

Second-Party Opinion

DNB Boligkreditt Green Covered Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the DNB Boligkreditt Green Covered Bond Framework aligns with the four core components of the ICMA Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Green Buildings, is among those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.



PROJECT EVALUATION / SELECTION The selection of eligible mortgages for energy efficient buildings will be completed by DNB Boligkreditt based on information provided by third-party Eiendomsverdi. DNB's dedicated Green Bond Committee, composed of DNB Boligkreditt as issuer, Group Treasury, the Corporate Social Responsibility department and the Sustainable Finance department within DNB Markets, will be accountable for reviewing the Eligible Green Loans within a green mortgage register that can be drawn upon for inclusion in the Eligible Green Loans Portfolio. Sustainalytics considers this process to be aligned with market practice.



MANAGEMENT OF PROCEEDS DNB Boligkreditt will manage proceeds in accordance with the portfolio approach. All loans included in the Eligible Green Loan Portfolio meet the Eligibility Criteria as set out in the DNB Green Covered Bond Framework. The Bank will strive to ensure that the total value of the Eligible Green Loan Portfolio matches or exceeds the total balance of outstanding Green Covered Bonds. In the event there are any unallocated proceeds, they will be held or invested at DNB Boligkreditt's discretion in its liquidity portfolio in money market instruments, according to the Bank's treasury policies. Sustainalytics considers this approach as being in line with market practice.



REPORTING DNB Boligkreditt intends to report on allocation of the green bond proceeds to the Eligible Loans and, where feasible, on the relative impact of the Eligible Green Loan Portfolio, until full allocation of proceeds. Allocation reporting will include the size of the Eligible Green Loans Portfolio, the balance of unallocated proceeds, the amount or the percentage of new financing and refinancing and the geographical distribution of the Eligible Green Loan Portfolio, at country level. With regards to impact reporting, DNB Boligkreditt committed to provide data on the estimated ex-ante annual energy consumption or energy savings and estimated GHG emissions avoided in tons of CO₂ equivalent. Both the allocation report and the impact report will be made available on DNB's green covered bonds website. Sustainalytics views DNB Boligkreditt's allocation and impact reporting as aligned with market practice.

Evaluation date	August 19, 2020
Issuer Location	Oslo, Norway

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DNB Boligkreditt Green Covered Bond Framework

Introduction

DNB Boligkreditt AS (“DNB Boligkreditt”, or the “Bank”) is a wholly owned subsidiary of DNB Bank ASA, which is a wholly owned subsidiary of DNB ASA, Norway’s largest financial services group (the “DNB Group”). DNB Boligkreditt provides loans in the form of home mortgages and is also licensed to issue covered bonds, which provide the DNB Group with a key source of funding.

DNB Boligkreditt has developed the DNB Boligkreditt Green Covered Bond Framework (the “Framework”) under which it is planning to issue a “Green Covered Bond” to finance or refinance mortgages for energy efficient residential properties with lower energy needs and consumption in Norway. The framework defines one eligibility criterion:

- Green Buildings

DNB Boligkreditt engaged Sustainalytics to review the DNB Boligkreditt Green Covered Bond Framework, dated July 2020, and provide an updated second-party opinion¹ on the alignment of the Framework with the Green Bond Principles 2018 (GBP)². This framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent⁴ 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;
- 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 Boligkreditt’s 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 Boligkreditt representatives have confirmed (1) they understand it is the sole responsibility of DNB Boligkreditt 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.

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 Boligkreditt.

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 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.

¹ DNB Boligkreditt’s first second-party opinion was provided in 2018.

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 Boligkreditt Green Bond Framework is available on DNB’s website at: <https://www.ir.dnb.no/funding-and-rating/green-covered-bonds>

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.

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In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond 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 Boligkreditt has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the DNB Boligkreditt Green Covered Bond Framework

Summary

Sustainalytics is of the opinion that the DNB Boligkreditt Green Covered Bond Framework aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of DNB Boligkreditt's Green Bond Framework:

- Use of Proceeds:
 - Regarding the financing of Green Buildings in Norway, DNB Boligkreditt may finance and/or refinance new or existing Norwegian residential buildings (the "Eligible Residential Green Buildings") that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) or have an EPC label rating of A, B, or C⁵. Sustainalytics positively notes that these criteria are consistent with the Climate Bond Initiative (CBI) standards for low-carbon residential buildings and considers this criterion to be consistent with market practice. See Appendix 1 for further information on the Norwegian building codes. Sustainalytics is of the opinion that DNB Boligkreditt's financing/refinancing of residential buildings in Norway will contribute to the transition to a low-carbon economy.
- Project Evaluation and Selection:
 - DNB Boligkreditt has established a Green Bond Committee, which consists of members from a group of departments with relevant stakes in DNB's green bond(s), namely, DNB Boligkreditt as issuer, Group Treasury, the Corporate Social Responsibility department and the Sustainable Finance department within DNB Markets. (the "Committee"). The Committee is responsible for evaluating the Eligible Residential Green Buildings that are eligible for the Eligible Green Loans Portfolio. DNB Boligkreditt will select loans based on information from the official Land Register. The information from the Land Register is provided by a third-party, Eiendomsverdi.⁶ The Green Bond Committee will meet on a regular basis (at least annually) and will review the mortgages in the Eligible Green Loans Portfolio to ensure ongoing compliance with the eligibility criteria outlined in the Framework. DNB Boligkreditt intends to allocate proceeds within 24 months of issuance.
 - Based on the above, Sustainalytics views this process as aligned with market practice.
- Management of Proceeds:
 - Proceeds from green covered bonds will be managed and tracked by the Committee on a portfolio basis. DNB Boligkreditt will strive to ensure that the size of the Eligible Green Loans Portfolio matches or exceeds the total balance of all outstanding Green Covered Bonds. If an Eligible Green Loan ceases to fulfill the eligibility criteria outlined in the Framework, DNB Boligkreditt will strive to replace it as soon as practically feasible. In the event of any unallocated proceeds, DNB Boligkreditt will invest any unallocated proceeds in money market instruments in its liquidity portfolio until they are allocated to loans meeting the eligibility criteria.

⁵ These Eligibility Criteria apply to Norwegian residential buildings built up to and including 31 December 2020.

⁶ Eiendomsverdi is an entity that supports the reporting of mortgage cover pool data for Norwegian covered bond issuers, for more information, please see: <https://eiendomsverdi.no/>

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- Based on these elements, Sustainalytics considers this process is in line with current market practices.
- Reporting:
 - DNB Boligkreditt has committed to reporting on allocation of covered bond proceeds on its website, on an annual basis to investors, until full allocation of bond proceeds. The allocation reporting will include the size of the Eligible Green Loan Portfolio, the total amount of proceeds allocated to Eligible Green Loans, the balance of unallocated proceeds (if any), the amount/percentage of new financing and refinancing. Regarding impact reporting, where feasible, DNB Boligkreditt will include the estimated ex-ante annual energy consumption or savings and the estimated GHG emissions avoided in tons of CO₂ equivalent.
 - Sustainalytics views this reporting approach as aligned with market practice.

Alignment with Green Bond Principles 2018:

Sustainalytics has determined that the Framework aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to DNB Bank ASA's sustainability strategy

The DNB Group has developed a sustainability strategy that includes financing of sustainable growth through loans and investments as a key focus area.⁷ The DNB Group is committed to lending to future-oriented companies that aim to provide sustainable solutions that will benefit society, including renewable energy companies, green real estate and more. The DNB Group has developed several quantitative, time-bound targets to further demonstrate its commitment to sustainability, some of which include:⁷

- Contribute a total of NOK 450 billion (EUR 4.2 billion) to the financing of renewable energy and infrastructure by 2025;
- Contribute a total of NOK 130 billion (EUR 1.2 billion) to the financing of green property development;
- In 2020 all new and refinanced shipping loans shall include a clause regarding responsible ship recycling;

In 2019, the Group saw exponential growth in the demand for sustainable bonds and claimed a 27% market share in Norway. Norwegian and international operations took part in transactions totaling NOK 40 billion (EUR 379 million), a 75% increase from 2018.⁸ Sustainalytics is of the opinion that the activities financed under this Framework will further contribute to the Group's sustainability targets, specifically for green property development, and will further solidify the Group's status as a market leader in Norway.

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

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible loans that are recognized by the GBP to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the projects financed under the loans, could include land use and biodiversity issues associated with the development of residential housing projects as well as worker health and safety issues.

The DNB Group's Principles for Corporate Responsibility directs the Bank's approach to ensuring sustainable development and mitigating environmental, social and governance risks in its operations.⁹ The DNB Group also has a range of sector specific and thematic commitments that provide detailed guidance on how the Bank can avoid key areas of sustainability risk through its investment and banking activities, including on worker health and safety and land use change.¹⁰ Additionally, Sustainalytics notes that Norway is recognized

⁷ DNB, "DNB Group Annual Report 2019", (2020), at: https://www.dnb.no/portalfont/nedlast/en/about-us/Annual_Report_DNB_Group_2019.pdf

⁸ DNB, "Sustainability Factbook 2019", (2020), at: https://www.dnb.no/portalfont/nedlast/en/about-us/Sustainability_Factbook_DNB_2019.pdf

⁹ DNB, "Corporate responsibility in DNB ASA's credit activities", (2019), at: https://www.dnb.no/portalfont/nedlast/en/about-us/corporate-responsibility/2019/190613_Standard_Corporate_responsibility_in_DNB_ASAs_credit_activities.pdf

¹⁰ DNB, "Sustainability Library" (2020), at: <https://www.dnb.no/en/about-us/csr/sustainability-library.html>

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as a Designated Country under the Equator Principles,¹¹ which denotes the country has robust environmental and social governance systems. Based on the above policies and designations, Sustainalytics is of the opinion that DNB Boligkreditt is well-positioned to mitigate potential environmental and social risks associated with the development of residential real estate projects.

Section 3: Impact of Use of Proceeds

Supporting energy efficient buildings in Norway

The Norwegian climate requires a substantial need for heating in buildings. In coastal lowland areas, the "heating season"¹² lasts on average 240 days per year, with mountain areas and the northernmost parts of the country lasting almost the entire year.¹³ 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.^{14,15} The most recent building code (TEK17)¹⁶ entered into force on 1 January 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.¹³

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 MtCO₂ in 2020 and 0.2-0.3 MtCO₂ by 2030.¹³ By providing loans for energy efficient residential real estate, DNB Boligkreditt can further assist Norway's transition towards a low-carbon economy. Sustainalytics is of the opinion that financing green buildings is impactful and contributes to reducing buildings' energy consumption in Norway.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances 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

Conclusion

DNB Boligkreditt has developed the DNB Boligkreditt Green Covered Bond Framework, under which it will issue green covered bonds and the use of proceeds to finance mortgages for new and existing green residential real estate in Norway. Sustainalytics considers that the projects funded by the green bond proceeds have the potential provide positive environmental impact and contribute to Norway's transition to a low-carbon economy.

The 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 DNB Group and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 11. Additionally, Sustainalytics is of the opinion that DNB Boligkreditt has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

¹¹ Equator Principles, "Designated Countries", (2020), at: <https://equator-principles.com/designated-countries/>

¹² Defined as the period of the year with a daily mean temperature lower than 10°C.

¹³ 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

¹⁴ Nykamp, N., (2017), "A transition to green buildings in Norway", Environmental Innovation and Societal Transitions, at: <https://www.duo.uio.no/handle/10852/64152>

¹⁵ Energy requirements for buildings were first introduced in 1949.

¹⁶ 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>

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

Appendices

Appendix 1: Overview of Norwegian Building Codes

	Norwegian Building Codes 2010 (TEK10) or 2017 (TEK17)
Background	The Norwegian Building Codes 2010 (TEK10) or 2017 (TEK17) are the country's two most recent and stringent buildings regulations enforced by the Ministry of Local Government and Modernization pursuant to the Act of 27 June 2008 No. 71 relating to planning and processing of building applications (Planning and Building Act), the Act of 16 June 1994 No. 20 relating to the technical assessment bodies responsible for conducting conformity assessments and the Act of 19 June 2009 No. 100 relating to the management of biological, geological and landscape biodiversity (Nature Diversity Act). The deployment of the Norwegian Building Codes is intended to ensure that projects are planned, designed and executed on the basis of good visual aesthetics, universal design, and in a manner that ensures that the project complies with the technical standards for safety, the environment health and energy.¹⁷
Certification levels	Compliant or non-compliant status
Areas of Assessment: Environmental Performance of the Building^{18 19}	<u>TEK17 areas of assessment</u> • Common provisions • Documentation of compliance with the requirements • Documentation of products • Documentation for management, operation and maintenance (MOM) • Degree of utilisation • Calculation and measurement rules • Protection against act of nature • Developed outside areas • External environment • Structural safety • Fire safety • Layouts of and building elements in construction works • Indoor climate and health • Energy • Installation and plants • Lift safety inspections • Entry into force and transitional provisions <u>TEK10 areas of assessment</u> • Common provisions • Documentation of products • Management, operation and maintenance (MOM) documentation • Degree of utilization • Calculation and measurement rules • Protection against act of nature • Outside areas and siting of structures • External environment

¹⁷ Norwegian regulations regarding the TEK17 technical requirements <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works-technical-regulations.pdf>

¹⁸ Norwegian regulations regarding the TEK17 technical requirements <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works-technical-regulations.pdf>

¹⁹ Norwegian regulations regarding the TEK 10 technical requirements: https://dibk.no/globalassets/byggeregler/regulations_on_technical_requirements_for_building_works.pdf

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	• Structural safety • Fire safety • Layouts of and building components in structures • The environment and health • Energy • Installations and systems • Lift safety inspections • Commencement and transitional provisions
Requirements	The Norwegian building code is a function-based Building Code, with the technical requirements being specified in the form of functions or performance within the relevant areas of assessment. The requirements are either in the form of qualitative or quantitative performance and are designed as a pre-accepted performance. Once these pre-accepted performances are respected, compliance with the Norwegian Building Regulation is granted by the Norwegian Building Authority.²⁰
Performance display	Compliance with the Norwegian Building Codes as administered by the Norwegian Building Authority is not associated with any performance display.  21  22

²⁰ Background information on the Norwegian Building Code available at: <http://www.byggvareinfo.no/en/understanding-norwegian-building-code>

²¹ Logo retrieved from the Norwegian Building Authority website: <https://dibk.no/>

²² Logo retrieved from the TEK17 technical requirements document available at: <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works-technical-regulations.pdf>

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Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	DNB Boligkreditt AS
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	DNB Boligkreditt Green Covered Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 19, 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

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. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ Other <i>(please specify)</i> : | |

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 the Evaluation Summary above.

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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 category for the use of proceeds – Green Buildings – is among those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 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 (<i>please specify</i>): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

The selection of eligible mortgages for energy efficient buildings will be completed by DNB Boligkreditt based on information provided by third-party Eiendomsverdi. DNB's dedicated Green Bond Committee, composed of members from DNB Boligkreditt as issuer, Group Treasury, the Corporate Social Responsibility department and the Sustainable Finance department within DNB Markets, will be accountable for reviewing Eligible Green Loans within a green mortgage register that can be drawn upon for inclusion in the Eligible Green Loans Portfolio. Sustainalytics considers this process to be aligned with market practice.

Evaluation and selection

- | | |
|---|---|
| ☒ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
|---|---|

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- | | |
|--|--|
| ☒ 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 (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| ☒ Evaluation / Selection criteria subject to external advice or verification | ☐ In-house assessment |
| ☐ Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

DNB Boligkreditt will manage proceeds through a portfolio approach, in which all loans meet the eligibility criteria. The Bank will strive to ensure that the total value of Eligible Green Loans in the Eligible Green Loan Portfolio matches or exceeds the total balance of outstanding Green Covered Bonds. In the event there are any unallocated proceeds, they will be held or invested at DNB Boligkreditt's discretion in its liquidity portfolio in money market instruments, according to DNB Boligkreditt's policies. Sustainalytics considers this approach as being 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 (<i>please specify</i>): |

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 (<i>please specify</i>): |

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4. REPORTING

Overall comment on section (if applicable):

DNB Boligkreditt intends to report on allocation, on its website, until full allocation of proceeds. Allocation reporting will include the size of the Eligible Green Loans Portfolio and the balance of unallocated proceeds. With regards to impact reporting, DNB Boligkreditt committed to provide data on the estimated ex-ante annual energy consumption or savings and reduction in GHG emissions or tons of CO₂ equivalent avoided. Sustainalytics views DNB Boligkreditt'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):

- | | |
|---|---|
| ☒ GHG Emissions / Savings | ☒ Energy Savings |
| ☐ Decrease in water use | ☐ Other ESG indicators (please specify): |

Means of Disclosure

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

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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.ir.dnb.no/funding-and-rating/green-covered-bonds>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF 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 recognised 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 specialised 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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DNB Boligkreditt Green Covered Bond Framework

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