MANN+HUMMEL
GREEN SSD FRAMEWORK

SECOND OPINION BY SUSTAINALYTICS

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1. INTRODUCTION

MANN+HUMMEL (M+H) is a leading global expert for filtration solutions. The company, headquartered in Ludwigsburg, Germany, develops filter solutions for vehicles and industrial applications (including industrial filters, membrane filters and equipment for water filtration), clean air filters for interior spaces and solutions for sustainable use of water. The company, with more than 75 years of experience in filtration solutions, has a global presence with more than 80 locations worldwide. The group is owned by the families of the two founders.

M+H has developed a Green SSD Framework[1] in accordance with which it intends to issue a green schuldschein (green SSD). The net proceeds will be used to finance and refinance expenditures related to:

- Products or solutions with an environmental benefit; and
- Improvement of the environmental performance of production facilities and processes by investing in: i) renewable energy generation; ii) energy efficiency; iii) water efficiency, and iv) pollution prevention and control initiatives.

M+H has engaged Sustainalytics to provide a second opinion on its Green SSD Framework and on the framework's environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of M+H's management, treasury and corporate communications teams to understand the environmental and social impact of their products and operations and planned use of proceeds, as well as management of proceeds and reporting aspects of M+H's Green SSD Framework. Sustainalytics also reviewed relevant public documents and non-public information. Following this engagement, some elements of the Green SSD Framework were clarified to ensure an alignment with the level of disclosure expected by ICMA's Green Bond Principles, 2017. [2]

This document contains Sustainalytics' opinion on the M+H Green SSD Framework and should be read in conjunction with that framework.

2. SUSTAINALYTICS' OPINION

Section 1: Sustainalytics' Opinion on the Green SSD Framework

Overall, Sustainalytics is of the opinion that the M+H Green SSD Framework is robust and transparent. Sustainalytics views the following elements of the Framework positively:

- Taking into consideration the company's forthcoming 2018-2026 Corporate Strategy, which identifies 'Sustainability' as one of the key strategic drivers for business development, and M+H's commitment to improve its environmental performance, Sustainalytics is of the opinion that the green SSD is in alignment with the company's commitments and Corporate Strategy.

[1] Mann+Hummel Green Bond Framework, August 2017. The full version of this framework has been made available to investors. A simplified version, omitting confidential information, has been shared publicly and is available at: www.mann-hummel.com/en/corp/group/responsibility-sustainability/

[2] "The Green Bond Principles 2017", dated 2 June 2017, issued by the International Capital Market Association (ICMA)

- The categories for the use of proceeds are aligned with examples provided by ICMA's Green Bond Principles, and Sustainalytics considers that the company has provided a good level of disclosure for each category. For considerations on the impact of the use of proceeds please see Section 3.
- Given the company's formalized processes to identify and manage environmental risks, and achievement of international quality and environmental certifications for most of its production sites, Sustainalytics is confident that M+H is well-equipped to manage the environmental risks associated with the use of proceeds of the green SSD. Further details on risk management are provided in Section 2.
- M+H's eligible projects are evaluated and selected by a dedicated Green SSD Committee that includes team members from different departments such as Health, Safety and Environment and Treasury. Sustainalytics considers this to be in line with market practice.
- An external party will verify the internal tracking method and allocation of funds of the green SSD within one year from the date of the green SSD issuance. This is line with market best practice.
- M+H will provide investors with a green SSD report on a yearly basis or until full allocation of proceeds. This will include information on allocation reporting (at category level) that will be externally audited, information regarding financing vs refinancing, and a description of some of the projects implemented.

Finally, even though Sustainalytics recognizes that where feasible M+H intends to report on the environmental impacts of the expenditures in alignment with impact indicators provided in the Framework (such as 'Number of water filtration products or solutions installed by region', 'Energy saved aggregate', 'Waste recycled or composted'), and the understanding that impact might be difficult to measure for some of the individual projects implemented in the company's production sites, Sustainalytics recommends the company to strive for greater transparency with respect to impact reporting.

Alignment with Green Bond Principles 2017*:*
Sustainalytics has determined that the M+H Green SSD Framework aligns to the four pillars of the Sustainability Bond Guidelines 2017. For detailed information please refer to Appendix 1 - Green Bond Programme External Review Form.

Section 2: M+H's Environmental Strategy and Performance

Environmental and climate protection: key considerations driving the company's strategy
M+H has identified 'Sustainability' as one of three key transformation drivers for the company's forthcoming 2018-2026 Corporate Strategy, bringing more focus and a stronger sense of commitment to the ongoing efforts to support environmental and climate protection both in M+H's operations and in product development. With this new strategic focus, the company's management is also seeking to incorporate sustainability as a core pillar of the business through the production of environmentally-friendly product innovations (i.e. clean air and water solutions).

Over the past years, and formally incorporated in M+H's current Management Policy,[3] the company has committed to a strong environmental management of both:

a) *Industrial operations* – M+H monitors energy efficiency and recycling rates on a global scale, setting increasingly stringent targets to incrementally improve the company's performance in these areas. In addition, the majority of M+H's production sites have achieved ISO 14001 certification.
b) *Product*s - M+H states that it is committed to limiting the environmental impact of the full life cycle of its products.

Furthermore, as an illustration of the company's growing commitment to sustainability, M+H disclosed its energy and CO_2 emissions data through the Carbon Disclosure Project (CDP) for the first time in 2016.

Following an analysis of the Green SSD Framework and of the eligible portfolio for the first green SSD issuance, Sustainalytics is confident that the eligible categories for the use of proceeds from the green SSD align with the company's commitments and the forthcoming 2018-2026 Corporate Strategy. Proceeds used for the development of products and solutions with environmental benefits align with the firm's sustainability-focused strategic redirection, while proceeds used to improve the environmental performance of production facilities contribute to enhancing the company's overall environmental performance.

A proactive approach to addressing environmental risks

Mann Hummel's environmental and social risk exposure stems from two sources:

(i) Operations - the majority of M+H's environmental and social risks stem from its global manufacturing and distribution presence;
(ii) Product risks - the company is also exposed to the environmental and social risks of the international automotive and mechanical engineering sectors, as an original equipment manufacturer to these industries. The company's renovated strategy, with a greater focus on environmentally friendly solutions and supporting ecomobility will contribute to mitigate risks of supplying to those industries. The proceeds of the green SSD will support the development of those environmentally friendly solutions.

To identify and address risks of its operations, M+H has a comprehensive Health, Safety & Environment (HSE) risk management system in place. The company's risk assessment process includes five steps:

1) *Identify hazards and/or environmental aspects*: Involves identifying hazards associated with each work activity, including mechanical hazards, non-mechanical hazards and environmental impacts, and the type of potential harm.
2) *Identify who or what can be harmed:* Who can be harmed includes e.g. employees, contractors, and what can be harmed includes e.g. pollution of the ground, air, or water.
3) *Evaluate the risk:* Assess the likelihood of an occurrence of a hazardous event and the severity of injury, ill health or effect on the environment of that event, "Likelihood x Severity = Risk".

[3] https://www.mann-hummel.com/en/corp/group/certificates/

4) *Control/manage the risks*: Implement the appropriate processes and/or procedures to reduce the risk of harm or damage based on the hierarchy of controls, such as elimination, substitution, or engineering controls.
5) *Monitor and Review:* Periodic monitoring of controls and a formal review should be carried out at least once a year.

All production sites are certified in alignment with the internationally recognized ISO 9001 and ISO/TS 16949:2009 quality management standards. Most of the sites also have ISO 14001 environmental management certifications, and a select few have OHSAS 18001 certification. At product level, while all products have quality certifications not all solutions have environmental certifications.

Given the company's i) new strategic focus which will support the production of environmentally friendly solutions, ii) formalized processes to identify and manage environmental risks and iii) achievement of international quality and environmental certifications for most of its production sites, Sustainalytics is confident that M+H is well-equipped to manage the environmental risks associated with the use of proceeds of the green SSD.

Section 3: Impact of Use of Proceeds

Proceeds of the bond will be directed towards two categories:

1) Products or solutions with an environmental benefit; and
2) Improvement of the environmental performance of production facilities and processes by investing in: i) renewable energy generation; ii) energy efficiency; iii) water efficiency, and iv) pollution prevention and control initiatives.

Sustainalytics has reviewed M+H's Green SSD Framework and is of the opinion that the proceeds from the SSD will have distinct environmental benefits. Below, Sustainalytics provides an opinion on the impact of the M+H's green SSD eligibility criteria, considering also the geographic context of the company's production sites and the products' end markets.

Impact of products and solutions with an environmental benefit

Considering M+H's new strategic ambitions, it is expected that the company will increase its business and investments focused on providing technologies and solutions with a sustainability benefit over the next years. For the first use of proceeds' category, Sustainalytics highlights the explicit commitment of M+H to exclude any expenses related to products or solutions that are part of the combustion engines automotive value chain. Further detail on the eligible solutions is provided in below.

Water filtration solutions

The first category of solutions M+H has earmarked for the proceeds of the green SSD, are the company's water filtration solutions. These include membranes and systems for a wide variety of applications such as ultrafiltration, bio-membrane reactors, and reverse osmosis.

In Sustainalytics' view the treatment of industrial and municipal wastewater utilizing such water filtration products produces key environmental benefits, and contributes to sustainable development in several

regions where M+H operates such as China and Brazil. Rough estimates suggest that 80-90% of wastewater in developing countries is discharged directly into natural bodies of water, which contributes to the spread of water-borne diseases and dampening of economic development in addition to damaging the environment. Moreover, wastewater treatment provides a "new" water source for commercial and industrial applications, thereby reducing the existing pressure on natural water sources.[4]

The pollution prevention and reduction of water demand through water filtration solutions are also particularly relevant for emerging markets and developing countries, which face more significant water contamination and scarcity issues. According to M+H's 2013-2017 sales figures,[5] these regions account for approximately 40% of the company's water filtration product sales, with China, India, Indonesia, and the Philippines being their major end-markets. China and India are among the growing number of countries that are depleting non-replenishable aquifers to meet rising water demand. These countries also have poor records of wastewater treatment, with only 14% of wastewater treated in Indonesia, 10% in the Philippines, and just 9% in India.[6]

In addition to the pollution and water supply benefits, M+H's water filtration products also provide tangential environmental benefits as a result of optimized product functionality. For example, the BIO-CEL and BIO-CEL XL filtration modules for biological wastewater treatment have a patented mechanical cleaning process through which filters are continuously cleaned with organic granulate material. This prevents the build-up of waste sludge inside the filters and optimizes pressure levels, therefore reducing the energy demand of the solution.

As such, M+H's water filtration products provide clear environmental and sustainable development benefits in both their end-markets and advanced functionality.

Compression filters and solutions

M+H has selected solutions from its compression business as an eligible use of green SSD proceeds. An example is the M+H's StarBox2, which has been shown to deliver energy efficiency gains relative to other similar products that equate to energy savings of approximately 1,350 kWh per year per compressor. Due to its resource optimization and efficient operation, the StarBox2 won the 2017 Baden-Wuerttemberg Environmental Technology Award in the category for energy efficiency.[7]

While Sustainalytics recognizes that compression solutions do not produce as outright of an environmental benefit as do the water filtration products, the impact lies in the superior functionality of the compression products that generates an improved environmental performance relative to market peers (eco-efficiency).

[4] https://sustainabledevelopment.un.org/topics/water/unsgab/wastewater

[5] YTD – July 2017

[6] https://www.adb.org/sites/default/files/publication/189411/awdo-2016.pdf

[7] https://www.mann-hummel.com/en/corp/news/news/newsdetail/?tx_ttnews%5Btt_news%5D=1132&cHash=80e6b79cdcc2eb342e36428b7254b0b3

Electrified propulsion solutions
A third product category is electrified propulsion, which includes high-voltage (HV) battery and fuel cell solutions. The company has various solutions that protect the HV batteries used in hybrid, plug-in hybrid, and battery electric vehicles from contamination, thus increasing system performance and durability. An example is the M+H degassing units, which are used in BMW's five-door urban electric car model, the Mega City i3.

In addition, fuel cell filters have applications in energy-efficient combined heat and power installations and fuel cell-powered forklift trucks. Both products in this category have received industry awards.[8]

In Sustainalytics' view, the main environmental benefit of the electrified propulsion products is that they support hybrid and electric manufacturer customers to penetrate the market with improved and more durable products, contributing to the growth of this automotive segment and leading to a reduction in global transportation GHG emissions. While somewhat indirect, the allocation of green SSD proceeds for HV battery and fuel cells solutions contributes to the environmental benefits associated with greater uptake of environmentally friendly vehicles.

Air filtration solutions
The primary benefit of M+H's air filtration products is to improve air quality by monitoring and reducing factors that contribute to indoor air pollution, such as volatile organic compounds, particulate matter, allergens, and dust. Sustainalytics recognizes that the reduction of indoor air pollution serves to improve health, and therefore is considered to be more of a social benefit as opposed to an environmental improvement. However, M+H's air filtration products generate a supplementary environmental benefit by performing better on energy efficiency relative to the products of their market peers. Typically, energy accounts for around 80% of a filter's life cycle cost. Therefore, a filter's energy efficiency has an impact both in terms costs and environmental performance. The European Industry Association for Indoor Climate, Process Cooling, and Food Cold Chain Technologies (Eurovent) has certified M+H's air filtration solutions, attributing a A+ rating for energy performance. Only a small portion of solutions in the market reached the highest certification level.

Furthermore, M+H is also currently testing new filter solutions developed to prevent dust particles of vehicle braking systems from entering the environment. This is particularly important as the amount of fine dust caused by braking in city traffic has negative environmental impacts, particularly within areas with high traffic density and braking frequency. According to several studies, in urban environments, brake wear can contribute up to 55% by mass to total non-exhaust traffic-related particulate matter emissions. As exhaust emissions control become stricter, relative contributions of non-exhaust sources (e.g. brake wear) to traffic-related emissions will become more significant and will raise discussions on possible regulatory needs.[9] M+H's own research shows that brake dust emissions are five to eight times higher than exhaust emissions from a modern Euro 6 Diesel car.

[8] The Cathode Air Filter won the f-cell Classic Award in 2013, which is administered by the Baden-Württemberg Ministry of the Environment together with the Stuttgart Region Economic Development Corporation. The Ion Exchange Filter received the "Best Innovator China - Merit Award" in 2015 (A.T. Kearney).

9 Source: European Commission, Joint Research Centre, Sustainable Transport Unit (STU), Institute for Energy and Transport (IET), Via E Fermi 2749, 21027 Ispra, Italy. Author: Theodoros Grigoratos.

As a final example, M+H has developed the Eco16 Clean Air Management method, which ensures that an air filtration system delivers optimal air quality with the lowest possible environmental impact through enhanced energy efficiency. Improving the energy efficiency of heating, ventilation, and air conditioning (HVAC) solutions is important for reducing the energy consumption and environmental footprint of buildings. For example, the commercial and residential building sectors account for 39% of CO_2 emissions in the U.S. every year, and HVAC needs account for about a third of total building energy use.[10]

Impact of improving environmental performance of production facilities and processes

The second use of proceeds pertains to the financing and refinancing of projects to improve the environmental performance of M+H's production facilities. These projects include expenditures supporting: i) renewable energy generation; ii) energy efficiency; iii) water efficiency, and iv) pollution prevention and control initiatives.

Sustainalytics has a positive view on the fact that M+H has defined additional environmental and social criteria to select production facilities that are eligible to receive financing. Specifically, eligible facilities need to have an environmental management system in place, a quality management system, acknowledgement of human and labour rights and a health and safety management system.

The broader environmental impact of such projects can be understood by looking at the geographic context of various production facilities. For example, in recent years M+H has implemented a number of environmental improvement initiatives in its production facility in Mexico that span across all four project categories. In terms of pollution prevention and control, the company reportedly reduced the waste disposed in landfills in this facility by 78% (27.4 tonnes) in 2014 compared to the previous year. Mexico is still developing a comprehensive urban waste collection and processing systems, as well as a formal recycling industry.[11] As such, efforts that support waste treatment, recycling, and the diversion of solid waste from landfills generate important environmental benefits in the Mexican context. Regarding energy efficiency, the production floor was fitted with high-efficiency LED lighting in 2016, which reduced energy consumption by 181,161kWh annually, as well as automatic on-off sensors for lighting that can save 214,434kWh each year. These industrial energy efficiency improvements are relevant in terms of Mexico's ambitious energy-related emissions targets. [12]

Sustainalytics recognizes that, with respect to investments in energy efficiency, recommended practice in the green bond market is to invest in technologies that ensure a minimum of 20-30% performance improvement in energy efficiency. Sustainalytics recommends that M+H always strives to achieve that level of improvement for projects financed with the proceeds of the green SSD, but understands the limitations of having such performance improvement verified at project level.

[10] https://www.eia.gov/tools/faqs/faq.php?id=86&t=1

11 https://www.theguardian.com/environment/2012/jan/09/waste-mountain-mexico-city

[12] As part of the Paris Agreement, Mexico has pledged a 25% reduction in greenhouse gases by 2030 relative to business-as-usual projections, and the domestic General Climate Change Law passed in 2012 seeks to reduce GHG emissions by 50% by 2050.

Conclusion

Taking into consideration the M+H's forthcoming 2018-2026 Corporate Strategy, which identifies sustainability as one of the key strategic drivers for business development, and M+H's pledge to improve its environmental performance, Sustainalytics is of the opinion the green SSD will contribute to advancing the company's commitments. M+H's Green SSD intends to (re)finance the company's investments in:

a) Products or solutions with an environmental benefit; and
b) Improvement of the environmental performance of production facilities and processes by investing in: i) renewable energy generation; ii) energy efficiency; iii) water efficiency, and iv) pollution prevention and control;

Sustainalytics considers that these investments align with examples provided by the ICMA Green Bond Principles, and that the company has provided a good level of disclosure regarding the potential environmental benefits of each category.

Furthermore, given the company's i) new strategic focus, ii) formalized processes to identify and manage environmental risks and iii) achievement of international quality and environmental certifications for most of its production sites, Sustainalytics is confident that M+H is well-equipped to manage the environmental risks associated with the use of proceeds of the green SSD.

With respect to reporting, M+H will provide investors a yearly Green SSD report (or until full allocation of proceeds), which will include information on allocation reporting (at category level), information regarding financing vs refinancing and a description of some of the projects implemented. The internal tracking method and allocation of funds will be verified by an external auditor, in line with market best practices.

With regard to impact reporting, where feasible, M+H intends to disclose the environmental impacts of the expenditures in alignment with impact indicators provided in the Framework (such as 'Number of water filtration products or solutions installed by region', 'Energy saved aggregate', 'Waste recycled or composted'). Even though Sustainalytics recognizes that measuring the impact of some of the individual projects implemented in the company's production sites might be difficult, Sustainalytics recommends the company to strive for greater transparency with respect to impact reporting.

Based on the above, Sustainalytics is confident that the M+H Green SSD Framework is robust and transparent, and in alignment with the four pillars of ICMA's Green Bond Principles 2017.

APPENDICES

Green Bond Programme External Review Form

Green Bond Programme
External Review Form

Section 1. Basic Information

Issuer name: MANN+HUMMEL

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable*:* MANN+HUMMEL Green SSD Framework

Review provider's name: Sustainalytics

Completion date of this form: August 2017

Publication date of review publication: August 2017

Section 2. Review overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the GBPs:

- ☒ Use of Proceeds
- ☒ Management of Proceeds
- ☒ Process for Project Evaluation and Selection
- ☒ Reporting

ROLE(S) OF REVIEW PROVIDER

- ☒ Consultancy (incl. 2nd opinion)
- ☐ Verification
- ☐ Other *(please specify)*:
- ☐ Certification
- ☐ Rating

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Mann+Hummel Green SSD Framework, August 2017, available at www.mann-hummel.com/en/corp/group/responsibility-sustainability/ and Second Opinion Document above.

Section 3. Detailed review

1. USE OF PROCEEDS

Mann+Hummel will use the net proceeds of the Green SSD to finance or refinance investments across two categories:
1) the development of products or solutions with environmental benefits; and
2) the improvement of the environmental performance of production facilities and processes by investing in (i) Renewable energy generation, (ii) Energy efficiency, (iii) Water efficiency, and (iv) Pollution prevention and control.
Sustainalytics considers that these investments align with examples provided by the ICMA Green Bond Principles 2017, and that the company has provided a good level of disclosure regarding the potential environmental benefits of each category. Sustainalytics is of the opinion that the proceeds from the SSD will have distinct environmental benefits, particularly when considering the geographic context of the facility upgrades and product end-markets.
Furthermore, the green SSD will positively contribute to the company's forthcoming 2018-2026 Corporate Strategy, which identifies sustainability as one of the key strategic drivers for business development, and M+H's pledge to improve its environmental performance.

Use of proceeds categories as per GBP:

☒	Renewable energy	☒	Energy efficiency
☒	Pollution prevention and control	☐	Sustainable management of living natural resources
☐	Terrestrial and aquatic biodiversity conservation	☐	Clean transportation
☒	Sustainable water management	☐	Climate change adaptation
☒	Eco-efficient products, production technologies and processes	☐	Other *(please specify)*:
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs		

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Projects financed or refinanced through the Green SSD are evaluated and selected based on their compliance with the Eligibility Criteria defined in the Framework document. This process is undertaken by Mann+Hummel's dedicated Green SSD Committee, comprised of members of departments such as Treasury, Corporate Communications, and Health, Safety and the Environment. Sustainalytics considers this to be in line with market practice.

Regarding risk management, given the company's (i) new strategic focus which will support the production of environmentally friendly solutions, (ii) formalized processes to identify and manage environmental risks and (iii) achievement of international quality and environmental certifications for the majority of its production sites, Sustainalytics is confident that M+H is well-equipped to manage the environmental risks associated with the use of proceeds of the green SSD.

Evaluation and selection

- ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds
- ☒ Summary criteria for project evaluation and selection publicly available
- ☒ Documented process to determine that projects fit within defined categories
- ☐ Other *(please specify):*

Information on Responsibilities and Accountability

- ☐ Evaluation / Selection criteria subject to external advice or verification
- ☐ Other *(please specify)*:
- ☒ In-house assessment

3. MANAGEMENT OF PROCEEDS

Mann+Hummel's Treasury department will allocate the proceeds of the Green SSD on a portfolio basis. Mann+Hummel maintains a healthy buffer of investments and expenditures over green funding outstanding of at least 30%. If a project were to become ineligible, Mann+Hummel will make best efforts to remove it from the project portfolio. Furthermore, to prevent double counting of eligible projects, Mann+Hummel will ensure that the allocation of proceeds will not allow the listing of the same capital investment twice. An external party will verify the internal tracking method and allocation of funds within one year from the date of the green SSD issuance. Sustainalytics considers to be in line with market best practice.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in a systematic manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☒ Allocation to a portfolio of disbursements

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

M+H will provide investors a yearly Green SSD report (or until full allocation of proceeds), which will include information on allocation reporting (at category level), information regarding financing vs refinancing, balance of unallocated cash and/or cash equivalent and a description of some of the projects implemented. The internal tracking method and allocation of funds will be verified by an external auditor, in line with market best practices.

With regard to impact reporting, where feasible, M+H intends to disclose the environmental impacts of the expenditures in alignment with impact indicators provided in the Framework (such as 'Number of water filtration products or solutions installed by region', 'Energy saved aggregate', 'Waste recycled or composted'). Even though Sustainalytics recognizes that measuring the impact of some of the individual projects implemented in the company's production sites might be difficult, Sustainalytics recommends the company to strive for greater transparency with respect to impact reporting.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other *(please specify):*

Information reported:

☒Allocated amounts

☐ GB financed share of total investment

☐ Other *(please specify):*

Frequency:

☒Annual

☐ Semi-annual

☐ Other *(please specify):*

Impact reporting:

☐ Project-by-project

☐ On a project portfolio basis

☐ Linkage to individual bond(s)

☒ Other *(please specify):* Where feasible, MANN+HUMMEL may report on the environmental impacts of the investments, or refer to existing sustainability reporting.

Frequency:

☒Annual

☐ Semi-annual

☐ Other *(please specify):*

Information reported (expected or ex-post):

☐ GHG Emissions / Savings

☒ Energy Savings

☐ Other ESG indicators *(please specify):*

Means of Disclosure

☐ Information published in financial report

☐ Information published in sustainability report

☐ Information published in ad hoc documents

☒ Other *(please specify):* M+H will provide investors with a green SSD report on a yearly basis or until full allocation of proceeds

☒ Reporting reviewed *(if yes, please specify which parts of the reporting are subject to external review): Allocation reporting*

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS *(e.g. to review provider methodology or credentials, to issuer's documentation, etc.)*

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion)

☐ Certification

☐ Verification / Audit

☐ Rating

☐ Other *(please specify):*

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

(i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.

(ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.

(iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.

(iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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