

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

DLR Kredit

29 April 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Covered Bonds

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)
- EU Taxonomy Environmental Delegated Act, Annex IV (as of June 2023)

Scope of verification

- DLR Kredit Green Bond Framework (as of April 19, 2024)
- DLR Kredit Eligibility Criteria (as of April 19, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

DLR Kredit ("the Issuer", "the Company", or "DLR") commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Green Covered Bonds by assessing four core elements to determine the sustainability quality of the instruments:

1. DLR Kredit's Green Bond Framework (as of April 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 (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. The eligibility of the project categories against the EU Taxonomy on a best-efforts basis¹ – whether the nominated project categories satisfy the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation and Protection and Restoration of Biodiversity and Ecosystems (See Annex 1).
4. Consistency of Green Covered Bonds with DLR Kredit's Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

¹ Whilst the Final Delegated Act for Mitigation 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".

DLR KREDIT OVERVIEW

DLR Kredit A/S provides mortgage financing for agricultural properties and commercial real estate properties such as, private residential rental properties, private cooperative housing, office and retail properties. DLR also, on a limited scale, provides mortgage financing for owner-occupied housing. The company was founded in 1960 and is headquartered in Copenhagen, Denmark.

ESG risks associated with the Issuer Industry

DLR Kredit is classified in the Mortgage and Public Sector Finance industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies² in this industry are: Statutory ESG-standards linked to the geographical allocation of the lending portfolio, Employee relations and work environment, Sustainability impacts of lending and other financial services/products, Customer and product responsibility, and Sustainable investment criteria.

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.

² Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
<p>Part I:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its Green Covered Bonds 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.</p> <p><i>* The category Renewable Energy - Green energy⁴ sources is assessed as providing no clear environmental and/or social benefits according to our methodology (cf. part II of this report) and partly aligned with EU . However, as there are currently several national and international initiatives and that the definition of green might vary depending on sector and geography, it is recognized that those categories might be considered as eligible green or social categories by investors.</i></p>	<p>Aligned*</p>
<p>Part II:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The Green Covered Bonds will (re)finance eligible asset categories which include:</p> <p>Green Buildings, Renewable Energy, Energy Efficiency, and Environmentally Sustainable Management of Living Natural Resources and Land Use.</p> <p>Product-related use of proceeds categories ⁵ individually contribute to one or more of the following SDGs:</p> <div data-bbox="571 1541 1038 1659" data-label="Image"> </div> <p>Process-related use of proceeds categories ⁶ individually improve (i) DLR Kredit's Borrowers' operational impacts and (ii) mitigate their potential</p>	<p>Positive</p>

³ The evaluation is based on the DLR Kredit's Green Bond Framework (April 2024 version), on the analysed Eligibility criteria as received on April 5, 2024.

⁴ Facilities producing biogas, biofuel and combined Heat and Power (CHP) through anaerobic digestion of organic waste with 4 percent of first-generation biofuels by end of 2024

⁵ Green Buildings, Renewable Energy, and Environmentally Sustainable Management of Living Natural Resources and Land Use

⁶ Energy Efficiency and Environmentally Sustainable Management of Living Natural Resources and Land Use

	<p>negative externalities on one or more of the following SDGs:</p>  <p>Certain criteria of Renewable energy⁷ there is no evidence of an environmental contribution or of an improvement on the Issuer and/or end users' potential negative externalities.</p> <p>The environmental and social risks associated with those use of proceeds categories are managed.</p>	
<p>Part III: Eligibility against the EU Taxonomy</p>	<p>DLR Kredit's project characteristics, due diligence processes and policies have been assessed against the EU Taxonomy's (Climate Delegated Act of June 2023) Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation and Protection and Restoration of Biodiversity and Ecosystems on a best-efforts basis.⁸</p> <p>The Do No Significant Harm Criteria and the Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering the Issuer currently has limited documentation on DNSH and minimum social safeguard criteria to determine the full alignment against EU Taxonomy. DLR confirms to be in cooperation with the Danish financial sector to gather relevant data in preparation of opting for full alignment.</p>	<p>Eligible for assessing alignment at a later date</p>
<p>Part IV: Consistency of Green Covered Bonds with DLR Kredit's</p>	<p>The key sustainability objectives and the rationale for issuing Green Covered Bonds are clearly described by the Issuer. The majority of the project categories considered are in line with the sustainability objectives of the Issuer.</p>	<p>Consistent with Issuer's sustainability strategy</p>

⁷ Facilities producing biogas, biofuel and combined Heat and Power (CHP) through anaerobic digestion of organic waste with 4 percent of first-generation biofuels by end of 2024.

⁸ 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".

SECOND PARTY OPINION

Sustainability Quality of the Issuer
And Green Bond Framework

ISS-CORPORATE 

Sustainability Strategy	At the date of publication of the report and leveraging ISS ESG Research, the Issuer is exposed to no severe controversies have been identified.	
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SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES

This section evaluates the alignment of the DLR Kredit’s Green Bond Framework (as of April 5, 2024) with the Green Bond Principles.

GREEN BOND PRINCIPLES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓ *</p>	<p>The Use of Proceeds description provided by DLR Kredit’s Green Bond Framework is aligned with the Green Bond Principles.</p> <p>The Issuer’s green categories align with the project categories as proposed by the Green Bond Principles. Criteria are defined in a clear and transparent manner. In addition, disclosure of environmental benefits is described and the Issuer has committed to fully allocating the proceeds raised from the new covered bonds through tap issuance. The Issuer defines exclusion criteria for harmful projects categories.</p> <p><i>* The category Renewable Energy - Green energy⁹ sources is assessed as providing no clear environmental and/or social benefits according to our methodology (cf. part II of this report) and partly aligned with EU . However, as there are currently several national and international initiatives and that the definition of green might vary depending on sector and geography, it is recognized that those categories might be considered as eligible green or social categories by investors.</i></p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by DLR Kredit’s Green Bond Framework is aligned with the Green Bond Principles.</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 through an appropriate</p>

⁹ Facilities producing biogas, biofuel and combined Heat and Power (CHP) through anaerobic digestion of organic waste with 4 percent of first-generation biofuels by end of 2024.

		<p>process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The Issuer involves various stakeholders in this process and identifies alignment of their Green Bond Framework and their green projects with EU taxonomy, in line with best market practice.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds provided by DLR Kredit's Green Bond Framework is aligned with the Green Bond Principles.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are credited to a tracked in an appropriate manner and attested in a formal internal process. The net proceeds are managed per bond (bond-by-bond approach).</p> <p>Moreover, the Issuer discloses that 100% of the proceeds will be immediately allocated and there won't be unallocated proceeds.</p>
4. Reporting	✓	<p>The allocation and impact reporting provided by DLR Kredit's Green Bond Framework is aligned with the Green Bond Principles.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer's website.¹⁰ DLR Kredit explains that the level of expected reporting will be at project category and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the bond matures.</p> <p>The Issuer is transparent on the level of impact reporting, the reporting frequency and on the information reported in the impact report, in line with the best market practices.</p>

¹⁰ DLR Kredit, Investor Relations in DLR, <https://dlr.dk/en/investor/>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN COVERED BONDS TO THE UN SDGs¹¹

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed in 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 UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or 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 3-point scale:



Each of the Green Covered Bonds' 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>Non-residential buildings:</i></p> <ul style="list-style-type: none"> ▪ <i>BREEAM minimum certification "very good")¹²</i> 	Contribution	

¹¹ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

¹² BREEAM, A guide to how BREEAM works, <https://breeam.com/about/how-breeam-works>

- LEED (minimum certification "gold")¹³
- DGNB (minimum certification "gold")¹⁴

Green Buildings¹⁵¹⁶

Non-residential buildings:

- *New buildings constructed after January 1, 2021 with energy label*¹⁷¹⁸
*A2020*¹⁹
- *Energy-rated buildings constructed before January 1, 2021 with energy label A2020, A2015, A2010 or B*²⁰

Residential buildings:

- *New buildings constructed after January 1, 2021 with energy label*²¹
*A2020*²²

Contribution



¹³ U.S. Green Building Council, LEED rating system, <https://www.usgbc.org/leed>

¹⁴ Rådet for Bæredygtigt Byggeri, DGNB-SYSTEMET, <https://dk-gbc.dk/dgnb>

¹⁵ Social-og Boligstyrelsen, Energiforbrug (§ 250 - § 298), https://bygningsreglementet.dk/Historisk/BR18_Version3/Tekniske-bestemmelser/11/BRV/Energiforbrug/Kap-1_10#507b11a5-e4c8-49dd-b7c1-3182a25405af

¹⁶ Social-og Boligstyrelsen, Energiforbrug og klimapåvirkning (§ 250 - § 298), https://bygningsreglementet.dk/Tekniske-bestemmelser/11/BRV/Version-2-Bygningers-klimap%C3%A5virkning/Kap_1_0#27f_a6594-8d67-4d0b-b293-c9460b71d5f1

¹⁷ Energy labels will be based on data from the Danish Energy Agency – according to the Danish Order on the publication of energy labelling of buildings and inspection reports on boiler and central heating installations etc. ("Bekendtgørelse om offentliggørelse af energimærkninger af bygninger og eftersynsrap- porter om kedel- og varmeanlæg m.v."). An energy label for a building is valid for 10 years after issuance. Once a building has obtained an energy label that qualifies it as an Eligible Green Asset it will remain so unless it later gets an energy label below the selection criteria and thus becomes ineligible

¹⁸ In DLR's previous green bond framework (dated February 2023) loans for the financing of 'new buildings' constructed after January 1, 2021 with EPC's of A2015 (both residential and non-residential) are included in the eligibility criteria. With the adjustment of the green bond framework, DLR will not grant new green loans to be funded by green bonds for the financing of buildings constructed after January 1, 2021 with EPC's A2015 or worse. However, such loans already granted under the current or previous framework will be refinanced recurrently by green bonds issued under the green bond program upon expiry of the green bonds issued.

¹⁹ The threshold set for the nearly zero-energy building (NZEB) in Denmark corresponds to a "A2015 label" in the Danish regulation for new non-residential buildings, implying a guaranteed energy consumption of kWh/m²/year < 41 + 1.000/A. The "A2020 label" guarantees energy consumption of kWh/m²/year < 33, which is at least 20% (-20% = 33/41-1)) lower than the NZEB-implied legal requirements for new buildings.

²⁰ Together energy-labels energy labels "A2020, A2015, A2010 and B" constitutes buildings within the top 15% of the national building stock. Aggregated statistics on energy labels can be found on the Danish Energy Authority's website: <https://sparenergi.dk/offentlig/bygninger/energimaerkning-af-bygninger>. Statistics on the National building stock is available on Statistics Denmark's webpage: <https://www.dst.dk/en/Statistik/emner/erhvervsliv/byggeri-og-anlaeg/bestanden-af-bygninger>

²¹ In DLR's previous green bond framework (dated February 2023) loans for the financing of 'new buildings' constructed after January 1, 2021 with EPC's of A2015 (both residential and non-residential) are included in the eligibility criteria. With the adjustment of the green bond framework, DLR will not grant new green loans to be funded by green bonds for the financing of buildings constructed after January 1, 2021 with EPC's A2015 or worse. However, such loans already granted under the current or previous framework will be refinanced recurrently by green bonds issued under the green bond program upon expiry of the green bonds issued.

²² The threshold set for the nearly zero-energy building (NZEB) in Denmark corresponds to a "A2015 label" in the Danish regulation for new residential building implying a guaranteed energy consumption of kWh/m²/year < 30 + 1,000/A. The "A2020 label" guarantees energy consumption of kWh/m²/year ≤ 27. The A2020 label guarantees energy consumption of kWh/m²/year ≤ 27, which is at least 10% (-10% = 27/30-1)) lower than the NZEB-implied legal requirements for new buildings.

- *Energy-rated buildings constructed before January 1, 2021 with energy label A2020, A2015, A2010 or B²³*

Renewable Energy

Green energy sources

- *Wind turbines*
- *Solar power plants*
- *The installation and operation of on-site electric heat pumps²⁴*
- *Facilities producing biogas, biofuel and combined Heat and Power (CHP)²⁵ through anaerobic digestion of organic waste, second generation of biofuels such as from animal manure and straw to residues from food production*
- *Hydropower-based electricity generation (<1000 MW), with facilities that comply with one of the following:*
 - *Run-of-river facilities without an artificial reservoir*
 - *Facilities with a power density of electricity generation above 5W/m²*
 - *Facilities with life cycle GHG emissions from electricity generation lower than 100g CO_{2e}/kWh*

Contribution



Renewable Energy

Green energy sources

Facilities producing biogas, biofuel and combined Heat and Power (CHP) through anaerobic digestion of organic waste²⁶

No

Net Impact

Environmentally Sustainable Management Of Living Natural Resources And Land Use

Contribution



²³ For residential buildings the "B label" covers labels B or B1 in Danish regulation which guarantee energy consumption – kWh/m²/year ≤ 70.0 + 2,200/A. For other buildings The "B label" covers labels B or B1 in Danish regulation which guarantee energy consumption – kWh/m²/year ≤ 95.0 + 2,200/A

²⁴ DLR confirms that all assets financed under this project category shall fully comply with EU Taxonomy Climate Delegated Act Technical Screening Criteria 4.16 "Installation and operation of electric heat pumps".

²⁵ Danish Energy Agency, A Progressive Way to Cogenerate Heat and Power, [chp.pdf \(ens.dk\)](#)

²⁶ The Issuer relies on the Danish Regulation, which limits the permitted use of first-generation biofuels to 4 percent from 2024 and does not allow the use of corn as a crop from the period 2025/2026.

SECOND PARTY OPINION

Sustainability Quality of the Issuer
And Green Bond Framework

Farms with sustainability certification:

*Farms certified for organic production with
or without organic livestock production*



2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer’s clients.

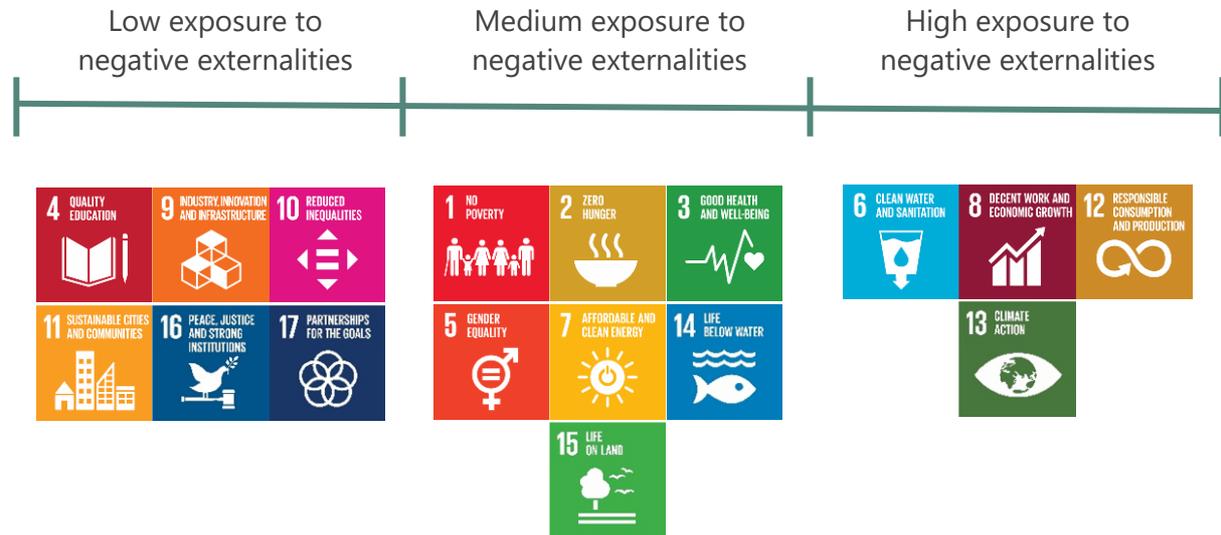
DLR Kredit finances operations/processes in third-party sectors which are not listed in the Issuer’s Framework. As such, ISS ESG is not in a position to display the exposure to negative externalities linked to the sector of the operations/processes financed. Negative externalities, if present, could have an impact on the overall sustainability quality of the issuance:

According to ISS ESG’s SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities²⁷ in the Real Estate Industry are the following:

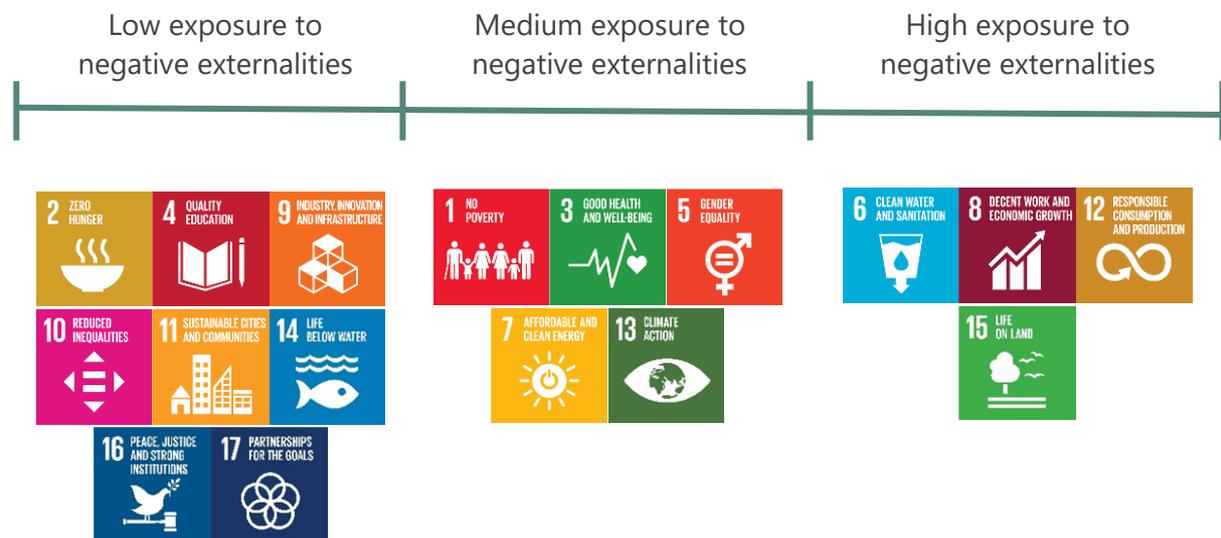


²⁷ Please note that the impact of the issuer’s products and services resulting from operations and processes is displayed in section 1.

According to ISS ESG’s SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities²⁸ in the Food Products industry are the following:



According to ISS ESG’s SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities²⁹ in the Paper and Forest Product Industry are the following:



²⁸ Ibid.

²⁹ Ibid.

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 ³⁰	SUSTAINABLE DEVELOPMENT GOALS
<p>Energy Efficiency</p> <p><i>Energy efficiency renovations</i></p> <p><i>Renovation of existing buildings that reduce primary energy demand by at least 30%³¹</i></p>		
<p>Environmentally Sustainable Management Of Living Natural Resources And Land Use</p> <p><i>Sustainable agricultural investments</i></p> <ul style="list-style-type: none"> ▪ <i>Construction of pig barns with slurry acidification, which reduces CO₂-emission with at least 30%³²</i> ▪ <i>Construction of pig barns with frequent slurry discharge and delivery to biogas facilities, which reduces CO₂-emission with at least 30%</i> 		
<p>Environmentally Sustainable Management Of Living Natural Resources And Land Use</p> <p><i>Forestry</i></p> <ul style="list-style-type: none"> ▪ <i>Forests certified by the Forest Stewardship Council (the FSC) or the program for the Endorsement of Forest Certification (the PEFC)</i> 		

³⁰ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

³¹ The Issuer confirms that all assets financed under this category will fully comply with EUT TSC 7.2 Renovation of existing buildings.

³² The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) - [Corporate Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](http://Corporate Standard | Greenhouse Gas Protocol (ghgprotocol.org))

- *Forest management and conservation forestry aligned with the EU-Taxonomy³³*

³³ The Issuer confirms that all assets financed under this category will fully comply with EU Taxonomy Climate Delegated Act TSC 1.3. Forest management and 1.4. Conservation forestry, and EU Taxonomy Environmental Delegated Act TSC 1.1 Conservation, including restoration, of habitats, ecosystems and species.

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

The table below evaluates the eligibility criteria against issuance-specific KPIs. The significant majority of the assets are and will be located Denmark (including the Faroe Island and Greenland)

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The loan approval process at DLR involves a comprehensive assessment of both collateral and borrowers' financial status. Conducted by DLR's local valuation experts, collateral evaluation begins with determining the market value of the property. Alongside considerations of condition and marketability, ESG factors and climate risks are integral to property valuation. These experts investigate soil contamination, production permits, geodata (such as flood risks), and the property's proximity to natural features and urban areas. They also evaluate land use and working conditions.

In terms of credit risk, favorable ESG assessments generally indicate greater economic resilience for customers and properties. Risks associated with new technologies are also considered. Loan officers utilize data from the Danish Meteorological Institute to evaluate climate risks.

DLR conducts ESG assessments for all new and existing customers applying for loans or remortgaging, gathering data directly from customers through ESG questionnaires. By collecting ESG information from customers, DLR can make a holistic assessment that covers not only financial matters but also the extent to which the customer focuses on ESG. This enables them to calculate ESG performance across DLR's loan portfolio and monitor developments in the impact on the climate and the environment. Subject to customer acceptance, this information is shared with the loan-distributing bank and can support the dialogue with borrowers on how they can address sustainability risks and opportunities for sustainable choices. Depending on the loan category, additional documentation and certifications may be requested (e.g. borrower's forest is PEFC/FSC certified, that the borrower's agriculture is organic, or documentation supporting the energy label on the borrower's property).

ESG considerations are an integral part of DLR's overall credit assessment process. However, specific ESG-related requirements or pricing differentiations are not currently implemented, nor are customer groups excluded solely based on sustainability criteria. ESG risks are evaluated through physical property inspection that mainly connected to the applications for new loans and if a customer wants significant changes to his/her agreement.

ESG Guidelines into financing process for most sensitive sectors³⁴ financed under the Framework

Apart from the assessment of ESG factors, collateral, and the financial status of borrowers, additional requirements may apply for credit facilities and capital market transactions, particularly in certain industries and sectors, as mandated by DLR regulations for lending or mortgage approval.

ESG Guidelines into financing process for Forestry

DLR offers green loans specifically tailored to customers in forestry, provided they meet additional criteria beyond the standard assessment process. In addition to the general evaluation applied to all customers, forestry loan applicants must submit documentation for PEFC and FSC certification to qualify for a green loan. This certification ensures responsible forest management practices, addressing various environmental concerns such as water management, fertilizer and pesticide use, soil health, fire management, reforestation with native species, and promoting biodiversity over monocultures. By adhering to these stringent criteria, forestry customers mitigate risks associated with surface and groundwater management, pesticide use, soil erosion, and other environmental impacts, thereby qualifying for DLR's green loan offerings.

ESG Guidelines into financing process for Agriculture and Agriculture (with animals involved)

DLR's valuation process involves a thorough physical inspection of the property by experts who assess various environmental and operational aspects. This includes investigating soil contamination, reviewing production permits, analyzing geodata for flood risks, and considering the property's geographic location in relation to natural features and urban areas. The experts also observe land use practices, such as forestry, meadows, and arable land, as well as working conditions.

Furthermore, for agricultural customers, DLR utilizes ESG questionnaires to gather specific information. These questionnaires inquire about various sustainability practices, including the transformation of low-yield areas, utilization of green energy sources, proximity of animal feed production, disposal of slurry to biogas facilities, adoption of reduced tillage and precision farming techniques, incorporation of multi-year crops, management of animal mortality, participation in climate credit transactions, and implementation of organic farming methods. DLR verifies this information through a public online register for organic certifications in Denmark.³⁵ These information provide valuable insight into the environmental and social sustainability of agricultural operations, enabling DLR to make informed lending decisions.

³⁴ The categorization of a sector as 'most sensitive' follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.

³⁵ Ministeriet for Fødevarer, 2024, [Økologierklæring - Online register \(lbst.dk\)](https://www.lb.st.dk/okologierklaering)

Labour, Health and Safety



As all assets financed will be located in Denmark (including the Faroe Island and Greenland) where high health & safety and labor standards are ensured by the relevant national legislation and the European Union mandatory social standards.

Biodiversity



DLR ensures that all finances will be located in Denmark (including the Faroe Islands and Greenland), where high environmental standards are mandated by national legislation and European Union Environmental standards. DLR adheres to national and international legislation, including the EU Taxonomy, to evaluate biodiversity impact. Laws such as the Habitats Directive and the Birds Directive protect nature and biodiversity in Denmark, Greenland, and the Faroe Islands,³⁶ reinforcing DLR's commitment to environmental stewardship in its lending practices.

DLR's valuation experts thoroughly investigate environmental conditions related to biodiversity, considering factors such as geographic location and land use practices. DLR confirms that no current assets in the portfolio are located in key biodiversity areas.

Community dialogue



DLR ensures that all finances will be located in Denmark (including the Faroe Islands and Greenland). DLR adheres to Danish planning laws,³⁷ which mandate public involvement in the planning process at municipal, regional, and national levels, setting minimum requirements for public participation. Additionally, DLR's community impact assessments align with European Union standards for Environmental and Social Impact assessments. In Denmark, community dialogue requirements often involve engaging stakeholders in public consultations and hearings to gather feedback and address concerns regarding proposed projects. These dialogues aim to foster transparency, inclusivity, and community involvement in decision-making processes related to development projects.

DLR confirms that all projects must comply with existing laws, including the Building Act,³⁸ and the Planning Act, The Subdivision Act, and Municipalities' Local Plans. Section 59 of the Planning Act allows complaints from those with a legal interest. Appeals can be made to the Planning Appeals Board or a court.

³⁶ Retsinformation.dk, 2024, [Dyrevelfærdsloven \(LBK 61 af 19. januar 2024\)](#), European Commission, 2024, [The Habitats Directive](#) and European Commission, 2024 [The Birds Directive](#).

³⁷ Retsinformation.dk, 2015, Promulgation of the Planning Act, <https://www.retsinformation.dk/eli/ta/2015/1529>

³⁸ Retsinformation.dk, Building Act, <https://danskelove.dk/byggeloven/22>

Additionally, within Denmark, project owners should comply with the 'VE' Act³⁹, a 'Loss of Value' scheme for compensation, for instance, for wind turbines or solar panels near residential properties.

Inclusion



DLR has a publicly available code of conduct⁴⁰ that is applicable to customers, employees, suppliers, business partners and other relationships, which states that all people must be treated equally and with proper respect and tone, regardless of whether DLR is entering or declining businesses with customers or business relationships. The code of conduct also emphasizes that discrimination and harassment due to gender, ethnic background, sexual orientation, religion or age are not accepted.

Data protection and information security



DLR ensures that data collection processes on borrowers meet minimum requirements for data and information security and data security in outsourced data processing, having in place an IT security and IT risk management policy that builds upon and follows closely the ISO27001 standard and that only deviates away from ISO27001 when it is deemed to be irrelevant by DLR. The IT security and IT risk management policy aims to maintain a high level of IT security for employees, business partners and customers. It includes items regarding risk assessment, structure, responsibilities, target and objectives, training and awareness raising, physical and technical safeguards DLR also has a data ethics policy which describes DLR's approach to data ethics and use of data, covering data collected from customers, employees, business partners and other stakeholders. The data ethics policy provides principles that apply to DLR's approach to processing data in an ethical, responsible and transparent manner.⁴¹ Moreover, DLR confirms to comply with the European Union's General Data Protection Regulation (GDPR).

Responsible treatment of customers with debt repayment problems



DLR does not have measures in place that systematically ensures assets financed under this framework provide for responsible treatment of customers with debt repayment problems. DLR confirms that it does not have measures regarding internal or external debt counselling and ombudsperson, and responsible policies around mortgage sale and foreclosure for retail clients.

³⁹ Retsinformation.dk, 2019, Promulgation of the Act on the Promotion of Renewable Energy, <https://www.retsinformation.dk/eli/lt/a/2019/356>

⁴⁰ DLR Kredit, February 2022, Code of Conduct, <https://dlr.dk/wp-content/uploads/2022/03/DLR-Kredits-adfaerdskodeks-feb22.pdf>

⁴¹ DLR Kredit, October 2023, Dataetikpolitik. <https://dlr.dk/wp-content/uploads/2023/11/33-Dataetikpolitik-okt23.pdf>

However, DLR has measures in place that ensures assets financed provide for pre-emptive actions that prevent client debt repayment problems, and debt restructuring options under non-detrimental conditions. DLR's loans are standard mortgage loans offered on the basis of the restrictive provisions of the Danish Mortgage Credit Act on valuation and lending limits by property type and under the supervision of the Danish Financial Supervisory Authority. DLR has a dedicated department (special exposure and debt collection) that handles customers' financial difficulties without requiring any underlying additional costs. The department has developed an internal business process which aims to ensure consistent and effective application of criteria showing that borrowers are not expected to pay (default), with criteria including the borrower being in arrears for over 90 days with significant debt obligation, booked losses have been realized on the borrower, the borrower having an insolvency code indicating information about bankruptcy, restructuring, liquidation and compulsory dissolution, etc. Furthermore, DLR monitors the developments in its loan portfolio regarding the financial strength of customers measured on the basis of, among other things, financial ratios, loan-to-value ratios based on current property valuations, the scope of agreements for extension of payment, arrears, debt collection cases, forced sales, impairment charges, and losses. Reports on such developments are submitted to DLR's Executive Board and Board of Directors at least once every quarter. DLR also has measures in place that ensures debt counselling services, where borrowers with payment difficulties are sent letters to encourage them to seek advice from loan distributing banks, lawyers, or other advisors for potential repayment solutions, while DLR also offers guidance regarding options for entering into repayment plans for outstanding amounts.

Responsible marketing



DLR ensures that assets financed under this framework provide for responsible marketing practices. DLR's price list and loan terms are made available on its website, and DLR is committed to being transparent in regard to pricing, costs and products risks.⁴² Furthermore, DLR is committed to inform customers about the reasons leading to loan application rejection upon request from customers.⁴³

Exclusion criteria

The Issuer policies exclude and do not accept loans where the main purpose of the loan is for fossil fuel energy generation, nuclear energy generation, tobacco, gambling, research and/or development within weapons and defense, or environmentally negative resource extraction

⁴² DLR Kredit, September 2023, Prisblad, <https://dlr.dk/wp-content/uploads/2022/09/Prisblad-September-2023.pdf>

⁴³ DLR Kredit, February 2023, Generelle lånevilkår og låntyper i DLR Kredit,

<https://dlr.dk/wp-content/uploads/2023/02/Generelle-laanevilkkaar-og-laantyper-i-DLR-Kredit-Februar-2023.pdf>

such as extraction of fossil fuels. DLR also excludes indirect purpose of extraction, storage, transportation or manufacture of fossil fuels. The Issuer confirms that, if the loan is granted based on false information received from the borrower that violates DLR's exclusion policy, DLR reserves the right to terminate the loan at any time.

PART III: ELIGIBILITY OF THE ELIGIBILITY CRITERIA AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT AND THE EU TAXONOMY ENVIRONMENTAL DELEGATED ACT

DLR Kredit's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Climate Change Mitigation Technical Screening Criteria requirements of the EU Taxonomy Climate Delegated Act (June 2023)⁴⁴ and the Protection and Restoration of Biodiversity and Ecosystems Technical Screening Criteria of the EU Taxonomy Environmental Delegated Act (June 2023),⁴⁵ based on information provided by DLR Kredit. Where DLR Kredit's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

The Do No Significant Harm Criteria and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act and the EU Taxonomy Environmental Delegated Act have not been assessed, considering the Issuer currently has limited documentation on DNSH and minimum social safeguard criteria to determine the full alignment against EU Taxonomy. DLR confirms to be in cooperation with the Danish financial sector to gather relevant data in preparation of opting for full alignment.

DLR Kredit's project eligibility criteria overlap with the following economic activities in the EU Taxonomy:

- EU Taxonomy Climate Delegated Act:
 - 1.3 Forest management
 - 1.4 Conservation forestry
 - 4.1 Electricity generation using solar photovoltaic technology
 - 4.3 Electricity generation from wind power
 - 4.5 Electricity generation from hydropower
 - 4.8 Electricity generation from bioenergy
 - 4.16 Installation and operation of electric heat pumps
 - 7.1 Construction of new buildings
 - 7.2 Renovation of existing buildings
 - 7.7 Acquisition and ownership of buildings
- EU Taxonomy Environmental Delegated Act:
 - 1.1 Conservation, including restoration, of habitats, ecosystems and species

⁴⁴ Commission Delegated Regulation (EU) 2020/852, https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

⁴⁵ Ibid.

All projects financed under the Green Bond Framework are and will be located in Denmark (including the Faroe Islands and Greenland).

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](#).

a) Assessment of the project categories against the EU Taxonomy’s Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

GREEN BOND FRAMEWORK PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁶	ASSESSMENT AGAINST THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
Green buildings	7.1. Construction of new buildings	<p>“New buildings constructed after 1 January 2021 with energy label A2020”</p> <p>This activity involves new residential and non-residential buildings constructed after 1 January 2021 with energy label A2020, where A2020 translates to be at least 20% lower than the nearly zero-energy building (NZEB) implied legal requirements for new buildings. It aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.1 “Construction of new buildings”.</p>	✓
Green buildings	7.7. Acquisition and ownership of buildings	<p>“Energy-rated buildings constructed before 1 January 2021 with energy label A2020, A2015, A2010 or B”</p> <p>This activity involves new residential and non-residential buildings constructed before 1 January 2021 with energy label A2020, A2015, A2010 or B, which translates to be buildings within the top 15% of the national building stock. It aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.7 “Acquisition and ownership of buildings”.</p>	✓
Green buildings	7.1. Construction of new buildings	<p>“BREEAM (minimum certification “very good”)</p> <p>“LEED (minimum certification “gold”)</p> <p>“DGNB (minimum certification “gold”)</p>	○

⁴⁶ This column is based on input provided by the Issuer.

	7.7. Acquisition and ownership of buildings	There is no information that reflect that this activity constitutes to meeting the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.7 "Acquisition and ownership of buildings".	
Renewable energy	4.3 Electricity generation from wind power	"Wind turbines" This activity generates energy through wind. It aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.3 "Electricity generation from wind power".	✓
Renewable energy	4.1 Electricity generation using solar photovoltaic technology	"Solar power plants" This activity involves the operation of facilities that generate energy through solar photovoltaic (PV) technology. It aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.1 "Electricity generation using solar photovoltaic technology".	✓
Renewable energy	4.16. Installation and operation of electric heat pumps	"The installation and operation of on-site electric heat pumps" This activity involves the installation and operation of on-site electric heat pumps. It aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.16 "Installation and operation of electric heat pumps".	✓
Renewable energy	4.8 Electricity generation from bioenergy	"Facilities producing biogas, biofuel and combined Heat and Power (CHP) through anaerobic digestion of organic waste" The Issuer confirms that it requires customers to provide verified certification such as International Sustainability & Carbon Certificate (ISCC). However, there is no information that this activity constitutes to meeting all criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.8 "Electricity generation from bioenergy" are met.	○
Renewable energy	4.5 Electricity generation from hydropower	"Hydropower-based electricity generation (<1000MW), with facilities that comply with one of the following: ▪ Run-of-river facilities without an artificial reservoir	○

		<ul style="list-style-type: none"> ▪ Facilities with a power density of electricity generation above 5W/m² ▪ Facilities with life cycle GHG emissions from electricity generation lower than 100g CO₂e/kWh” <p>There is no information that reflect that this activity constitutes to meeting criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 4.5 “Electricity generation from hydropower”.</p>	
Energy efficiency	7.2 Renovation of existing buildings	<p>“Renovation of existing buildings that reduce primary energy demand by at least 30%”</p> <p>This activity involves renovations that reduce primary energy demand by at least 30%. Therefore, it aligns with the the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.2 “Renovation of existing buildings”.</p>	
Environmentally sustainable management of living natural resources and land use	1.3 Forest management	<p>“Forests certified by the Forest Stewardship Council (the FSC) or the program for the Endorsement of Forest Certification (the PEFC)”</p> <p>There is no information that reflect that this activity constitutes to meeting the criteria in EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 1.3 “Forest management”.</p>	
Environmentally sustainable management of living natural resources and land use	1.3 Forest management 1.4 Conservation forestry	“Forest management and conservation forestry aligned with the EU-taxonomy”	eligible for assessing alignment at a later date

b) Assessment of the project categories against the EU Taxonomy’s Technical Screening Criteria for a Substantial Contribution to Protection and Restoration of Biodiversity and Ecosystems

GREEN BOND FRAMEWORK PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁷	ASSESSMENT AGAINST THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
Environmentally sustainable management of living natural resources and land use	1.1 Conservation, including restoration, of habitats, ecosystems and species	<p>“Forests certified by the Forest Stewardship Council (the FSC) or the program for the Endorsement of Forest Certification (the PEFC)”</p> <p>There is no information that reflect that this activity constitutes to meeting the criteria in EU Taxonomy TSC for a Substantial Contribution to Protection and Restoration of Biodiversity and Ecosystems category 1.1 “Conservation, including restoration, of habitats, ecosystems and species”.</p>	○
Environmentally sustainable management of living natural resources and land use	1.1 Conservation, including restoration, of habitats, ecosystems and species	“Forest management and conservation forestry aligned with the EU-taxonomy”	eligible for assessing alignment at a later date

⁴⁷ This column is based on input provided by the Issuer.

PART IV: CONSISTENCY OF GREEN COVERED BONDS WITH DLR KREDIT'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	DLR's strategic sustainability efforts reflect its key stakeholder groups: borrowers, shareholder banks, bond investors and employees. The Issuer confirms that its strategic position on sustainability is defined by its stakeholders' preferences and requirements with respect to sustainability. DLR's approach to sustainability takes into account of shareholder banks' differing ESG policies, borrowers' possibilities to transition and investors' wishes to reduce the CO ₂ emissions financed by DLR's bonds. Another part of DLR's corporate social responsibility, and an element of its risk management approach, is helping reduce sustainability risks through measures, such as collecting ESG data by asking ESG-related questions that motivate customers to be more sustainable. ⁴⁸
ESG goals/targets	To achieve its strategic ESG topics, the Issuer has set a target to reduce their financed emissions of their entire loan portfolio by 70% by 2030 compared to 2021. The Issuer has also set another target is to reduce the average primary energy use of residential building portfolio by 16% by 2030 and 20-22% by 2035. The targets are monitored on an annual basis. The Issuer does not have plans to commit for science-based target verification at the current stage.
Action plan	DLR issues an action plan to reduce carbon footprint every year, detailing its carbon footprint and mentioning its planned actions to reduce carbon emissions through green financing, through dialogue and education, and through reducing consumption within its operations, such as lowering the usage of district heating in office sites, installing solar panels for self-use and replacing lighting sources. ⁴⁹ DLR confirms that it does not disclose relevant financial budget regarding the action plans.

⁴⁸ For more information, please see DLR's Sustainability Report at <https://dlr.dk/en/investor/financial-statements/>

⁴⁹ For more information, please visit DLR's Action plan to reduce carbon footprint at <https://dlr.dk/wp-content/uploads/2023/03/Handlingsplan-for-reduktion-af-CO2-februar-2023-eng.pdf>

Climate Transition Strategy	DLR has a ESG Committee which oversees the ESG initiatives in DLR. The ESG Committee consists of members from central business units with relevant stakes, including Credit, Treasury and Funding, Rating, IR & Sustainability, Accounting and Finance, Legal and Regulation, Compliance and DPO and relevant members of the executive board. To this end, the ESG Committee focuses on corporate social responsibility and ESG risks in DLR’s credit policy, sustainable financing and funding, sustainability data, DLR’s own carbon footprint and environmental issues, social factors, business ethics and governance, and transparency and Sustainability policy alignment with the market. Furthermore, DLR has published its action plan to reduce its CO _{2e} footprint. ⁵⁰
Top three areas of breaches of international norms and ESG controversies in the industry ⁵¹	Failure to prevent money laundering, Financial market irregularities, Layoffs
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.
Sustainability Reporting	DLR confirms that its sustainability reporting is prepared with due consideration for the provisions of Section 135 of the Danish Executive Order on the Presentation of Financial Statements (the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.). ⁵² The Issuer also confirms that it annually publicly discloses its reporting and self-assessment following the requirements of the Principles of Responsible Banking, as well as its CDP response.
Industry associations, Collective commitments	DLR is a signatory of the UN Principles of Responsible Investing, a member of Finance Denmark’s Sustainable Finance Working Group, Green Mortgages Working Group, Carbon Footprint Model Working Group and Agriculture Committee, a member of the working group on Article 8 of the Taxonomy Regulation, and the Task Force of the European Banking Federation.

⁵⁰ DLR Kredit, March 2023, Action plan to reduce DLR’s CO_{2e} footprint, <https://dlr.dk/wp-content/uploads/2023/03/Handlingsplan-for-reduktion-af-CO2-februar-2023-eng.pdf>

⁵¹ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Mortgage & Public Sector Finance industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

⁵² The Danish Executive Order, Resinformation, <https://www.retsinformation.dk/eli/lta/2014/281>

<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>DLR has issued a green bond in June 2022, with project categories covering green buildings, renewable energy and energy improvements, and sustainable land use, tallying to a total of DKK 3,947 million.</p>
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Rationale for issuance

DLR aims, together with the shareholder banks, to be an important source of funding for the sustainable transition of DLRs customers. DLR started offering green loans in January 2021. The loans are offered locally through the shareholder banks, with an aim to support growth and the sustainable transition in all parts of Denmark.

With this green bond framework DLR aims to channel even more investments towards sustainable assets, thereby increasing the positive environmental impact. Issuance of green bonds endeavors to promote:

- Accelerate and promote the transition to a low carbon and climate resilient society
- Support the development of sustainable investment opportunities for investors
- Support the development of the green bond market, and
- Support diversification of the investor base.

Opinion: *The key sustainability objectives and the rationale for issuing Green Covered Bonds are clearly described by the Issuer. The majority of the project categories financed are in line with the sustainability objectives of the Issuer.*

DISCLAIMER

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology. For more information, please visit: <https://www.iss-corporate.com/file/publications/methodology/iss-corporate-green-social-and-sustainability-bond-loan-spo-methodology-summary.pdf>.

EU Taxonomy

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

The evaluation shows if DLR Kredit'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 DLR Kredit (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

DLR Kredit commissioned ISS-Corporate to compile a Green Covered Bonds SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the ICMA's Green Bond Principles, EU Taxonomy Climate Delegated Act (June 2023) and EU Taxonomy Environmental Delegated Act (June 2023), and to assess the sustainability credentials of its Green Covered Bonds, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- ICMA Green Bond Principles
- EU Taxonomy Climate Delegated Act
- EU Taxonomy Environmental Delegated Act

ISSUER'S RESPONSIBILITY

DLR Kredit'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, of 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 Covered Bonds to be issued by DLR Kredit has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles, EU Taxonomy Climate Delegated Act (June 2023) and EU Taxonomy Environmental Delegated Act (June 2023).

The engagement with DLR Kredit took place in February to April 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.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that 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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