

**Nordex Green Bond
Climate Bond Standard Verification Report
Verification Report**

Nordex SE Nordex SE

Table of Contents

Page

Introduction..... 1

Methodology 1

Verification Findings 5

Verification Statement 6

Verification Team..... 7

Appendix A Corrective action requests, clarification requests and forward action requests

Appendix B Requirements checklist

Abbreviations

CAR	Corrective Action Request
CL	Clarification request
DR	Desktop Review
FAR	Forward Action Request
I	Interview

1 INTRODUCTION

Nordex SE (Nordex) has commissioned DNV GL Business Assurance Italia (“DNV GL”) to carry out the verification of the Nordex Green Bond (“the Bond”). This report contains the findings from the verification and a verification statement regarding compliance with the Climate Bond Standard version 2.1, (“Climate Bond Standard”).

This Green Bond Issuance is to re-finance a portion of the previously issued Green Schuldschein in addition to financing investment in new products. Refer to the use of proceeds analysis in Appendix B for more information.

1.1 Objective

A verification audit takes place as part of the process of a Green Bond issuer applying for a Climate Bonds Certification Mark for issuance of Certified Green Bonds. The purpose of verification is to have an independent third party assess whether or not an issuer of Certified Green Bonds is complying with the Standard through a compliance audit of the procedures which are either already in place or are being established to manage the proceeds of the Bond effectively and in line with the objectives of the Climate Bond Standard.

1.2 Scope

The verification scope is defined as an independent and objective reasonable assurance audit of the Bond and the Bond issuer. The Bond and the Bond issuer are reviewed against the criteria stated in the Climate Bond Standard.

The verification is not meant to provide any consulting towards the Bond issuer. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the capacity of the Bond issuer to comply with the Climate Bond Standard.

2 METHODOLOGY

The verification consisted of the following two phases:

- I desktop reviews of the Nordex and associated parties documentation leading up to issuance and execution of the Pre Issuance Verification
- II desktop review of the post issuance Nordex and associated parties documentation and execution of the Post Issuance Verification

The following sections outline each step in more detail.

2.1 Review of Documentation

Documents provided by Nordex and UniCredit Bank AG that relate directly to the Green Bond are listed below. These have been used as direct sources of evidence for the verification conclusions, and are also further checked, as considered appropriate, through interviews with key personnel.

/1/ Nordex Bond *Term Sheet* 2017

Green Schuldschein Documentation

/2/ Nordex – AWP Deal Summary, 12 November 2015

/3/ Nordex – AWP Investor Presentation, January 2016

/4/ Nordex – AWP Bridging finance Press Release, 21 December 2015

/5/ Nordex – AWP Corporate structure Post Merger, January 2015

/6/ AWP Corporate Summary Presentation, December 2015

/7/ AWP Global Track Record Document, Q3 2015

/8/ Nordex Annual Financial Report, FY2012

/9/ Nordex Annual Financial Report, FY2013

/10/ Nordex Annual Financial Report, FY2014

/11/ Nordex Press Release: Rotor Blade Extension, 22 May 2014

[http://www.nordex-](http://www.nordex-online.com/index.php?id=53&L=2&tx_ttnews%5bpointer%5d=4&tx_ttnews%5btt_news%5d=2508&tx_ttnews%5bbackPid%5d=46&cHash=eac33bdf6a)

[online.com/index.php?id=53&L=2&tx_ttnews%5bpointer%5d=4&tx_ttnews%5btt_news%5d=2508&tx_ttnews%5bbackPid%5d=46&cHash=eac33bdf6a](http://www.nordex-online.com/index.php?id=53&L=2&tx_ttnews%5bpointer%5d=4&tx_ttnews%5btt_news%5d=2508&tx_ttnews%5bbackPid%5d=46&cHash=eac33bdf6a)

/12/ Nordex Ad-Hoc Disclosure, Acciona Wind Power Merger, 4 October 2015

[http://www.nordex-](http://www.nordex-online.com/index.php?id=53&L=2&tx_ttnews%5btt_news%5d=2669&tx_ttnews%5bbackPid%5d=46&cHash=ff67426c7a)

[online.com/index.php?id=53&L=2&tx_ttnews%5btt_news%5d=2669&tx_ttnews%5bbackPid%5d=46&cHash=ff67426c7a](http://www.nordex-online.com/index.php?id=53&L=2&tx_ttnews%5btt_news%5d=2669&tx_ttnews%5bbackPid%5d=46&cHash=ff67426c7a)

/13/ Acciona Merger Announcement, 4 October 2015

<http://www.acciona.com/news/acciona-windpower-nordex-join-forces-create-major-player-wind-industry/>

/14/ Nordex Investor Relations, 2012 Corporate Bond Detail, as at 1 February 2016-02-08

<http://www.nordex-online.com/en/investor-relations/bond.html>

/15/ Nordex Press Release: Credit Facility, 21 December 2015

[http://www.nordex-online.com/en/news-press/news-](http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews%5Btt_news%5D=2690&cHash=56e492ef48)
[detail.html?tx_ttnews%5Btt_news%5D=2690&cHash=56e492ef48](http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews%5Btt_news%5D=2690&cHash=56e492ef48)

/16/ Nordex Corporate Website, as at 1 February 2016-02-08

<http://www.nordex-online.com/en/>

Nordex Green Bond Documentation

/22/ Nordex Green Schuldschein 2017 financial status, November 2017

/23/ Nordex, Turbone Product Development Use of Proceeds, November 2017

/24/ Nordex Press Release: Nordex entering 4 MW class with powerful turbine, 1 September 2017

[http://www.nordex-online.com/en/news-press/news-](http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews%5Btt_news%5D=2919&cHash=3bdef47fd7)

[detail.html?tx_ttnews%5Btt_news%5D=2919&cHash=3bdef47fd7](http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews%5Btt_news%5D=2919&cHash=3bdef47fd7)

Background documents related to the Green Bond.

/17/ Climate Bond Standard version 2.1, January 2017.

/18/ Climate Bonds Initiative *Wind Standard (embedded in CBS version 1.1, October 2017)*

2.2 Interviews with Bond issuer stakeholders

DNV GL conducted a series of discussions with the Nordex and UniCredit Bank AG to gather information about the Bond.

The following key persons were involved in these discussions.

- /19/ Michael Mattig, Head of Global Treasury, Transaction & Inhouse Banking, Nordex SE
- /20/ Antonio Keglevich, Head of Green Bond Origination, UniCredit Bank AG
- /21/ Torsten Hinsche, Head of Corporate Finance, Nordex SE

2.3 Resolution of outstanding issues

The objective of this phase of the verification is to resolve any outstanding issues, which need be clarified prior to DNV GL's conclusion on the Bond. In order to ensure transparency, a verification protocol was customised for the audit. The protocol shows in a transparent manner the criteria (requirements), means of verification and the results from verifying the identified criteria. The verification protocol serves the following purposes:

- It organises, details and clarifies the requirements a Green Bond is expected to meet;
- It ensures a transparent verification process where the verifier will document how a particular requirement has been verified and the result of the verification.

The verification protocol consists of two tables. The different columns in these tables are described in the figure below. The completed verification protocol for the Bond is enclosed in Appendix A and Appendix B to this report.

A corrective action request (CAR) is raised if one of the following occurs:

- (a) The Bond issuer lacks or has deficient processes and procedures that will influence the ability of the Bond issuer to meet the requirements of the Climate Bond Standard;
- (b) The Climate Bond Standard requirements have not been met.

A clarification request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable Climate Bond Standard requirements have been met.

A forward action request (FAR) is raised during verification to highlight issues related to the Bond issuer's implementation of the requirements of the Climate Bond Standard that require review during a subsequent verification.

Verification Protocol Table 1: Resolution of Corrective Action and Clarification Requests			
Corrective action and/ or clarification requests	Ref. to checklist question in table 2	Response by Bond issuer	Verification conclusion
The CARs and/ or CLs raised in Table 2 are repeated here.	Reference to the checklist question number in Table 2 where the CAR or CL is explained.	The responses given by the Bond issuer to address the CARs and/or CLs.	The verification team's assessment and final conclusions of the CARs and/or CLs.

Verification Protocol Table 2: Forward Action Requests		
Forward action request	Ref. to checklist question in table 2	Response by Bond issuer
The FARs raised in Table 2 are repeated here.	Reference to the checklist question number in Table 2 where the FAR is explained.	Response by Bond issuer on how forward action request will be addressed prior to a subsequent verification.

Verification Protocol Table 3: Requirement Checklist				
Checklist question	Reference	Means of verification (MoV)	Assessment by DNV GL	Draft and/or Final Conclusion
The various requirements that the Bond issuer should meet to ensure compliance with the Climate Bond Standard. The checklist is organised in different sections, following the logic of the Climate Bond Standard	Gives reference to documents where the answer to the checklist question or item is found.	Means of verification (MoV) are document review (DR) , interview (I) or any other follow-up actions (e.g., on site visit and telephone or email interviews) and cross-checking (CC) with available information relating to the Bond	The discussion on how the conclusion is arrived at and the conclusion on the compliance with the checklist question so far.	OK is used if the information and evidence provided is adequate to demonstrate compliance with Climate Bond Standard requirements. A corrective action request (CAR) is raised when the Bond issuer lacks or has deficient and procedures that will influence the ability of the Bond issuer to meet the requirements of the Climate Bond Standard or the Climate Bond Standard requirements have not been met. A clarification request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable Climate Bond Standard requirements have been met. A forward action request (FAR) during verification is raised to highlight issues related to Bond implementation that require review during a subsequent verification.

3 VERIFICATION FINDINGS

This section summarises the findings from the verification of the Bond.

Pre Issuance Verification

The verification procedures have determined that the evidence provided and procedures in place are sufficient to demonstrate compliance with the Climate Bond Standard version 2.1 requirements related to Pre issuance for the Nordex Green Bond.

for DNV GL Business Assurance Italia S.r.l
Milano, 15 November 2017

A handwritten signature in black ink, appearing to be 'Mark Robinson', written in a cursive style.

Mark Robinson
Manager, Sustainability Services
DNV GL – Business Assurance

4 VERIFICATION STATEMENT

To be provided in official format.

5 VERIFICATION TEAM

Role	Last Name	First Name	Country	Type of involvement			
				Desk review	Interviews	Reporting	Supervision of work
Team Leader (Lead Verifier)	Robinson	Mark	Australia/ Italy	✓	✓	✓	✓
Report Reviewer (Verifier)	Amundsen	Yngve	Australia	✓		✓	

- o0o -

APPENDIX A

CORRECTIVE ACTION REQUESTS, CLARIFICATION REQUESTS AND FORWARD ACTION REQUESTS

Corrective action requests

CAR ID	Corrective action request	Response by Bond issuer	DNV GL's assessment of response by Bond issuer
CAR 1	None raised		

Clarification requests

CAR ID	Corrective action request	Response by Bond issuer	DNV GL's assessment of response by Bond issuer
CL 1	None raised		

Forward action requests from this verification

FAR ID	Forward action request	Response by Bond issuer	DNV GL's assessment of response by Bond issuer
FAR 1	None raised		

APPENDIX B

REQUIREMENTS CHECKLIST

Table 1 Pre Issuance Requirements checklist (Part A)

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
1. Selection of Nominated Projects & Assets					
1 Project Nomination					
<p>An issuer of a Climate Bond must ensure that at any point in time, the bond is associated with eligible projects or physical assets and that this association can be verified. An issuer is not permitted to double-count eligible projects or physical assets that have been associated with previous Climate Bonds. The eligible project(s) or physical assets are referred to as 'Nominated Project(s).</p> <p>Assets specified as backing or linked to the Bond must comply with eligible assets specified under Part B of the standard (sections 13-15 below). Where the asset specified is a loan or other financial instrument, then the underlying collateral must comply with Part B (sections 13-15) of the Standard.</p>					
1.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.					
1.1.1 How has the decision making process established the statement on the environmental objectives of the bond?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /19/	DR I		<p>The proposed Bond is to:</p> <ul style="list-style-type: none"> - Refinance EUR 412.5m of the previous Green Schuldschein; - Invest EUR 87.5m in the development of the Delta4000 Wind Turbine. <p>The Issuer, Nordex is a corporation with the sole function of manufacturing, installing and servicing of wind turbine hardware.</p> <p>The Issuer has through its primary operation documented the performance parameters for the manufacturing facilities enabling it to demonstrate the eligibility of the nominated use of proceeds.</p>	OK
1.1.2 What is the process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bond Standard?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/	DR I		<p>For the proposed Bond, the Issuer has provided the input parameters required by the CBI Wind Criteria to demonstrate the eligibility of the nominated project.</p> <p>DNV GL has verified the eligibility of the project in Part B of this report.</p>	OK
1.2 The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond's documented objectives as stated under Clause 1.1 and are compliant under Part B of the Climate Bond Standard					
1.2 How does the issuer ensure that projects within the climate bond are compliant with Part B of the Climate Bond Standard?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/	DR I		<p>For the proposed Bond, the Issuer has provided the corporate documentation to address the CBI Wind Criteria to demonstrate the eligibility of the nominated projects and assets.</p> <p>DNV GL has verified the eligibility of the project in Part B of this report.</p>	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
	/9/ /10/				
1.3 The Issuer shall document Nominated Projects & Assets which are proposed to be associated with the bond and which have been assessed as being Eligible Projects & Assets in accordance with Clause 9.					
1.3 How have projects and assets associated with the Bond been documented to comply with Clause 9?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /19/ /20/	DR I		The Issuer has provided to DNV GL documentation detailing the nominated use of proceeds as follows: Nordex: <ul style="list-style-type: none"> - Refinancing of the Green Schuldschein (subject to previous Climate Bond Certification) - Development of the Delta4000 turbine product. Both of these uses of proceeds fall under the Renewable Energy – Wind taxonomy. Their eligibility has been assessed in Part B.	OK
1.4 Nominated Projects & Assets shall not be nominated to other bonds that are currently certified under the Climate Bond Certification Scheme unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different certified bonds.					
1.4 Have nominated projects or asserts to be associated with the bond been included in other bonds?	/1/ /10/ /19/ /20/ /21/	DR I	<input checked="" type="checkbox"/> Nominated projects or assets are not associated with other bonds. <input type="checkbox"/> Nominated projects or assets are associated with other bonds but the portions associated by each are funded separately.	The EUR 409m associated with the refinancing component was previously funded by the Climate Bonds Certified Nordex Green Schuldschein. The existing Certified Bond is being refinanced by this proposed Certified Green Bond. This is in line with section 1.4 of the standard.	OK
1.5 The issuance amount of the bond shall be no greater than the Issuer's exposure to the proposed Nominated Projects & Assets, or the Fair Market Value of the proposed Nominated Projects & Assets.					
1.5 Is the issuers exposure to the proposed nominated projects and assets, or the fair market value of those, equal to or greater than the bond issuance amount?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /11/ /12/	DR I		The issuer, Nordex's exposer to the nominated projects and assets has been verified by DNV GL through analysis of provided documentation and the cross check of this information from available sources such as periodic financial reports and interviews with issuer personnel. As per the Draft Term Sheet, the Green Bond is proposed to raise up to Euro 500 million. As part of the bond, DNV GL has confirmed that Nordex is directly refinancing EUR 412.5m of the EUR 550m exposure associated with the Green Schuldschein. DNV GL has also reviewed the use of proceeds for the proposed development of the Nordex Delta4000 wind turbine. The documentation available to DNV GL both from the issuer regarding development cost exposure already undertaken and forecast confirmed the fair market value of the nominated use of proceeds.	OK

MoV = Means of Verification, DR= Document Review, I= Interview, CC= Cross-Checking

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
	/13/ /14/ /19/ /22/ /23/			All amounts were confirmed through cross checking of publicly available information, media releases and telephone interview with Issuer personnel. The final values are to be verified during Post Issuance Verification.	
2 Internal Processes and controls					
2.1 The systems, policies and processes to be used for management of bond funds and investments made shall be documented by the Issuer and disclosed to the Verifier.					
2.1.1 How have the net proceeds of the Bond been credited to a sub-account, moved to a subportfolio, or otherwise tracked by the Issuer by a formal internal process?	/1/ /19 /20/ /21/	DR I		The proceeds of the Bond are to be fully and immediately disbursed for the nominated use of proceeds. Upon allocation of the Bond proceeds, the Issuer will provide DNV GL with a transfer of funds statement evidencing the use of proceeds.	OK
1.1.2 Have unallocated proceeds been hold in temporary investments other than cash holdings?	/1/ /19 /20/ /21/	DR I	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable	The proceeds of the Bond are to be fully and immediately disbursed for the nominated corporate entity purchase upon the receipt of proceeds. Hence, there will be no temporary holdings other than cash. Upon allocation of the Bond proceeds, the Issuer will provide DNV GL with a transfer of funds statement evidencing the use of proceeds for the Post Issuance Verification.	OK
1.1.3 Has the issuer established an earmarking process to manage and account for funding to the Nominated Projects & Assets?	/1/ /19 /20/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	The nominated projects and assets have been earmarked by the Issuer for full and immediate disbursement of proceeds for the refinancing and Delta4000 product development.	OK
3 Reporting prior to issuance					
3.1. The Issuer shall disclose the following in the Bond Disclosure Documentation.					
3.1.1 Will the issuer disclose the pre issuance assurance engagement?	/1/ /19/ /20/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The Issuer will disclose the completion of this limited assurance engagement in addition to Climate Bond Pre Issuance Certification within the Bond disclosure documentation as confirmed through correspondence with Nordex and UniCredit Bank AG personnel.	OK
3.1.2 Will the issuer have periodic Assurance Engagements carried out over the life of the Bond and if so what is the expected frequency of periodic Reasonable Assurance Engagements?	/1/ /19/ /20/ /21/	DR I	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	As the proceeds of the Bond are for the full and immediate allocation of funds to the nominated project, there will be no periodic assurance engagements after the Post Issuance Verification exercise is to be completed. This is to be included in the Bond disclosure documentation.	OK
3.1.3 Will the issuer disclose the broad project categories, as listed in Clause 9.1, into which the Nominated Projects & Assets	/1/ /19 /20/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The issuer will disclose the broad project and asset categories as listed in Clause 9.1 as Wind Turbine Manufacturing.	OK

MoV = Means of Verification, DR= Document Review, I= Interview, CC= Cross-Checking

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
fall?	/21/				
3.1.4 3 Will the issuer disclose the intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2?	/1/ /19 /20/ /21/	DR I	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	As the Bond is solely for the full, immediate and exclusive allocation of funds to the nominated project, there will be no requirement or need for the Issuer to nominate types of temporary investment vehicles.	OK

Table 2 Post Issuance Requirements checklist (Part B and C)

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
Part A: General Requirements					
4 Eligibility of nominated projects and assets					
An issuer of a Climate Bond must ensure that at any point in time, the bond is associated with eligible projects or physical assets and that this association can be verified. An issuer is not permitted to double-count eligible projects or physical assets that have been associated with previous Climate Bonds. The eligible project(s) or physical assets are referred to as 'Nominated Project(s). Assets specified as backing or linked to the Bond must comply with eligible assets specified under Part B of the standard (sections 13-15 below). Where the asset specified is a loan or other financial instrument, then the underlying collateral must comply with Part B (sections 13-15) of the Standard.					
4.1 The Issuer shall maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets.					
1.1.1 How has the decision making process established the statement on the environmental objectives of the bond?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
1.1.2 What is the process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bond Standard?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
4.2 The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond's documented objectives as stated under Clause 1.1 and are compliant under Part B of the Climate Bond Standard					
4.2 How does the issuer ensure that projects within the climate bond are compliant with Part B of the Climate Bond Standard?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
4.3 Nominated Projects & Assets shall not be nominated to other bonds that are currently certified under the Climate Bond Certification Scheme unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different certified bonds.					

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
1.4 Have nominated projects or assets to be associated with the bond been included in other bonds?		DR	<input checked="" type="checkbox"/> Nominated projects or assets are not associated with other bonds. <input type="checkbox"/> Nominated projects or assets are associated with other bonds but the portions associated by each are funded separately.	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5 Use of Proceeds An issuer of a Climate Bond must use the funds raised to finance eligible project(s).					
5.1 Are proceeds allocated to Nominated Project(s).					
5.1 Have the proceeds of the bond shall be allocated to the Nominated Projects & Assets?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2 The Issuer shall allocate or re-allocate funds to Nominated Projects & Assets within 24 months of issuance of the bond.					
5.2.1 Have the bond proceeds been allocated to the nominated projects and assets associated with the bond? If not, has an established procedure been established to facilitate the allocation of funds within 24 months?		DR	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> There is clear documentary evidence to confirm that the procedure has been followed. <input type="checkbox"/> There is a procedure in place to achieve this but its informality risks it not being properly followed. <input type="checkbox"/> Summarise the procedure <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2.2 Have issuance costs been clearly identified and excluded from the bond funds? (Debt issue costs should include fees and costs specifically associated with the issuance of debt which could include: underwriter, legal, audit firm, financial		DR I	<input type="checkbox"/> Issuance costs have been clearly calculated and excluded <input checked="" type="checkbox"/> The basis of calculating issuance costs is in accordance with recognised	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification

MoV = Means of Verification, DR= Document Review, I= Interview, CC= Cross-Checking

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
advisor, issuing authority, rating agency, trustee, and other miscellaneous fees. Debt issue costs do not include remarketing fees associated with variable rate debt.)			practice <input type="checkbox"/> The basis of calculating issuance costs is the same as previously applied by the Issuer <input checked="" type="checkbox"/> No		
5.2.3 Have instances been identified where the value of the climate bond exceeded the value of funds invested in nominated projects?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2.4 Does the value of bonds (excluding issuance costs) exceed the value of funds invested in nominated projects?		DR I	<input type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2.5 Are all loans within the bond current? Are the maturity dates for all existing loans identified in the future?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Procedures exist to replace the asset within the Bond to ensure that funds do not exceed the value of invested assets	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2.6 Do existing loan maturity dates (available from the individual loan documentation) agree to those shown on the Loan Pool listing?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.2.7 Do drawdown notices confirm the current funding levels?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Procedures exist to replace the asset within the Bond to ensure that funds do not exceed the value of invested assets	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
5.3. Where a proportion of the proceeds of the bond are used for refinancing, the Issuer shall provide an estimate of the share of the proceeds used for financing and re-financing, and identify which Nominated Projects & Assets may be refinanced.					
5.3.1 Have a proportion of proceeds been used for refinancing? If so, has the issuer provide an estimate of the share of the proceeds used for financing		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	The issuer has nominated the split for financing and refinancing: - EUR 412.5m for partially refinancing the Green Schuldschein, and; - EUR 87.5m for financing the development of the new Delta4000 wind	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
and re-financing, and identify which Nominated Projects & Assets may be refinanced?			<input type="checkbox"/> No	turbine product development.	
5.4. The original issuance amount of the bond shall be no greater than the investment in the Nominated Projects & Assets or the Fair Market Value of the Nominated Projects & Assets at the time of issuance.					
5.4.1 Is the original issuance amount less than or equal to the investment in the Nominated Projects & Assets or the Fair Market Value of the Nominated Projects & Assets at the time of issuance?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
6 Non-Contamination					
6.1 The Net Proceeds of the bond shall be credited to a sub-account, moved to a sub-portfolio or otherwise identified by the Issuer in an appropriate manner, and attested to by a formal internal process that is linked to the Issuer's lending and investment operations for Nominated Projects & Assets.					
6.1.1 What procedures are in place to demonstrate that the proceeds of a climate bond have been allocated to the nominated projects attested to by a formal internal process that is linked to the Issuer's lending and investment operations for Nominated Projects & Assets?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
6.2. While the bond remains outstanding, the balance of the tracked proceeds shall be periodically reduced by amounts matching eligible investments or loan disbursements made during that period. Pending such investments or disbursements to Nominated Projects & Assets, the balance of unallocated proceeds shall be held in temporary investment instruments that are:					
6.1.1 Cash, or cash equivalent instruments, within a Treasury function?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
6.2.2. Not temporary investments that include greenhouse gas intensive projects which are inconsistent with the delivery of a Low-Carbon Economy?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
6.2.3 Conform to the types of temporary investment instruments set out in the Bond's Disclosure Documentation under Clause 2.1.2?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
6.3 In the case of a Force Majeure, the Issuer may apply to the Climate Bond Standards Board for an extension to the asset allocation period to a maximum of two years. During the extension period the balance of unallocated proceeds shall be deemed to be conforming with Clause 4.2.					
3.5.1 Has a process been defined with which replacement projects will be identified in the event that 'force majeure' causes the loss of		DR I	<input checked="" type="checkbox"/> Yes, a process has already been defined	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification

MoV = Means of Verification, DR= Document Review, I= Interview, CC= Cross-Checking

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
a project from the bond?			<input type="checkbox"/> A process has not yet been formally defined but the issue is recognised and not yet considered relevant <input type="checkbox"/> No		
3.5.2 Has there been a 'force majeure' loss of a project?		DR I	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
3.5.3 If there has been a 'force majeure' loss of a project is there regular monitoring to ensure it is replaced within the (current) two year period.		DR I	<input type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
3.5.4 Have any 'force majeure' project losses been replaced within the two year period?		DR I	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
7 Confidentiality					
7.1 Information about the Nominated Projects & Assets shall be provided to the Verifier and to the Climate Bond Standards Board.					
7.1.1 Has sufficient information about the nominated projects and assets been provided to the verifier and Climate Bond Standards Board?		DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
7.2 The Issuer should disclose information about the bond and the Nominated Projects & Assets to the market.					
7.2.2 How has the issuer disclosed or planned to disclose information about the bond and nominated projects or assets to the market?		DR I		To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
8 Reporting					
8.1. The Issuer shall provide to bond holders and to the Climate Bond Standards Secretariat at least annually a report containing the list of Nominated Projects & Assets to which proceeds of the bond have been allocated (or reallocated). The report shall include a brief description of the projects and the amounts disbursed, as well as the expected environmental objectives of the Nominated Projects & Assets.					
8.1 Has the issuer reported or put in place procedures to enable the annual reporting of the projects and the amounts disbursed, as well as the expected environmental objectives of the Nominated Projects & Assets?	/8/ /9/ /10/ /19/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>The Issuer has confirmed the annual reporting of the distribution of proceeds to the nominated projects and assets for the Bond to Investors and the CBI. As verified the existing annual reporting structure facilitates the reporting of the environmental objectives of the nominated projects and assets through reporting of installed wind turbine capacity, manufacturing activities and sales of wind turbine hardware and associated services.</p> <p>The Issuer has proposed annual reporting of the disbursed Bond proceeds amounts to the nominated projects and assets to the resolution already provided in annual financial reporting. This may take a tabular form for reporting</p>	To be confirmed during Post Issuance Verification

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
				<p>purposes.</p> <p>As noted in the CBS Section 8:</p> <p>Note 1: Some bonds have very stable allocation of proceeds and do not need to track any performance indicators to maintain the eligibility of the projects & assets (such as financing for a single large-scale solar facility). This means that the report provided by the Issuer each year can be very similar to previous years' reports, minimising the effort required by Issuers to prepare the reports for these Climate Bonds.</p> <p>Note 2: The timing of reporting under this clause can be aligned with the schedule of regular reporting of the Issuer, and does not need to follow the anniversary of the certification or issuance of the Climate Bond.</p> <p>DNV GL confirmed the full and immediate distribution of funds to nominated projects and assets is proposed by the Issuer. The nature of the nominated projects and assets and the level of current performance metrics relating to these in annual reporting are well aligned to meet the requirements of the Standard.</p> <p>This will be confirmed during Post Issuance Verification</p>	
8.1.1 Has the issuer used qualitative performance indicators and, where feasible, quantitative performance measures of the environmental objectives of the Nominated Projects & Assets or put in place procedures to facilitate this?	/8/ /9/ /10/ /19/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Nordex, as a wind turbine manufacturer, currently reports to investors on:</p> <ul style="list-style-type: none"> - Installed capacity of wind turbines by geography - Turbine production output - Rotor blade production output - Turbine availability <p>These quantitative metrics cover the nominated projects and assets within the Bond.</p>	To be confirmed during Post Issuance Verification
8.1.2 Has the issuer disclosed the methods and the key underlying assumptions used in preparation of the performance indicators and metrics or put in place procedures to facilitate this?	/8/ /9/ /10/ /19/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Nordex discusses the methods and rationale for the reporting of metrics currently included in the Annual Financial Report.</p> <p>Further discussion of methods and underlying assumptions for reporting of metrics specific to the Bond will be evaluated at the Post Issuance Verification.</p>	
8.1.3 Where confidentiality agreements or competition issues limit the amount of detail that can be made available about specific Nominated Projects & Assets, will information be presented in at least the broad project categories, as listed in Clause 9.1 of the Climate Bond Standard, which the Nominated Projects & Assets fall into?	/8/ /9/ /10/ /19/ /21/	DR I	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>While there are levels of performance data reporting that would pose confidentiality and competition issues for the Issuer, the current level of reporting on the metrics listed in 8.1.1 above are deemed sufficient for the purposes of the Bond. These exceed the level of resolution detailed in section 9.1 (wind).</p>	To be confirmed during Post Issuance Verification

Part B: Low Carbon Contribution

9 Eligible projects and physical assets

Projects and physical assets will be eligible for Certification if they directly contribute to:

- developing "low carbon" industries, technologies and practices that achieve resource efficiency consistent with avoiding dangerous climate change.
- essential adaptation to the consequences of climate change.

For a bond to be certified as a Climate Bond, the funds raised under it must be used to finance or re-finance eligible projects or assets.

Nominated Projects & Assets, as identified by the Issuer under Clauses 1.3 and 4.2, shall fall into one or more of the approved categories.

CHECKLIST QUESTION	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
9.1.1.5 Does the nominated project fall within the assigned category for Wind Energy Generation?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /19/ /20/ /21/ /22/ /23/	DR I		<p>As described in the Term Sheet and reviewed in the technical and corporate reporting documentation, the nominated projects and assets being funded by the Nordex Green Bond, fall into the Wind Energy Generation Category.</p> <p>Specifically, this includes:</p> <ul style="list-style-type: none"> - Projects for the construction of wind turbine hardware. - Manufacturing facilities wholly dedicated to wind energy development. <p>DNV GL has verified these to include:</p> <p>Invest EUR 87.5m in the development of the Delta4000 Wind Turbine.</p> <p>Refinance EUR 412.5m of the previous Green Schuldschein;</p> <p>The previous Green Schuldschein Use of Proceeds is as follows:</p> <p>Acciona Wind Power:</p> <ul style="list-style-type: none"> - Existing project backlog as reported to investors - Barasoain (Navarre) Turbine assembly - Vall d'Uixó (Castellón) Turbine assembly - Bahía (Brazil) Hubs - Bahía (Brazil) Turbine assembly - Chennai (India) Turbine assembly <p>Nordex:</p> <ul style="list-style-type: none"> - Existing project backlog as reported to investors - Rosktock (Germany) rotor manufacture <p>The information provided by Nordex was verified against publically available resources and through interviews with Nordex and UniCredit Bank AG representatives.</p>	OK

Does supporting documentation confirm that the Bond relates to an eligible project?

9.1.1.5.1 Can it be confirmed, by reference to external information sources, that the assets and projects referred to are of the approved type?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /19/ /20/ /21/ /22/ /23/	DR I		The information provided by Nordex was verified against publically available resources and through interviews with Nordex and UniCredit Bank AG representatives. All provided and available information confirmed the proposed Bond related to eligible projects and assets. No publically available information was identified that any operations of either AWP or Nordex were related to any product or service other than Wind Turbine Technology.	OK
---	---	---------	--	---	----

Does supporting documentation confirm that the Bond relates to an eligible project?

9.1.1.5.2 Does supporting documentation for individual loans confirm that the loan relates to an eligible project?	/1/ /2/ /3/ /4/ /5/ /6/ /7/ /8/ /9/ /10/ /11/ /12/ /13/ /14/ /19/ /20/ /21/ /22/ /23/	DR I	<input type="checkbox"/> Technical due diligence report confirms loan is for an eligible project <input checked="" type="checkbox"/> Technical specifications confirms loan is for an eligible project <input type="checkbox"/> There is evidence that the projects have been visited either as part of the due diligence process or subsequently <input type="checkbox"/> Not applicable	<p>Under version 1.1 of the Wind Technical criteria, the projects and assets must meet the eligible asset and mitigation component criteria.</p> <p>The mitigation component criteria state:</p> <p>Wind energy generation shall be projects & assets that operate or are under construction to operate in one or more of the following activities:</p> <ul style="list-style-type: none"> - The development, construction and operation of wind farms - Operational production or manufacturing facilities wholly dedicated to wind energy development - Wholly dedicated transmission infrastructure for wind farms. <p>The supporting documentation for the proposed use of proceeds has been assessed as per the following tables.</p> <p>The supporting documentation for refinancing:</p> <table border="1" data-bbox="1359 1339 2398 1929"> <thead> <tr> <th>Nominated Project / Asset</th> <th>Qualifying Mitigation Component Criteria</th> <th>Documentation</th> </tr> </thead> <tbody> <tr> <td>AWP Projects and Assets</td> <td>Manufacturing facilities wholly dedicated to wind energy development</td> <td>Nordex and AWP Merger Press Releases Formal Merger Disclosure Nordex and AWP Periodic Financial Reports</td> </tr> <tr> <td>Nordex Bond refinancing</td> <td>Refinancing of expansion to operational wind turbine rotor facility, Rostock, Germany (manufacturing facilities wholly dedicated to wind energy</td> <td>Bond listing for ISIN XS0601426538 within Bourse Luxemburg Market Segment.</td> </tr> </tbody> </table>	Nominated Project / Asset	Qualifying Mitigation Component Criteria	Documentation	AWP Projects and Assets	Manufacturing facilities wholly dedicated to wind energy development	Nordex and AWP Merger Press Releases Formal Merger Disclosure Nordex and AWP Periodic Financial Reports	Nordex Bond refinancing	Refinancing of expansion to operational wind turbine rotor facility, Rostock, Germany (manufacturing facilities wholly dedicated to wind energy	Bond listing for ISIN XS0601426538 within Bourse Luxemburg Market Segment.	OK
Nominated Project / Asset	Qualifying Mitigation Component Criteria	Documentation												
AWP Projects and Assets	Manufacturing facilities wholly dedicated to wind energy development	Nordex and AWP Merger Press Releases Formal Merger Disclosure Nordex and AWP Periodic Financial Reports												
Nordex Bond refinancing	Refinancing of expansion to operational wind turbine rotor facility, Rostock, Germany (manufacturing facilities wholly dedicated to wind energy	Bond listing for ISIN XS0601426538 within Bourse Luxemburg Market Segment.												

	development)	
Nordex Projects	Current wind turbine manufacture projects (Operational production wholly dedicated to wind energy development)	Nordex and AWP Periodic Financial Reports Project Orders Backlog

The supporting documentation for Delta4000 Turbine Development:

Nominated Project / Asset	Eligible Project or Asset	Documentation
Delta4000 Turbine Development	Operational production wholly dedicated to wind energy development	Nordex Delta4000 production proposal Delta4000 Product specification Nordex Press Release: Nordex entering 4 MW class with powerful turbine

supports the claim that the nominated projects and assets are eligible as per the requirements of the Wind Technical Criteria.

10 Technical Criteria

For the physical assets listed below to qualify for Climate Bond certification, they must comply with specific technical criteria.

No further technical criteria is available.

Part C: Requirements for Specific Bond Types

This Part sets out Clauses specific to certain bond-types.

C Bond-type

Corporate bonds are defined as a general obligation debt security issued by a corporation or other legal entity, whose credit is not tied to any specific Nominated Project(s) or asset(s). In the case of certified Corporate Climate Bonds, the bonds are verifiably linked to eligible physical assets or to a pool of loans to eligible physical assets. This is in order to verify the low carbon claims of the Corporate Climate Bond. For credit purposes, the bond retains the corporate bond rating of the issuer.

Portfolio bonds are defined as a debt security of a securitization vehicle that contains a pool of loans each of which qualifies as a Nominated Project or contains a pool of equity interests in Nominated Projects.

Project Development Bonds are defined as a debt security issued by a project development company or by the parent of a project development company that is issued to finance specific Nominated Projects on a non-recourse or limited recourse basis.

C.1.1.1 What is the bond type?	/1/	DR I	<input checked="" type="checkbox"/> Use of Proceeds Bond <input type="checkbox"/> Use of Proceeds Revenue Bond <input type="checkbox"/> Project Bonds <input type="checkbox"/> Securitized Bonds	As per the Nordex Green Bond Use of Proceeds, the Bond is a Use of Proceeds bond with an earmarked pool of assets.	
--------------------------------	-----	---------	---	--	--

11 Project Holding

C.11.1 How has/will the Issuer of the bond shall continue to hold Nominated Projects & Assets which have Fair Market Value at least equal to the original principal amount of the bond at the time of issuance?		DR I		Full and immediate disbursement of the bond proceeds for the refinancing and turbine development use of proceeds will be conducted.	
---	--	---------	--	---	--

12 Settlement Period

C.12.1 Has the issuer demonstrated the distribution of the Proceeds to the nominated projects and assets at Post Issuance Verification?				To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
C.12.1.1 If not, how has the issuer arranged to allow the distribution of the Proceeds to nominated projects and assets within 24 months?				To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification
C.12.1.2 Is the issuer proposing to hold any remaining Proceeds for more than 24 months before distributing to nominated projects and assets?				To be confirmed during Post Issuance Verification	To be confirmed during Post Issuance Verification

13 Earmarking

C.13.1 How has the Issuer proposed to maintain the earmarking process to manage and account for funding to the Nominated Projects & Assets as disclosed under Clauses 2.1 and 2.1.3?				As per the Nordex Green Bond management of proceeds, the Green Bond will require tracking and reporting on use of proceeds by Nordex for reporting to investors and stakeholders as proposed. This will be tracked and reported via the use of internal information systems and financial records of Nordex.	To be confirmed during Post Issuance Verification
--	--	--	--	--	---

