can be found [online](#).

1. Use of Proceeds

The net proceeds of Green Financing Instruments will be exclusively used to finance and/or refinance in whole or in part eligible projects (“Eligible Green Projects”), in the eligible categories, together forming the “Green Project Portfolio”.

In the table below, there is a summary of the eligibility criteria for the Green Project Portfolio as well as its contribution to the UN SDGs and alignment with the EU Environmental Objectives.

ICMA GBP CATEGORY	ELIGIBLE GREEN PROJECT CATEGORIES	IMPACT	CONTRIBUTION TO UN SDG ⁵	ALIGNMENT WITH EU ENVIRONMENTAL OBJECTIVES ⁶
Renewable Energy	<p>A. Transmission of renewable electricity from offshore wind power plants into the onshore electricity grid using direct current technology or alternating current technology.</p> <p>B. Development, construction and reconstruction of the onshore electricity grid to enhance the transmission capacity for renewable energy.</p>	<p>Creates access to renewable electricity,</p> <p>Contributes to potential avoidance of CO2 emissions</p> <p>100% Eligibility to Green Finance Instruments</p>	<p>SDG 7:</p> <p>By 2030, substantially increase the share of renewable energy in the global energy mix</p> <p>SDG 13:</p> <p>(Indirectly) strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Environmental Objective 1:</p> <p>Climate Change Mitigation</p> <p>Substantial contribution to Climate Change Mitigation (1.a): Generating, storing, distributing or using renewable energy in line with the Renewable Energy Directive, including through innovative technology with a potential for significant future savings or through necessary reinforcement of the grid</p>

The projects financed through this Green Financing Framework include several different investments, such as:

- Offshore:
 - Offshore platforms (connecting wind power installations),
 - Offshore cables (linking generation sites to the shore) located primarily in the North Sea
 - Onshore cables (linking shore to onshore stations)
 - Onshore stations located in Northern Germany and the Netherlands.

⁵ In alignment with ICMA “Green and Social Bonds: A high-level mapping to the Sustainable Development Goals”: <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>

⁶ In alignment with the EU Taxonomy Environmental Objectives as defined in Article 5, amendment 41 and Article 6: http://www.europarl.europa.eu/doceo/document/TA-8-2019-0325_EN.html

- Onshore:
 - Onshore cables located in Germany and the Netherlands (connecting wind power installations and/or enabling (long distance) transport)
 - Onshore lines and pylons located in Germany and the Netherlands (enabling long distance transport)
 - Onshore substations located in Germany and the Netherlands (enabling distribution and delivery of renewable electricity to consumers)

Opinion: ISS ESG considers the Use of Proceeds description provided by TenneT's Green Financing Framework as complete, exhaustive and aligned with the GBPs and with market best practices. Environmental objectives and expected benefits are clearly expressed in reference with the UN SDGs and with the objectives defined by the EU Commission for Green Finance.

2. Process for Project Evaluation and Selection

Evaluation of the Green Projects against Eligibility criteria

TenneT's grid system is on a pathway to full decarbonisation and the Eligible Green Projects are assessed based on the following aspects;

- Directly connecting or expanding existing direct connection of renewable electricity generation, such as wind and solar energy (production plants that are less CO₂ intensive than 100 gCO₂e/kWh);
- And/or increase of transport capacity due to capacity constraints related to increased share of renewable electricity in its grid.

The assessment will be internally verified and approved by the CSR (Corporate Social Responsibility) Board. The CSR Board oversees the continuing integration of CSR into TenneT's operational management and has a direct senior level link to the firm's Executive Board as the Chief Executive Officer and Chief Financial Officer are members of the CSR Board. The CSR Manager and Manager Treasury submit the selection of a new project to the CSR Board, supported by information from the offshore and onshore departments. The CSR Board decides based on the Green Financing Framework whether a project fits the criteria and will oversee the quality of impact reporting.

Identified sustainability risks and benefits of the Green Project categories

It goes without doubt that in any activity that TenneT pursues work according to social and environmental laws. In addition, TenneT has committed itself to the UN Global Compact Principles since 2015. At the same time, it is important from a sustainability perspective to take into account all possible sustainable impacts (risks & opportunities) linked to the project categories (A and B).

IMPACT AREA	DESCRIPTION	CONTRIBUTES TO SDG ⁷
PEOPLE		
Society	TenneT addresses its stakeholders’ concerns by living up to its values, i.e. being responsible, engaged and connected. Community dialogue with affected public and private parties is essential in realizing its projects.	
Safety	In its projects and activities safety is its number one priority in every activity that TenneT undertakes. Health and safety standards, especially for contractors and subcontractors are crucial aspects to live up to this.	
Supply chain	Supply chain standards with respect to labour rights and working conditions are hugely important, since many of TenneT’s components are produced all around the world. Commitment of its suppliers on these requirements is essential.	
PLANET		
Circular	As a large player in the energy transition TenneT uses copper, steel, aluminium and many more materials to expand its grid. This has impact on raw material use and generates a waste stream that has huge impact from a circularity perspective.	
Climate	Climate impact of TenneT’s operations is its responsibility and TenneT strives to reduce its impact focussing on grid losses, energy use, SF6 losses and mobility	
Nature	TenneT’s commitment to nature is to take its responsibility to avoid, minimize its impact and protect and improve local nature. While planning, constructing and operating its assets the issuer has impact, but it also has the unique opportunity to make a positive contribution.	

In addition, risks can be associated with project-related controversies, which will be transparently reported.

⁷ According to TenneT’s mapping

Sustainability criteria and Quantitative indicators for use of proceeds

In order to make sure that the related people and planet impact linked to potential projects are identified and the opportunities clearly fostered, a list of sustainability criteria has been established for both project categories.

ASPECT	QUANTITATIVE INDICATORS
Society - Community dialogue	I. Community dialogue is conducted as an integrated part of the planning process and during operation
Safety - Working conditions during construction and maintenance work	I. The company itself as well as its contractors apply high labour and safety standards during construction and maintenance work. II. Number of fatal accidents and annual accident rate related to construction and maintenance work (own employees and contractors).
Supply chain – Social standards in the supply chain	I. Suppliers comply with high standards regarding labour rights and working conditions.
Circular – Decommissioning and recycling of cables, lines, onshore and offshore stations.	I. Decent decommissioning and rehabilitation of construction sites is conducted. II. Environmental and impacts at end-of-life (after at least 20 years of operation) will be minimised.
Climate – Operational climate impact	I. Reducing energy use is taken into account in the design phase. II. High standards regarding reducing SF6-leakage are applied.
Nature - Nature aspects in planning, construction and operation of cables, lines, onshore and offshore stations.	I. High environmental standards and requirements (environmental impact assessment, biodiversity assessment, research on impacts on maritime fauna). II. In biodiversity hotspots for which alternative route planning has been considered and/or route planning has been optimised in consultation with experts. III. High environmental standards during construction works (noise mitigation, avoidance of pile driving, minimisation of discharges to ocean). IV. Number of environmental incidents related to construction and maintenance work

Further information on environmental sustainability benefit of use of proceeds and on impact indicators can be found in TenneT’s full Green Financing Framework⁸.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection provided by TenneT’s Green Financing Framework as aligned with the GBPs and with market best practices. The eligibility criteria are precisely defined and transparently displayed in the framework. The stakeholders involved in the selection process are clearly identified as well as the responsibilities that they share in this process.

⁸The TenneT’s Green Financing Framework can be found [online](#).

3. Management of Proceeds

TenneT intends to allocate the proceeds from the Green Financing Instruments to the Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. Tracking will be facilitated through the portfolio approach.

TenneT will strive to maintain a level of allocation for the Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding Green Financing Instruments. Additional Eligible Green Projects will be added to TenneT's Green Project Portfolio to the extent required to ensure that the net proceeds from the outstanding Green Financing Instruments will be allocated to Eligible Green Projects.

To be transparent on the financing/refinancing ratio of the portfolio, the yearly capex spend of the total portfolio will be reported.

Whilst any Green Financing Instrument net proceeds remain unallocated, TenneT will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments, the balance of net proceeds not yet allocated to the Green Project Portfolio.

Opinion: *ISS ESG finds that Management of Proceeds proposed by TenneT's Green Financing Framework is aligned with the GBPs and best market practices. An appropriate tracking of proceeds is in place and the intended types of temporary investment instruments for unallocated proceeds are described.*

4. Reporting

TenneT commits to an annual reporting towards its Green investors, published together with its annual report⁹. This reporting will comprise the following information:

1. The allocation of proceeds to the projects included in the project portfolio
2. Yearly capex spend of the total portfolio.
3. The advancement of the projects in the building phase
4. Environmental impact indicators
 - a. Total number of households that would be able to switch to 100% renewable energy (based on the yearly average electricity consumption of one German/Dutch household and the actual transported amount of renewable electricity).
 - b. Potential avoidance of CO₂-emissions per year (based on actual transported amount of renewable electricity, compared to the average carbon impact of the grid in Germany/the Netherlands).
5. Operational environmental and social indicators
 - a. Society;
 - i. Average interruption time
 - ii. Number of stakeholder dialogues
 - b. Safety
 - i. Project related safety performance

⁹ Annual Reporting can be found [online](#).

- c. Supply chain;
 - i. Commitment with supplier code of conduct
 - d. Circularity;
 - i. Project related waste figures (for projects where waste data is administered)
 - e. Climate;
 - i. Grid losses
 - ii. Energy consumption
 - iii. SF6 losses
 - f. Nature
 - i. Oil leakages and environmental incidents
 - ii. Positive nature measures (qualitative)
6. Significant controversies

TenneT intends to align, on a best effort basis, the reporting with the portfolio approach described in "Green Bonds - working towards a Harmonized Framework for Impact Reporting (June 2019)". This reporting will be carried out once a year until the redemption of the allocated financing.

Opinion: ISS ESG finds that the allocation and impact reporting proposed by TenneT's Green Financing Framework is aligned with the GBPs. The level, duration, frequency and scope of reporting are clearly defined and in line with industry best practices.

External review

Second Party Opinion (Pre-Issuance)

TenneT has appointed ISS-ESG to provide a Second Party Opinion on its Green Financing Framework. The Second Party Opinion and the Green Financing Framework are available to investors on TenneT's website¹⁰.

Post-issuance External Verification

An independent auditor or second party opinion consultant will provide a limited assurance and review the allocation of Green Financing Instrument proceeds, impact reporting and environmental and social metrics.

The report will be made available on TenneT's website.

¹⁰ External reviews can be found [online](#).

PART II: ASSESSMENT OF TENNET’S ESG PERFORMANCE

The ISS ESG Corporate Rating provides a rating and then designates a company as ‘Prime’ or ‘Not Prime’ based on its performance relative to the industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance.

COMPANY	STATUS	Rating	DECILE RANK
TENNET	PRIME	C+	1

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 ISS ESG. In ISS ESG’s view, the securities issued by the company therefore all meet the basic requirements for sustainable investments.

As of 23.01.2020, this rating places TenneT 5th out of 43 companies rated by ISS ESG in the Network Operator sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Facilitation of the energy transition and resource efficiency
- Environmentally safe operation of plants and infrastructure
- Accessibility and reliability of energy and water supply
- Business ethics and government relations
- Worker safety and accident prevention

For all of the key issues, TenneT rates above the average for the sector. A very significant outperformance was achieved in “Accessibility and reliability of energy and water supply”.

The company does not face any significant controversy.

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

Robert Hassler, Head of ISS ESG Ratings
London/Munich/Rockville/Zurich

ANNEX 1: ISS ESG Corporate Rating

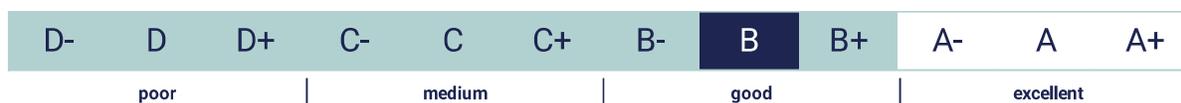
The following pages contain extracts from TenneT's 2020 ISS ESG Corporate Rating.

ESG Corporate Rating

TenneT Holding B.V.

Industry	Utilities/Network Operators	Status	Prime	 RATED BY ISS ESG
Country	Netherlands	Rating	B	
ISIN	XS0513509959	Prime Threshold	C+	
		Decile Rank	1	

Absolute Rating



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

Decile Rank



Low relative performance

High relative performance

Indicates decile rank relative to industry group. A decile rank of 1 indicates a high relative ESG performance, while a 10 indicates a lower relative ESG performance.

Industry Leaders

Company name (in alphabetical order)	Country	Grade
Alliander N.V.	NL	B
Red Eléctrica Corp. S.A.	ES	B+
Terna - Rete Elettrica Nazionale Società per Azioni	IT	B+

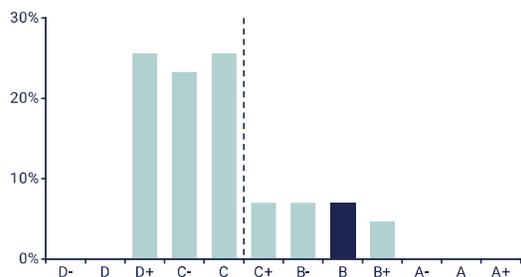
Legend: Industry Company --- Prime

Key Issue Performance

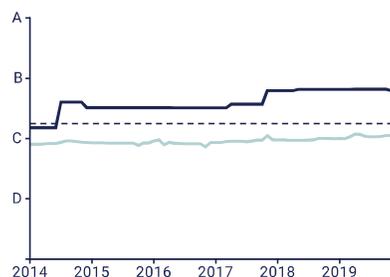


Distribution of Ratings

43 companies in the industry



Rating History



TenneT Holding B.V.

Analyst Opinion

Sustainability Opportunities

TenneT is exclusively engaged in the operation of transmission systems with the main revenues gained with network operations in Germany and the Netherlands. As a transmission network operator, the company has an important role in the transition to a more sustainable energy system by providing the infrastructure to connecting renewable energies to the network and to transporting electricity based on renewable sources over long distances. TenneT is engaged in various initiatives in this regard, working with ministries, local and regional authorities, research institutes and other stakeholders. The company is also part of several dedicated initiatives and as well engages in research, e.g. on electricity storage solutions.

Sustainability Risks

For an electricity network operator, the main social issues include ensuring reliable electricity transmission and system stability, and to ensure health and safety of employees and contractors. TenneT has taken appropriate measures to ensure network reliability, applying a control system, a risk management system and audits. The average interruption time for the network was at a comparatively low value. TenneT also has established sound health and safety management systems, underlined by a low accident rate and no fatal accidents in recent years. On the environmental side, TenneT should address greenhouse gas emissions (SF6 leakages and indirect emissions through transmission losses) and possible biodiversity impacts. The company has set a target to reduce SF6 emissions, but these only account for a minor share of greenhouse gas emissions. Further, the company does not elaborate on how it addresses climate-change related risks. TenneT takes various measures to reduce negative environmental impacts of the transmission system, especially with regard to the protection of birds. Yet it is unclear if the company is engaged in monitoring the effectiveness of existing measures.

Governance Opinion

TenneT is fully owned by the State of the Netherlands (as at December 31, 2018). The company has set up a two-tier corporate structure that ensures separation of power. The chair as well as all members of the board of directors are independent. In addition, the company has established independent audit, nomination and remuneration committees. The company discloses its remuneration policy for executives, including long-term components, which could incentivise sustainable value creation.

An independent sustainability committee is not in place. However, sustainability performance objectives are, to some extent, integrated into the variable remuneration of members of the executive management team.

TenneT has established a code of ethics covering issues such as conflicts of interest, insider dealings and gifts and entertainment in varying degrees of detail. Yet, other issues such as corruption and antitrust are not explicitly covered. The code of ethics is available in local languages and distributed to all employees. An anonymous and confidential hotline is available for employees and external stakeholders and whistleblower protection is ensured.

TenneT Holding B.V.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by oekom research and has been consistently updated for more than 25 years.

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

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

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

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

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

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

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

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

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

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

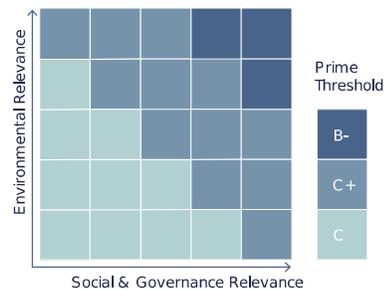
Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

TenneT Holding B.V.

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.

Major Shareholders & Ownership Summary - Overview of the company's major shareholders at the time of generation of this report. All data as well as the categorisation system for the investor types is based on information from S&P Capital IQ.

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.

DISCLAIMER

1. Validity of the SPO: For TenneT's Green Financing Framework as published in MM/YYYY.
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.
5. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

The issuer that is the subject of this report may have purchased self-assessment tools and publications from ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of ISS, or ICS may have provided advisory or analytical services to the issuer. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any issuer's use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

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

© 2020 | Institutional Shareholder Services and/or its affiliates

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, and this Green Financing Framework, contact:

Federico Pezzolato

Federico.Pezzolato@isscorporatesolutions.com

SPO@isscorporatesolutions.com

+44.20.3192.5760