

Obvion N.V. Green STORM 2021

POST-ISSUANCE VERIFICATION LETTER

BUILDINGS CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: June, 2023

Approved verifier: Sustainalytics

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Scope and Objectives

In March 2021, Obvion N.V. (“Obvion”) issued green bonds (the “Green Bonds”) as part of its Green STORM 2021 securitisation transaction aimed at refinancing an existing mortgage loan portfolio of energy-efficient residential buildings in the Netherlands. In June 2023, Obvion engaged Sustainalytics to review the assets financed through the Green Bonds (the “Nominated Assets”), and provide an assessment as to whether they meet the Post-Issuance Requirements and the Buildings criteria¹ of the Climate Bonds Standard Version 3.0.²

The Nominated Projects include:

- 2,087³ Dutch residential buildings that are amongst the top 15% of most energy efficient properties in the Netherlands that were built:
 - before 2021 that have obtained a definitive or provisional energy performance certificate (EPC) of at least A by the Netherlands Enterprise Agency; or
 - as of 01/01/2021 that have obtained a definitive EPC label of at least A++++ to ensure the net primary energy demand is at least 20% lower than the requirement for Nearly Zero Emissions Buildings (NZEB); or
- Refurbishments of Dutch residential buildings that have obtained a definitive EPC label of at least C by the Netherlands Enterprise Agency and that have realised at least a two-step EPC label improvement in energy performance quality compared to an average house within the same building period.

Schedule 1 provides details of the eligibility, Nominated 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

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

¹ Climate Bonds Standard, “Residential Buildings Criteria Overview”, (2019), at: <https://www.climatebonds.net/standard/buildings/residential>

² 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

³ As of April 1, 2023. The exact number of assets within the portfolio varies based on the replenishment of eligible mortgages as some loans are prepaid.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the Obvion Green Bond and provided an independent opinion on its conformance with the Post-Issuance Requirements and the applicable sector criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by Obvion with respect to the Nominated Projects. Sustainalytics is not responsible nor shall be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Obvion.

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 this assessment.

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 Obvion employees and review of relevant documentation to assess conformance of the Obvion Green Bond with the Post-Issuance Requirements of the Climate Bonds Standard Version 3.0.

Exceptions

No exceptions were identified. All assets aligned with the Post-Issuance Requirements of the Climate Bonds Standard Version 3.0 and were in conformance with the Buildings criteria as of the inclusion date of the asset.

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 506,471,143.35 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

All 2,087 mortgages in the portfolio are for residential buildings in the Netherlands that meet the following eligibility criteria:

- Dutch residential buildings that are amongst the top 15% of most energy efficient properties in the Netherlands that were built:
 - before 2021 that have obtained a definitive or provisional energy performance certificate of at least A by the Netherlands Enterprise Agency; or
 - as of 01/01/2021 that have obtained a definitive EPC label of at least A++++ to ensure the net primary energy demand is at least 20% lower than the requirement for Nearly Zero Emissions Buildings (NZEB); or
- Refurbishments of Dutch residential buildings that have obtained a definitive EPC label of at least C by the Netherlands Enterprise Agency and that have realised at least a two-step EPC label improvement in energy performance quality compared to an average house within the same building period.

EPC label portfolio distribution reflecting EPC label as of the respective loan's inclusion date⁴:

EPC Label ⁵	Outstanding Amount	Share of outstanding amount	# of Loans	Share of number of loans
Definitive A +++	459,400.38	0.09%	1	0.05%
Definitive A	293,055,067.68	57.86%	1,197	57.36%
Provisional A	153,694,997.65	30.35%	664	31.82%
Definitive B	14,850,971.78	2.93%	47	2.25%
Definitive C	44,410,705.86	8.77%	178	8.53%
Total	506,471,143.35	100.00%	2,087	100.00%

⁴ Sustainalytics notes that the majority of loans were included on the date of the transaction in March 2021, however, the structure of the SPV allows for portfolio replenishment. In such cases, the inclusion of the loan and the respective EPC rating is reflected as of the date when the loan was transferred to the SPV i.e. at a later stage after March 2021.

⁵ Sustainalytics notes that these labels include provisional energy performance certificates which are assigned based on property characteristics as well as definitive labels which are confirmed upon application and approval of relevant documents. Sustainalytics further notes that in some cases, energy labels may have changed post inclusion date.

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</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>of Projects & Assets</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>
<p>Management of Proceeds</p>	<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>
<p>Reporting – Post-issuance</p>	<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 to 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 Obvion confirms that the Nominated Projects & Assets have 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).</p> <p>5.5 Obvion confirms that it has tracked the share of the Net Proceeds used for financing and refinancing.</p> <p>5.6 Obvion’s Green Bond Framework documents that the Net Proceeds are tracked following a formal internal process.</p> <p>5.7 Obvion has confirmed that the Net Proceeds raised are no greater than the total investment exposure or debt obligation to the Nominated Projects & Assets which are owned or financed by the Issuer.</p> <p>5.8 Obvion has confirmed that only eligible assets were used or added to substitute or replenish the portfolio of Nominated Projects & Assets.</p> <p>5.8.1 N/A</p>	None
Process for Evaluation and Selection of Projects & Assets	<p>6.1 Obvion’s Green STORM 2021 Green Bond Framework⁶ documents 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 financing;</p> <p>6.1.2 How the climate-related objectives of the financing are positioned within the context of the Obvion’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability;</p> <p>6.1.3 Obvion’s rationale for issuing the bond;</p> <p>6.1.4 A process to determine whether the Nominated Project & Assets meet the eligibility requirements specified in the Climate Bonds Standard;</p> <p>6.1.5 Other information provided by Obvion as described in Clause.</p>	None

⁶ “Obvion N.V. Green STORM 2021”, at: <https://www.climatebonds.net/files/files/Sustainalytics%20SPO%20GREEN%20STORM%202021.pdf>

<p>Management of Proceeds</p>	<p>7.1 Obvion confirmed that Net Proceeds of the bond were credited to a sub account, moved to a sub- portfolio or otherwise identified by Obvion in an appropriate manner, and documented.</p> <p>7.2 Obvion 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 Obvion 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. Obvion 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. Obvion 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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