

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Funding Framework

Norddeutsche Landesbank (NORD/LB)

19 December 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Refinancing Instruments

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)

Scope of verification

- NORD/LB Green Funding Framework (as of Dec. 19, 2024)
- NORD/LB Eligibility Criteria (as of Dec. 19, 2024)

Lifecycle

- 1st Update of SPO as of as of August 12, 2022 (ISS-Corporate [weblink](#))

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

Norddeutsche Landesbank (“the Issuer,” “NORD/LB”, or “the Bank”) commissioned ISS-Corporate to assist with its Green Refinancing Instruments by assessing four core elements to determine the sustainability quality of the instruments:

1. NORD/LB’s Green Funding Framework (as of Dec. 19, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
2. The Eligibility Criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate’s proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. The alignment of the project categories with the EU Taxonomy on a best-efforts basis¹ – whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2023).²
4. Consistency of Green refinancing Instruments with NORD/LB’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

¹ Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a “best efforts basis”.

² Commission Delegated Regulation (EU) 2021/2139 of June 2021, URL <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139>

NORD/LB OVERVIEW

Norddeutsche Landesbank Girozentrale provides financial and commercial banking services to private, corporate, institutional, as well as public sector customers. It offers structured financing for the energy and infrastructure industries and real estate sectors in international projects. The company also functions as a central bank for savings banks. In addition, it is also active in the development business, where it offers consulting services for all issues related to development, including support services for filing of applications for programs. Norddeutsche Landesbank was founded through a merger on July 1, 1970, and is headquartered in Hannover (head office), Braunschweig and Magdeburg, Germany.



ESG risks associated with the Issuer's industry

NORD/LB is classified in the Commercial Banks & Capital Markets industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies³ in this industry are Environmental risks and impacts of operations, Climate protection and contribution to the energy transition, Business ethics and relations with governments, Protection of human rights and community outreach, and Worker safety and accident prevention.

This report focuses on the sustainability credentials of the issuance. Part IV of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

³ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁴
<p>Part I:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its Green refinancing Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles (GBP).</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The Green refinancing Instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Renewable Energy, Green Buildings.</p> <p>Product and/or service-related use of proceeds categories individually contribute to one or more of the following SDGs:</p> <div data-bbox="632 1088 981 1205" style="text-align: center;">  </div> <p>Other use of proceed categories improve the operational impacts of NORD/LB’s borrower(s) and mitigate potential negative externalities of its sector/their sectors on one or more of the following SDGs:</p> <div data-bbox="691 1473 924 1590" style="text-align: center;">  </div> <p>The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.</p>	<p>Positive</p>
<p>Part III:</p> <p>Alignment with the EU Taxonomy</p>	<p>The NORD/LB’s project characteristics, due diligence and policies have been assessed against the requirements of the EU Taxonomy (Climate</p>	

⁴ The evaluation is based on the NORD/LB’s Green Funding Framework (Dec. 19, 2024). ISS-Corporate evaluates the eligibility criteria of the project categories defined in NORD/LB’s Green Funding Framework.

	<p>Delegated Act of June 2023 on a best-effort basis.⁵ The nominated project categories are considered to be:</p> <ul style="list-style-type: none"> ▪ Aligned with the Climate Change Mitigation Criteria ▪ Aligned with the Do Not Significant Harm Criteria ▪ Aligned with the Minimum Safeguards requirements 	
<p>Part IV:</p> <p>Consistency of Green refinancing Instruments with NORD/LB’s sustainability strategy</p>	<p>The key sustainability objectives and the rationale for issuing Green refinancing Instruments are clearly described by the Issuer. All the project categories considered are in line with the Issuer’s sustainability objectives.</p>	<p>Consistent with Issuer’s sustainability strategy</p>

⁵ Whilst the Final Delegated Act for Mitigation and Adaptation was published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES (GBP)

This section evaluates the alignment of the NORD/LB's Green Funding Framework (as of Dec. 19, 2024) with the Green Bond Principles (GBP).

GREEN BOND PRINCIPLES (GBP)	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by NORD/LB's Green Funding Framework is aligned with the Green Bond Principles (GBP).</p> <p>The Issuer's green categories align with the project categories as proposed by the Green Bond Principles (GBP). Criteria are defined clearly and transparently, and the evaluation process of the sustainability quality of the eligible deposits and commercial papers is described. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described.</p> <p>The Issuer provides a quantitative analysis of the environmental benefits for the green buildings category, in line with best market practices.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by NORD/LB's Green Funding Framework is aligned with the Green Bond Principles (GBP).</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy. The Issuer defines exclusion criteria for harmful projects categories.</p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection and involves various stakeholders in this process and is transparent about it, which is in line with best market practice. The Issuer identifies the</p>

		alignment of its Green Funding Framework and its green projects with the EU Taxonomy, in line with best market practices.
3. Management of Proceeds	✓	<p>The Management of Proceeds provided by NORD/LB’s Green Funding Framework is aligned with the Green Bond Principles (GBP).</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately and attested in a formal internal process. The process and frequency for monitoring green deposits and commercial papers is the same as for green bonds and is managed against the same green asset pool. In addition, the Issuer has mechanisms in place to allocate outstanding proceeds in events where the asset pool exceeds the net proceeds of the outstanding deposits. The net proceeds are managed on an aggregated basis for multiple green refinancing instruments (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds. Finally, The Issuer has defined an expected allocation period of 24 months.</p>
4. Reporting	✓	<p>The allocation and impact reporting provided by NORD/LB’s Green Funding Framework is aligned with the Green Bond Principles (GBP).</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. NORD/LB has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level and at project category level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated. In addition, the Issuer defines the reporting process and frequency for deposits and commercial papers.</p>

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		<p>The Issuer is transparent on the level of impact reporting and the information reported and further defines the frequency of the impact reporting, in line with best market practice. The Issuer discloses the location and link of the report(s), in line with best market practice. Finally, the Issuer commits to get the allocation report audited by an external party, in line with best market practice.</p>
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PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN REFINANCING INSTRUMENTS TO THE U.N. SDGs⁶

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their operations along the entire value chain. This section assesses the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements of operational performance


1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the Green refinancing Instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>New and existing residential and commercial buildings, including investments in buildings under construction and building acquisitions that fulfil one of the following criteria:</i></p>	<p>Contribution</p>	

⁶ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>Energy Efficient Buildings (residential and commercial properties) in Germany and other EU countries:⁷</i></p> <ul style="list-style-type: none"> ▪ <i>New buildings and existing buildings fulfilling the requirements of the Taxonomy Regulation.^{8, 9}</i> ▪ <i>New buildings whose primary energy demand in kWh/m² per year, as stated in the energy performance certificate, is at least 10% below the threshold set for the national requirements for nearly zero-energy buildings (NZEB)</i> ▪ <i>The existing building has at least class A energy certificate or is among the top 15% of the national/regional building stock in terms of energy consumption/demand.^{10, 11}</i> ▪ <i>Residential properties that are co-financed via KfW subsidy programmes for energy efficient construction or renovation.¹²</i> <p><i>Buildings outside the EU:</i></p> <ul style="list-style-type: none"> ▪ <i>The nationality applicable energy efficiency standards (i.e. top 15% or label A for each property type) are met for new buildings.¹³</i> ▪ <i>The existing building has at least a class A energy performance certificate or is in the top 15% of the</i> 		

⁷ Countries of operation are Germany, France, United Kingdom (UK), Republic of Ireland, Spain, Luxembourg, Sweden, Italy, Sweden, the Netherlands, Belgium, Austria and Poland.

⁸ New Buildings are buildings for which the building application was submitted as of 1 January 2021, all remaining buildings are existing buildings.



⁹ This category is in line with the Substantial Contribution criteria for climate change mitigation of the EU Taxonomy activity 7.1.

¹⁰ This category is in line with the Substantial Contribution criteria for climate change mitigation of the EU Taxonomy activity 7.7.

¹¹ NORD/LB commissioned Drees & Sommer to calculate these top 15 % for Germany, which are available to NORD/LB via the vdp. For foreign markets, threshold values calculated by Drees & Sommer are also used for the respective countries, which NORD/LB obtains either via vdpResearch GmbH or directly from Drees&Sommer.

¹² Within the funding programs, per definition, promotional banks are legal entities carrying out financial activities on a professional basis which are given a mandate by a Member State or a Member State’s entity at the central, regional, or local level, to carry out development or promotional activities.” Through their promotional loans, which are earmarked for a specific purpose, promotional banks can contribute to specific environmental and social benefits. NORD/LB provides a list of eligible funding programs within the Framework; however, the funding programs have not been assessed in the scope of this SPO.

¹³ The assessment is limited to the examples spelled out.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>national/regional building stock in terms of energy consumption/demand.</i>¹⁴</p> <p>Green Buildings</p> <p><i>New and existing residential and commercial buildings, including investments in buildings under construction and building acquisitions that fulfil one of the following criteria:</i></p> <p><i>Existing building with sustainability certificate:</i></p> <ul style="list-style-type: none"> ▪ <i>BREEAM: Very good or better</i> ▪ <i>LEED: gold or better</i> ▪ <i>HQE: Very good or better</i> ▪ <i>DGNB: Gold or better</i> <p><i>Residential properties that are co-financed via KfW subsidy programmes for energy efficient construction or renovation.</i>¹⁵</p>	<p>Contribution</p>	
<p>Renewable Energy</p> <p><i>Investments and expenditures related to the generation of renewable energy and related technologies to support the energy transition, including the generation of renewable energy.</i>¹⁶</p> <ul style="list-style-type: none"> ▪ <i>Solar photovoltaic projects</i> ▪ <i>Onshore and offshore wind project</i> 		

¹⁴ NORD/LB commissioned Drees & Sommer to calculate these top 15 % for Germany, which are available to NORD/LB via the vdp. For foreign markets, threshold values calculated by Drees & Sommer by an expert third party are also used for the respective countries, which NORD/LB obtains either via vdpResearch GmbH or directly from Drees & Sommer.


¹⁵ Within the funding programs, per definition, promotional banks are legal entities carrying out financial activities on a professional basis which are given a mandate by a Member State or a Member State’s entity at the central, regional, or local level, to carry out development or promotional activities.” Through their promotional loans, which are earmarked for a specific purpose, promotional banks can contribute to specific environmental and social benefits. NORD/LB provides a list of eligible funding programs within the Framework; however, the funding programs have not been assessed in the scope of this SPO.

¹⁶ The assessment is limited to the examples specified in the framework.

2. Improvements of operational performance (processes)

The below assessment qualifies the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer’s business model and sector. NORD/LB finances operations/processes in a variety of third-party sectors. For clarity, ISS-Corporate does not display the exposure to negative externalities linked to the sectors of the operations/processes financed.

The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹⁷	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>New and existing residential and commercial buildings, including investments in buildings under construction and building acquisitions that fulfil one of the following criteria:</i></p> <p><i>Renovations/ refurbishments:</i></p> <p><i>The renovation/refurbishment of a building leads to an improvement in energy consumption/demand of at least 30% compared to the previous energy consumption/demand.¹⁸</i></p>		
<p>Renewable Energy</p> <p><i>Investments and expenditures related to the generation of renewable energy and related technologies to support the energy transition, including the generation of renewable energy.¹⁹</i></p> <p><i>Energy storage solutions such as batteries that optimize the use of the renewable energy generated.</i></p>		

¹⁷ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

¹⁸ This category is in line with the Substantial Contribution criteria for climate change mitigation of the EU Taxonomy activity 7.2.

¹⁹ The assessment is limited to the examples specified in the framework.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA

For the eligibility criteria – Sustainable Certified Buildings,²⁰ and the nationality applicable energy efficiency standards – are not aligned with the Substantial Contribution to Mitigation Criteria of the EU Taxonomy Climate Delegated as displayed in the Section III. Therefore, the table below presents the findings of those eligibility criteria against issuance specific KPIs. The entirety of the assets are and will be located in European Union countries (Germany, France, United Kingdom (UK), Republic of Ireland, Spain, Luxembourg, Sweden, Italy, the Netherlands, Belgium, Austria and Poland) and the United Kingdom.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The ESG review process follows established criteria for assessing sustainability. Properties included in the asset pool must meet minimum standards based on sustainability certificates or relevant national legislation, such as in the UK. Only sustainability certificates for existing buildings (constructed before December 31, 2020) will be accepted in Green Bonds moving forward. For new buildings, inclusion is conditional on achieving near-zero energy building (NZEB) levels below 10%.

Financing is limited to European target markets, and the process involves standard assessments such as customer questionnaires. Data from the Green Loan Service is compared with the framework, considering factors like taxonomy alignment (e.g., EPC ratings or certifications), borrower domicile, ratification status, integrity, and ESG scores, alongside KRM checks.

ESG risks are evaluated based on scores, EPC data, taxonomy alignment, and physical risk assessments. If increased risks are identified, detailed reviews are conducted, and mitigating measures are agreed upon with the client. Financing is withheld if no convincing action plan is provided. ESG criteria are consistently applied, including to the assets underlying the transaction.

Labor, health, and safety



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health, and safety standards. As the vast majority of the assets financed are and will be located in Equator Principles designated countries, high labor, health, and safety standards are ensured by the relevant national legislation and the EU’s mandatory social standards.

²⁰ This is with reference to the buildings with the building certifications, such as LEED, BREEAM, HQE and DGNB, as the eligibility criteria.

Biodiversity & Community Dialogue



The Issuer has measures in place systematically ensuring that assets financed under this Framework respect biodiversity and feature community dialogue as an integral part of the planning process. All the assets financed under this framework are and will be located in Equator Designated Country, which means that those countries have robust environmental and social governance, legislation systems and institutional capacity designed to protect its people and the natural environment.

Responsible treatment of customers with debt repayment problems



The Issuer has comprehensive measures to deal responsibly with clients having debt repayment problems including pre-emptive actions to prevent client debt repayment problems (e.g., in the real estate sector the Issuer has limits in place for its strategic target markets CRE to limit risks for the Bank and the borrower. In the renewables sector, the Issuer has several risk mitigation mechanisms to safeguard the Bank against potential repayment issues such as the Maximum Financing Term Relative to Project Duration, Minimum Thresholds for Debt Service Coverage Ratios, and Debt Service Reserve Accounts or Facilities), internal/external debt counselling services (in particular the Special Credit & Valuation unit provides support to clients in restructuring cases) and debt restructuring under non-detrimental conditions (each deal is considered on a case-by-case basis and the regular credit monitoring process reviews all financing for early warning indicators. If action is required, the Bank engages with the borrower to discuss potential solutions between prepayment and extension of the loan term).

Exclusion criteria

NORD/LB has defined detailed exclusion criteria relating to various sectors and business activities. There are defined exclusions for pornography, controversial weapons, ship dismantling, gambling, nuclear power plants, armaments, palm oil. Furthermore, there are additional regulations for project financing and certain minimum standards that must always be adhered to.

The current version of the exclusion criteria has not yet been published; however, NORD/LB commits to publish it at the beginning of next year.

PART III: ALIGNMENT OF THE ELIGIBILITY CRITERIA WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of NORD/LB's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Substantial Contribution to Climate Change Mitigation/Adaptation and Do Not Significant Harm (DNSH) Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act²¹ (June 2023), based on information provided by NORD/LB. Where NORD/LB's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

NORD/LB's project selection criteria overlap with the following economic activities in the EU Taxonomy:

- 4.1. Electricity Generation using solar photovoltaic technology
- 4.3. Electricity Generation from Wind Power
- 4.10. Storage of Electricity
- 7.1. Construction of New Buildings
- 7.2. Renovation of Buildings
- 7.7. Acquisition and Ownership of Buildings

All projects financed under the Green Funding Framework are and will be located in Germany, France, United Kingdom (UK), Republic of Ireland, Spain, Luxembourg, Sweden, Italy, the Netherlands, Belgium, Austria and Poland.²²

Note: To avoid repetition, the evaluation of the alignment of NORD/LB's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section G. Similarly, the evaluation of the alignment to the DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section H. They are applicable to all the above activities.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

²¹Commission Delegated Regulation (EU) 2020/852, URL https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

²² The assessment is carried out on best effort basis, with respect to the requirements of the standards referred to in the EU Taxonomy. According to the Platform on Sustainable Finance [report](#) named "Recommendations on Data and Usability", a full alignment against the EU Taxonomy criteria might be more difficult to obtain for investments outside the EU due to the lack of interoperability of some criteria relying on EU legislation only (pp. 166-177).

a) 4.1 – Electricity generation using solar Photovoltaic Technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²³	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity generates electricity from solar power.</p> <p>Projects already identified by the Issuer are located in Germany, France, UK, Spain, Poland and Italy.</p>	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A – there is no EU Taxonomy criteria for the category.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
<p>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p> <p>NORD/LB confirms that its independent technical advisers ensure all projects have high quality and durability by regular assessment of appropriateness of the specific equipment/asset that is in use. The Issuer also ensures highest quality standards of the quality of materials and suppliers to achieve long operational phase of the assets. Solar panels are dismantled, refurbished, or recycled to the extent technically possible.</p> <p>NORD/LB confirms that all projects are obliged under the loan documentation to follow local legislations and to be in compliance in all material respects with all applicable laws (i.e., EU Waste Framework Directive, Circular Economy Act in Germany).²⁴</p> <p>The Issuer confirms to finance solar panels projects within the EU only when the above standards are met. Any discrepancies (if relevant) will be highlighted in legal due diligence and required to be resolved.</p>	✓

²³ This column is based on input provided by the Issuer.

²⁴ Germany's Circular Economy Act, available at:

https://www.bmuv.de/fileadmin/Daten_BMU/Download_PDF/Abfallwirtschaft/kreislaufwirtschaftsgesetz_en_bf.pdf

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A — there is no EU Taxonomy criteria for the category.	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See h)	✓

b) 4.3 – Electricity generation from wind power

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁵	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity generates electricity from wind power.	✓
Projects already identified by the Issuer are located in Germany, France, UK, Republic of Ireland, Spain, Italy, Luxembourg, Poland, and Sweden.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for that descriptor.	✓
NORD/LB confirms that all (re)financed offshore wind farms are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (i.e., corresponding EU Directives, WEEE Directive etc. where applicable). Additionally, NORD/LB confirms that for Offshore Wind projects Environmental Impact Assessment (EIA) are carried	

²⁵ This column is based on input provided by the Issuer.

out and in detail reviewed by external technical advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.

The Issuer confirms to finance wind power projects within the EU only when the above standards are met. Any discrepancies (if relevant) will be highlighted in legal due diligence and required to be resolved.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

NORD/LB confirms that its independent technical advisers ensure all projects have high quality and durability by regular assessments of appropriateness of the specific equipment/ asset that is in use. NORD/LB also ensures highest quality standards of the quality of materials and suppliers to achieve long operational phase of the assets. Equipment is dismantled, refurbished or recycled to the extent technical possible.



NORD/LB also confirms that all projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all relevant laws (i.e., EU Waste Framework Directive, Circular Economy Act in Germany, WEEE Directive if applicable). Additionally, NORD/LB confirms that all building and operating permits are reviewed by external advisors who would highlight any anomalies in the corresponding due diligence reports and require them to be addressed and resolved.

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

N/A — there is no EU Taxonomy criteria for the category.

6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

See h)



c) 4.10 – Storage of Electricity


PROJECT CHARACTERISTICS AND SELECTION PROCESSES²⁶

ALIGNMENT WITH THE EU TAXONOMY'S

²⁶ This column is based on input provided by the Issuer.

	TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity includes energy storage solution such as batteries that can be stored and therefore optimize the use of renewable energy generated. NORD/LB excludes hydropower storage and chemical energy storage. In addition, NORD/LB does not use hydrogen as electricity storage.</p> <p>NORD/LB confirms that they have not yet selected any assets for inclusion in the portfolio to be financed. Their asset selection process would ensure that only electric batteries which meet the EU Taxonomy criteria would be included.</p>	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See g)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>N/A - The Issuer confirms no pumped hydropower storage is currently included in the portfolio and that are no plans to include any in the near future.</p>	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
<p>A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.</p> <p>NORD/LB confirms that all future assets will be obliged under the corresponding loan documentation to be in compliance in all material respects with all relevant legislation, including the EU WEEE Directive, if applicable, which regulates electric waste, and ensure a waste management plan is in place where required.</p> <p>The Issuer confirms to finance wind power projects within the EU only when the above standards are met. Any discrepancies (if relevant) will be highlighted in legal due diligence and required to be resolved.</p>	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A — there is no EU Taxonomy criteria for the category.	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See h)	✓

d) 7.1 – Construction of new buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁷	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The Issuer confirms that the EU Directive on the Energy Performance of Buildings (2010/31/EU) is respected across its asset portfolio locations in Germany, Spain, Luxembourg, the Netherlands, France, Belgium, Austria, the United Kingdom, Ireland and Poland.</p> <p>NORD/LB confirms that primary energy demand (PED, in kWh/m² per year) collected through a borrower's questionnaire will need to be supported by energy performance certificate or energy calculation. The energy calculation is used in those cases where such calculation is the basis for a building permit. This calculation is prepared before construction and contains the contents of a preliminary energy performance certificate (the energy calculation forms the basis for the assessment in accordance with activities 7.1 and 7.2 of the Taxonomy Regulation, as a final energy performance certificate is only issued once a property has been completed). For the Green Bond asset pool, the Issuer will only finance new buildings with PED at least 10% below 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 Council²⁸. The NZEB threshold is typically determined by an independent expert. In Germany, this value is specified in the energy performance certificate.</p> <p>NORD/LB identifies buildings over 5,000m² through its green building project assessment questionnaire as part of its due diligence process. Relevant borrowers must confirm that air-tightness and thermal integrity tests have been conducted and provide supporting documentation. Borrowers also need to verify that any deviations from performance levels set at the design stage, or any defects in the building envelope, are disclosed to investors and clients. Additionally, they must confirm that the building's life-cycle Global Warming Potential (GWP) from construction has been or will be calculated for each stage of the building's life cycle. Borrowers have to confirm that the calculation method used aligns with BS EN 15978:2011, the national calculation tool, or</p>	

²⁷ This column is based on input provided by the Issuer.

²⁸ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

<p>the Level(s) common EU framework²⁹. If an inspection is conducted by external experts, their confirmation of the methodology will also be reviewed.</p>	
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See g)</p>	<p style="text-align: center;">✓</p>
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered. Borrowers (or third-party commissioned by borrower) are required to provide product data sheets to verify that the following products meeting the required technical specifications are or were used. If this verification is provided by a consulting firm, separate submission of product data sheets is not required.</p> <ul style="list-style-type: none"> ▪ wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; ▪ showers have a maximum water flow of 8 litres/min; ▪ WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; ▪ urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. <p>In alignment with the EU Taxonomy’s DNSH requirements, the Issuer commits to financing new buildings within the EU only when the above standards are met, with the exception of residential building units.</p> <p>See also i) for Generic DNSH</p>	<p style="text-align: center;">✓</p>
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered. Borrowers are required to confirm that at least 70% (by weight) of non-hazardous construction and demolition waste generated on-site is prepared for reuse, recycling, or other material recovery, including backfilling operations that use waste as a substitute for other materials, in accordance with the EU Construction and Demolition Waste Management Protocol³⁰ and the waste hierarchy.</p>	<p style="text-align: center;">✓</p>

²⁹ Minimum criteria in indicator 1.2 user manual.

³⁰ EU Construction and Demolition Waste Protocol (version of 4.6.2021: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en).

Relevant borrowers are also asked to ensure that the operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.

Furthermore, NORD/LB commits to financing new properties within the EU only when building designs and construction methods prioritize circularity. Specifically, projects must demonstrate, with reference to standards such as ISO 20887³¹ or equivalent, that buildings are designed to be resource-efficient, adaptable, flexible, and dismantlable to support reuse and recycling.

Appropriate proof, such as external audit results, dismantling and recycling certificate, circularity passport^{®32} and/or documentation on low-waste construction concept, is required to demonstrate implementation as the project progresses.

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered.

Relevant borrowers are required to confirm that all building components and materials used in construction that may come into contact with occupiers – including paints and varnishes, ceiling tiles, floor coverings (including associated adhesives and sealants), internal insulation and interior surface treatments (e.g. damp and mould treatments) – meet the following standards:

- emit no more than 0.06 mg of formaldehyde per m³ of material or component, as tested under the conditions outlined in Annex XVII of Regulation (EC) No 1907/2006.
- emissions of category 1A and 1B carcinogenic volatile organic compounds must be below 0.001 mg per m³ of material or component, tested in accordance with CEN/EN 16516,³³ ISO 16000-3:2011,³⁴ or




³¹ ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance (version of 4.6.2021: <https://www.iso.org/standard/69370.html>).

³² <https://www.epea.com/en/news/the-circularity-passport-epea-presents-unique-analysis>

³³ CEN/TS 16516: 2013, Construction products - Assessment of release of dangerous substances - Determination of emissions into indoor air.

³⁴ ISO 16000-3:2011, Indoor air — Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air — Active sampling method (version of 4.6.2021: <https://www.iso.org/standard/51812.html>).

<p>other equivalent standardized test methods with emissions thresholds for carcinogenic VOCs based on a 28-day test period.</p> <p>Unless it is confirmed by a certifier, the borrower needs to provide evidence such as tender documents, the operator’s scope of services, or material specifications.</p> <p>Additionally, measures must be taken to reduce noise, dust and pollutant emissions during construction or maintenance works. These efforts have to be documented through a construction site concept, and, where appropriate, contractual agreements and photos of the preventive measures.</p> <p>For new construction projects on potentially contaminated sites, borrowers need to ensure that the site has undergone investigation for potential contaminants to address any environmental and safety risks. If necessary, borrowers will be required to confirm, with the support of subsoil expertise, that the site has no entries in the soil contamination register or records of explosive ordnance.</p> <p>See also j) for Generic DNSH for building components and materials used in the construction</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>Through internal screening and questionnaire process, the Issuer confirms that the new construction is not built on:</p> <ul style="list-style-type: none"> ▪ arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to the EU LUCAS survey;³⁵ ▪ greenfield land of recognized high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List³⁶ or the IUCN Red List;³⁷ or ▪ land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest.³⁸ <p>See also h) for Generic DNSH</p>	




³⁵ JRC ESDCA, LUCAS: Land Use and Coverage Area frame Survey

³⁶ IUCN, The IUCN European Red List of Threatened Species

³⁷ IUCN, The IUCN Red List of Threatened Species

³⁸ Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020.

e) 7.2 – Renovation of existing buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ³⁹	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The Issuer confirms that only building renovation projects that lead to a reduction of primary energy demand of at least 30% are eligible.</p> <p>It is also confirmed by the Issuer that the initial primary energy demand and the estimated improvement are based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate provided by the borrower.</p> <p>Furthermore, the Issuer assures that the 30 % improvement is the result of an actual reduction in primary energy demand, excluding any reductions achieved through renewable energy sources, and is achieved through a succession of measures within a maximum of three years.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See g)	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered. Borrowers (or third-party commissioned by borrower) are required to provide product data sheets to verify that the following products meeting the required technical specifications are or were used. If this verification is provided by a consulting firm, separate submission of product data sheets is not required.</p> <ul style="list-style-type: none"> ▪ wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; ▪ showers have a maximum water flow of 8 litres/min; ▪ WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; 	

³⁹ This column is based on input provided by the Issuer.

- urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.

In alignment with the EU Taxonomy’s DNSH requirements, the Issuer commits to financing new buildings within the EU only when the above standards are met, with the exception of residential building units.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered. Borrowers are required to confirm that at least 70% (by weight) of non-hazardous construction and demolition waste generated on-site is prepared for reuse, recycling, or other material recovery, including backfilling operations that use waste as a substitute for other materials, in accordance with the EU Construction and Demolition Waste Management Protocol⁴⁰ and the waste hierarchy.

Relevant borrowers are also asked to ensure that the operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.



Furthermore, NORD/LB commits to financing new properties within the EU only when building designs and construction methods prioritize circularity. Specifically, projects must demonstrate, with reference to standards such as ISO 20887⁴¹ or equivalent, that buildings are designed to be resource-efficient, adaptable, flexible, and dismantlable to support reuse and recycling.

Appropriate proof, such as external audit results, dismantling and recycling certificate, circularity passport^{®42} and/or documentation on low-waste construction concept, is required to demonstrate implementation of the EU Taxonomy requirements as the project progresses.

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

⁴⁰ EU Construction and Demolition Waste Protocol (version of 4.6.2021: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en).

⁴¹ ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance (version of 4.6.2021: <https://www.iso.org/standard/69370.html>).

⁴² <https://www.epea.com/en/news/the-circularity-passport-epea-presents-unique-analysis>

NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence and this DNSH criteria is covered.

Relevant borrowers are required to confirm that all building components and materials used in construction that may come into contact with occupiers – including paints and varnishes, ceiling tiles, floor coverings (including associated adhesives and sealants), internal insulation and interior surface treatments (e.g. damp and mould treatments) – meet the following standards:

- emit no more than 0.06 mg of formaldehyde per m³ of material or component, as tested under the conditions outlined in Annex XVII of Regulation (EC) No 1907/2006.
- emissions of category 1A and 1B carcinogenic volatile organic compounds must be below 0.001 mg per m³ of material or component, tested in accordance with CEN/EN 16516⁴³, ISO 16000-3:2011⁴⁴, or other equivalent standardized test methods with emissions thresholds for carcinogenic VOCs based on a 28-day test period.



Unless it is confirmed by a certifier, the borrower needs to provide evidence such as tender documents, the operator’s scope of services, or material specifications.

Additionally, measures must be taken to reduce noise, dust and pollutant emissions during construction or maintenance works. These efforts have to be documented through a construction site concept, and, where appropriate, contractual agreements and photos of the preventive measures.

See also j) for Generic DNSH for building components and materials used in the construction.


6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

N/A — there is no EU Taxonomy criteria for the category.

⁴³ CEN/TS 16516: 2013, Construction products - Assessment of release of dangerous substances - Determination of emissions into indoor air.


⁴⁴ ISO 16000-3:2011, Indoor air — Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air — Active sampling method (version of 4.6.2021: <https://www.iso.org/standard/51812.html>).

f) 7.7 – Acquisition and ownership of buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁵	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The asset portfolio contains projects located in Germany, Spain, Luxembourg, the Netherlands, France, Belgium, Austria, the United Kingdom, Ireland and Poland, where transposition of EU Directive on the energy performance of buildings (2010/31/EU) took place.</p> <p>NORD/LB has an internal screening and questionnaire process for assessing green building projects as part of its due diligence. Customers are required to provide the Primary Energy Demand (PED) value and Energy Performance Certificate (EPC).</p> <p>For the buildings built before December 31, 2020, the Issuer adopts Drees & Sommer's study to identify the building stock with top 15% PED for Germany. For foreign markets, threshold values are regularly determined by Drees & Sommer by an expert third party, considering national legislation and local EPC standards for the respective countries and property types. The performance of the relevant asset is compared to that of the national or regional stock built before 31 December 2020 and distinguishes between residential and non-residential buildings.</p> <p>NORD/LB will finance buildings built after December 31, 2020 only if their PED is at least 10% below 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 Council⁴⁶. In Germany, the NZEB value is specified in the energy performance certificate. The NZEB threshold for other countries is determined by independent experts, such as Drees & Sommer. Additionally, the Issuer requires that PED (in kWh/m² per year), collected through a borrower's questionnaire, be supported by an EPC or energy calculation. The energy calculation is used in those cases where such calculation is the basis for a building permit. This calculation is prepared before construction and contains the contents of a preliminary energy performance certificate (the energy calculation forms the basis for the assessment in accordance with activities 7.1 and 7.2 of the Taxonomy Regulation, as a final</p>	

⁴⁵ This column is based on input provided by the Issuer.

⁴⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

<p>energy performance certificate is only issued once a property has been completed).</p> <p>Large non-residential buildings⁴⁷ are identified based on expert reports and submitted EPCs or energy calculations. The borrower confirms, via the questionnaire and verified by a third party, that the buildings either undergo an annual audit⁴⁸ or have an energy management system^{49, 50} in place.</p> <p>NORD/LB requires its real estate customers to resubmit the energy certificate before expiration. Green Buildings with expired energy certificates are granted a grace period of one year before they are removed from the pool of Eligible Green Assets.</p> <p>Based on the assessment results and externally verified supporting documents, the Issuer confirms that only eligible buildings will be financed.</p>	
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See g)</p>	
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A — there is no EU Taxonomy criteria for the category.</p>	
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A — there is no EU Taxonomy criteria for the category.</p>	
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A — there is no EU Taxonomy criteria for the category.</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A — there is no EU Taxonomy criteria for the category.</p>	

⁴⁷ With an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air- conditioning and ventilation of over 290 kW

⁴⁸ Referring to the option in Article 14 (4) and Article 15 (4), of Directive 2010/31/EU: Member States may opt to take measures to ensure the provision of advice to users on the replacement of boilers and air-conditioning systems or on other modifications to the heating and air-conditioning system which may include inspections to assess the efficiency and appropriate size of the boiler and air-conditioning system.


<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:en:PDF>

⁴⁹ Building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.

⁵⁰ In Germany, the Issuer considers energy management systems listed on the BAFA website that have been certified as capable of supporting the implementation, maintenance, and improvement of an energy management system in compliance with DIN EN ISO 50001:

https://www.bafa.de/DE/Energie/Energieeffizienz/Energieeffizienz_und_Prozesswaerme/Modul3_Energiemanagementsysteme/ems_liste_foerderfaehige_software.html

g) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>NORD/LB confirms that the Group follows several guidelines and initiatives regarding environmental and climate protection, i.e., the Guideline for Corporate Environmental Protection that is based on ISO 14001 for environmental management, Hanover 2030 Climate Statement for climate protection and Equator Principles for risk management framework.</p> <p>NORD/LB confirms that all financed projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (i.e., the relevant climate protection laws of the specific countries (e.g. BImSchG in Germany) and the applicable EU laws for the construction and operation of solar PV and wind farms). NORD/LB’s independent technical due diligence check the projects to ensure expected lifespan is met. The due diligence also checks for local and physical environmental aspects and risks, including some consideration of mid- and long-term changes of the climate impact for the specific asset.</p> <p>For the activities financed under this framework, the climate risk and vulnerability assessment and processes work as follow:</p> <p>a) Screening of the activity to identify which physical climate risks from the list in Section II of the Delegated Act may affect the performance of the economic activity during its expected lifetime. NORD/LB has identified the following hazards for the project categories financed under this framework:</p> <ul style="list-style-type: none"> ▪ temperature-related: Heatwave, cold-wave/ frost, wildfire, changing temperature, heat stress, temperature variability, permafrost thawing; ▪ Wind-related: Cyclones, Hurricanes, Typhoons, Storms, Tornadoes, Changing Wind Patterns. ▪ Water- related: Drought, Heavy Precipitation, Flood, Glacial Lake Outburst, Changing Precipitation, Patterns and Types, Precipitation, Hydrological Variability, Ocean Acidification, Saline Intrusion, Sea Level Rise, Water Stress; ▪ Solid Mass- related: Avalanche, Landslide, Subsidence, Coastal Erosion, Soil Degradation, Soil Erosion, Solifluction. 	

NORD/LB uses the Taxo Master Tool to identify the climate risks for the activities financed under this Framework. The tool uses the data from MunicRe and provides location-based climate risks for the activities NORD/LB finances.

- b) Where the activity is assessed to be at risk from one or more of the physical climate risks listed above, NORD/LB confirms that a climate risk and vulnerability assessment is performed to assess the materiality of the physical climate risks on the economic activity.
- c) NORD/LB confirms that an assessment of adaptation solutions that can reduce the identified physical climate risk are implemented by the customers whose assets are being financed.
- d) NORD/LB confirms that the climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale. For all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10-to-30-year climate projections scenarios for major investments. NORD/LB uses the TaxoMaster to evaluate the financing for taxonomy alignment, which contains the latest climate risk data from Munich Re for the corresponding location for the RCP2.6, RCP4.5, RCP8.5 scenarios.
- e) NORD/LB confirms that in cases where significant climate risks are detected in critical system components, an adaptation plan that fulfills the DNSH requirements is performed. Additionally, the chosen adaptation solutions must align with relevant local, sectoral, regional, or national adaptation strategies and plans.
- f) Finally, NORD/LB confirms that the adaptation solutions are implemented by ensuring that it does not adversely affect adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities. The Issuer also ensures that the adaptation solutions are also consistent with local, sectoral, regional, or national adaptation strategies and plans and considers the use of nature-based solutions or reliance on blue or green infrastructure to the extent possible.

Based on the assessment results and supporting documents, the Issuer confirms that only eligible renewable energy and green building projects will be financed under the framework, and projects that fail to comply will be excluded.


h) Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES	ALIGNMENT WITH EU TAXONOMY
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
<p>The asset portfolio contains projects located in Sweden, Spain, Luxembourg, the Netherlands, France, Belgium, Austria, the United Kingdom, Ireland, Poland and Germany.</p> <p>NORD/LB confirms that all of the projects are obliged under the loan documentation to follow local legislation and to be in compliance in all material respects with all applicable laws (e.g. with the corresponding EU Directives on Environmental Impact Assessment (2011/92/EU), Strategic Environmental Assessment (2001/42/EC), Conservation of Natural Habitats and Wild Fauna and Flora (92/43/EEC), EU Environmental Noise Directive (2002/49/EC) and Conservation of Wild Birds (2009/147/EC) of each country.</p> <p>For assets located in or near biodiversity-sensitive areas, including Natura 2000 sites, appropriate Environmental Impact Assessments (EIAs) are conducted as mandated by local legislation. In both the renewable energy and building sectors, the approval process requires the local planning authority to conduct a thorough project assessment before granting building and operating permits.</p> <p>For projects in the renewable energy category, NORD/LB confirms that all building and operating permits are reviewed by external advisors.⁵¹ These advisors flag any issues in the due diligence reports, which must be addressed and resolved accordingly. Furthermore, borrowers associated with green building project are required to confirm in a questionnaire that relevant remedial and compensatory measures required to protect the environment is implemented.</p>	

⁵¹ In Germany, where the market has become relatively standardized, due diligence for plain vanilla wind onshore and PV projects will be carried out in-house in the future.

Based on the assessment results and supporting documents, the Issuer confirms that only eligible renewable energy and building construction projects will be financed under the framework, and projects that fail to comply will be excluded.


i) Generic Criteria for DNSH to Water

PROJECT CHARACTERISTICS AND SELECTION PROCESSES	ALIGNMENT WITH EU TAXONOMY
6. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>The asset portfolio contains projects located in Germany, Spain, Luxembourg, the Netherlands, France, Belgium, Austria, the United Kingdom, Ireland and Poland which have transposition of the Directive 2000/60/EC⁵² and Directive 2011/92/EU⁵³ of the European Parliament and of the Council.</p> <p>Borrowers associated with green building projects need to confirm in the internal screening and questionnaire that the environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Furthermore, NORD/LB ensures that the relevant Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water in accordance with Directive 2000/60/EC with risks identified addressed.</p> <p>None of the potential projects involve construction in marine environment, hence the relevant requirement in EU Taxonomy is not applicable.</p> <p>Based on the assessment results and supporting documents, the Issuer confirms that only eligible building construction projects will be financed under the framework, and projects that fail to comply will be excluded.</p>	

⁵² Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁵³ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

j) Generic Criteria to Pollution

PROJECT CHARACTERISTICS AND SELECTION PROCESSES	ALIGNMENT WITH EU TAXONOMY
6. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
<p>NORD/LB confirms that all EU legal requirements regarding pollution and prevention control are respected, especially the EU Persistent Organic Pollutants Regulation (2019),⁵⁴ the Regulation on Mercury (2017),⁵⁵ the Regulation on substances that deplete the ozone layer (2009),⁵⁶ the Regulation on the restriction of the use of certain hazardous substances in electrical and electronic equipment (2011),⁵⁷ or the REACH Regulation (2006).⁵⁸</p> <p>Borrowers are required to submit supporting documents, such as tender documents, the operator’s scope of services, or material specifications, unless it is confirmed by a certifier.</p> <p>Based on the assessment results and supporting documents, the Issuer confirms that only eligible building construction and renovation projects will be financed under the framework, and projects that fail to comply will be excluded.</p>	

Minimum Safeguards

The alignment of the project characteristics and selection processes in place with the EU Taxonomy Minimum Safeguards, as described in Article 18 of the Taxonomy Regulation,⁵⁹ have been assessed. The results of this assessment are applicable for every project category financed under this framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁰	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT
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⁵⁴ Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants, available at: <https://eur-lex.europa.eu/eli/reg/2019/1021/oj>

⁵⁵ Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury, and repealing Regulation (EC) No 1102/2008, available at: <https://eur-lex.europa.eu/eli/reg/2017/852/oj>

⁵⁶ Regulation (EC) No 1005/2009 of the European Parliament and of the Council of 16 September 2009 on substances that deplete the ozone layer, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32009R1005>

⁵⁷ Directive 2011/65/EU – restriction of the use of certain hazardous substances in electrical and electronic equipment, available at: <https://eur-lex.europa.eu/EN/legal-content/summary/restriction-on-the-use-of-certain-hazardous-substances-in-electricaland-electronic-equipment.html>

⁵⁸ Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of the Chemicals (REACH), available at: <https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:136:0003:0280:en:PDF>

⁵⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

⁶⁰ This column is based on input provided by the Issuer.

NORD/LB upholds a robust commitment to human rights, ensuring that sustainable principles and responsible business conduct permeate its operations and supply chain. Rooted in frameworks such as the UN Guiding Principles on Business and Human Rights, the International Labor Organization's (ILO) core labor standards, and the OECD Guidelines for Multinational Enterprises, the Issuer endeavors to proactively prevent or mitigate adverse human rights impacts in its business activities, products, and services.⁶¹ This dedication to human rights extends to both the Issuer's own business operations and its supply chain, incorporating risk analysis to identify and address human rights risks.

As a signatory of the UN Global Compact, NORD/LB integrates its ten universally recognized principles into all levels of operation, committing to:

- Respecting international human rights standards,
- Ensuring freedom from forced and child labor,
- Opposing discrimination in employment,
- Upholding collective bargaining rights and freedom of association,
- Advocating for sustainable environmental practices,
- Adopting anti-corruption practices in alignment with the precautionary principle.



NORD/LB's human rights approach is formalized through its internal policy on human rights, which includes a Code of Conduct and extensive guidelines on human rights integration within its operations, lending, and supply chain management. In compliance with Germany's Supply Chain Due Diligence Act, NORD/LB conducts comprehensive annual risk analyses for its business units, suppliers, and service providers to ensure adherence to due diligence obligations.⁶² Supplier engagements are guided by NORD/LB's human rights policies, ensuring that suppliers and service providers meet stringent criteria on ecological, social, and human rights standards. IT procurement is particularly scrutinized due to its potential for human rights impact, with requirements in place to address anti-corruption and sustainability principles aligned with the UN Global Compact. The Issuer surveys customers on human rights issues as part of the credit process. In addition, NORD/LB shares questionnaire to lending beneficiaries to identify human rights risks and regularly monitor the implementation of related measures in their operations.

NORD/LB also maintains mechanisms for stakeholder feedback on human rights and environmental risks, enabling the public to report grievances via its website. Internally, the bank continuously monitors adherence to human rights

⁶¹ ESG strategy for the NORD/LB Group (valid from January 1, 2024)

⁶² NORD/LB Group's Principles for Responsible Banking (PRB) Progress Report 2023

standards, with policies updated as needed based on risk analyses and external evaluations. The contract contains an obligation to comply with the legal requirements and the Bank reserves the right to terminate the business relationship if the customer fails to do so. If a borrower is identified as having a human rights issue, the deal will be promptly removed from the Green Bond Portfolio. Additionally, the bank excludes cooperation with any entities that are known to violate human rights, ensuring an ethical alignment with its principles.

To promote transparency, NORD/LB publishes its human rights policies, annual assessments, and risk management strategies on its website, aiming to reinforce its commitment to responsible corporate citizenship.

PART IV: CONSISTENCY OF GREEN REFINANCING INSTRUMENTS WITH NORD/LB'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on:</p> <ul style="list-style-type: none"> ▪ Environmental: Climate & environmental protection, conservation of resources, animal & species protection ▪ Social: employees, occupational safety and equality ▪ Governance: Supervisory structures, risk management, compliance and fraud <p>These sustainability pillars have been defined through an assessment involving internal and external stakeholders, industry trends, regulatory requirements, and risk analyses. These aspects are then evaluated for relevance and impact across short-, medium-, and long-term horizons using a double materiality matrix. Regular monitoring occurs through the annual strategy process.</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer has set a primary long-term target of achieving a climate-neutral portfolio by 2050. Interim targets for 2030 will be announced with the publication of NORD/LB's ESG strategy at the beginning of 2025.</p> <p>In the short term, financed CO₂ emissions data and targets are disclosed for sectors where an ESG sector strategy has been developed and targets have been defined. Additionally, NORD/LB has established internal targets for key risk indicators, minimum reduction goals for its own CO₂ emissions, and minimum volumes of new green business. While these targets are not publicly available, they are monitored monthly through the internal sustainability management report and new business report.</p>

	<p>Through the 'BLUE' programme launched in 2024, the Issuer also aims to achieve the following goals:</p> <ul style="list-style-type: none"> ▪ Ensuring the implementation of regulatory requirements in the context of ESG and climate and environmental risks ▪ Ensuring the deregistration of further regulatory requirements ▪ Realization of various ESG anchoring activities ▪ Identification of ESG market opportunities by developing ESG business cases ready for implementation ▪ Ensuring architecture and data governance
<p>Action plan</p>	<p>To achieve targets under the Environmental pillar, the Issuer has the following action plan in place:</p> <ul style="list-style-type: none"> ▪ Climate & Environmental Protection: financing renewable energy projects, and aligning sector-specific emissions reduction pathways with international standards ▪ Conservation of Resources: integrating resource conservation practices, including reducing energy consumption through office space optimization and sustainable procurement guidelines ▪ Animal & Species Protection: mitigating indirect impacts on biodiversity and ecosystems through exclusion policies and risk assessments <p>To achieve targets under the Social pillar, the Issuer has the following action plan in place:</p> <ul style="list-style-type: none"> ▪ Employees: Training programs to enhance ESG knowledge, leadership development workshops, and employee engagement activities ▪ Occupational Safety: Risk assessments of workplaces, and preventive health programs ▪ Equality: Supporting diversity in hiring practices, reducing the gender pay gap, and

	<p>offering support networks like the LGBTQ+ network BUNT/LB</p> <p>To achieve targets under the Governance pillar, the Issuer has the following action plan in place:</p> <ul style="list-style-type: none"> ▪ Supervisory Structures: The Managing and Supervisory Boards oversee ESG implementation, ensuring alignment with the bank's strategic priorities ▪ Risk Management: development of sector-specific transition scenarios and the monitoring of credit risks associated with climate-related exposures ▪ Compliance and Fraud: regular compliance training for employees, anti-fraud risk assessments, and conducting hazard and risk analyses to identify potential areas of improvement
<p>Climate transition strategy</p>	<p>In 2022, NORD/LB committed to the German financial sector's voluntary climate neutrality target, aiming for a climate-neutral portfolio by 2050.⁶³</p> <p>The Issuer prioritized assessing financed emissions within high-risk sectors—real estate, agriculture, energy, and aviation—since these sectors represent the bulk of the bank's portfolio CO₂ emissions. Building on these findings, NORD/LB defined sector-specific transition paths based on physical emission intensities to guide strategic decisions and controls. To support decarbonization, the Issuer conducted 'sector sprints' within these high-impact areas, focusing on emissions reduction opportunities, sector-specific ESG risks, and guidelines for both new and existing business. Additional sector analyses are planned for 2024 to further develop actions for achieving net-zero financing, with future sprints set to include sectors like oil & gas and steel.</p>

⁶³ Principles for Responsible Banking (PRB) Progress Report 2023 (p.78)
https://www.NORDlb.com/fileadmin/redaktion/Nachhaltigkeit/pdf/NORDLB_Group_Sustainability_Report_2023.pdf

	<p>The Issuer is committed to reducing its operational CO₂ emissions annually. Actions taken include optimizing office space to increase energy efficiency. The Issuer has also intensified efforts to incorporate CO₂ emissions reduction into new financing initiatives.⁶⁴</p> <p>To track progress toward climate targets for both its operations and financed portfolio, the Issuer has defined two KPIs. One KPI measures the emissions intensity of the financed portfolio, while the other reports on the bank's own CO₂ emissions across Scope 1, 2, and 3. Both KPIs are updated on a quarterly basis.⁶⁵</p>
<p>Sustainability reporting</p>	<p>The Issuer reports on its ESG performance and initiatives annually. The Sustainability Report is prepared in accordance with GRI Standards and referencing recommendations of the Task Force on Climate-Related Financial Disclosures.</p> <p>Furthermore, the Issuer also publishes Principles for Responsible Banking Progress Report alongside.</p>
<p>Industry associations, collective commitments</p>	<p>The Issuer is a signatory to the UN Global Compact (UNGC), the Principles for Responsible Banking (PRB), and the climate commitment of the German financial sector</p>
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>NORD/LB began issuing green refinancing instruments in 2017. NORD/LB has since issued several green bonds in 2018, 2021, 2022, 2023 and 2024, focusing on green buildings and renewable energy as eligible assets, including a green senior preferred bond in 2023 and two €500 million green Pfandbrief in January 2024 and October 2024, respectively. The total outstanding amount as of October 2024 is EUR 3.2 billion.</p>

⁶⁴ NORD/LB Group Sustainability Report 2023 – p.7

https://www.NORDlb.com/fileadmin/redaktion/Nachhaltigkeit/pdf/NORDLB_Group_Sustainability_Report_2023.pdf

⁶⁵ Principles for Responsible Banking (PRB) Progress Report 2023 (p.74)

https://www.NORDlb.com/fileadmin/redaktion/Nachhaltigkeit/pdf/NORDLB_Group_Sustainability_Report_2023.pdf

The framework published in 2021⁶⁶ and 2022⁶⁷, were externally verified by ISS-Corporate.

Rationale for issuance

NORD/LB has established its Green Funding Framework to raise funds for refinancing eligible green projects that align with the Issuer's sustainability strategy and commitment. These green assets also contribute to the EU's environmental goals, particularly in mitigating and addressing climate change. Through the issuance of green refinancing instruments, NORD/LB seeks to align the financing of sustainable projects with sustainable refinancing, responding to the growing demand from investors for environmentally responsible investments.

Opinion: *The key sustainability objectives and the rationale for issuing green refinancing instruments are clearly described by the Issuer. All the project categories financed are in line with the Issuer's sustainability objectives.*

⁶⁶ <https://www.iss-corporate.com/file/documents/spo/spo-20210826-NORDIb.pdf>

⁶⁷ <https://www.iss-corporate.com/file/documents/spo/spo-20220812-NORDIb.pdf>

DISCLAIMER

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Integrated Sustainable Finance Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

The evaluation shows if NORD/LB's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided on a confidential basis by NORD/LB (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

NORD/LB commissioned ISS-Corporate to compile a Green refinancing Instruments SPO. The second-party opinion process includes verifying whether the Green Funding Framework aligns with the Green Bond Principles (GBP) and assessing the sustainability credentials of its Green refinancing Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party-opinion:

- Green Bond Principles (GBP), as administrated by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- EU Taxonomy Delegated Act (as of June 2023)

ISSUER'S RESPONSIBILITY

NORD/LB's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the Green refinancing Instruments to be issued by NORD/LB has been conducted based on proprietary methodology and in line with the ICMA Green Bond Principles (GBP).

The engagement with NORD/LB took place from October to December 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>.

For more information on SPO services, please contact: SPOsales@iss-corporate.com.

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