

## 2017 Independence Statement

oekom research AG's *Independence Policy* sets out wide-ranging principles which guarantee the independence of oekom research and its employees. oekom research consistently makes great efforts to avoid situations which could potentially lead to conflicts of interest for the rating agency or its executive bodies. Situations that have arisen in which conflicts of interest cannot be fully ruled out, together with corresponding measures taken to safeguard the independence of the rating agency and its executive bodies in these situations, are listed below. Beyond that, all other provisions of the *Independence Policy* and the relevant requirements of the *Responsible Investment Research Standard ARISTA 3.0*, which do not concern the issues listed below, have been fully complied with in 2017.

### I. Preparation of ratings of oekom research AG's clients

As at 31 December 2017, oekom research AG had entered into contractual agreements on the supply of sustainability research with a number of financial service providers or other companies which also, either directly or indirectly through their parent companies, regularly undergo a sustainability rating by oekom research. This was the case with the following customers: Aareal Bank, AG2R, Agence Française de Développement, Ampega, Amundi Asset Management, Bank für Sozialwirtschaft, Bayern Invest, Berlin Hyp, Berner Kantonalbank, BNP Paribas, BW-Bank, CM-CIC Asset Management, Columbia Threadneedle, Commerzbank, Credit Suisse Group, Daiwa Asset Management, Deka Bank, Deutsche Bank, Deutsche Hypothekenbank, Deutsche Oppenheim Family Office, Dr Ing hcF Porsche AG, Erste Sparinvest, Hamburger Sparkasse, HSBC Global Asset Management, Kathrein Capital Management, Kepler Fonds, Kreissparkasse Köln, La Banque Postal Brive, La Banque Postale Asset Management, Landesbank Baden-Württemberg, LBBW AM, MEAG, Mirova, Münchener Rückversicherungs-Gesellschaft AG, Nasdaq, Nestlé Pensionskasse, Norddeutsche Landesbank, Nordea Investment Management, NRW.BANK, Pensionskasse Novartis, R+V Versicherung, Rabobank, Raiffeisen Capital Management, Sal. Oppenheim, Scor, SGSS, SNCF Réseau, Sparkasse Oberösterreich, St. Galler Kantonalbank, Statkraft, TenneT Holding, Thomson Reuters, Umweltbank, UniCredit Bank and VERBUND.

In all cases, information on any existing relationship with the client appears in a prominent position in the rating report on the company concerned.

### II. Influence of oekom research AG's shareholders on the design of the content of sustainability research

As at 31 December 2017, oekom research AG had a total of 59 shareholders. Two of these were religious orders which at the same time maintained a client relationship with oekom research AG. The proportion of shares held by these orders at that time amounted to approximately 3.5 per cent and was thus sufficiently small that any influence on the substantive independence of oekom research AG could be ruled out. In 2017, none of the companies which were potentially eligible as rating objects were shareholders in oekom research AG.

### III. Company visits which are made in connection with the drafting of the company's rating

In 2017, oekom research AG's analysts visited a large number of companies. In addition, companies being analysed regularly visited us in order to provide inputs into the content of ratings being drawn up by analysts.

In all cases, visits made to the company or visits made to oekom research AG's premises by representatives of the company were internally documented.

#### **IV. Stakeholder events and company visits not directly related to the drafting of a company rating**

In 2017, representatives of oekom research AG took part in a large number of stakeholder events conducted, for example, by NGOs, public authorities, universities, foundations and analysed companies. All the events were internally documented and evaluated for potential conflicts of interest. For most of the events, oekom research bore the costs accruing to the company in their entirety. Hospitality and other benefits were in all cases within the usual limits of established business practice. In individual cases, travel and/or accommodation costs were borne by the event organisers. In each of these cases, oekom research AG's representatives had correspondingly provided services, for example as a speaker.

#### **V. Drafting of ratings against remuneration**

Sometimes individual companies, which are not covered by oekom research's rating universe, request a rating from oekom research AG. In these individual cases, oekom research AG offers to carry out a rating for these companies at the companies' expense. In 2017, this was the case with the companies Audi, Dr Ing hcF Porsche AG, Evangelische Bank, Green City Energy, Lidl Dienstleistungs GmbH, Volkswagen Immobilien and Volkswagen PKW. In all cases, information that the rating was commissioned by the company appears in a prominent position in the rating report on the company.

#### **VI. Other remunerated services for companies**

In 2017, occasional cases occurred in which companies which had been analysed by oekom research AG purchased rating reports, industry reports or an online database access (ORBIT).

In 2017, oekom research AG in some cases also issued so-called Second Party Opinions – external expert reports which assess the sustainability quality of green bonds as part of their issuance – or related services on behalf of companies analysed by oekom research AG and against payment. This was the case for the green bonds of Bayerische Landesbodenkreditanstalt, Berlin Hyp, BNP Paribas, Credit Suisse Group, Deutsche Hypothekenbank, Deutsche Kreditbank, Hypo Vorarlberg Bank, Landesbank Baden-Württemberg, Münchener Hypothekenbank, Natixis, Nordea Bank, NRW.BANK, SNCF Reseau, TenneT Holding and VERBUND in the past year. In all cases, a reference to the provision of this service can be found in a prominent position in the rating report on the company.

#### **VII. Conflicts of interest concerning members of the Rating Committee**

In 2017, members of the Rating Committee, which is advisory and not authorised to issue directives to oekom research AG, disclosed various consultancy mandates respectively other business relationship with companies which are concurrently undergoing a rating by oekom research AG. This related to the following sectors: Media, Retail, Transportation Infrastructure and Utilities.

oekom research AG considers that the independence of oekom research AG was in no way infringed.

**VIII. Conflicts of interest concerning oekom research AG's analysts**

Analysts are obligated to disclose to the Supervisory Board in writing as soon as they come into ownership of securities or derivatives in companies which they are themselves responsible for analysing. In 2017, according to the Supervisory Board, there was one such reporting received.

Munich, 29 January 2018

Robert Haßler, CEO