

Nationale-Nederlanden Bank N.V.

POST-ISSUANCE VERIFICATION LETTER

BUILDINGS CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: 11 April 2023

Approved verifier: Sustainalytics

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Scope and Objectives

In September 2021, Nationale-Nederlanden Bank N.V. (“NN Bank”) issued a Certified Climate Bond (the “Green Bond”)¹ to finance or refinance mortgages for energy efficient residential properties aimed at supporting the decarbonization of the Netherlands’ residential building stock. In March 2023, NN Bank engaged Sustainalytics to review the assets financed through the issued Green Bond (the “Nominated Projects and Assets”) and provide an assessment as to whether they meet the Post-Issuance Requirements and the Buildings criteria² of the Climate Bonds Standard Version 3.0.³

The Nominated Projects and Assets include:

- Residential buildings: 13,395 residential buildings that have obtained an energy performance certificate (EPC) A and belong to the top 15% of the low-carbon residential buildings in the Netherlands

Schedule 1 provides details of the Nominated Projects and Assets and disbursement of proceeds.

Post-Issuance Evaluation Criteria

Post-Issuance Requirements of the Climate Bonds Standard Version 3.0:

- Use of Proceeds
- Evaluation and Selection of Projects & Assets
- Management of Proceeds
- Reporting

Issuing Entity’s Responsibility

NN Bank is responsible for providing accurate information and documentation relating to the details of the projects, including description of projects, total development cost of each project and disbursed amounts.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the Green Bond, issued to finance acquisition of energy efficient properties in the Netherlands, and provided an independent opinion informing NN Bank as to the conformance of the Green Bond with the Post-Issuance Requirements and Buildings criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by NN Bank with respect to the Nominated Projects and Assets. Sustainalytics is not responsible, nor shall it be held liable for any

¹ NN Bank raised EUR 500 million maturing in September 2028 (ISIN XS2388449758).

² Climate Bonds Initiative, Buildings Criteria, at: <https://www.climatebonds.net/standard/buildings>

³ Climate Bonds Initiative, Climate Bonds Standard Version 3.0, at: https://www.climatebonds.net/files/files/Climate%20Bonds_Standard_Version%203_0_December%202017.pdf

inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by NN Bank.

Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the bond.

Verifier's Responsibility

Sustainalytics conducted the verification in accordance with the Climate Bonds Standard Version 3.0 and with International Standard on Assurance Engagements 3000 (ISAE 3000) – Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The work undertaken as part of this engagement included conversations with relevant NN Bank employees and review of relevant documentation to assess conformance of the Green Bond with the Post-Issuance Requirements of the Climate Bonds Standard Version 3.0.

Exceptions

No exceptions were identified. All projects aligned with the Post-Issuance Requirements of the Climate Bonds Standard Version 3.0 and the Buildings criteria.

Conclusion

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the allocation of EUR 500 million from the Green Bond is not in conformance with the Post-Issuance Requirements of the Climate Bonds Standard.

Schedule 1: Detailed Overview of Nominated Projects and Assets

Assets			Reported annual environmental impact	
Category	Description	Property unit count	Energy consumption (kWh/m ²)	GHG emissions reduced or avoided (tCO ₂)
Green Buildings	Dutch residential properties built prior to 31 December 2020 with EPC label A and belonging to the top 15% of low-carbon residential buildings in the Netherlands ⁴	13,395	100.9	20,170
Allocation			Amount (EUR million)	
Total value of eligible green mortgage loans (EUR)			3,984	
Total net proceeds raised from the Green Bond (EUR)			500	
Unallocated proceeds			0	

⁴ Energy-efficient buildings that have received an EPC A and belong to the top 15% low-carbon buildings in the Netherlands and comply with the Buildings Criteria of the Climate Bonds Standard.

Schedule 2A: Post-Issuance Requirements of the Climate Bonds Standard

<p>Use of Proceeds</p>	<p>5.1 The Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets.</p> <p>5.2 All nominated Projects & Assets shall meet the documented objectives of the Bond as stated under Clause 6.1.1 and shall be in conformance with the requirements of Part C of the Climate Bonds Standard.</p> <p>5.3 The Issuer shall allocate the Net Proceeds to Nominated Projects & Assets within 24 months of issuance of the Bond, or the Issuer shall disclose in post-issuance reporting as per clause 8.3 the estimated timeline for allocation of net proceeds to Nominated Projects & Assets. Net proceeds may be reallocated to other Nominated Projects & Assets at any time while the Bond remains outstanding.</p> <p>5.4 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that:</p> <p>5.4.1. distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments or;</p> <p>5.4.2. the existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.</p> <p>5.5 Where a proportion of the Net Proceeds of the Bond are used for refinancing, the Issuer shall track the share of the Net Proceeds used for financing and refinancing and identify which Nominated Projects & Assets may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.</p> <p>5.6 The Net Proceeds of the Bond shall be tracked by the Issuer following a formal internal process which is documented in accordance with Clause 3.1.</p> <p>5.7 The Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure or debt obligation to the Nominated Projects & Assets, or the relevant proportion of the total Market Value of the Nominated Projects & Assets which are owned or financed by the Issuer.</p> <p>5.8 Additional Nominated Project & Assets may be added to, or used to substitute or replenish, the portfolio of Nominated Project & Assets as long as the additional Nominated Project & Assets are eligible under Part C of the Climate Bonds Standard and are consistent with the Bond's objective as set out in Clause 6.1.1.</p> <p>5.8.1. Where additional Nominated Projects & Assets are covered by Sector Eligibility Criteria which were not included in the scope of either the Pre-Issuance Verification or the Post-Issuance Verification engagements, the Issuer shall engage a Verifier to provide a Verifier's Report covering at least the conformance of the additional Nominated Projects & Assets with the relevant Sector Eligibility Criteria under Part C of the Climate Bonds Standard.</p>
<p>Process for Evaluation and Selection of Projects & Assets</p>	<p>6.1 The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets. This includes, without limitation:</p> <p>6.1.1. A statement on the climate-related objectives of the Bond;</p> <p>6.1.2. How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability;</p>

	<p>6.1.3. The Issuer’s rationale for issuing the Bond;</p> <p>6.1.4. A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard;</p> <p>6.1.5. Other information provided by the Issuer as described in Clause 2.2</p>
Management of Proceeds	<p>7.1 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 documented.</p> <p>7.2 The Issuer of the Bond shall maintain the earmarking process to manage and account for allocation of Net Proceeds to the Nominated Projects & Assets as described in Clause 3.1.3</p> <p>7.3 While the Bond remains outstanding, the balance of the tracked Net Proceeds shall be reduced by amounts allocated to Nominated Projects & Assets. Pending such allocations to Nominated Projects & Assets, the balance of unallocated Net Proceeds shall be:</p> <p>7.3.1. Held in temporary investment instruments that are cash, or cash equivalent instruments, within a Treasury function; or</p> <p>7.3.2. Held in temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or</p> <p>7.3.3. Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Nominated Projects & Assets.</p>
Reporting – Post-issuance	<p>8.1 The Issuer shall prepare an Update Report at least annually while the Bond remains outstanding.</p> <p>8.1.2. The Update Report shall be made available to holders of the Bond and to the Climate Bonds Standard Board.</p> <p>8.1.3. The Issuer should provide an Update Report to holders of the Bond on a timely basis in case of material developments.</p>

Schedule 2B: Conformance with the Post-Issuance Requirements of the Climate Bonds Standard

Requirement	Factual Findings	Error or Exceptions Identified
Use of Proceeds	<p>5.1 A list of Nominated Projects & Assets is provided in Schedule 1.</p> <p>5.2 The Nominated Project & Assets meets the documented objectives of the finance and are in conformance with the requirements of Part C of the Climate Bonds Standard.</p> <p>5.3 The Net Proceeds have been allocated to Nominated Projects & Assets on the issuance date of the bond.</p> <p>5.4 NN Bank confirms that the Nominated Projects & Assets have not been nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds).</p> <p>5.5 NN Bank confirms that it has tracked the share of the Net Proceeds used for financing and refinancing.</p> <p>5.6 NN Bank’s Green Bond Framework (or the “Framework”) documents that the Net Proceeds are tracked following a formal internal process.</p> <p>5.7 NN Bank has confirmed that the Net Proceeds raised are no greater than the total investment exposure or debt obligation to the Nominated Projects and Assets, which are owned or financed by the Issuer.</p> <p>5.8 Only eligible assets were added or used to substitute or replenish the portfolio of Nominated Projects and Assets.</p> <p>5.8.1 N/A</p>	None
Process for Evaluation and Selection of Projects & Assets	<p>6.1 NN Bank’s Framework documents a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects and Assets. This includes, without limitation:</p> <p>6.1.1 The Framework states that the intention of the green bond is to channel financing to projects that have demonstrated clear environmental or climate benefits and contribute to the</p>	None

	<p>achievement of the UN Sustainable Development Goals.</p> <p>6.1.2 NN Bank’s rationale for issuing green bonds is to align its funding strategy with its mission, sustainability strategy and objectives while also contributing to the development of the green bond market.</p> <p>6.1.3 The Framework includes a process for project evaluation and selection in which NN Bank’s Treasury team is responsible for selecting Eligible Buildings while its Management Board has overall oversight of the Framework.</p> <p>6.1.4 Other information provided by NN Bank as described in Clause 2.2</p>	
<p>Management of Proceeds</p>	<p>7.1 NN Bank confirmed that Net Proceeds of the bond were credited to a sub account, moved to a sub-portfolio or otherwise identified by NN Bank in an appropriate manner, and documented.</p> <p>7.2 NN Bank confirmed that it maintained an earmarking process to manage and account for allocation of Net Proceeds to the Nominated Projects & Assets.</p> <p>7.3 NN Bank has confirmed that the Net Proceeds were allocated immediately upon issuance and therefore were not temporarily held in the Bank’s liquidity portfolio or used to repay outstanding indebtedness.</p>	<p>None</p>
<p>Reporting – Post-issuance</p>	<p>8.1. NN Bank is committed to preparing an Update Report at least annually while the financing remains outstanding.</p> <p>8.1.2. The Update Report will be made available to the lenders and to the Climate Bonds Standard Board.</p> <p>8.1.3. NN Bank will provide an Update Report to the lenders on a timely basis in case of material developments.</p>	<p>None</p>

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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