Second-Party Opinion

DNB ASA and DNB Bank ASA Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the DNB ASA and DNB Bank ASA Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:

USE OF PROCEEDS Bond proceeds will be used to finance a portfolio of Eligible Green Loans that meet criteria in one of three Framework categories: Green Buildings, Renewable Energy and Clean Transportation. These categories are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7 and 11.

PROJECT EVALUATION / SELECTION Relevant business units within DNB are responsible for identifying potentially Eligible Green Loans which are then reviewed by an advisory board and approved based on alignment with the eligibility criteria outlined in the Framework. If loans cease to fulfill eligibility criteria, they will be removed and replaced as soon as practically feasible. and Sustainalytics considers the project selection process in line with market practice.

MANAGEMENT OF PROCEEDS DNB's processes for management of proceeds will be managed in a portfolio approach. DNB Corporate Banking will be responsible for tagging Eligible Green Loans in the internal credit management system, forming a Green Loan Portfolio. DNB will strive to achieve a level of allocation that matches or exceeds the balance of net proceeds. Unallocated proceeds will be held in DNB's treasury liquidity portfolio, in cash or other short-term liquid instruments, at DNB's own discretion. This is in line with market practice.

REPORTING DNB intends to report on the allocation of proceeds on its website on an annual basis until full allocation. Indicators reported include the size of the green loan portfolio, the total amount of proceeds allocated, the balance of unallocated proceeds and the share of new financing vs. refinancing. In addition, DNB is committed to reporting on relevant impact metrics. Sustainalytics views DNB's allocation and impact reporting as aligned with market practice.

Evaluation date	November, 2020
Issuer Location	Oslo, Norway

Report Sections

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Introduction

Headquartered in Oslo, DNB ASA and its subsidiaries ("DNB") is Norway's largest financial services institution with a market capitalisation of $256.799B as per February 2, 2020. The main subsidiary of DNB ASA, DNB Bank ASA, is Norway's largest bank. DNB has 57 branches in Norway and has a physical presence in 16 countries through its branch offices, subsidiaries and representative offices providing financial services to corporate, institutional and retail customers.

DNB has developed the DNB ASA and DNB Bank ASA Green Bond Framework (the "Framework")[1] under which it intends to issue multiple green bonds and use the proceeds to finance and refinance, in whole or in part, a Green Loan Portfolio which includes projects related to improving buildings' energy performance, providing additional renewable power capacity and fostering clean transportation. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation

DNB engaged Sustainalytics to review the Framework, dated November 2020, and provide a second-party opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (the "GBP").[2] This Framework has been published on DNB's website, in the Sustainability Library.[3]

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics independent[4] opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2020, as administered by LMA[5];
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.5.1, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of DNB's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. DNB representatives have confirmed (1) they understand it is the sole responsibility of DNB to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

[1] For transparency, Sustainalytics is providing this second-party opinion and has previously contributed to DNB's Sustainable Product Framework. In order to avoid conflict of interest, Sustainalytics has ensured that different Project Managers from different regions on the Sustainable Finance Solutions team, without collaboration, have executed these projects separately.
[2] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/
[3] The DNB ASA Green Bond Framework is available on DNB ASA's Sustainability Library at: https://www.dnb.no/en/about-us/csr/sustainability-library.html
[4] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
[5] In addition to the Loan Markets Association, the GLP is also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and DNB.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that DNB has made available to Sustainalytics for the purpose of this Second-Party Opinion

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the DNB ASA and DNB Bank ASA Green Bond Framework

Sustainalytics is of the opinion that the DNB ASA and DNB Bank ASA Green Bond Framework aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of DNB's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings, Renewable Energy and Clean Transportation – are recognized by the GBP 2018. Sustainalytics positively views loans or investments that seek to reduce the environmental impact of buildings, increase renewable energy capacity and facilitate the transition towards low-carbon transport.
  - Most assets financed under this Framework will be in Nordic countries.[6] For example, DNB estimates that approximately 56% of renewable energy projects are in the Nordics. Financed assets may also be located outside the EU, including in the US and Chile.
  - DNB's Green Loan Portfolio may contain loans for both project financing/refinancing and general-purpose loans for pure play companies[7] operating in the renewable energy sector. Sustainalytics notes that while the GBP prefer project financing, and that there is in general less transparency associated with reporting non-project-based financing. Sustainalytics recognizes DNB's commitment to robust and transparent reporting on positive outcomes achieved by its financing activities.
  - Within the Green Buildings category, DNB may finance certified and refurbished buildings. To be considered eligible, certified buildings must meet the following minimum certification levels: BREEAM "Very good", LEED "Gold", Nordic Swan Ecolabel, or equivalent certification,[8] and must have obtained an EPC label A or B. For Sustainalytics' assessment of these certification schemes, please refer to Appendix 1. Eligible refurbished buildings include buildings that have achieved a minimum 30% improvement in energy use. Sustainalytics positively highlights these minimum certification levels and the additional requirement of EPC label A or B. Furthermore, the establishment of minimum energy efficiency thresholds for refurbishments is aligned with market best practice.
  - Renewable energy eligible projects[9] may include financing of wind, solar, geothermal,[10] ocean, hydro,[11] and bioenergy power sources.[12] Sustainalytics positively views financing the expansion of renewable energy and that the eligible projects can contribute to the transition to a low-carbon electricity mix.
  - DNB may finance low-carbon vehicles, low-carbon public transportation and low-carbon infrastructures. Low-carbon vehicles may include the financing of electric, hybrid or hydrogen passenger vehicles and public mass transportation, such as buses, trains, trams and ferries. All vehicles must comply with a <50gCO_2/km emissions threshold, which Sustainalytics views positively. Infrastructures include electrified railways and EVs charging stations. Sustainalytics views these investments as contributing to the reduction of transportation-based emissions.

[6] Denmark, Finland, Iceland, Norway and Sweden. Around half of the assets are expected to be in Norway.
[7] Defined as enterprises which are expected to derive ≥90% of their turnover from assets aligned with defined eligibility criteria. For such enterprises, the entire loan principle is eligible for green bond funding, otherwise not at all.
[8] Equivalent certifications include CASBEE, BOMA Best, HQE and DGNB.
[9] Loans will either be for specific assets/projects or to 'pure play' companies i.e. enterprises which are expected to derive ≥ 90% of their turnover from assets aligned with the eligibility criteria.
[10] Geothermal energy projects with life-cycle emissions of less than 100g CO_2eq/kWh.
Sustainalytics notes that the criteria are in line with the recommendations for geothermal projects from the draft EU Taxonomy for Sustainable Investments. European Commission, "Taxonomy – Technical Report", (2019), at:
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf
[11] Small-scale hydropower projects (less than 25MW), and large-scale projects (more than 25MW) with either (i) direct emissions of less than 100g CO_2e/kWh or (ii) power density greater than 5W/m2. Large-scale hydropower projects are also required to have a third-party risk assessment.
Sustainalytics notes that the criteria are in line with the recommendations for hydropower projects from the draft EU Taxonomy for Sustainable Investments. European Commission, "Taxonomy – Technical Report", (2019), at:
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-taxonomy_en.pdf
[12] Biomass or biogas power from waste feedstocks or non-waste feedstocks certified by the Roundtable on Sustainable Biomaterials.

- Project Evaluation and Selection:
  - DNB's process for project and evaluation begins within the relevant business units within DNB which identify potentially eligible green loan assets. An advisory board, comprised of representatives from DNB Corporate Banking Category Financing Family & Deposits, is then responsible for evaluating potentially eligible green loan assets against the eligibility criteria outlined in the Framework. DNB Corporate Banking is responsible for the monitoring of eligible green loan assets and, if a loan ceases to meet eligibility criteria, it will be removed and replaced as soon as practically feasible. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - DNB's green bond proceeds will be managed using a portfolio approach. DNB Corporate Banking will oversee the tagging process for approved green loans in the internal credit management system, forming a Green Loan Portfolio (the "Portfolio"). On a quarterly basis, the Portfolio will be monitored by DNB Corporate Banking, which will update the record when necessary. DNB will strive to achieve a level of allocation that matches or exceeds the balance of net proceeds. Unallocated proceeds will be held in DNB's treasury liquidity portfolio, in cash or other short-term liquid instruments, at DNB's own discretion. This process is aligned with market practice.
- Reporting:
  - DNB intends to report on the allocation of proceeds on its website on an annual basis until full allocation. The allocation report will include the size of the Green Loan Portfolio, the total amount of proceeds allocated, the balance of unallocated proceeds and the share of new financing vs. refinancing. In addition, DNB is committed to reporting on relevant impact metrics,[13] such as estimated annual GHG emissions compared to average (tCO_2e) and estimated energy consumption compared to average (KWh), see Appendix 2 for a full list of impact metrics. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of DNB

Contribution of Framework to DNB's Sustainability and Corporate Responsibility Ambitions

DNB has a wide set of governing principles and ambitions on corporate responsibility. One pillar of these sustainability ambitions is to finance sustainable growth through loans and investments.[14] DNB is committed to provide sustainable loans to corporate customers in alignment with the Sustainable Product Framework. Some of DNB's sustainability achievements and targets are as follows:

- DNB has developed quantitative time-bound targets for its sustainable lending activities. From 2019 to 2025, DNB will contribute with a total of NOK 450 billion[15] to the financing of renewable energy and renewable infrastructure, as well as a total of NOK 130 billion[15] to the financing of green real estate.
- In 2019, DNB provided eight sustainable loans under the Sustainable Product Framework, for a total of NOK 3.3 billion. For example, DNB provided debt financing to REC Solar, a company that manufactures solar panels that are 20% more efficient than traditional panels. As such, the loans and investments falling under the Framework's renewable energy category can support DNB in further advancing the transition to a low-carbon economy.

Sustainalytics is of the opinion that the Framework is aligned with DNB's overall principles for corporate responsibility and sustainability ambitions and will further support DNB's sustainability commitments to providing financing for the above-mentioned activities.

[13] DNB intends to engage with an external technical consultant to provide impact metric calculations on the Eligible Green Loan Portfolio.
[14] DNB Group, "Annual report 2019", (2020), at: https://www.dnb.no/portalfront/nedlast/en/about-us/Annual_Report_DNB_Group_2019.pdf
[15] Using the exchange rate in effect on March 31st, 2020, financing of renewable energy and infrastructure and green real estate will represent, respectively, EUR 39 billion and EUR 11.3 billion. European Central Bank, "Norwegian krone", (2020), at: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-nok.en.html

Well-positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the GBP and will have an overall positive environmental impact. However, Sustainalytics is aware that, as with any large-scale development projects, environmental and social risks must be mitigated. For example, stakeholders need to be engaged if the development of projects may have an impact on them; land-use change, and biodiversity loss associated with large-scale infrastructure development must be mitigated by environmental impact assessments. For example, large-scale photovoltaic power stations and biomass plantations are land intensive.[16] Furthermore, in the construction of buildings and refurbishments, worker health and safety issues must also be considered. Sustainalytics acknowledges that the activities financed under this Framework will not be carried out by DNB itself, but rather by the companies that are financed. Nonetheless, Sustainalytics is of the opinion that DNB can manage and/or mitigate potential risks through implementation of the following:

- DNB has implemented risks management criteria for its credit activities.[17] DNB expects its corporate customers to comply with applicable laws and regulations of countries where they operate.[17] DNB prioritizes clients with responsible environmental behaviors and expects its clients to integrate climate change into their risk management and investment decisions.[18]
- DNB has developed an energy sectoral policy[19] that integrates land use and biodiversity in its risk management processes. For example, DNB acknowledges the environmental impacts of hydro power on fish population,[20] river flow patterns and land use. Additionally, DNB is committed to addressing environmental and social impacts from renewable power projects, such as on "legally protected areas or critical natural habitats or ecosystems due to land conversion, and introduction of alien species."[19]
- DNB is committed to an ongoing dialogue with its stakeholders and, "integrating their input in the decision-making processes that affect them".[21] DNB maintains a close relationship with Norwegian authorities regarding relevant political and regulatory matters. DNB is also engaging societal organizations such as the Norwegian Consumer Council, the Confederation of Norwegian Enterprise, Greenpeace, WWF etc.
- DNB supports and participates in several international credible conventions that speak to its risk management policy. The conventions include the UN Global Compact, the UN Environment Programme Finance initiative, the OECD's guidelines for multinational companies, the UN Guiding Principles in Business and Human Rights, the Principles for Responsible Investment, the Global Reporting Initiatives, the Equator Principles, the Poseidon Principles and the Responsible Ship Recycling Standard.[22]
- In addition, DNB's environmental management system is certified according to ISO 14001, and DNB's ESG-related risk management forms part of the annual ISO 14001 audit conducted by a third party.[14] In addition, all ESG data in DNB's annual report is verified by DNB's auditors in accordance with the GRI standards as part of DNB's financial reporting.[14]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that DNB has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

[16] Nonhebel, S., (2005), "Renewable energy and food supply: will there be enough land?", Renewable and Sustainable Energy Reviews, at: https://www.sciencedirect.com/science/article/abs/pii/S1364032104000498
[17] DNB, "Corporate responsibility in DNB ASA's credit activities", (2019), at: https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2019/190613_Standard_Corporate_responsibility_in_DNB_ASAs_credit_activities.pdf
[18] For climate change, DNB also expects its costumers to report material climate change risk and GHG emissions, and to "be transparent about their interaction with policy makers and regulator and their positions on climate change legislation and regulation."
[19] DNB, "CSR/ESG sector guidance – energy", (2016), at: https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2016/CSR-ESG-sector-guidance-Energy_pdf.pdf
[20] Large-scale hydro power projects put freshwater fish population at risk, but robust planning can assist in mitigating biodiversity losses. Winemiller, K., O., et al., (2016), "Balancing hydropower and biodiversity in the Amazon, Congo, and Mekong", Science, at: https://science.sciencemag.org/content/351/6269/128/tab-pdf
[21] DNB, "Ongoing stakeholder dialogue in 2018", (2018), at: https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2018/Stakeholder_dialogue_2018.pdf
[22] DNB, "Support To Global Initiatives", (2017), at: https://www.dnb.no/portalfront/nedlast/no/om-oss/resultater/2017/Support_to_global_initiatives_eng_2017.pdf

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are recognized as impactful by the GBP. Sustainalytics discusses below where the impact is specifically relevant in the local context.

Supporting Norway's Policy on Energy Efficient Buildings

The Norwegian climate requires a substantial need for heating in buildings. In coastal lowland areas, the "heating season"[23] lasts on average 240 days per year, while it lasts the entire year in mountain areas and the northernmost parts of the country.[24] In early acknowledgement of the contribution of buildings' energy consumption to climate change, Norway placed the building industry on its environmental agenda in 1998, notably through energy efficiency requirements and buildings regulation.[25,26] The most recent building code (TEK17)[27] entered into force on January 1st 2016 and introduced new requirements that state new office buildings must be 38% more energy efficient, and dwellings 26% more energy efficient, than under previous regulations.[24]

In 2016, Norway prohibited the installation of fossil fuel-based heating and is preparing to phase out the use of fossil oil for heating in buildings by 2020. The ban is expected to save around 0.4 $MtCO_2$ in 2020 and 0.2-0.3 $MtCO_2$ by 2030.[24] By providing loans, credits and investments to refurbished buildings, DNB can further assist the transition of commercial, public and residential buildings towards low-carbon energy. As Sweden, Denmark and Finland experience similar climate conditions, Sustainalytics underlines the similar contribution of green buildings projects in these countries.

Sustainalytics is of the opinion that financing green buildings is impactful and contributes to reducing buildings' energy consumption in Norway, as well as in Sweden, Denmark and Finland.

Achieving the Nordic Carbon Neutral Scenario through Energy and Transport Decarbonization

The Nordic countries are engaged in a Nordic Carbon Neutral Scenario ("CNS"), co-developed with the IEA, which targets carbon neutrality by 2050.[28] Sustainalytics notes that renewable energy and clean transportation projects within the Framework could assist the Nordics in achieving carbon neutrality:

- Electricity generation is already 87% carbon-free (2016) and is due to be fully decarbonized by 2045 according to the CNS.[29] Hydropower currently supplies most of the renewable electricity generation in the Nordic region, reaching 96% of electricity generation in Norway and 47% in Sweden in 2015.[30] Consequently, carbon emissions from power and heat generation in the Nordics fell from 60.7 $MtCO_2$ in 2007 to 37.4 in 2016, in line with the CNS 2030 target of 19.2 $MtCO_2$.[29] Wind power is expected to play a major role in the Nordic energy transition, replacing aging carbon-free nuclear capacities.[29] In the CNS, wind generation is projected to increase five-fold, from 7% of Nordic electricity generation in 2013 to 30% in 2050.[29] Although solar energy is a more limited resource in the Nordic region, it is projected to reach 4 TWh of annual generation in 2050.[31] Sustainalytics views DNB's financing of renewable energy projects as contributing to the Nordic CNS.
- Transportation requires major emissions reductions to reach the CNS target of 10 $MtCO_2$ in 2050 compared to the 90 $MtCO_2$ in 2013.[29] DNB's clean transportation projects have the potential to trigger a modal shift towards less carbon intensive transport modes, such as low carbon vehicles and electrified public transportation, and thanks to low carbon transportation infrastructure. However, the Nordic countries have already implemented policies based on reducing transport and promoting

[23] Defined as the period of the year with a daily mean temperature lower than 10°C.
[24] Norwegian Ministry of Climate Environment, "Norway's Seventh National Communication Under the Framework Convention on Climate Change", (2018), at: https://unfccc.int/files/national_reports/annex_i_natcom/submitted_natcom/application/pdf/529371_norway-nc7-br3-1-nc7_-_br3_-_final.pdf
[25] Nykamp, N., (2017), "A transition to green buildings in Norway", Environmental Innovation and Societal Transitions, at: https://www.duo.uio.no/handle/10852/64152
[26] Energy requirements for buildings were first introduced in 1949.
[27] Norwegian Building Authority, "Regulations on technical requirements for construction works", (2017), at: https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works--technical-regulations.pdf
[28] IEA, "Nordic Energy Technology Perspectives – Pathways to a Carbon Neutral Energy Future", (2013), at: https://www.nordicenergy.org/publications/nordic-energy-technology-perspectives/
[29] IEA, "Nordic Energy Technology Perspectives 2016 – Cities, flexibility and pathways to carbon-neutrality", (2016), at: https://www.nordicenergy.org/wp-content/uploads/2015/12/Nordic-Energy-Technology-Perspectives-2016.pdf
[30] Norway and Sweden own 70% of the European hydro storage capacity.
Seljom, P., et al., (2018), "A Scandinavian Transition Towards a Carbon-Neutral Energy System", Lecture Notes in Energy, at: https://www.researchgate.net/publication/324134892_A_Scandinavian_Transition_Towards_a_Carbon-Neutral_Energy_System
[31] 1% of total expected generation.
IEA, "Nordic Energy Technology Perspectives 2016 – Cities, flexibility and pathways to carbon-neutrality", (2016), at: https://www.nordicenergy.org/wp-content/uploads/2015/12/Nordic-Energy-Technology-Perspectives-2016.pdf

modal shift,[29] which therefore highlights the prominent role to be played by biofuels in the future.[29,32] Sustainalytics positively views DNB's financings of biomass or biogas power, and biogas powered public transportation. Nevertheless, the IEA underlines the importance of achieving sustainable and politically acceptable sourcing for biomass resources.[29]

Sustainalytics highlights the contribution of the Framework to the decarbonization of electricity generation and transportation in the Nordic region, and its alignment with the CNS.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by 2030. Green Bonds issued under this Framework advance the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

Conclusion

DNB has developed the DNB ASA and DNB Bank ASA Green Bond Framework under which it will issue green bonds and use the proceeds to finance green buildings, renewable power generation and clean transportation. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental outcomes.

The DNB ASA and DNB Bank ASA Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that DNB has adequate measures in place to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that DNB is well-positioned to issue green bonds and that the DNB ASA and DNB Bank ASA Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

[32] Nordic Energy Research, "Progress towards Nordic Carbon Neutrality, Tracking Nordic Clean Energy Progress", (2019), at: https://www.nordicenergy.org/wp-content/uploads/2019/09/Tracking-Nordic-Clean-Energy-Progress-2019.pdf

Appendices

Appendix 1: Green Buildings Certification

	Nordic Swan Ecolabel	BREEAM	LEED
Background	Svanen is owned by "Ecolabelling Sweden", a Swedish state company responsible for both the Swan ecolabel and the EU Ecolabel (or EU Flower). Svanen was first released in 1989 by the Nordic Council of Ministers.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.
Certification levels	Certified level	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum
Areas of Assessment: Environmental Project Management		Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.
Areas of Assessment: Environmental Performance of the Building	• General requirements[33] • Resource efficiency • Indoor environment • Chemical products, construction products and materials • Quality Management of construction • Quality and regulatory requirements • Instructions for residents and property managers • Point-score requirements (e.g. Energy contributions from local energy sources or energy recovery; Cement and concrete with reduced energy and climate impact; Ecolabelled construction products; Green initiatives, etc.	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority

[33] Svanen criteria for Real Estate, available at: http://www.svanen.se/Vara-krav/Svanens-kriterier/kriterie/?productGroupID=52

Requirements	Minimum thresholds to receive the Swan certification: For apartment buildings at least 17 out of 44 possible points must be achieved. For small houses at least 16 out of 42 possible points must be achieved. For pre-school and school buildings at least 15 out of 39 possible points must be achieved.	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item[34] and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).
Performance display			
Accreditation		BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	LEED AP BD+C LEED AP O+M
Qualitative considerations		Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	Widely recognised internationally, and strong assurance of overall quality.

[34] BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item.

Appendix 2: Green Bond / Green Bond Programme - External Review Form
Section 1. Basic Information

Issuer name:	DNB ASA or DNB Bank ASA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable*: [specify as appropriate]*	DNB ASA and DNB Bank ASA Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November, 2020
Publication date of review publication: ***[where appropriate, specify if it is an update and add reference to earlier relevant review]***	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds Green Buildings, Renewable Energy and Clean Transportation are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7 and 11.

Use of proceeds categories as per GBP:

☒	Renewable energy	☐	Energy efficiency
☐	Pollution prevention and control	☐	Environmentally sustainable management of living natural resources and land use
☐	Terrestrial and aquatic biodiversity conservation	☒	Clean transportation
☐	Sustainable water and wastewater management	☐	Climate change adaptation
☐	Eco-efficient and/or circular economy adapted products, production technologies and processes	☒	Green buildings
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs	☐	Other *(please specify)*:

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Relevant business units within DNB are responsible for identifying potentially eligible green loans which are then reviewed by an advisory board and approved based on alignment with the eligibility criteria outlined in the Framework. If loans cease to fulfill eligibility criteria, they will be removed and replaced as soon as practically feasible. and Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

☒	Credentials on the issuer's environmental sustainability objectives	☒	Documented process to determine that projects fit within defined categories
☒	Defined and transparent criteria for projects eligible for Green Bond proceeds	☐	Documented process to identify and manage potential ESG risks associated with the project

☐ Summary criteria for project evaluation and selection publicly available

☐ Other *(please specify):*

Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification

☐ In-house assessment

☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

DNB's processes for management of proceeds will be managed in a portfolio approach. DNB Corporate Banking will be responsible for tagging Eligible Green Loans in the internal credit management system, forming an Eligible Green Loan Portfolio. DNB will strive to achieve a level of allocation that matches or exceeds the balance of net proceeds. Unallocated proceeds will be held in DNB's treasury liquidity portfolio, in cash or other short-term liquid instruments, at DNB's own discretion. This is in line with market practice.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☐ Allocation to a portfolio of disbursements

☐ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

DNB intends to report allocation proceeds on its website on an annual basis until full allocation. Indicators reported include the size of the green loan portfolio, the total amount of proceeds allocated, the balance of unallocated proceeds and the share of new financing vs. refinancing. In addition, DNB is committed to reporting on relevant impact metrics. Sustainalytics views DNB's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other *(please specify):*

Information reported:

☒ Allocated amounts
☐ Green Bond financed share of total investment
☐ Other *(please specify):*

Frequency:

☒ Annual
☐ Semi-annual
☐ Other (please specify):

Impact reporting:

☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):

Frequency:

☒ Annual
☐ Semi-annual
☐ Other (please specify):

Information reported (expected or ex-post):

☒ Other ESG indicators (please specify):

Green buildings
• Number of Green building certifications obtained by label and level
• Estimated annual GHG emissions compared to baseline (tCO_2e) and estimated ex-ante annual energy consumption in KWh/m2
Renewable energy
• Renewable energy capacity installed in GW or MW
• Annual renewable energy generated or expected in MWh
• Estimated annual GHG emissions compared to baseline (tCO_2e)
Clean transportation
• Low carbon vehicles: Number of vehicles (units per year)
• Low carbon public and mass transportation: Number of vehicles (units per year)
• Low carbon transportation infrastructure: Number of units installed (if applicable)
• Estimated GHG emissions compared to baseline (tCO_2e)
• Estimated GHG emissions compared to baseline (tCO_2e) due to the installed technology (direct), by transferring freight or passenger transport from road to e.g. railway (indirect) or both (as applicable)

Means of Disclosure

☐ Information published in financial report
☒ Information published in sustainability report

☐ Information published in ad hoc documents
☐ Other (please specify):
☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

https://www.dnb.no/en/about-us/csr/sustainability-library.html?la=EN&site=DNB_NO

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification / Audit
☐ Rating
☐ Other *(please specify):*

Review provider(s): **Date of publication:**

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognized external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics` opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit http://www.sustainalytics.com/legal-disclaimers.

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

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com

Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider