

REPORT REVIEW

DLR Kredit

Green Bond Impact Report 2024

16 June 2025

VERIFICATION PARAMETERS

Type(s) of reporting

- Green Bond Impact Report

Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), June 2024, as administered by the International Capital Market Association (ICMA)

Scope of verification

- DLR's Green Bond Impact Report 2024 (as of June 6, 2025)

- DLR's Green Bond Framework (as of April 2024)¹

- Bond identification:

Issue date	ISIN	Maturity date	Amount raised (DKK)
Aug. 31, 2022 ²	DK0006357744	Jan. 01, 2026	5,507m

Lifecycle

- Post-issuance verification
- Third year of reporting on Green Bond³

Validity

- As long as no changes are undertaken by the Issuer to its Green Bond Impact Report 2024 (as of June 6, 2025)

¹ This is an updated version of the Green Bond Framework published in June 2022.

² The capital raised in each particular year was through tap issuance under the same ISIN, with DKK 353 million as of December 31, 2022, a notional amount of DKK 4,694 million through tap issuance as of December 31, 2023, and DKK 5,507 million as of December 31, 2024.

³ The previous year's Report Review delivered by ISS-Corporate, see [weblink](#).

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SCOPE OF WORK

DLR Kredit ("the Issuer" or "DLR") commissioned ISS-Corporate to provide a Report Review⁴ on its Green Bond Impact Report 2024 by assessing:

1. The alignment of DLR's Green Bond Impact Report 2024 (as of June 6, 2025) with the commitments set forth in DLR's Green Bond Framework (as of April 2024).⁵
2. DLR's Green Bond Impact Report 2024, benchmarked against the Harmonised Framework for Impact Reporting (HFIR), June 2024, as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the Green Bond issued.

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.

⁴ A limited or reasonable assurance is not provided on the information presented in DLR's Green Bond Impact Report 2024. A review of the use of proceeds allocation and impact reporting is solely conducted against ICMA's Standards (Green Bond) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

⁵ The Framework was assessed as aligned with the Green Bond Principles as of Apr. 29, 2024.

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part I Alignment with the Issuer's commitments set forth in the Framework	<p>DLR's Green Bond Impact Report 2024 meets the commitments set forth in its Green Bond Framework.</p>	Aligned
Part II Alignment with the Harmonized Framework for Impact Reporting (HFIR)	<p>The Green Bond Impact Report 2024 is in line with ICMA's Harmonized Framework for Impact Reporting (HFIR). The Issuer follows core principles and, where applicable, recommendations.</p> <p>The Issuer provides transparency regarding the level and frequency of expected reporting, consistent with best practices. DLR reported within the subsequent fiscal year after the previous impact report, illustrated the environmental impacts, provided transparency on ESG risk management, and transparency on the currency used. The Issuer reports on the overall portfolio impacts per project category. To facilitate comparison and benchmarking of project results, DLR reports on sector-specific core indicators.</p>	Aligned
Part III Disclosure of proceeds allocation and soundness of reporting indicators	<p>The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.⁶</p> <p>DLR's Green Bond Impact Report 2024 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	Positive

⁶ The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN BOND FRAMEWORK⁷

The following table evaluates the Green Bond Impact Report 2024 against the commitments set forth in DLR's Framework, which are based on the core requirements of the Green Bond Principles and best market practices.

GBP	OPINION	ALIGNMENT WITH COMMITMENT
Process for project evaluation and selection	<p>DLR confirms to follow the process for project evaluation and selection described in DLR's Green Bond Framework. The Issuer applied the eligibility criteria set in the Framework to determine whether projects fit within the defined categories.</p> <p>ESG risks associated with the project categories are identified and managed appropriately, as defined in the Framework.</p>	✓
Management of proceeds	<p>DLR confirms to follow the management of proceeds described in DLR's Green Bond Framework.</p> <p>The proceeds collected are equal to the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process. The proceeds were fully allocated, therefore there were not any temporary investments.</p>	✓
Reporting	<p>The report is in line with the initial commitments set in DLR's Green Bond Framework.</p> <p><i>Further analysis of this section is available in Part III.</i></p>	✓

⁷ DLR's Green Bond Framework was assessed as aligned with the GBP (as of June 2021 with June 2022 Appendix 1) as of April 29, 2024.

PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the Green Bond Principles, and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green bond Issuers are required to report on both the use of green bond proceeds and the environmental impacts at least annually until full allocation or maturity of the bond. The HFIR has been chosen as the benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates DLR's Green Bond Impact Report 2024 against the HFIR.

CORE PRINCIPLES		
HFIR	GREEN BOND IMPACT REPORT 2024	ASSESSMENT
Report on an annual basis	As reporting is a core component of the GBP, DLR reported within one year of issuance and thereafter within one year from the last report. The report will be available on DLR's website. ⁸	✓
Formal internal process to allocate proceeds	<p>All proceeds allocated to green projects, as of the Green Bond Impact Report 2024 date, have only been allocated to projects that meet the Framework's eligibility criteria.</p> <p>The Issuer describes its approach to determining proceeds allocation eligibility in the Green Bond Impact Report 2024.</p>	✓
Transparency on the currency	Allocated proceeds have been reported in a single currency (DKK).	✓
ESG risk management	The Issuer has a system to identify and manage ESG risks connected to the financed projects. The Issuer confirms that no negative effects have been identified in relation to the financed projects.	✓

⁸ DLR's Green Bond Impact Report 2024 will be publicly available on its [Investors Relations webpage](#).

Illustrate the expected environmental impacts or outcomes	<p>The impact report illustrates the expected environmental impacts and outcomes made possible by projects to which green bond proceeds have been allocated. Impact indicators are based on ex-ante estimates of expected annual results for a representative year once a project is completed and operating at normal capacity. The method of estimating the impacts is made transparent.</p> <p>More information can be found in Part III.</p>	✓
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RECOMMENDATIONS

HFIR	GREEN BOND IMPACT REPORT 2024	ASSESSMENT
Report at project or portfolio level	Reporting was conducted on one outstanding bond, whereby the issuance is linked to a portfolio of projects.	✓
Define and disclose period and process for including/removing projects in the report	<p>All proceeds have been allocated to green assets. Only project financing disbursed and confirmed as eligible up to Dec. 31, 2024, is included in the Green Bond Impact Report 2024.</p> <p>As part of its due diligence, the Issuer monitors the projects included in its green bond program. Issuer reports transparently on the process used to remove and add projects to the portfolio reported</p>	✓
Signed amount and amount of green bond proceeds allocated to eligible disbursements	<p>DLR indicates the amount of green bond proceeds allocated to eligible disbursement but does not disclose the total signed amount.</p> <p>Allocated amount: DKK 5,507 million.</p>	-
Approach to impact reporting	The Issuer reports on the overall impacts of the portfolio with a breakdown by project category.	✓
Report on at least a limited number of sector-specific core indicators	To facilitate comparison and benchmarking of project results, DLR reports on sector-specific core indicators.	✓

	<p>The core indicators are:</p> <p>Green Buildings</p> <ul style="list-style-type: none"> ▪ Annual emissions avoided (tCO₂e) <p>Renewable Energy</p> <ul style="list-style-type: none"> ▪ Annual emissions avoided (tCO₂e) ▪ Installed capacity (GWh) <p>Sustainable Land Use</p> <ul style="list-style-type: none"> ▪ Organic land and certified forests (ha) <p>Furthermore, the Issuer confirms that no impact indicator is provided to measure the impact of investments in the Energy Efficiency category (0.04% of the total investment).</p>	
Disclose own methodologies, where there is no single commonly used standard	<p>Where there is no single commonly used standard, the Issuer discloses its own methodologies.</p> <p>DLR has disclosed its calculation methodology for avoided emissions of Green Buildings and Renewable Energy i.e., by using Finance Denmark's CO₂-model.⁹</p> <p>Additionally, installed capacity is based on The Danish Energy Agency measuring of actual production.</p> <p>More information can be found in Part III.</p>	✓
Disclosure of the conversion approach	The Issuer disclosed the conversion approach for CO ₂ e emissions (see Finance Denmark's CO ₂ -model).	✓
Projects with partial eligibility	All projects are 100% eligible for financing.	N/A
Use (and disclosure) of the		N/A

⁹ [Finance Denmark's CO₂-model](#).

attribution approach	The impact achieved by each of the financed projects are attributed to one type of intervention only.	
Ex-post verification of specific projects	The Issuer does not engage ex-post verification of its projects.	-
Report the estimated lifetime results and/or project's economic life (in years)	The Issuer confirms that no data is available on the lifetime impacts and project economic life in years.	-

OPINION

DLR follows the ICMA's Harmonized Framework for Impact Reporting (HFIR)'s core principles and some key recommendations. The Issuer provides transparency on the level and frequency of expected reporting, in line with best practices. DLR has reported within the next fiscal year after issuance, illustrated the environmental impacts, provided transparency on ESG risk management, on the currency used, and on the conversion approach.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

Use of proceeds allocation

Use of proceeds allocation reporting contextualizes impacts by presenting the number of investments allocated to the respective use of proceeds categories.

Allocation reporting occurred within one year from the last report and the Green Bond Framework update of Apr. 2024, after full allocation of the proceeds.

This is the third year of allocation reporting and the 100% of proceeds have been allocated each year: 2022, 2023, and 2024. The capital raised in each particular year was through tap issuance under the same ISIN, with DKK 353 million as of December 31, 2022, a notional amount of DKK 4,694 million through tap issuance as of December 31, 2023, and DKK 5,507 million as of December 31, 2024.

Proceeds allocated to eligible assets

The allocation of proceeds is broken down at the project category level. The Issuer has provided details about the type of projects included in the portfolio.

DKK 0.25 bn redeemed loans have been removed from the portfolio. New loans entered the portfolio according to the Issuer's 'balance principle' under which the outstanding bonds equal the amount of outstanding green loans.

The allocation reporting section of the Green Bond Impact Report 2024 of DLR aligns with best-market practices by providing information on:

- The total amount of proceeds in million Danish Kroner
- The total financed amount for each eligible project category and per geographical breakdown (region).
- The environmental performance indicators as relevant to each project category.

Output, outcome and impact reporting indicators

The table below presents an independent assessment of the Issuer's report and disclosure on the output, outcome and/or impact of projects/assets using indicators.

ELEMENT	ASSESSMENT
Relevance	<p>The impact indicators chosen by the Issuer for this bond are as follows:</p> <ul style="list-style-type: none"> Green Building: Annual emissions avoided in tCO₂e Renewable Energy: Installed capacity GWh Sustainable Land Use: Organic land and certified forests <p>Furthermore, the Issuer confirms that no impact indicator is provided to measure the impact of investments in the Energy Efficiency category (0.04% of the total investment). However, the above indicators are qualitative and material to the Use of Proceeds categories financed through this bond and in line with the Suggested Impact Reporting metrics for the ICMA Harmonized Framework for Impact Report for Environmental Bond. This aligns with best market practices.</p>
Data sourcing and methodologies of quantitative assessment	<p>Green Buildings: Avoided emissions for green buildings are calculated in reference to a building that corresponds to a national EPC C label using Finance Denmark's CO₂ model.¹⁰ Furthermore, the Issuer confirms that the data is verified by a third party.</p> <p>Renewable Energy: Avoided emissions for renewable energy are calculated based on the same approach as for green buildings using the Nordic Public Sector Issuers approach.¹¹</p> <p>No specific calculation methodology was reported by DLR for Energy Efficiency and Sustainable Land Use.</p>
Baseline selection	<p>Green Buildings and Renewable Energy: Baseline emission factor of electricity is 191g CO₂e/kWh.¹²</p> <p>DLR's other Impact Indicators for Renewable Energy and Sustainable Land Use are actual measurements, and no impact indicator is provided by the Issuer for Energy Efficiency.</p>
Scale and granularity	<p>The impact data is presented at the use of proceeds category level for the indicators.</p>






¹⁰ [Finance Denmark's CO₂-model](#).

¹¹ [Nordic Public Sector Issuers: Green Bond Reporting Guidance 2024](#).

¹² Ibid.

High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer's Green Bond Impact Report 2024, the impact indicator(s) adopted by DLR for its Green Bond can be mapped to the following SDGs, according to ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer's product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings <ul style="list-style-type: none"> Annual emissions avoided in tCO₂e 	 
Renewable Energy <ul style="list-style-type: none"> Installed capacity in GWh 	 
Sustainable Land Use <ul style="list-style-type: none"> Organic land & certified forests in ha 	

OPINION

The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories/asset categories as proposed in the Framework. The Green Bond Impact Report 2024 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices using the HFIR's recommended metrics.

DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as no changes are undertaken by the Issuer to its Green Bond Impact Report 2024 (as of June 6, 2025).
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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ANNEX 1: Methodology

Review of the post-issuance reports

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

High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Green Bond Impact Report 2024
- Green Bond Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is 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 Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with DLR took place from May to June 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate 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 Report Review

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 the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For information on Report Review services, please contact SPOsales@iss-corporate.com.

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