



Assessment of the Sustainability Quality of the first Green Bond of Vorarlberger Landes- und Hypothekenbank

11 August 2017

Aim and Scope of this Second Party Opinion

Vorarlberger Landes- und Hypothekenbank commissioned oekom research to assist with the issuance of its first Green Bond by confirming the sustainable added value of the bond. The assessment of the Green Bond was conducted using the criteria and indicators of a Green Bond Analysis Framework developed by oekom research. The aim of the Green Bond issuance is to foster energy efficiency and climate change mitigation, especially as Vorarlberger Landes- und Hypothekenbank is a founding member of the "Climate Neutrality Alliance 2025", an initiative of ten companies based in Vorarlberg aiming at a reduction of CO₂ emissions. In 2017 this alliance counted more than 90 members in Europe.

oekom research's mandate included the following services:

- Definition of a Green Bond Analysis Framework ("oekom Green Bond Analysis Framework") containing a clear description of eligible asset categories and the social and environmental criteria assigned to each category for evaluating the sustainability-related performance of the assets (re-)financed through the proceeds of the bond.
- Analysis of the alignment of the Green Bond to be issued against ICMA's Green Bond Principles 2017.
- Evaluation of compliance of the Green Bond with the oekom Green Bond Analysis Framework criteria.
- Review and classification of Vorarlberger Landes- und Hypothekenbank's sustainability performance on the basis of the oekom Corporate Rating.

Overall Evaluation of the Green Bond

oekom's overall evaluation of the Green Bond of Vorarlberger Landes- und Hypothekenbank is positive:

- Vorarlberger Landes- und Hypothekenbank has defined a formal concept for its Green Bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles (Part I of this Second Party Opinion).
- The overall sustainability quality of the funded assets in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Second Party Opinion).
- The issuer itself shows a good sustainability performance (Part III of this Second Party Opinion).

There are some aspects for which more specific selection or performance criteria would be recommended as that could still add to the overall quality of the Green Bond. Besides criteria for energy efficiency, further aspects, such as water efficiency and sustainable building materials could be considered when choosing projects for a potential asset pool, especially regarding commercial real estate projects.

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of the Green Bond will be used exclusively to finance assets matching Vorarlberger Landes- und Hypothekenbank's Green Bond Framework. This framework covers energy efficiency and green buildings. From a sustainability point of view, the categories are positive as energy efficiency and green buildings contribute towards a transition to a low carbon economy.

All assets for this Green Bond are either private mortgage loans for energy efficient residential building projects (e.g. for single-family homes or apartments) or commercial real estate loans (touristic real estate) for green buildings. All assets are situated in Austria (Vorarlberg) and were constructed between 2010 and 2017 or are under construction.

Details regarding the assets included in the Green Bond are listed in the following table (based on loans outstanding):

	Green Asset Category	Share of Green Bond
A	Private mortgage loans for energy efficient residential buildings	EUR 274.2m (98%)
B	Commercial real estate loans	EUR 6.5m (2%)
	TOTAL	EUR 280.7m (100%)

2) Process for Project Evaluation and Selection

Vorarlberger Landes- und Hypothekenbank has set up the process of evaluation and selection as follows:

Potential Green Bond assets are proposed to the Sustainability Committee of Vorarlberger Landes- und Hypothekenbank, consisting of the Sustainability Officer, members from Treasury, Credit Management and the Compliance department as well as the member of the Managing Board responsible for sustainability. The Sustainability Committee decides which projects qualify for inclusion in the Green Pool and verifies whether these assets are in line with the defined selection criteria.

For assets to qualify under Vorarlberger Landes- und Hypothekenbank's Green Bond Framework – as defined by Vorarlberger Landes- und Hypothekenbank – they have to meet certain requirements. Eligible assets are buildings that comply with the specifications regarding energy efficiency and thermal insulation in the Structural Engineering Order of the state of Vorarlberg ("Vorarlberger Bautechnikverordnung für Energieeinsparung und Wärmeschutz"), that are stricter than the overall Austrian guidelines, the Directive 6 of Austrian Institute for Structural Engineering 2015 (OIB Richtlinie 6: Energieeinsparung und Wärmeschutz). Buildings that received residential building subsidies have to comply with stricter requirements.

Buildings need to meet certain values regarding the heating energy demand, which are presented in a detailed manner in the bank's Green Bond Framework. Vorarlberger Landes- und Hypothekenbank's requirements can be summarized as follows (set limits that shall not be exceeded):

Retail clients:

- 45 kWh/m²a heating energy demand for subsidised buildings
- 50 kWh/m²a heating energy demand for non-subsidised buildings

Commercial clients:

- 30 kWh/m²a heating energy demand for commercial buildings up to construction year 2012
- LEK value¹ of 25 for commercial buildings after construction year 2013

In addition to these requirements, the proceeds of the Vorarlberger Landes- und Hypothekenbank Green Bond shall not be used towards financing of operations in relation to pornography, prostitution, drug trade and production of weapons.

3) Management of Proceeds

Vorarlberger Landes- und Hypothekenbank has developed a Green Bond Management System. Within that management system proceeds are earmarked for allocation to Green Bonds. The management system allows the identification of every eligible loan and the respective requirements, i.e. energy performance data.

It is Vorarlberger Landes- und Hypothekenbank's intention to maintain an amount of assets in the Green Pool that is at least equal to the net proceeds of the Vorarlberger Landes- und Hypothekenbank Green Bond. Any portion of the proceeds from the Green Bond which are not allocated to eligible assets will be invested in green bonds which comply with ICMA's Green Bond Principles and received a positive Second Party Opinion from a reputable ESG rating agency. Over the term of the bond, Vorarlberger Landes- und Hypothekenbank commits to replace at least 15 % of the issuance proceeds by new loans.

Vorarlberger Landes- und Hypothekenbank will mandate an external provider to provide limited assurance on the use of proceeds of the Green Bond. The results will be published on the bank's website.

4) Reporting

Use of proceeds reporting

Vorarlberger Landes- und Hypothekenbank will annually publish a Green Bond Report on its website that provides:

- The amount of proceeds that has been allocated within each project category, including the respective percentage of refinancing of existing loans and financing new loans

Impact reporting

Vorarlberger Landes- und Hypothekenbank compiled an impact report which will be published under the "Investor Relations" section of the bank's website (<https://www.hypovbg.at/ihre-landesbank/investor-relations/>). The bank aims to include the following indicators in the reporting:

- Detailed description of energy performance indicators (CO₂ emissions, heating energy demand and primary energy demand)

¹ The LEK value is an indicator for the thermal quality of the building shell.

- Avoidance of CO₂ emissions (compared to buildings from the same construction year)

During the preparation period of the first Green Bond, Vorarlberger Landes- und Hypothekenbank mandated the Energy Institute Vorarlberg to carry out an impact reporting based on data as at 30 March 2017. While deliberately applying conservative assumptions and constraints, the building park financed by Vorarlberger Landes- und Hypothekenbank between 2009 and 2017 has resulted in an annual CO₂ avoidance of 604 tons compared to an architecturally identical building park constructed according to the Directive 6 of the OIB using Austria's standard energy mix. This corresponds to a 13% avoidance of CO₂ emissions for heating, hot water and auxiliary electricity.²

² The asset pool considered for this Second Party Opinion is based on data as at 30 June 2017. Therefore, the building park (and the respective emissions performance) considered in the impact reporting is not completely identical with the one evaluated in this Second Party Opinion.

Part II – Sustainability Quality of the Green Bond Asset Portfolio

1) oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Vorarlberger Landes- und Hypothekenbank's Green Bond. It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Green Bond can be clearly identified and described.

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

2) Evaluation of the Assets within the Green Bond

Method

oekom research has evaluated whether the assets included in the Green Bond match the categories and criteria listed in the Green Bond Analysis Framework. The evaluation was carried out using information and documents provided to oekom research on a confidential basis by Vorarlberger Landes- und Hypothekenbank (e.g. location of the buildings, internal guidelines). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by Vorarlberger Landes- und Hypothekenbank.

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

Findings

A. Private mortgage loans for energy efficient residential buildings

Sustainability Benefits and Risks of the Asset Category

Private mortgages for energy efficient buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy use. Due to the small scale of work and resources involved in building private homes as well as due to the fact that the buildings are in the Austria, environmental and social impacts from the construction of private homes are comparably low.

However, fair banking practices need to be in place in the retail client business in order to mitigate potential social risks, e.g. over-indebtedness or foreclosure.

All projects selected for the Green Bond are located in Austria, a highly regulated country.

- 1. Achieved energy efficiency of residential buildings
 - ✓ For 100% of the projects, the annual heating energy demand is 50 kWh/m² or lower.
 - ✓ 100% of the projects obtained an Energy Performance Certificate of the Austrian Institute of Construction Engineering (OIB: Österreichisches Institut für Bautechnik) with a minimum energy performance labelled "B" (on a scale from A++ to G).³
 - ✓ 100% of the projects fulfil and/or exceed the requirements of Directive 6 of OIB 2015 (OIB Richtlinie 6: Energieeinsparung und Wärmeschutz).
- 2. Social standards for construction
 - ✓ 100% of the projects are located in countries where high labour and health and safety standards are in place for construction and maintenance work conducted by own employees and contractors (e.g. ILO core conventions).
- 3. Responsible treatment of customers with debt repayment problems
 - ✓ For 100% of projects, pre-emptive actions to prevent client debt repayment problems (e.g. data collection on client indebtedness, long-term fixed interest rates) are in place.
 - ✓ For 100% of projects, sustainable solutions for customers with debt repayment problems are in place (e.g. forbearance measures, foreclosure as a last resort).
 - ✓ For 100% of projects, the creditor excludes the selling of contractually serviced loans.

Controversy assessment

- Due to a low controversy risk, oekom research does not carry out a controversy assessment for private mortgage loans.

³ The certificates were not awarded by the OIB directly, but by an authorized person.

B. Green Buildings (Commercial Real Estate)

Sustainability Benefits and Risks of the Asset Category

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

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

All projects selected for the Green Bond are located in Austria, a highly regulated country.

- 1. Involvement of local residents at the planning stage
 - ✓ 100% of the projects provide for involvement of residents at the planning stage (e.g. development plan publicly available, consultation of the residents).
- 2. Environmental standards for site selection
 - None of the projects are developed on brownfield sites.
 - The indicator regarding environmental impact assessment is not applicable, as none of the projects are large-scale building projects (>5,000 m²) outside metropolitan areas.
- 3. Access to public transport
 - ✓ 100% of the projects are located within the proximity of public transport. Due to the rural location of the project, public transport is not available within 1 km from the project, but within a reasonable distance.
- 4. Social standards for construction
 - ✓ 100% of the projects are located in countries where high labour and health and safety standards are in place for construction and maintenance work conducted by own employees and contractors (e.g. ILO core conventions).
- 5. Environmental standards for construction
 - ✓ 100% of the projects provide for good standards regarding waste management and noise emissions (provided for by national legislation).
 - No information is available on resource efficiency (e.g. water, energy) and adequate environmental management at the construction site.
- 6. Sustainable building materials
 - No information is available on sustainable procurement regarding building materials (e.g. recycled materials, third-party certification of wood based materials).

- 7. Safety of building users
 - ✓ 100% of the projects provide for standards to enhance operational safety (e.g. requirements for fire protection, requirements for the operation of lifts, accessibility, provided for by national legislation).
- 8. Water use minimisation in buildings
 - Basic measures to reduce water consumption are in place (water meters). No information is available on further measures to reduce water consumption (e.g. high-efficiency fixtures and fittings, rainwater harvesting).
- 9. Energy efficiency in buildings
 - ✓ 100% of projects received an energy performance certificate and received good scores in the respective energy efficiency ratings.
- 10. Labels / certificates
 - None of the projects obtained a (or an equivalent of a) BREEAM "Very Good", DGNB "Silver / Gold", LEED "Gold", HQE "excellent" certificate or better certification.
- 11. Sustainable use / purpose of buildings
 - ✓ All of the projects are neither production facilities of armaments, pesticides or tobacco nor generation facilities for nuclear power or fossil fuelled energy.

Controversy assessment

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

Part III – Assessment of Vorarlberger Landes- und Hypothekenbank's Sustainability Performance

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



rated by
oekom r|e|s|e|a|r|c|h

As at 7 August 2017, this rating puts Vorarlberger Landes- und Hypothekenbank in place 19 out of 90 companies rated by oekom research in the Financials/Public & Regional Banks sector.

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

- Sustainability impacts of lending and other financials services/products
- Costumer and product responsibility
- Sustainable investment criteria
- Employment security and employee wellbeing
- Business ethics

In all key issues, Vorarlberger Landes- und Hypothekenbank achieved a rating that was above the average for the sector. A very significant outperformance was achieved in "Customer and product responsibility" and "Business ethics".

The company has not committed any violations in the areas of controversial business practices or controversial areas of business, and thus does not breach any of the exclusion criteria which are frequently applied by investors. Overall, the company has a "minor" controversy level, which is the average level of the sector Financials/Public & Regional Banks.

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

A handwritten signature in blue ink, appearing to be 'A. Geyer', is written over a light blue rectangular background.

oekom research AG

Munich, 11 August 2017

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About oekom research

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

As part of our Green Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria. We verify the compliance with the criteria in the selection of projects and draw up an independent second party opinion so that investors are as well informed as possible about the quality of the loan from a sustainability point of view.

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Annex

- Annex 1: oekom Green Bond Analysis Framework
- Annex 2: oekom Corporate Rating of Vorarlberger Landes- und Hypothekenbank

Annex 1: oekom Green Bond Analysis Framework

oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the Green Bond. It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Green Bond can be clearly identified and described.

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

Use of Proceeds

The Vorarlberger Landes- und Hypothekenbank Green Bond Framework consists of the following project categories:

- A. Private mortgage loans for energy efficient residential buildings
- B. Green Buildings (Commercial Real Estate)

Sustainability Criteria and Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the underlying assets are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for the project categories.

A. Private mortgage loans for energy efficient residential buildings

1. Achieved energy efficiency of residential buildings

Quantitative indicators:

- Percentage of loans allocated to building projects for which the annual energy consumption for space heating and domestic water is below 60 kWh/m²a.
- Percentage of loans allocated to building projects that obtained an energy performance certificate with a minimum energy performance labelled "B".
- Percentage of loans allocated to building projects that comply with and/or exceed the requirements of Directive 6 of OIB 2015.

2. Social standards for construction

Quantitative indicator:

- Percentage of loans allocated to building projects for which high labour and health and safety standards for construction work are in place (e.g. ILO core conventions).

3. Responsible treatment of customers with debt repayment problems

Quantitative indicators:

- Percentage of loans for which pre-emptive actions to prevent client debt repayment problems (e.g. covenants limiting indebtedness, conservative loan-to-value ratios, long-term fixed interest rates) are in place.
- Percentage of loans for which sustainable solutions for customers with debt repayment problems (e.g. debt counselling, foreclosure as a last resort) are in place.
- Percentage of loans for which the creditor excludes the selling of contractually serviced loans or has implemented measures to ensure clients do not face unfavourable conditions as a result of the sale (e.g. required customer consent in case of sale, written confirmation of non-detrimental conditions).

B. Green Buildings (Commercial Real Estate)

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

Quantitative indicator:

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

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

Quantitative indicators:

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

3. Access to public transport (only applicable for new builds)

Quantitative indicator:

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

4. Social standards for construction (only applicable for new builds and renovations)

Quantitative indicator:

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

5. Environmental standards for construction (only applicable for new builds and renovations)

Quantitative indicator:

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

6. Sustainable building materials (only applicable for new builds and renovations)

Quantitative indicator:

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

7. Safety of building users

Quantitative indicator:

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

8. Water use minimisation in buildings

Quantitative indicator:

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

9. Energy efficiency of buildings

Quantitative indicator:

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

10. Labels / Certificates

Quantitative indicator:

- Percentage of loans allocated to building projects that obtained a (or an equivalent of a) BREEAM "Very Good", DGNB „Silver / Gold“⁴, LEED "Gold", HQE „excellent“ certificate or better certification.

11. Sustainable use / purpose of buildings

Quantitative indicator:

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

Controversies

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

Possible impact indicators: Energy consumption and avoidance of CO₂ emissions

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

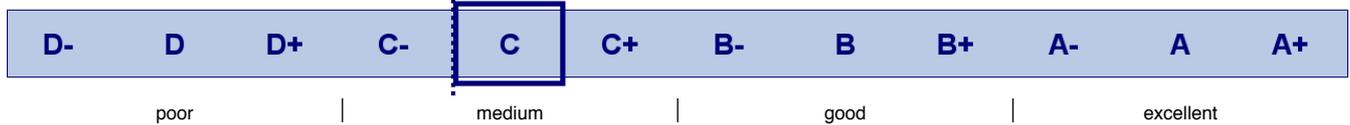
⁴ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

oekom Corporate Rating

Vorarlberger Landes- und Hypothekenbank

Industry: Financials/Public & Regional Banks
 Country: Austria
 ISIN: XS1070100257

Status: **Prime**
 Rating: **C**
 Prime Threshold: **C**



Competitive Position

Industry Leaders

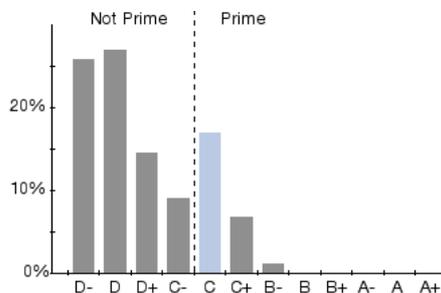
(in alphabetical order)

- Deutsche Kreditbank AG (DE) B-
- La Banque Postale SA (FR) C+
- Landesbank Baden-Wuerttemberg (DE) C+

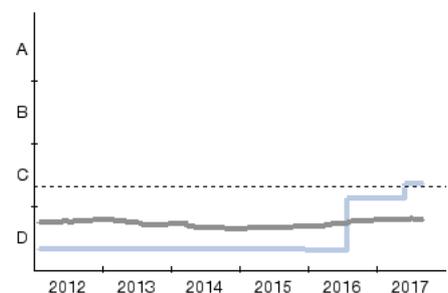
■ Company ■ Industry

Distribution of Ratings

(90 companies in the industry)

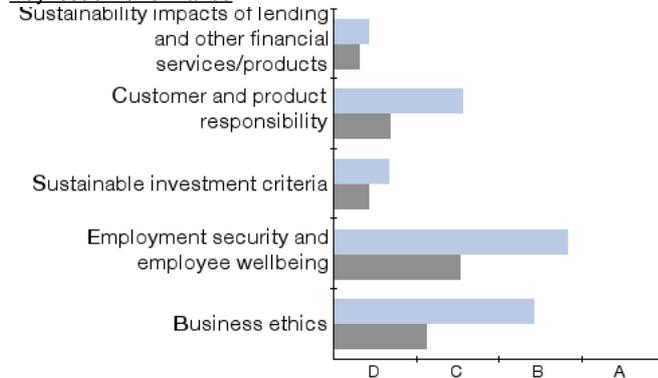


Rating History



Key Issues

Key Issue Performance



Strengths and Weaknesses

- + offering of sustainable investment products and services
- + measures taken to guarantee responsible sales and marketing practices
- + measures regarding responsible treatment of customers with debt repayment problems
- + measures taken to grant access to financial services without discrimination
- no comprehensive general environmental and social guidelines for the credit rating process with regard to corporate / public sector customers
- no evidence of a strategy concerning the integration of sustainability issues in shareholder advocacy activities

Controversy Monitor

Company

Controversy Score: 0
 Controversy Level: Minor



Industry

Maximum Controversy Score: -18
 Controversy Risk: Minor



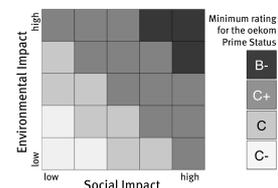
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Vorarlberger Landes- und Hypothekenbank

Methodology - Overview

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



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