



7 October 2016

Climate Bond Certification for the Green Real Estate Loan by OVG and ABN AMRO

Scope

oekom research was commissioned to carry out a Climate Bond Certification of the Green Real Estate Loan by OVG and ABN AMRO which is based on the Green Real Estate Loan Framework that was developed in cooperation between OVG and ABN AMRO. The Climate Bond Certification process includes verifying whether the provisions of the Climate Bond Standard issued by the Climate Bond Initiative (CBI) are met and obtaining evidence to support the verification.

Criteria

Relevant CBI Standards for this Climate Bond Certification:

- Climate Bond Standard (Climate Bond Standard Version 2.0; pre-issuance criteria; status 12/2015)
- Energy Efficiency Upgrades – Eligibility & Guidance Document (status 11/2014)

OVG's/ABN AMRO's Responsibility

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

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

Independence and Quality Control

oekom research is managerially and economically independent. Its independence is guaranteed through registered shares with restricted transferability, 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 OVG and ABN AMRO to assess the Green Real Estate Loan's alignment with the CBI requirements:

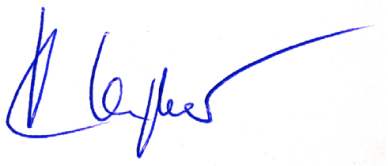
- Conformance with the selection of nominated projects & assets requirements
- Conformance with the internal processes & controls requirements
- Conformance with the reporting requirements

Restriction on Distribution and Use of Report

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

Opinion

Based on the limited assurance procedures conducted on OVG's/ABN AMRO's Green Real Estate Loan, oekom research found no evidence for non-conformance with the Climate Bond Standard's requirements (i.e. Climate Bond Standard Version 2.0/pre-issuance criteria, Energy Efficiency Upgrades).



oekom research AG

Munich, 7 October 2016

Disclaimer

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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 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	OVG/ABN AMRO have defined an environmental objective and have implemented processes to determine the eligibility of nominated assets.	✓
1.2.	Assessment of proposed nominated projects & assets	OVG/ABN AMRO assess all proposed assets against the eligibility criteria of the Green Real Estate Framework. These meet the loan's objectives and are likely to conform with the eligibility criteria under Part B of the Climate Bond Standard.	✓
1.3.	Documentation of eligibility of nominated projects & assets	OVG/ABN AMRO have developed and established a selection process based on detailed eligibility criteria. A list of nominated assets is documented internally.	✓
1.4.	No double nomination of projects & assets	OVG's/ABN AMRO's selection method is designed to ensure that assets are not nominated twice. OVG/ABN AMRO would remove assets from outstanding green bonds in case the loan, which includes the assets, is transferred to external investors. ABN AMRO will inform CBI of such transfers as soon as possible.	✓
1.5.	Net proceeds in relation to issuer's debt obligation	OVG's/ABN AMRO's processes seek to ensure that the loan amount is no greater than the debt obligation (i.e. the loan can only be drawn when evidenced by (renovation) invoices).	✓

2. Internal Processes & Controls

	Requirement	Factual Findings	Analysis against Requirements
2.1.	Tracking of proceeds	The related cash flows will be paid from a separate account at ABN AMRO. Invoices are paid by ABN AMRO directly until the maximum of the facility is reached.	✓
2.2.	Managing unallocated proceeds	OVG/ABN AMRO state that the loan amount is a facility which can only be drawn when evidenced by (renovation) invoices. The invoices will be deducted from a separate facility account after acceptance of the evidence by ABN AMRO.	✓
2.3.	Earmarking funds to nominated projects & assets	OVG/ABN AMRO have set up separate legal entities for all different assets to ring-fence the nominated assets.	✓

3. Reporting

	Requirement	Factual Findings	Analysis against Requirements
3.1.	Disclosure on investment areas	The investment areas are focused on energy efficiency upgrades related to the CBI real estate upgrade standard. Subject to formal approval by OVG, the Green Real Estate Framework will be made publicly available and will include definitions, criteria and a number and an overview of the buildings financed.	✓

3.2. Disclosure on intended types of temporary investment instruments	The loan amount is a facility which can only be drawn when evidenced by (renovation) invoices. The invoices will be deducted from a separate facility account after acceptance of the evidence by ABN AMRO.	
3.3. Disclose regarding pre-issuance verification	OVG/ABN AMRO has confirmed that it will report on its verification procedure (i.e. the confirmation letter of the certification will be published on the OVG website).	✓
3.4. Disclosure on periodic assurance engagements	N/A (due to the character of the loan scheme).	✓