

# Second-Party Opinion

## Green STORM 2024

### Green Bond Framework



#### Evaluation Summary

Sustainalytics is of the opinion that the Green STORM 2024 Green Bond Framework is aligned with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category – Green Buildings – is aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts in the Netherlands and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11.



**PROJECT EVALUATION AND SELECTION** Obvion’s Green STORM project team oversees the internal process for evaluating and selecting mortgage loans. The Green STORM team is headed by Obvion’s Treasury Manager and comprising representatives from Obvion’s Funding & Portfolio Management team, Rabobank’s Securitisation & Covered Bonds team and Rabobank’s Sustainable Capital Markets team. Obvion’s environmental and social risk management processes are applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** Net proceeds from the mortgage-backed notes will be allocated in full at the time of issuance to finance or refinance eligible mortgage loans. Obvion’s Funding & Portfolio Management team will manage the eligible mortgage loan portfolio and will accordingly verify the eligibility of the selected mortgage loans on a monthly basis. Obvion will replace any mortgage loan that ceases to comply with the eligibility criteria with an eligible mortgage loan. This is in line with market practice.



**REPORTING** Obvion will publish a monthly report providing loan-level data to investors on the mortgage loans included in the transaction pool. In addition, Obvion will publish information on energy performance certificates and primary energy demand of the mortgage assets at least on a quarterly basis in its investor reports. A third party has been appointed to calculate the impact in the form of CO<sub>2</sub> reductions achieved based on real and theoretical energy consumption, which will be made available to investors at the time of issuance. Sustainalytics views Obvion’s allocation and impact reporting as aligned with market practice.

#### Alignment with the EU Taxonomy

Sustainalytics has assessed the Framework for alignment with the EU Taxonomy’s criteria for Substantial Contribution (SC) to its environmental objectives, Do No Significant Harm (DNSH) and Minimum Safeguards (MS).<sup>1</sup> Sustainalytics mapped the criteria defined in the Framework’s use of proceeds categories to two activities in the EU Taxonomy. Sustainalytics is of the opinion that all use of proceeds activities align with the applicable criteria. For more details, please see Section 1 and Appendices 1, 2 and 3.

<sup>1</sup> Sustainalytics did not assess the DNSH criteria of activity 7.1 Construction of new buildings and Minimum Safeguards of the EU Taxonomy. Sustainalytics is of the Opinion that DNSH criteria of activity 7.1 and MS are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

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#### Report Sections

Introduction.....	2
Sustainalytics’ Opinion .....	3
Appendices .....	10

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## Introduction

Established in 2002, Obvion N.V. (“Obvion” or the “Company”) is a residential mortgage loan provider headquartered in Heerlen, the Netherlands. Since 2012, Obvion is a wholly owned subsidiary of Coöperatieve Rabobank U.A. (“Rabobank” or the “Group”), a Dutch multinational banking and financial services company involved in retail and wholesale banking, as well as in food and agribusiness.

Obvion has developed the Green STORM 2024 Green Bond Framework dated February 2024 (the “Framework”) under which it intends to issue green residential mortgage-backed notes and use the proceeds to finance or refinance, in whole or in part, its mortgage portfolio, which is expected to deliver positive environmental impacts by improving the energy performance of the building stock in the Netherlands. The Framework builds on the 2016, 2017, 2018, 2019, 2021, 2022 and 2023 Green STORM green bond frameworks, which applied to prior issuances under the same programme. The Framework defines eligibility criteria in the following green category:

### 1. Green Buildings

Obvion engaged Sustainalytics to review the Green STORM 2024 Green Bond Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>2</sup> The Framework will be published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>4</sup> opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project 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 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- Alignment of the use of proceeds criteria with the SC criteria, DNSH criteria and alignment with the Minimum Safeguards of the EU Taxonomy; and
- The alignment of Obvion’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 1.15, 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 Obvion’s Green STORM project 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. Obvion representatives have confirmed (1) they understand it is the sole responsibility of Obvion to ensure that the information provided is complete, accurate and 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 Obvion.

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

<sup>2</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>3</sup> Obvion will publish the Framework or information about the announcement of the Framework on the website of the Securitisation Repository European Datawarehouse GmbH at: <https://editor.eurodw.eu/>

The aforementioned information will also be available on Obvion’s investor relations website at: <https://www.obvion.nl/investor-relations>

<sup>4</sup> 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.

mortgage loans expected to be financed with the bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through mortgage loans financed or refinanced under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential 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 Obvion has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Green STORM 2024 Green Bond Framework

Sustainalytics is of the opinion that the Green STORM 2024 Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category – Green Buildings – is aligned with those recognized by the GBP. Sustainalytics notes that the proceeds from the notes issued under the Framework will be used to finance or refinance eligible mortgage loans in Obvion's portfolio.
  - The Company may finance or refinance the acquisition and ownership of residential buildings meeting one of the following criteria at the relevant cut-off date:
    - Residential buildings built on or before 31/12/2020 that have a valid energy performance certificate (EPC)<sup>5</sup> rated at least A. Sustainalytics considers the methodology used to determine the eligible assets based on construction year and EPC data to be robust and credible.
    - Residential buildings built after 31/12/2020 for which the primary energy demand (PED) is at least 10% lower than the nearly zero-energy building (NZEB) requirements in the Netherlands.<sup>6</sup> Sustainalytics notes that the NZEB requirements in the Netherlands are generally a PED of 30 kWh/m<sup>2</sup>/year for residential houses and 50 kWh/m<sup>2</sup>/year for residential apartments.<sup>7</sup> Consequently, Obvion has set as the maximum value to meet the standard of 10% below the threshold at 27 kWh/m<sup>2</sup> per year for residential houses (*grondgebonden* building units) and 45 kWh/m<sup>2</sup> per year at building unit level for residential apartments (*niet-grondgebonden* building units). Sustainalytics considers the NZEB requirements to align with market practice.
  - Obvion has previously issued bonds under the Green STORM programme in 2016, 2017, 2018, 2019, 2021, 2022 and 2023 using an approach similar to the one defined for the issuance under the Framework. Under this new programme, Obvion has selected a new eligible pool of mortgage loans in line with updated EPC and PED data from Calcasa, which relies on EP-Online<sup>8</sup> as its source.
- Project Evaluation and Selection:
  - Obvion has established an internal team that has evaluated and selected mortgage loans in line with the Framework's eligibility criteria. The internal team is headed by Obvion's Treasury Manager and comprises representatives from Obvion's Funding & Portfolio Management team, Rabobank's Securitisation & Covered Bonds team and Rabobank's Sustainable Capital Markets

<sup>5</sup> A valid EPC means an EPC registered in EP-Online with a valid validity date.

<sup>6</sup> Netherlands Enterprise Agency, "Energieprestatie indicatoren – BENG", at: <https://www.rvo.nl/onderwerpen/duurzaam-ondernemen/gebouwen/wetten-en-regels/nieuwbouw/energieprestatie-beng/indicatoren>

<sup>7</sup> Concerted Action EPBD, "Implementation of the EPBD The Netherlands Status in 2020", at: <https://epbd-ca.eu/wp-content/uploads/2021/12/Implementation-of-the-EPBD-in-The-Netherlands-2020.pdf>

<sup>8</sup> EP-Online is the official Dutch government database on the energy performance of buildings, which is maintained by the Netherlands Enterprise Agency (RVO).

- team. Obvion will match mortgage loans with qualifying EPCs or PED based on data from Calcasa, a third-party real estate data provider. The Framework's selection methodology is based on EPC and PED data calculated by the Dutch housing energy performance methodology, and additional information derived from Rabobank's climate risk and vulnerability assessment on Obvion's mortgage portfolio.
- Obvion assesses and mitigates potential environmental and social risks associated with eligible mortgage loans under the Framework in accordance with Obvion's underwriting, and arrears and default management policies.<sup>9</sup> Sustainalytics considers this risk assessment and mitigation process to be adequate. For additional details, see Section 2.
  - Based on the established process for project selection and risk management system, Sustainalytics considers this process to be in line with market practice.
  - Management of Proceeds:
    - Obvion's Funding & Portfolio Management team implements the Framework and manages the eligible mortgage loan portfolio.
    - Net proceeds from the mortgage-backed notes will be allocated in full at the time of issuance to finance or refinance eligible mortgage loans.
    - Obvion will replace any mortgage loan that ceases to comply with the eligibility criteria and replace it with an eligible mortgage loan. In addition, Obvion will engage an independent external adviser to check whether: i) the information included in the loan tape of the underlying mortgage pool is included in the relevant prospectus; and ii) the mortgage loans included in the loan tape meet the eligibility criteria.
    - Based on the commitment to full allocation at issuance and ongoing tracking, Sustainalytics considers this process to be in line with market practice.
  - Reporting:
    - Obvion will provide investors with loan-level data on the underlying pool of eligible mortgage loans through a monthly portfolio and performance report on the website of the Dutch Securitisation Association.<sup>10</sup> The composition of the mortgage loans in the pool in terms of compliance with green eligibility criteria will be added to this report at least once a quarter. Obvion will also publish information on EPC data on mortgage loans on the website of the Securitisation Repository European DataWarehouse GmbH on a quarterly basis using the ESMA reporting template.<sup>11</sup>
    - Obvion has appointed a third party to provide the estimated impacts of the transaction, in terms of CO<sub>2</sub> reduction achieved based on real and theoretical energy consumption of assets, which will be made available to investors at issuance and will be published on the website of the Securitisation Repository European DataWarehouse GmbH and on Obvion's investor relations website.<sup>12</sup>
    - Based on the commitment to both allocation reporting and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Green STORM 2024 Green Bond aligns with the four core components of the GBP.

### Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant criteria in the EU Taxonomy. Sustainalytics mapped the criteria defined in the Framework's use of proceeds categories to two activities in the EU Taxonomy. Sustainalytics is of the opinion that all use of proceeds activities align with the applicable criteria. For SC and DNSH, please see Table 1.<sup>13</sup>

<sup>9</sup> Obvion, "Handboek met product- en acceptatievoorwaarden", at: <https://www.obvion.nl/adviseur/Beleid/acceptatiegids>

<sup>10</sup> Dutch Securitisation Association, at: <https://www.dutchsecuritisation.nl/>

<sup>11</sup> European DataWarehouse, at:

<https://editor.eurodw.eu/>, Note: ESMA's current reporting templates do not allow for reporting on PED.

<sup>12</sup> Obvion, "Investor relations", at: <https://www.obvion.nl/investor-relations>

<sup>13</sup> Sustainalytics did not assess the DNSH criteria of activity 7.1 Construction of new buildings and Minimum Safeguards of the EU Taxonomy. Sustainalytics is of the Opinion that DNSH criteria of activity 7.1 and MS are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

**Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy**

EU Taxonomy Activities corresponding to Framework Criterion	Alignment with Technical Screening Criteria		Alignment per EU Environmental Objective					
	SC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
7.1 Construction of new buildings	■	-	■	-	-	-	-	-
7.7 Acquisition and ownership of buildings	■	■	■	■	-	-	-	-

Legend	
Aligned	■
Partially aligned	▣
Not aligned	⊠
Not applicable	-
Not assessed	*
Grey shading indicates the primary EU Environmental Objective	

### Alignment with the EU Taxonomy’s Minimum Safeguards

Sustainalytics did not assess the Minimum Safeguards of the EU Taxonomy. Sustainalytics is of the Opinion that Minimum Safeguards are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

## Section 2: Sustainability Strategy of Obvion

### Contribution of the Framework to Obvion’s sustainability strategy

Sustainalytics is of the opinion that Obvion demonstrates a commitment to achieving positive environmental impacts by facilitating investments dedicated to green buildings.<sup>14</sup> As part of Rabobank Group, Obvion follows the Group’s objectives and policies to contribute to the climate and energy transition.<sup>15</sup>

In 2022, the Group published its Our Road to Paris Report with a key focus on climate change-related risks, based on the Group’s 2021 Task Force on Climate-Related Financial Disclosures.<sup>16</sup> The report lays out sectoral emissions reduction targets for 2030 from a 2018 baseline.<sup>17</sup> The Group has also decided to make EUR 30 billion of funding available until 2030 for energy transition-related investments.<sup>18</sup>

In 2019, the Group signed on to the Financial Institutions Commitment to the Dutch Climate Agreement, which is based on the Paris Climate Agreement’s well-below 2°C scenario and intends to reduce GHG emissions by 2030, as compared to the 1990 baseline.<sup>19</sup> Moreover, in 2021, the Group further became a signatory to the Net-Zero Banking Alliance.<sup>20</sup> Rabobank and Obvion are both members of the Sectorcollectief Duurzaam Wonen, an initiative of 60 companies and institutions in the mortgage market to accelerate the sustainability of the owner-occupied housing market in the Netherlands.<sup>21</sup> Obvion also collaborates with homeQgo, an online tool that provides insight into the sustainability possibilities of a house.<sup>22</sup>

<sup>14</sup> Rabobank, “Our Impact in 2022” (2022), at: <https://media.rabobank.com/m/4a9e775d00db23e7/original/Our-Impact-in-2022.pdf>

<sup>15</sup> Ibid.

<sup>16</sup> Rabobank, “Our Road to Paris”, at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>17</sup> Ibid.

<sup>18</sup> Rabobank, “Our Impact in 2022” (2022), at: <https://media.rabobank.com/m/4a9e775d00db23e7/original/Our-Impact-in-2022.pdf>

<sup>19</sup> Rabobank, “Our Road to Paris”, at: <https://media.rabobank.com/m/216515dcb3b01439/original/Our-Road-to-Paris-2022-EN.pdf>

<sup>20</sup> Ibid.

<sup>21</sup> Rabobank, “Sustainable Living Sector Collective established”, at: <https://www.rabobank.nl/bedrijven/intermediairs/hypotheek/verduurzamen-verbouwen/sectorcollectief-duurzaam-wonen-opgericht>

<sup>22</sup> homeQgo, at: <https://homeqgo.nl/>

In addition, Obvion offers sustainability (construction) deposits and green mortgages to its borrowers who intend to renovate or build their houses sustainably, using energy saving measures, such as installing solar panels.<sup>23</sup> As of 2024, Obvion linked the maximum affordability amount to an EPC, offering borrowers larger loan amounts for energy-efficient properties<sup>24</sup> or to finance energy saving measures.<sup>25,26</sup> Obvion also provides sustainability discounts on applicable interest rates to the borrowers with a valid EPC rated at least A for newly built and existing homes.<sup>27</sup>

Through its JobCoach Programme, Obvion supports customers facing payment difficulties with career assistance.<sup>28</sup> In addition, Obvion's Budget Planner Programme helps borrowers to rearrange their finances to meet their obligations under the mortgage loan and the Entrepreneur Coach Programme helps borrowers build back their businesses by offering tools that supports mitigation of the factors causing roadblocks in the business, facilitating regular mortgage payments.<sup>29,30</sup>

Based on the above, Sustainalytics is of the opinion that the Green STORM 2024 Green Bond Framework is aligned with the Group's and Obvion's overall sustainability strategy and actions to advance their key environmental priorities.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the notes issued under the Framework will be directed toward eligible projects that are anticipated to have positive environmental impact. Sustainalytics acknowledges that Obvion plays a limited role in the development of the assets to be financed under the Framework, but also notes that Obvion is exposed to environmental and social risks associated with the mortgage loans it may finance or refinance. Some key environmental and social risks associated with the eligible projects include possible land use and biodiversity issues associated with large-scale infrastructure development, issues involving occupational health and safety (OHS), and risks associated with lending decisions and business ethics.

Sustainalytics is of the opinion that Obvion is able to manage or mitigate potential risks through implementation of the following policies:

- To mitigate issues related to land use and biodiversity, Obvion considers environmental risks in its valuation criteria documents, as part of its underwriting policy.<sup>31</sup> The company requires appraisers certified by the Dutch Registry of Real Estate Appraisers to use a model report for the valuation of living space<sup>32</sup> to also verify matters regarding environmental risks. In addition, when granting a mortgage to a newly constructed property, Obvion requires an irrevocable environmental permit that can only be issued by the local government if certain conditions, such as building a safe, energy-efficient and environmentally friendly property, in accordance with the Dutch 2012 Building Decree.<sup>33</sup> Obvion also regularly reviews new and existing products and policies in accordance with its "Local procedure for new products or material product changes" policy, which follows Rabobank Group's policy for new products and product changes. As part of this procedure, Obvion has developed a product book tool that lists all Obvion products and their key features. The tool also includes an impact assessment and risk analysis of new products or product changes, and the Product Approval Committee reviews and approves new products or material changes prior to market launch in accordance with its policy.<sup>34</sup>
- Regarding risks associated with OHS, the OSH Framework Directive requires employers to run risk assessments periodically.<sup>35</sup> In the Netherlands, the legal framework governing OHS risks

<sup>23</sup> Obvion, "Obvion's Sustainability Depot", at: <https://www.obvion.nl/Duurzaamheid/Financiering/Duurzaamheidsdepot>

<sup>24</sup> As of 2024, amended regulations (article 4(3) of the 2024 Temporary Mortgage Loan Act) allow mortgage lenders to disregard set amounts when determining the maximum affordability amount. The level of these amounts will depend on the EPC of the property to be purchased.

<sup>25</sup> As of 2024, amended regulations (article 4(4) of the 2024 Temporary Mortgage Loan Act) allow mortgage lenders to disregard an additional amount when determining the maximum affordability amount. If a property does not have a valid EPC or no EPC, the mortgage lender can disregard up to EUR 10,000 when determining the maximum affordability amount for financing energy-saving measures.

<sup>26</sup> Obvion, "Energie-label en extra lenen", at: <https://www.obvion.nl/Duurzaamheid/Financiering/EBM-en-hypotheek>

<sup>27</sup> Obvion, "Sustainability discount from energy label A", at: <https://www.obvion.nl/Duurzaamheid/Financiering/Duurzaamheidskorting-bij-Obvion>

<sup>28</sup> Obvion, "Job Coach", at: <https://www.obvion.nl/Mijn-situatie/Jobcoach>

<sup>29</sup> Obvion, "Budget Planner", at: <https://www.obvion.nl/Mijn-situatie/Obvion-Budgetplanner>

<sup>30</sup> Obvion, "Entrepreneur Coach", at: <https://www.obvion.nl/Mijn-situatie/Ondernemerscoach>

<sup>31</sup> Obvion, "Acceptatiebeleid", (2024), at: <https://www.obvion.nl/adviseur/Beleid/acceptatiegids>

<sup>32</sup> NRV, "Model taxatie woonruimte", (2024), at: <https://www.nrv.nl/cms/public/files/2023-11/model-taxatierapport-woonruimte-2024-v1.1.pdf?48845fede4>

<sup>33</sup> Government of the Netherlands, "Bouwbesluit 2012", (2023), at: <https://rijksoverheid.bouwbesluit.com/Inhoud/docs/wet/bb2012>

<sup>34</sup> Obvion has communicated this information to Sustainalytics on a confidential basis.

<sup>35</sup> European Agency for Safety and Health at Work, "The OSH Framework Directive", (1989), at: <https://osha.europa.eu/en/legislation/directives/the-osh-framework-directive/1>

includes the Working Conditions Act,<sup>36</sup> the Working Conditions Decree,<sup>37</sup> the Working Conditions Regulation<sup>38</sup> and the Amendment Decree Working Conditions Decree.<sup>39</sup>

- In order to manage risks related to lending decisions, Obvion uses a project selection methodology based on Dutch EPCs. The company has also set up methodologies for identifying houses built on or before 31 December 2020 with a valid EPC rated at least A and identifying houses built after 31 December 2020 with a net PED at least 10% lower than the requirement for NZEB. Additionally, Obvion implements an underwriting policy that includes income selection criteria, financial obligations and arrears and default management procedures.<sup>40</sup> The arrears and default management procedures outline Obvion's processes for managing arrears and defaults on mortgage loans, covering detection, communication, quality assurance, approval protocols, borrower support and asset liquidation.<sup>41</sup>
- The Group has implemented its own Code of Conduct<sup>42</sup> to guide its internal and external activities in relation to business ethics, regulatory compliance and overall social responsibility. The code applies to all temporary and permanent staff members, directors and supervisory directors.
- In 2019, Rabobank signed on to the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative, reinforcing the Group's commitment to supporting projects that enable the transition to a low-carbon, climate-resilient economy.<sup>43</sup>
- Obvion carries out its operations in the Netherlands, which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance, legislation systems and institutional capacity to mitigate environmental and social risks associated with projects financed under the Framework.<sup>44</sup>

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

### Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainability has focused below on where the impact is specifically relevant in the local context.

#### Importance of energy-efficient buildings in the EU and the Netherlands

The buildings sector is the largest consumer of energy in the EU, accounting for approximately 42% of the total energy consumption in the bloc in 2021, with heating, cooling and domestic hot water accounting for 80% of this energy use.<sup>45</sup> In the same year, the buildings sector was responsible for more than one-third of energy-related GHG emissions in the EU, considering that 85% of the EU's building stock is built before 2000 of which 75% is energy inefficient. Thus, building renovations are expected to play a key role in decarbonizing the buildings sector in the EU.<sup>46</sup> Only 11% of the EU's total building stock currently undergoes some level of renovation each year, with only 0.2% of it carrying out deep renovations that reduce energy consumption by at least 60%.<sup>47</sup> In the context of the 2030 Climate Target Plan and the European Green Deal, which set a target for climate neutrality by 2050 and an interim target of a 60% reduction in GHG emissions by 2030 compared to 2015,<sup>48</sup> the European Commission revised the Energy Performance of Buildings Directive (EPBD) in 2023, particularly to increase the rate of renovation in the EU. In addition to the goal of achieving climate neutrality in the buildings sector by 2050, the EPBD now calls for a zero emissions target for all new public buildings and new buildings by 2026 and 2028, respectively, aiming for a 60% reduction in emissions from the sector by 2030 compared to 2015.<sup>49</sup>

<sup>36</sup> Government of the Netherlands, "Arbeidsomstandighedenwet", at: <https://wetten.overheid.nl/BWBR0010346/2023-06-20/0>

<sup>37</sup> Government of the Netherlands, "Arbeidsomstandighedenbesluit", at: <https://wetten.overheid.nl/BWBR0008498/2024-01-01/0>

<sup>38</sup> Government of the Netherlands, "Arbeidsomstandighedenregeling", at: <https://wetten.overheid.nl/BWBR0008587/2024-01-01/0>

<sup>39</sup> Government of the Netherlands, "Wijzigingsbesluit Arbeidsomstandighedenbesluit", at: <https://wetten.overheid.nl/BWBR0047619/2024-01-01/0>

<sup>40</sup> Obvion, "Acceptatiebeleid", (2024), at: <https://www.obvion.nl/adviseur/Beleid/acceptatiegids>

<sup>41</sup> Obvion, "Hulp bij betalingsproblemen", at: <https://www.obvion.nl/Mijn-situatie/Hulp-betalingsproblemen>

<sup>42</sup> Rabobank, "Rabo Compass", at: <https://media.rabobank.com/m/1592797cb6ef573/original/RaboCompass.pdf>

<sup>43</sup> United Nations Environment Programme - Finance Initiative, "Coöperatieve Rabobank U.A.", at: <https://www.unepfi.org/member/rabobank-netherlands/>

<sup>44</sup> Equator Principles, "Designated Countries", at: <https://equator-principles.com/about-the-equator-principles/designated-countries/>

<sup>45</sup> European Commission, "Energy performance of buildings directive", at: [https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\\_en#facts-and-figures](https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en#facts-and-figures)

<sup>46</sup> Ibid.

<sup>47</sup> European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives" (2020), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=160312220757&uri=CELEX:52020DC0662>

<sup>48</sup> Ibid.

<sup>49</sup> IEA, "Buildings", (2023), at: <https://www.iea.org/energy-system/buildings>

As of 2021, the buildings and construction sector accounts for approximately 17% of total emissions in the Netherlands.<sup>50</sup> The Dutch government has committed to reducing GHG emissions by 55% below 1990 levels by 2030 and by 95% by 2050.<sup>51</sup> The government has laid out a multi-sectoral approach to reduce GHG emissions, which is intended to be aligned with the EU’s overall climate strategy.<sup>52</sup> For the buildings sector, the Dutch government aims to enhance the energy efficiency of approximately 1.5 million homes by 2030 and a reduction of GHG emissions by 1 MtCO<sub>2</sub>e from existing homes.<sup>53</sup> To reduce energy consumption of buildings, all new buildings in the Netherlands from January 2021 have to comply with the BENG<sup>54</sup> system, which is the Dutch implementation of NZEB.<sup>55</sup> The BENG system is based on total energy use (in kWh/m<sup>2</sup>), primary annual fossil energy consumption (in kWh/m<sup>2</sup>) and share of renewable energy (in %).<sup>56</sup>

Based on the above context, Sustainalytics is of the opinion that the asset selection criteria defined by Obvion are aligned with the Dutch government’s initiatives to improve energy efficiency in the housing sector and contribute to the EU’s target of achieving a fully decarbonized building stock by 2050.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Green STORM 2024 Green Bond Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	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

Obvion has developed the Green STORM 2024 Green Bond Framework under which it intends to issue green notes and use the proceeds to finance or refinance mortgage loans that are expected to deliver positive environmental impacts by improving the energy performance of the building stock in the Netherlands.

The Green STORM 2024 Green Bond Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics believes that the Green STORM 2024 Green Bond Framework is aligned with the Group’s and Obvion’s overall sustainability strategy and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that Obvion has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible mortgage loans.

Sustainalytics mapped the criteria defined in the Framework’s use of proceeds categories to two activities in the EU Taxonomy. Sustainalytics is of the opinion that all use of proceeds activities align with the applicable criteria. Sustainalytics did not assess the Minimum Safeguards of the EU Taxonomy. Sustainalytics is of the Opinion that Minimum Safeguards are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

<sup>50</sup> Statistics Netherlands, “Greenhouse gas emissions 2.1 percent higher in 2021”, (2021), at: <https://www.cbs.nl/en-gb/news/2022/11/greenhouse-gas-emissions-2-1-percent-higher-in-2021>

<sup>51</sup> PBL Netherlands Environmental Assessment Agency, “Climate and Energy Outlook of The Netherlands 2023”, (2023), at:

<https://www.pbl.nl/uploads/default/downloads/pbl-2023-climate-and-energy-outlook-of-the-netherlands-2023-5278.pdf>

<sup>52</sup> Government of the Netherlands, “Dutch goals within the EU”, at: <https://www.government.nl/topics/climate-change/eu-policy>

<sup>53</sup> Government of the Netherlands, “Measures to reduce greenhouse gas emissions”, at: <https://www.government.nl/topics/climate-change/national-measures>

<sup>54</sup> BENG (Bijna Energieneutrale Gebouwen) is the Dutch standard that implements nearly zero-energy building requirements in the Netherlands.

<sup>55</sup> Netherlands Enterprise Agency, “Building regulations”, at: <https://business.gov.nl/regulation/building-regulations/>

<sup>56</sup> Government of the Netherlands, “Energieprestatie – BENG”, at: <https://www.rvo.nl/onderwerpen/duurzaam-ondernemen/gebouwen/wetten-en-regels-gebouwen/nieuwbouw/energieprestatie-beng>

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Based on the above, Sustainalytics is confident that Obvion is well positioned to issue green notes and that the Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2021).

# Appendices

## Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable technical screening criteria for substantial contribution (SC) to an environmental objective of the EU Taxonomy and the applicable "do no significant harm" (DNSH) criteria. Sustainalytics' assessment involves two steps:

### 1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant with respect to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the EU Taxonomy. In other cases, some categories which are traditionally included in green bonds and loans may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

Table 2 below displays the outcome of Sustainalytics' mapping process for this report.

### 2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the SC criteria and the DNSH criteria is usually based on the specific criteria contained in the Green STORM 2024 Green Bond Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes or regulatory compliance. Sustainalytics did not assess the Minimum Safeguards of the EU Taxonomy. Sustainalytics is of the Opinion that Minimum Safeguards are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	Environmental Objective	Refer to Table
Green buildings	The financing or refinancing of Dutch residential buildings	7.1 Construction of new buildings	F41.1 F41.2 F43	Mitigation	Table 3
		7.7. Acquisition and ownership of buildings	L68		Table 4

## Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution to an environmental objective and the DNSH for each relevant EU Taxonomy activity.<sup>57</sup>

Table 3

<b>Framework Activity assessed</b>		The financing or refinancing of Dutch residential buildings
<b>EU Taxonomy Activity</b>		7.1. Construction of new buildings
<b>Associated NACE Codes</b>		F41.1, F41.2 and F43
<b>SC Criteria</b>	<b>Alignment</b>	
Mitigation	<ol style="list-style-type: none"> <li>Obvion has confirmed to Sustainalytics that building construction activities under the Framework will comply with the following criteria: the PED defining the energy performance of the building resulting from the construction, is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.</li> <li>Obvion has confirmed that the expenditures only include refinancing of private residential buildings smaller than 5,000 m<sup>2</sup>. Therefore, this criterion is not applicable.</li> <li>Obvion has confirmed that the financed activities only include (re)financing of private residential buildings smaller than 5,000 m<sup>2</sup>. Therefore, this criterion is not applicable.</li> </ol> <p>Based on the above, Sustainalytics considers the Framework's eligibility criteria to be aligned.</p>	Aligned

Table 4

<b>Framework Activity assessed</b>		The financing or refinancing of Dutch residential buildings
<b>EU Taxonomy Activity</b>		7.7. Acquisition and ownership of buildings
<b>Associated NACE Code</b>		L68
<b>SC Criteria</b>	<b>Alignment</b>	
Mitigation	<ol style="list-style-type: none"> <li>Obvion has confirmed that for acquisition and ownership of Dutch residential buildings built on or before 31 December 2020, the buildings will have at least an EPC label A.</li> <li>For Dutch residential buildings built after 31 December 2020; Obvion confirmed compliance with requirement of EU activity 7.1. Please refer to Table 3 for assessment details of EU activity 7.1.</li> <li>Obvion has confirmed that the financed activities only include (re)financing of private residential buildings smaller than 5,000 m<sup>2</sup>. Therefore, this criterion is not applicable.</li> </ol> <p>Based on the above, Sustainalytics considers the Framework's eligibility criteria to be aligned.</p>	Aligned
<b>DNSH Criteria</b>	<b>Alignment</b>	

<sup>57</sup> Sustainalytics did not assess the DNSH criteria of activity 7.1 Construction of new buildings of the EU Taxonomy. Sustainalytics is of the Opinion that DNSH criteria of activity 7.1 are not applicable because the financing directly supports mortgage loans for households rather than companies, with the focus being on the end use (mortgage loans) rather than the construction period itself.

Climate Adaptation	Refer to the assessment set out in Appendix 3, Table 5	Aligned
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### Appendix 3: Criteria for “Do No Significant Harm” (DNSH) to Climate Change Adaptation

Table 5

Criteria for DNSH to Climate Change Adaptation	
<i>Alignment</i>	
<p>Obvion follows the Group’s internal process for analysing and assessing the climate risks to assess both physical and transitional risks linked to the financed projects. The eligible green assets are selected based on result of the analysis which comply with the applicable DNSH criteria.</p> <p>Rabobank conducted a screening of Obvion’s Dutch residential mortgage portfolio in 2023, with a focus on identifying relevant physical climate risks within a 30-year timeframe. Where a risk was identified, a further climate risk and vulnerability assessment was carried out to assess the materiality of the physical climate risks to the economic activity and to evaluate the hazards based on their spatial occurrence, the potential impact to damage a building and a relevant probability of such an event occurring within the next 30 years, drawing on scientific literature, data availability and internal expert opinion. The risks identified as relevant for the materiality analysis are flooding, foundation risks, wildfires and heavy precipitation. In the dataset, government adaptation plans are also considered as a mitigating factor. For the residential buildings, Obvion has confirmed that the green building assets may have an expected lifespan exceeding 10 years and that it uses relevant scenarios for its climate risk and vulnerability assessment.</p> <p>Obvion has confirmed that the properties pertaining to the mortgage loans that are included in the Green STORM 2024 transaction are (i) not subject to any material risks from the set of identified risks as included in the climate risk and vulnerability assessment that Rabobank has performed on Obvion’s mortgage portfolio, as described under the Risk Sources and Thresholds table in the Framework or (ii) the identified risks have been mitigated by adaptation solutions implemented at government level. Any assets above the materiality thresholds set for each identified climate risk will be excluded from the Green STORM 2024 transaction pool.</p> <p>Based on the above, Sustainalytics assessed this to be aligned with the EU Taxonomy criteria.</p>	Aligned

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