



9 April 2018

## Verification Report for Pre-Issuance Certification of the Green Bond by ABN AMRO

### Scope

ABN AMRO commissioned oekom research<sup>1</sup> to compile a Verification Report for Pre-Issuance Certification of its Green Bond by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standard issued by the CBI are met and obtaining evidence to support the verification.

### Criteria

Relevant CBI Standards for this Climate Bonds Certification:

- Climate Bonds Standard (Climate Bonds Standard Version 2.1; status 01/2017)
- Residential Property (status 03/2016)
- Marine Renewable Energy Sector Eligibility Criteria (status 10/2017)

### ABN AMRO's Responsibility

ABN AMRO's responsibility was to provide information and documentation on:

- Selection of nominated projects & assets
- Internal processes & controls
- (Proposed) reporting

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<sup>1</sup> On March 15, 2018, oekom research joined Institutional Shareholder Services Inc. ("ISS"). oekom research will be renamed ISS-oekom.

## Independence and Quality Control

oekom research is managerially and economically independent. Its independence is guaranteed through rigorous codes of conduct for every analyst and the fact that neither consulting services nor asset management services are offered. oekom research can thus guarantee a high degree of credibility and objectivity for its research findings.

Regular audits by an independent institution against the European voluntary quality standard for responsible investment ARISTA® attest oekom's extensive quality standards which are complemented by a comprehensive quality management system.

## oekom's Responsibility as a Verifier

oekom research reviewed the information and documentation provided and developed by ABN AMRO to assess the Green Bond's alignment with the CBI requirements:

- Conformance with the selection of nominated projects & assets requirements
- Conformance with the internal processes & controls requirements
- Conformance with the reporting requirements

oekom research's approach to assess whether the issuer meets the criteria of the CBI standard was as follows. The issuer provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes regarding the proceeds (e.g. use of proceeds, management of proceeds) to oekom research. Further, the issuer needed to fill in a questionnaire that covers all criteria of the Climate Bonds Standard 2.1. Additionally, the issuer had to provide background documents that elaborate further on the information mentioned in the questionnaire. With the help of this questionnaire and the background documents, oekom research carried out a desk-based assessment of the CBI criteria. In case any answers were unclear, oekom research contacted the issuer for more details and clarification.

## Restriction on Distribution and Use of Report

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of ABN AMRO and the Climate Bonds Standard Board. The present document may be published by ABN AMRO, CBI and oekom research. CBI and oekom research agree to publish the report with the consent of ABN AMRO.

Opinion

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's 2018 Green Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.



Robert Haßler, CEO  
oekom research AG  
Munich, 9 April 2018

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#### Disclaimer

1. oekom research AG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
2. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of oekom research AG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
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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 decisionmaking. 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: Detailed Findings
- Annex 2: Detailed Findings Marine Renewable Energy Standards
- Annex 3: Detailed Findings Residential Property
- Annex 4: ABN AMRO Green Bond Framework

## Annex 1: Detailed Findings

### 1. Selection of nominated projects & assets

	Requirement	Factual Findings	Analysis against Requirements
1.1.	Decision-making process to determine eligibility of nominated projects & assets.	ABN AMRO has defined an environmental objective and has implemented processes to determine the eligibility of nominated assets.	✓
1.2.	Assessment of proposed nominated projects & assets.	ABN AMRO assesses all proposed assets against its self-defined eligibility criteria. These meet the bond's objectives and are likely to conform with the eligibility criteria under Part B of the Climate Bonds Standard.	✓
1.3.	Documentation of eligibility of nominated projects & assets.	ABN AMRO has established a selection process based on detailed eligibility criteria. A list of nominated assets is documented internally and updated on a monthly basis.	✓
1.4.	No double nomination of projects & assets.	ABN AMRO's selection method is designed to ensure that assets are not nominated twice. Furthermore, ABN AMRO will engage an external auditor to verify that assets are not already nominated to other Climate Bonds.	✓

	<b>Requirement</b>	<b>Factual Findings</b>	<b>Analysis against Requirements</b>
1.5.	Net proceeds in relation to issuer's debt obligation.	ABN AMRO seeks to ensure that the net proceeds do not exceed ABN AMRO's debt obligation by limiting the total issued amount of the bond proceeds to 80% of the eligible loans at the moment of issuance.	✓

## 2. Internal Processes & Controls

	<b>Requirement</b>	<b>Factual Findings</b>	<b>Analysis against Requirements</b>
2.1.1.	Tracking of proceeds	The net proceeds of the bond are moved to a Green Bond portfolio and are tracked in the organisation.	✓
2.1.2.	Managing unallocated proceeds	ABN AMRO states that unallocated proceeds will be invested in short term money market products from sovereigns, supranational agencies, development banks and financial institutions which are rated 'Prime' by oekom research.	✓
2.1.3.	Earmarking funds to nominated projects & assets	ABN AMRO has established an earmarking process to manage and account for funding to the nominated assets.	✓

### 3. Reporting Prior to Issuance

	<b>Requirement</b>	<b>Factual Findings</b>	<b>Analysis against Requirements</b>
3.1.1.	Disclosure on investment areas	ABN AMRO has confirmed that it will report prior to issuance that all nominated assets fall into one project category as listed in Clause 9.1 of the Climate Bonds Standard.	✓
3.1.2.	Disclosure on intended types of temporary investment instruments	ABN AMRO has confirmed that it will report on temporary investment instruments prior to allocation.	✓
3.1.3.	Disclosure regarding pre-issuance verification	ABN AMRO has confirmed that it will report prior to issuance on its pre-issuance verification procedure.	✓
3.1.4.	Disclosure on periodic assurance engagements	ABN AMRO will engage an external auditor on an annual basis to verify that all assets fulfil the self-defined eligibility criteria.	✓

## Annex 2: Detailed findings Marine Renewable Energy Standard

### 1. Disclosure Component

Requirement	Disclosure evidence (Information publicly available)	Fulfils the requirements	Comment
Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.	<p>Project 1: Netherlands North Sea, 150 turbines.</p> <p>Project 2: Germany North Sea, 80 turbines.</p> <p>Project 3: Germany North Sea, 54 turbines.</p> <p>Project 4: Germany North Sea, 31 turbines.</p>	✓	
Projected lifespan of the asset/project.	<p>Project 1: Lifespan of 20 years.</p> <p>Project 3: Lifespan of 25 years.</p>	✓	For other projects information is not publicly available at this stage.
Key stakeholders involved, including other users of the area and surrounding area (sea, land or air depending on what is applicable) of the facility (ies).	<p>Project 1: Key stakeholders disclosed on the project's investor presentation.</p>	X	For other projects information is not publicly available at this stage.
Description of the project activities including details on installation, operation and decommissioning activities.	<p>Project 1: Description of the project activities is available on the project's website.</p> <p>Project 2: Description of the project activities is available on the project's website.</p> <p>Project 3: Information on wind turbine design, operation and maintenance is available on the project website.</p>	✓	

	Project 4: Information on wind turbine design, operation and maintenance is available on project investor presentation.		
Expected/current facility capacity and generation during and after the life of the bond.	Project 1: 600 MW current capacity Project 2: 288 MW current capacity Project 3: 332.1 MW current capacity Project 4: 252 MW expected capacity	✓	
Details of where the energy generated is being fed into, and estimated impact of the grid mix.	Project 1: Grid connection at Oude Schip Project 2: Grid connection at SylWin alpha Project 3: Grid connection at Dolwind Beta Project 4: Grid connection at BorWin 2	✓	Other information not publicly available at this stage.
Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO <sub>2</sub> e) using recognised conversion factors.	Project 1: Reduction of CO <sub>2</sub> -emissions by 1.25 million p.a. Project 3: Save over 1 million tons of CO <sub>2</sub> compared to conventional coal fired plant.	✓	For other projects information is not publicly available at this stage.
The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Project 1: EIA is available on Commissie voor de milieueffectrapportage's website. Project 2: Environmental permit is available on the Bundesamt für Seeschifffahrt und Hydrographie (BSH) website. Project 3: Environmental permit is available on the BSH website. Project 4: Environmental permit is available on the BSH website.	✓	

## 1. Mitigation Component

The issuer's Green Bond Asset Pool is in line with the Mitigation Component of the Climate Bonds Initiative as it is entirely dedicated to renewable energy.

## 2. Adaptation & Resilience Requirements

	Requirement	Factual Findings	Analysis against Requirements
1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions.	Four projects, accounting for 100% of the Asset Pool, include wind and ocean studies determining risks involved.	✓
2	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders.	Impacts on the resilience of stakeholders are subject to existing regulatory requirements (Environmental Permits and EIAs) covered by national law (Germany and Netherlands) for four projects, accounting for 100% of the Asset Pool.	✓
3	An adaptation plan has been designed and is being implemented to address the risks identified in assessments outlined above.	For four projects, accounting for 100% of the asset pool, monitoring, implementation, prevention, and response measures are in place to address identified risks.	✓
3.1	Inspections are carried out regularly and there is a maintenance regime for future inspection.	For four projects, accounting for 100% of the Asset Pool, maintenance is provided by a specialised O&M Contractor.	✓

	<b>Requirement</b>	<b>Factual Findings</b>	<b>Analysis against Requirements</b>
4	Involvement in stakeholder engagement and collaboration	Four projects, accounting for 100% of the Asset Pool, have carried out close collaborations with stakeholders in order to promote resilience and adaptation.	✓
5	The assets do not put at risk or endangered species or habitats or unduly impact ecosystem services. If so, mitigation measures have been implemented.	Four projects, accounting for 100% of the Asset Pool, have avifauna monitoring plans and other mitigation measures in place to minimise impact on endangered species and the ecosystem, or are subject to existing regulatory requirements (Environmental Permits and EIAs) covered by national law (Germany and Netherlands).	✓
5.1	Waste is responsibly dealt with. Recycling is in place where possible.	Four projects, accounting for 100% of the Asset Pool, include waste disposal measures, or are subject to regulatory requirements (Environmental Permits and EIAs) covered by national law (Germany and Netherlands).	✓
5.2	Potential risks for accidental site contamination have been recognised. Steps have been taken to minimise these risks.	Four projects, accounting for 100% of the Asset Pool, include measures to minimise risks for accidental site contamination, or are subject to regulatory requirements (Environmental Permits and EIAs) covered by national law (Germany and Netherlands).	✓
5.3	Decommissioning of the plant is planned in a way that considers the environmental impacts.	Four projects, accounting for 100% of the Asset Pool, include measures for responsible decommissioning.	✓
5.4	Plans and processes are in place to effectively manage and minimise conflicts with other users of the marine and coastal space.	Four projects, accounting for 100% of the Asset Pool, include measures to minimise navigational risks to maritime traffic and aviation.	✓

### Annex 3: Detailed findings Residential Properties

- ✓ **The Green Bond Asset Pool complies with the Low Carbon Buildings criteria of the Climate Bonds Initiative.**  
Being built after the Dutch Building Decree 2012 (Bouwbesluit 2012) they are automatically eligible for the Climate Bonds Initiative and are part of the top 15% energy efficient buildings of the Dutch market.

**Annex 4: ABN AMRO Green Bond Framework**

# Green Bond Framework

Version 3.4  
March, 22 2018

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## 1 Introduction

A Green Bond is a debt instrument issued by ABN AMRO whereby ABN AMRO commits itself to use the proceeds of the bond for a pre-defined number of categories of assets with a sustainable character.

Rationale for issuing a green bond:

- Sustainability is integrated in the corporate strategy, values and business principles of ABN AMRO
- The bank has adopted formal targets with regard to the financing of sustainable real estate and the circular economy, green bonds attract dedicated funding for these strategic focus areas
- ABN AMRO is continuously looking for diversification in investor base and products
- Green bonds create the perfect opportunity to connect sustainable parts of the business with dedicated investor demand
- This practical exercise increases discussions on sustainability criteria and business opportunities
- With clear focus on sustainable criteria, ABN AMRO is able to have a strategic discussion on sustainability and its impact on clients and loan portfolios

This document describes the Green Bond framework including all the steps taken by ABN AMRO in order to ensure that there is a robust process chain regarding the issuance and the maintenance of green bonds, including external reporting.

## 2 Green Bond Framework

The ABN AMRO Green Bond Framework (“the Framework”) has the goal to ensure transparency, disclosure, integrity and quality of Green Bond issues. As ABN AMRO is a member of the Green Bond Principles (GBP), the framework is aligned with the GBP and other criteria where applicable, such as the standards of the Climate Bond Initiative. Going forward, ABN AMRO intends to develop its Green Bond Framework with emerging best practices, such as a potential European Green Bond Standard (EU GBS) or any other relevant guidelines and (regulatory) requirements.

1. The ABN AMRO Green Bond Framework will be presented along the four core components of the GBP and includes commitments regarding external review, the document covers: Use of Proceeds
2. Process for Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

### 2.1 Use of Proceeds

An amount equivalent to the net proceeds of the bonds will be used exclusively to finance and refinance, in whole or in part Green Bond Eligible Assets (‘Eligible Assets’) in the following categories:

1. Energy efficiency
2. Renewable Energy
3. Eco-efficient and/or circular economy adapted products

In order to qualify as Eligible Assets, the assets are required to meet the below eligibility criteria:

<b>Category</b>	<b>Eligibility criteria</b>
<b>1) Energy Efficiency</b>	
<i>Green Buildings - Residential mortgage loans for energy efficient buildings</i>	<ul style="list-style-type: none"> <li>▪ Mortgage loans on new Residential buildings, which comply with the Dutch Building Decree 2012 (Bouwbesluit 2012: Chapter 5 and NEN 7120) and for which the first drawdown has occurred within 36 months prior to the bond issue. The NEN Criteria describe the calculation method of the Energy Performance Standard for Buildings (EPG) and Energy Performance Coefficient;</li> </ul>
<i>Green Buildings - Commercial Real Estate loans for energy efficient and/or sustainable buildings</i>	<ul style="list-style-type: none"> <li>▪ Loans or investments for new and existing commercial real estate building projects that comply with energy efficiency requirements and/or green building certification schemes as further defined in Annex I.</li> </ul>
<i>Energy Efficiency - Commercial Real Estate loans for energy efficiency upgrades</i>	<ul style="list-style-type: none"> <li>▪ Loans or investments for existing commercial real estate building projects where energy efficiency improvements of at least 30% have been - or will be – made as further defined in Annex I.</li> </ul>
<b>2) Renewable Energy</b>	
<i>Renewable Energy finance</i>	<ul style="list-style-type: none"> <li>▪ Loans or investments to finance, the acquisition, development, construction and operation of the following renewable energy sources: <ul style="list-style-type: none"> <li>- Onshore and offshore wind energy</li> <li>- Solar energy</li> <li>- Geothermal energy</li> <li>- Tidal energy</li> </ul> </li> <li>▪ Loans or investments fully dedicated to the operational production, manufacturing and maintenance of renewable energy sources.</li> </ul>
<i>Retail Green Loans for renewable energy and energy efficiency</i>	<ul style="list-style-type: none"> <li>▪ 'Green Loans' to finance renewable energy and energy efficiency improvements<sup>1</sup> to existing residential property of retail clients originated by ABN AMRO or its affiliates and for which the first drawdown has occurred within 36 months prior to the bond issue.</li> </ul>
<b>3) Eco-efficient and/or circular economy adapted products</b>	
<i>Circular economy loans</i>	<ul style="list-style-type: none"> <li>▪ Loans to finance activities, assets or projects focused on the development of the circular economy or dedicated to manufacturing circular products (i.e. manufacturing with circular input, product-as-a service concepts, sharing-platforms, re-use, refurbishment, and eco-design).</li> </ul>

<sup>1</sup> Energy efficiency improvements included can be solar water heating installations, alternative heating systems (pellet heating), heat pumps, floor, wall and roof insulation, energy efficient windows, doors and frames, heat recovery systems, EE pumps and fans, CO2 controlled air ventilation systems, energy efficient boilers. More detailed information on <https://www.greenloans.nl/besparen-lenen/verantwoord-lenen/waarvoor-kunt-u-uw-groene-lening-gebruiken>

## 2.2 Process for Evaluation and Selection

The selection process is set up as follows:

- On a monthly basis the owners of the assets will make a selection based on the eligibility criteria as described in paragraph 2.1 (including the detailed requirements for commercial real estate in Annex 1). After selection each asset owner will provide a pre-defined report to Treasury Mid Office.
- Based on the information provided by the asset owners, Treasury officers will review that existing and new assets qualify as Eligible Assets in accordance with paragraph 2.1 (including the detailed requirements for commercial real estate in Annex 1).
- Management of Treasury will review and approve allocations of bond proceeds of the eligible assets on a monthly basis.
- Prior to issuance all changes in Green Bond framework and selection criteria have been agreed with representatives of the Sustainable banking department and or manager sustainability corporate banking

## 2.3 Management of Proceeds

The net proceeds of the outstanding bonds will be moved to a Green Bond portfolio. So long as the Green Bonds are outstanding, ABN AMRO aims to allocate an amount equivalent to the net proceeds of the bonds towards Eligible Assets. Unallocated proceeds will be invested in short term Money Market products from Sovereigns, Supranationals, Agencies, Development Banks and Financial Institutions which are rated 'Prime' by oekom research AG ("oekom").

Hereto, on a monthly basis, Treasury Mid Office will provide a proposal to the Management Team of Treasury for the distribution of an amount equivalent to these proceeds towards Eligible Assets or to be invested in short term Money Market products as explained above. For an example of this report please refer to Annex 2 (which is similar to the external quarterly report).

At the moment of issuance ABN AMRO seeks to ensure that the bond proceeds can be directed in full to the eligible assets by limiting the total issued amount of the bond proceeds to 80% of the Eligible Assets. On a monthly basis Treasury Mid Office will review existing and new loans. In case loans are no longer eligible or loans have been repaid early, ABN AMRO will make an effort to replace these assets with other Eligible Assets.

## 2.4 External Reporting

### Use of Proceeds

On a quarterly basis Treasury Mid Office will prepare a Management Flow of Funds report to update investors on the outstanding assets (see Annex 3). This report provides information about:

- the allocated assets including a breakdown of exposure by type of assets
- the total outstanding of green bond transactions
- unallocated proceeds

Reporting will take place via ABN AMRO's corporate website (<http://www.abnamro.com/greenbonds>)

### Impact reporting

On an annual basis, ABN AMRO will provide an impact report. The methodologies and calculation model used to estimate the impact are independently developed by W/E Consultants, a consultancy firm for sustainability in construction, real estate and area development. The results will be published via ABN AMRO's corporate website (<http://www.abnamro.com/greenbonds>), including newsletters and/or sustainability reporting.

For an overview of impact reporting indicators please refer to Annex 3.



### **3 External review**

#### Consultant review

To increase transparency, ABN AMRO will appoint an experienced and qualified sustainable second opinion provider who will assist with the issuance of the Green bond by verifying and confirming the sustainability added value of this bond and alignment with the Green Bond Principles.

#### Verification

ABN AMRO will appoint an external auditor to provide assurance on the use of proceeds of the bonds. The external auditor will examine whether the proceeds of the bonds are either distributed to eligible assets or invested in approved financial instruments. This external audit will take place annually and the report will be published within 120 days after the annual results via the ABN AMRO website or sustainability reporting.

#### Certification

Subject to availability, ABN AMRO aims to obtain a certification of the Climate Bond Initiative (CBI) to confirm that allocated assets are selected in accordance with the independent standards, developed by CBI in conjunction with investors and NGOs. ABN AMRO will appoint a certified verifier of CBI to perform the verification.



## Annex 1: Detailed Eligibility Criteria for Commercial Real Estate

### 1. Green Buildings – Commercial Real Estate loans for energy efficient and/or sustainable buildings

Commercial Real Estate loans or investments for new and existing building projects in the asset classes offices, retail stores, residential housing projects, data centers, leisure and logistics, which cumulatively fulfil the criteria below:

- (i) Loans or investments for which the first drawdown has occurred within 36 months prior to the bond issue.
- (ii) For existing and new building projects, projects which obtained an Energy performance Certificate as issued by RVO (Netherlands Enterprise Agency, which is the executive body for the implementation of the EU Energy Performance of Buildings Directive in the Netherlands) with a minimum Energy Performance labelled “A” or better (currently ranging up to A++++ and down to G).
- (iii) For new building projects, the projects should have which have received an environmental certification, or will receive such a certification within six months after completion of the project. The certificates per asset class and potentially additional sustainability requirements are defined below:
  - i. Offices:
    - Premises with gross floor area > 5,000m<sup>2</sup> have a BREEAM<sup>2</sup> ‘Very Good’ or LEED<sup>3</sup> ‘Gold’ or GPR<sup>4</sup> Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010<sup>5</sup>
    - Premises with gross floor area < 5,000m<sup>2</sup> have a BREEAM ‘Very Good’ or LEED ‘Gold’ indicative label or GPR Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010
    - Accessibility by public transport: located a maximum of 1km from two or more public transport modalities (bus, metro, train)
  - ii. Retail stores, Logistics, Data centers, Leisure:
    - Premises with gross floor area > 5,000m<sup>2</sup> have a BREEAM ‘Very Good’ or LEED ‘Gold’ completion certificate or GPR Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010
    - Premises with gross floor area < 5,000m<sup>2</sup> have a BREEAM ‘Very Good’ or LEED ‘Gold’ indicative label or GPR Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010

<sup>2</sup> BREEAM® is an environmental assessment method and rating system for buildings launched in 1990. BREEAM sets a standard for best practice in sustainable building design, construction and operation and a measure of a building's environmental performance. It encourages designers, clients and others to think about low carbon and low impact design, minimizing the energy demands created by a building before considering energy efficiency and low carbon technologies (please see [www.breeam.org](http://www.breeam.org) for more information)

<sup>3</sup> LEED® or Leadership in Energy & Environmental Design, is a green building certification program that recognizes best-in-class building strategies and practices. To receive LEED certification, building projects satisfy prerequisites and earn points to achieve different levels of certification. Prerequisites and credits differ for each rating system, and teams choose the best fit for their project.

<sup>4</sup> GPR Building rating assesses both the environmental impact, energy performance and the design quality of new and existing buildings on five indicators

<sup>5</sup> The RVO Green funds scheme sustainable building 2010 or ‘Regeling groenprojecten Duurzaam Bouwen 2010 (category H)’. is part of the governmental green project framework and managed by RVO. The guidelines include focus on energy performance of the building but also includes a focus on sustainable produced wood in line governmental guidelines. The criteria are in line with Appendix 1, which relates to article 2, part h, sub 5. (Bijlage 1, behorende bij artikel 2, onderdeel h, onder 5°, van de Regeling groenprojecten 2010)



## **2. Energy Efficiency – Commercial Real Estate loans for energy efficiency upgrades**

Loans or investments for existing building projects in the asset classes offices, retail stores, residential housing projects, data centers, leisure and logistics, where efficiency improvements have been - or will be made, which cumulatively fulfil the criteria below:

- (i) Loans or investments for which the first drawdown has occurred within 36 months prior to the bond issue.
- (ii) The emissions reduction of the property per square meter across the portfolio is 30% or higher for bonds with a tenor of 5 year. For longer maturities, the average required emissions reduction increases with 0.8% per year
- (iii) In case of building transformation<sup>6</sup> or a renovation that changes the characteristics of the building in such a way that a reliable calculation of energy efficiency improvement is not possible or relevant, the energy emissions reduction of the project will be evidenced by an Energy Performance Certificate labelled “A”, issued by RVO (Netherlands Enterprise Agency, Rijksdienst voor Ondernemend Nederland, [www.rvo.nl](http://www.rvo.nl)) for the respective asset class.
  - (a) In case the renovation or transformation is not finalized yet, indicative measures will be used and a final EPC will be required six months after completion of the renovation/transformation.
- (iv) The energy reduction of the energy efficiency improvements will be determined by an independent EPA advisor in accordance with the requirements of the Energy Performance of Buildings Directive (EPBD) of the European Union. In the Netherlands, the EPA advisor needs to be certified in accordance with the BRL9500 for the respective asset class (NL-EPBD process certificate). The assessment is based on the definitions, methodology and calculation methods as set out in the national norm NEN7120 and ISSO 75.3 (where applicable) or its successors. . In case a sensible calculation cannot be provided, an expert opinion on the expected Energy usage/CO2 reduction can be used.
- (v) The expected emission reduction will be calculated based on the expected energy reduction, the energy mix and the Dutch greenhouse gas conversion factors for electricity of undefined energy source and natural gas (derived from the Dutch CO2-database available at [www.co2emissiefactoren.nl](http://www.co2emissiefactoren.nl))

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<sup>6</sup> Transformation means the change of vacant or old buildings into a new function. Well known examples of transformation are the transformation of old factories or office buildings into apartments

## Annex 2: Impact Reporting

### **Energy Efficiency (Green Buildings - Mortgage loans):**

- Percentage of residential buildings for which primary energy consumption is below 70 kWh/m<sup>2</sup>.
- Percentage of residential buildings that comply with the Dutch Building Decree 2012 (Bouwbesluit 2012: Chapter 5 and NEN 7120).
- Distribution of Energy Performance Coefficient levels among the buildings.
- Average energy consumption of residential buildings (in kWh/m<sup>2</sup>) financed through the loans compared to the average energy consumption of residential buildings in the Netherlands.
- Average CO<sub>2</sub> emissions of residential buildings (in g/m<sup>2</sup>) financed through the loans compared to the average CO<sub>2</sub> emissions of residential buildings in the Netherlands (based on the carbon intensity of the Dutch energy mix)

### **Energy Efficiency (Green Buildings - Commercial Real Estate)**

- Percentage of residential buildings that comply with the Dutch Building Decree 2012 (Bouwbesluit 2012: Chapter 5 and NEN 7120).
- Distribution of Energy Performance Coefficient levels and Energy Performance Certifications (“Energy labels”) among the buildings.
- Percentage of offices that are located within a maximum of 1 km from two or more modalities of public transport (newly constructed buildings).
- Average annual energy consumption of residential building, office space, retail store or logistics centre (in kWh/m<sup>2</sup>) compared to average energy consumption per residential building, office space or retail store in the Netherlands. Percentage of building projects with gross floor areas bigger than 5,000 m<sup>2</sup> which have a BREEAM “Very Good” or LEED “Gold” completion certificate (newly constructed buildings) or GPR<sup>7</sup> Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010<sup>8</sup>.
- Percentage of building projects with gross floor areas smaller than 5,000 m<sup>2</sup> which have a BREEAM “Very Good” or LEED “Gold” indicative label (newly constructed buildings) or GPR<sup>9</sup> Building score of “7.5” or RVO Green funds sustainable buildings funding scheme 2010<sup>10</sup>.

### **Energy Efficiency (Energy Efficiency - Commercial Real Estate upgrades)**

- Percentage of expected and, if available, realized CO<sub>2</sub> emission reduction related to the upgrade/renovation of commercial and/or residential real estate
- Distribution of Energy Performance Certificate issued by RVO (Netherlands Enterprise Agency, Rijksdienst voor Ondernemend Nederland) before and after the energy efficiency upgrade, except in case of transformation projects. For the latter only the final Energy Performance Certificate will be reported.

### **Renewable Energy (Renewable energy finance)**

- Installed renewable energy capacity in MW or GW
- Expected or actual annual renewable energy generation in MWh
- Annual avoidance of CO<sub>2</sub>-emissions in g related to the loans as well as expected avoidance of CO<sub>2</sub>-emissions related to these loans within 25 years (based on above energy production and average carbon intensity of the relevant country’s energy mix).

<sup>7</sup> GPR Building rating assesses both the environmental impact, energy performance and the design quality of new and existing buildings on five indicators

<sup>8</sup> The RVO Green funds scheme sustainable building 2010 or ‘Regeling groenprojecten Duurzaam Bouwen 2010 (category H)’. is part of the governmental green project framework and managed by RVO. The guidelines include focus on energy performance of the building but also includes a focus on sustainable produced wood in line governmental guidelines. The criteria are in line with Appendix 1, which relates to article 2, part h, sub 5. (Bijlage 1, behorende bij artikel 2, onderdeel h, onder 5°, van de Regeling groenprojecten 2010)

<sup>9</sup> GPR Building rating assesses both the environmental impact, energy performance and the design quality of new and existing buildings on five indicators

<sup>10</sup> The RVO Green funds scheme sustainable building 2010 or ‘Regeling groenprojecten Duurzaam Bouwen 2010 (category H)’. is part of the governmental green project framework and managed by RVO. The guidelines include focus on energy performance of the building but also includes a focus on sustainable produced wood in line governmental guidelines. The criteria are in line with Appendix 1, which relates to article 2, part h, sub 5. (Bijlage 1, behorende bij artikel 2, onderdeel h, onder 5°, van de Regeling groenprojecten 2010)



**Renewable Energy (Retail Green Loans)**

- Annual energy production of solar panels installed (in kWh) as well as total energy production of solar panels installed (in kWh) within 25 years based on actual data from previous years and expected averages for future years.
- Annual avoidance of CO<sub>2</sub>-emissions in g related to these loans as well as avoidance of CO<sub>2</sub>-emissions in g related to these loans within 25 years (based on above energy production and average carbon intensity of the Dutch energy mix).

**Eco-efficient and/or circular economy adapted products (Circular Economy loans)**

- Total loan amount allocated (TBD)
- Number of loans and average amounts (TBD)
- Selected project case studies (TBD)
- If available impact indicators for selected case study (emission avoidance, product life-prolongation, KG of waste prevented, etc.) (TBD)

## Annex 3: Management Flow of Funds Report

ABN AMRO Bank N.V. Management of Flow Reports  
 As of 31 December, 20XX  
 Amounts in EUR millions

### Net Proceeds from Note Issuance

ABN AMRO Bank x% Notes Due 06/XX/XX 5

### Use of Proceeds as of December 31, 20XX

Asset Area	Asset Category	Current Amount Funded (EUR million)
1. Energy efficiency	Residential Mortgages	2
2. Energy efficiency	Commercial Real Estate	1
3. Energy efficiency	Energy efficiency improvements	1
4. Renewable energy & Energy efficiency	Green Loans	1
<b>Total Use of Proceeds</b>		<b>5</b>
<b>Percentage of Note Proceeds Funding Eligible Green Loans</b>		<b>100%</b>
<b>Excess Net Proceeds invested in short-term financial instruments</b>		<b>0</b>