A photograph of a person from behind, wearing a straw hat and a white t-shirt, standing in a field of yellow flowers. Their arms are raised towards the sky. In the background, several white wind turbines are visible against a blue sky with scattered clouds.

# JRC/EBA Workshop; Sustainable finance case studies

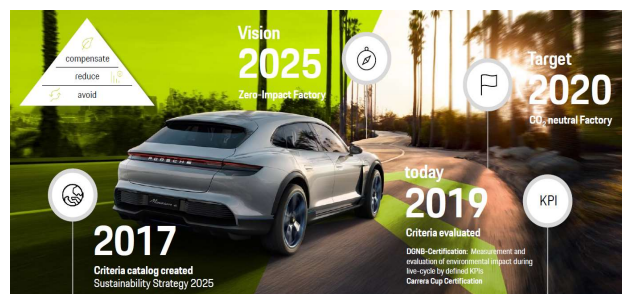
Hans Biemans, Head Sustainable Markets, ING Bank  
ISPRA, 18 November 2019

# Case study: Porsche AG

Funds of EUR 1bn green Schuldschein will be used to (re)finance the E-Taycan

## Highlights of the Porsche AG Green Finance Framework

**“We have seen that more and more investors want to invest their funds sustainably. With the green Schuldschein, we now give lenders such an opportunity”** -Lutz Meschke, Deputy Chairman and Member of the Executive Board for Finance and IT at Porsche



### Use of Proceeds



The Porsche Eligible Green Project Portfolio consists of investments and expenditures, which are exclusively associated with the development and production of Battery Electric Vehicles (BEVs):

- Expenditures in **Research & Development (R&D)**
- Investment in **energy-efficiency manufacturing facilities** (including infrastructures, production equipment and tools, supplier tools, processes and systems)

### Project Selection and Evaluation



- **Project selection Eligibility Criteria:** Eligible projects are determined through an **integral cost approach**, considering all investments and costs directly linked to BEV production

### Management of Proceeds and Reporting



- **Management of proceeds:** portfolio approach (multiple year)
- **Reporting:** Allocation and Impact Reporting at issuance
- Impact reporting **in accordance with the Harmonized Framework for Impact Reporting**. This reporting includes carbon-emission savings from the use of BEV compared to vehicles with combustion or other engines *[provided to the SSDs investors]*

### Second Party Opinion and CBI



- **SPO:** Porsche has obtained a Second Party Opinion (SPO) released by ISS-ESG (ISS-oekom), who assess the quality of the asset pool as very positive and the Eligible Categories in line with the GBP
- **CBI:** Porsche has also obtained a Climate Bonds Initiative (CBI) certification for its inaugural green SSD transaction

# Recent sustainable markets transactions (corporates)

ING was involved in several innovative green and sustainability projects

## Philips Green Innovation Bond

- **Use of proceeds**
  - Green Innovation Bonds: Energy efficiency, Packaging, Hazardous substances, Weight, Circularity and Lifetime reliability
  - Sustainability Innovation Bonds: Sustainability Innovation Bonds focus on socially-beneficial innovation in healthcare, focusing on the “Quadruple Aim”. Expenditures include expenditures related to Sustainable Innovation R&D and expenditures related to improving access to care for underserved communities
- **Impact reporting:** Renewable energy financed by the Bond in Ktonnes CO2 avoided, Renewable energy as a percentage of total energy use, Re-used components (in metric tonnes), etc



**Bookrunner**

## ITOCHU Green Loan

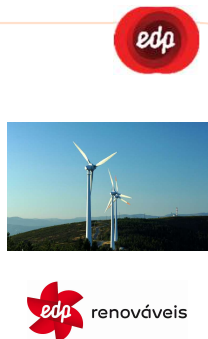
- ITOCHU Europe is a group of businesses that engage in importing, exporting, and trading various products.
- **Structuring highlights**
  - **Use of Proceeds:**
    - ✓ Renewable energy
    - ✓ Waste management
- **Sustainalytics** is of the opinion that the ITOCHU Europe Green Finance Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018



**ING structuring advisor**

## EDP Green Bond

- **First ever green bond transaction from Portugal**
  - 9bn orderbook with a significant share of orders from green accounts
  - Incremental green demand is calculated to be as large as approx. €450m, which almost certainly had an impact on eventual pricing
- **Structuring highlights**
  - Use of Proceeds:
    - ✓ Wind power plants (onshore and offshore)
    - ✓ Solar power plants (photovoltaic or concentrated solar power - CSP)
- **Analysis of the orderbook**
  - Medium Green' and 'Dark Green' % allocated is much higher than conventional EDP transactions, with this being 63% combined versus 35%



**ING structuring advisor & bookrunner**

## Schiphol Airport Green Bond

- **First ever € denominated green bond from the aviation sector**
  - Strong assurance on the framework from various highly respected sources, which counters the contrasting nature inherent to a green offering from the aviation industry
  - 4-day roadshow in Amsterdam, Paris, London, Frankfurt and Munich, potential transaction thereafter
- **Structuring highlights**
  - Use of Proceeds:
    - ✓ Green Buildings (only “A” EPC label used)
    - ✓ Clean transportation
  - Framework decorated with CBI certification, Vigeo Eiris SPO & positive Green Evaluation from S&P



**ING structuring advisor & bookrunner**

# Recent sustainable markets transactions (corporates)

ING was involved in several innovative green and sustainability projects

## Barry Callebaut Sustainability Bond

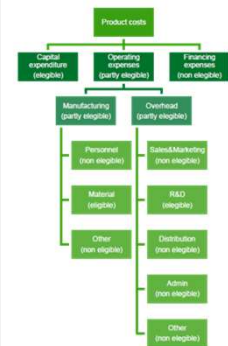
- The world's largest cocoa producer promoting sustainable cocoa
- Structuring highlights
  - **Use of Proceeds:** Proceeds from this bond offering will be used to finance and/or refinance:
    - **Sustainable cocoa purchasing**
    - Purchasing costs of sustainable cocoa from farmers who joined the Cocoa Horizons Programme
    - Purchasing costs of sustainable cocoa with sustainability certifications by third parties
    - **Farmer support Programmes**
    - Investments and expenditures in prospering cocoa farmers, including having access to coaching, inputs for tools and seedlings, and / or financial solutions



ING  
structuring  
advisor &  
bookrunner

## Mann+Hummel Green Schuldschein

- Structuring highlights
  - **Use of Proceeds:**
    - ✓ Products or solutions with an environmental benefit
    - ✓ Improvement of the environmental performance of production facilities and processes
      - Renewable energy generation
      - Energy efficiency
      - Water efficiency
      - Pollution prevention and control
  - **Impact reporting:** Number of water filtration products or solutions installed by region; Energy saving % achieved via compression filtration products and solutions compare to the market average; Number of hybrid / EV vehicles; Energy saved aggregate (kWh); waste diverted from landfills



ING structuring  
advisor

## The Otto Sustainability

- Structuring highlights
  - **Use of Proceeds:**
    - Purchasing costs for textiles with "Cotton made in Africa" label
      - ✓ Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation, which was founded in 2005 by Prof Dr Michael Otto
    - Purchasing costs for furniture with FSC® certification
      - ✓ The Forest Stewardship Council® (FSC®) is a global non-profit organisation focussed on promoting sustainable forestry management
  - **Impact reporting:** The Otto Group intends to continue to report annually on the progress achieved with regards to its sustainability goals, including through the impact reporting and KPIs set on the framework



ING structuring  
advisor

## Le Groupe La Poste Green

- **Bond**
  - Inaugural green bond issuance perfectly aligned with La Poste's environmental strategy
- Structuring highlights
  - **Use of Proceeds:**
    - ✓ Clean Transportation,
    - ✓ Low Carbon Buildings (Top 15% energy-efficient buildings, Green building certifications: min LEED "Gold", BREEAM "Very Good" or equivalent)
    - ✓ Responsible sourcing
  - **Impact reporting:** La Poste intends to report on the social and environmental impacts of the projects funded. Sample KPIs include Annual CO2 emissions reduction, number of e-vehicles purchased, % of products and raw materials purchased from eco-certified sources



ING bookrunner



# Recent sustainable markets transactions (banks)

ING was involved in several innovative green and sustainability projects

## SpareBank 1 SMN Green Bond

- Inaugural transaction
- Structuring highlights
  - Use of Proceeds:
    - ✓ Loans or investments to finance new or existing **energy efficient commercial properties** in Norway
    - ✓ Loans to “pureplay” SME’s and large enterprises with the following **sustainability certifications**: ASC, MSC, BAP, Global GAP, Eco-lighthouse and/or Nordic Swan
- Second Party Opinion / Consultant report:
  - ✓ **Sustainalytics** has provided a positive Second Party Opinion confirming the integrity of the Green Bond Framework
  - ✓ Norwegian real estate consultant **Multiconsult** has provided a separate report for commercial real estate as well as energy savings and CO2 emissions avoided



**ING Sole Green Structuring Advisor**

## Commerzbank SNP Green Bond

- Structuring highlights
  - Use of Proceeds:
    - ✓ Financing of renewable energy loans
      - Solar
      - On-shore Wind
      - Off-shore Wind
  - Notable additional criteria for selection of eligible assets: date of first drawdown of the loan no more than 3 years before the settlement date of the Green Bond issue; exclusion of non-performing loans
  - Impact indicators: Renewable energy capacity financed; Energy output; Estimated avoidance of CO2 emissions
  - Current Impact: assets refinanced with the Green Bond help to avoid estimated CO2 emissions of approx. 755,242t p.a. (2017 data)



**ING bookrunner**

## Volksbank Green Bond Framework

- Structuring highlights
  - Use of Proceeds:
    - ✓ Green residential buildings
    - ✓ Energy efficiency
  - Project selection: Projects as proposed by various business areas of de Volksbank are evaluated and selected by de Volksbank’s Climate Neutral Committee (CNC), based on compliance with the Eligibility Criteria brought forward in this framework
- Management of proceeds: The Green Bond Proceeds will be managed by de Volksbank in a portfolio approach
- Reporting: De Volksbank intends to align the reporting with the methodology proposed by PCAF as proposed in the latest report of December 2018



de Volksbank

Green Bond Framework  
April 2019



**ING joint structuring adviser and bookrunner**

## BPCE Social Bond

- Groupe BPCE first Local Economic Development Social Bond
- Structuring highlights
  - Use of Proceeds:
    - ✓ Employment conservation and creation
    - ✓ Affordable Basic Infrastructure
  - Management of proceeds: The funds are managed within the Central Treasury function of BPCE in a dedicated way without fungibility with other sources of wholesale funding
  - Impact reporting: Number of loans granted to small businesses and non-profit organizations, number of customers, split of loans per zone’s employment and poverty rate, number of jobs in small businesses and non-profit organizations



DÉVELOPPEMENT DURABLE:  
L’engagement du groupe



**ING joint bookrunner**

# Case study: Vodafone

## Use of proceeds

- Vodafone intends to allocate the proceeds of Green Bond issuances to a portfolio of Eligible Green Projects within the following eligible categories:

### 1) Energy efficiency

- Internet of Things (IoT)
- Network investments

### 2) Onsite renewable energy

### 3) Green buildings



## Second-Party Opinion Vodafone Green Bond

### Evaluation Summary

Sustainalytics is of the opinion that the Vodafone Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:

- USE OF PROCEEDS:** The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the 12 energy efficiency, (i) renewable energy and (ii) green building assets and activities to be financed by the issuance will lead to positive environmental impacts and advance several UN Sustainable Development Goals.
- PROJECT EVALUATION / SELECTION:** Vodafone's internal process in evaluating and selecting projects is aligned with market practice. An internal Green Bond Committee has been established, comprising members from the company's Treasury, Sustainable Business, and Energy Performance departments.
- MANAGEMENT OF PROCEEDS:** Vodafone's processes for management of proceeds is aligned with market practice. The company will establish an Eligible Green Project Portfolio to which eligible projects will be allocated. Allocation to the Eligible Green Portfolio will serve to match the balance of net proceeds from the issuance of green bonds. Allocation will be tracked using Vodafone's Internal Treasury Management System and all green projects will be assigned a unique identifier that will facilitate the traceability of disbursements. Unallocated proceeds will be held in cash and/or invested in other short-term liquid instrument.
- REPORTING:** Vodafone intends to report allocation of proceeds on its corporate website on an annual basis. In addition, Vodafone is committed to reporting, on a best effort basis, on impact metrics including direct and indirect abatement of greenhouse gas emissions and energy savings. In Sustainalytics' view, reporting on these metrics is in line with market practice.

<b>SUSTAINALYTICS</b>	
<b>Second-Party Opinion</b>	
<b>Evaluation date</b>	29 August 2018
<b>Issuer Location</b>	London, United Kingdom
<b>Report Sections</b>	
Introduction	2
Sustainalytics' Opinion	3
Appendix	4
<b>For inquiries, contact the Sustainable Finance Solutions project team:</b>	
<b>Project Manager</b>	Joshua Zakai (Amsterdam)
	joshua.zakai@sustainalytics.com
	+31 20 205 50 79
<b>Local Node (Amsterdam)</b>	
<b>Project Lead</b>	Ilse Heekeren@sustainalytics.com
	+31 20 205 50 40
<b>Trieste Node (Toronto)</b>	
<b>Project Manager</b>	Trisha Teneja@sustainalytics.com
	+1 647 317 3885

© Sustainalytics 2018

S&P Global  
Ratings

RatingsDirect®

Environmental, Social, And Governance:

## How "Green" Are Telecom Green Bonds?

September 9, 2019

### Key Takeaways

- The telecom sector is increasingly active in the green bond market. Three telecom companies, namely Telefonica, Verizon, and Vodafone, have issued green bonds in the first half of 2019 totaling almost \$3 billion, and we expect more to follow.
- Telecom companies rely on a constant supply of energy for network operations and data centers. The telecom and information and communications technology industry is expected to account for an estimated 2% of total global greenhouse gas emissions by 2030.
- The sector's rollout of new telecom technologies can potentially decrease greenhouse gas emissions and improve energy efficiency. At the same time, these investments also support the companies' business and financial performance.
- We analyzed three green telecom bonds under our Green Evaluation analytical approach based on public information. We found that they would likely fall in the top half of our scoring range, indicating a positive environmental impact similar to new building refurbishments or wind power generation.

As the green finance market continues to expand in breadth and depth, new sectors such as telecommunications have started to issue green bonds and capitalise on investor demand for sustainable financial instruments. Since January 2019, companies across all sectors have issued a total of \$150.4 billion of labeled green bonds and another \$99.6 billion is in the pipeline for issuance by the end of the year, according to estimates by the Climate Bonds Initiative. Labeled green bond offerings to date include three big issuances by telecom giants Telefonica, Verizon, and Vodafone. We think the telecom sector views the sustainable finance market as attractive given the growing number of environmentally committed investors looking at instruments such as green bonds, which allocate proceeds that aim to help reduce an issuer's environmental footprint. But how "green" are the bonds these telecom companies have issued? To help answer this question and gauge the bonds' environmental contribution, S&P Global Ratings has conducted an illustrative exercise based on public information to score these green bonds using our Green Evaluation analytical approach.

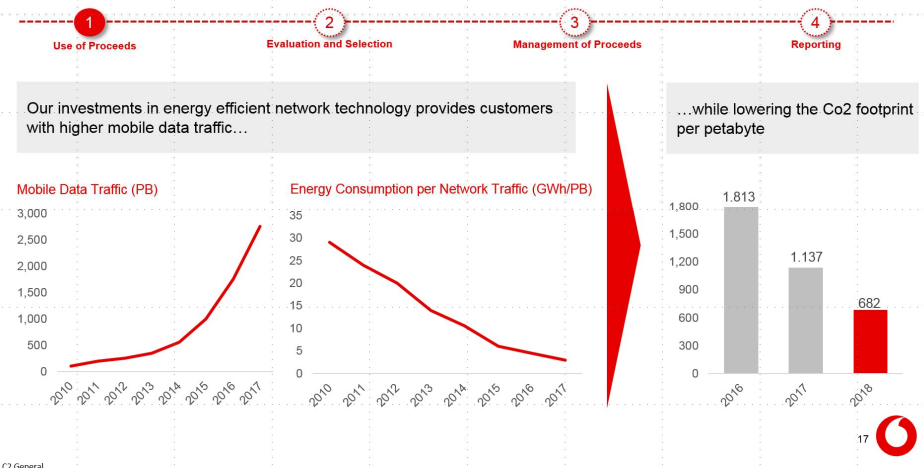
www.spglobal.com/ratingsdirect

September 9, 2019 1

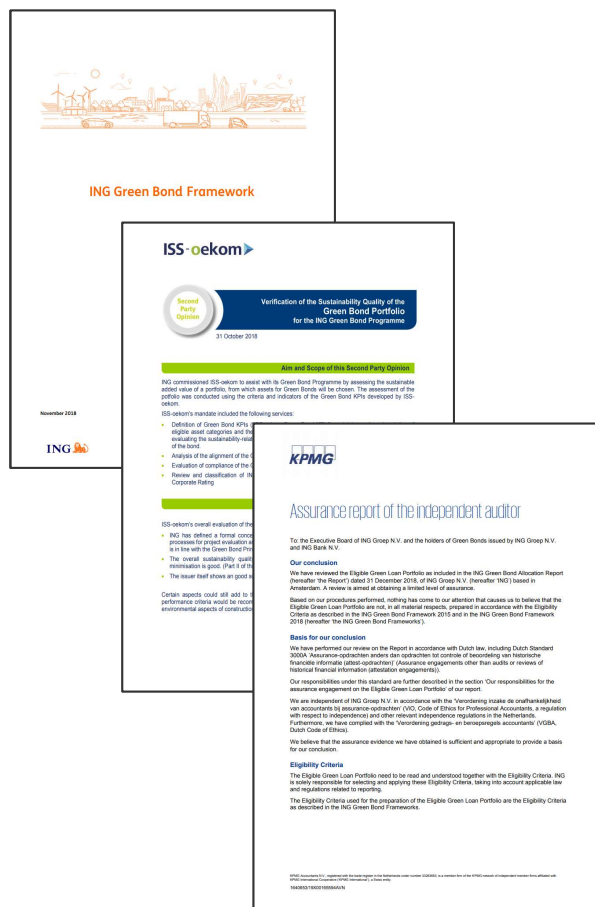
## S&P identifies important sustainability challenges in the Telecom sector

- The Climate Group estimates that by 2030, the telecom and information and communications technology industry may account for around 2% of total global GHG emissions, comparable to the aviation industry
- S&P have recently seen many operators introduce energy reduction programs and targets and invest in upgraded networks that directly improve their energy efficiency.

## Network Efficiency (Direct GHG savings) – Results & impact



# ING, Netherlands - Green Bond Allocation Reporting



## ING Green Bond Allocation Report 31 December 2018

ELIGIBLE GREEN LOAN PORTFOLIO			GREEN FUNDING				
	Number of loans	Amount (EUR) <sup>c</sup>	Instrument (ISIN)	Issuance date	Due Date	Principal	Amount (EUR)
<b>Renewable Energy</b>	153	3.816.233.176 <sup>d</sup>	XS1324217733	Nov 2015	Nov 2020	EUR 500m	500.000.000
Wind	114	2.606.188.499	XS1339542364	Dec 2015	Dec 2020	EUR 62.5m	62.500.000
Solar	39	1.210.044.677	XS1909186451	Nov 2018	Nov 2030	EUR 1.5bn	1.500.000.000
<b>Green Buildings</b>	1.244	1.096.154.836 <sup>d</sup>	USN4580HAA51	Nov 2018	Nov 2026	USD 1.25bn	1.093.326.250 <sup>a</sup>
			US4568NAA46				
			XS1927765468	Dec 2018	Dec 2030	GBP 60m	66.832.980 <sup>b</sup>
			Green Savings Deposito (Groenbank funding)				119.613.122
<b>Total</b>		<b>4.912.388.012</b>	<b>Total</b>				<b>3.342.272.352</b>

Percentage of Eligible Green Loan Portfolio Allocated (usage)	68,0%
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	100%
Eligible Green Loan Portfolio - Unallocated	EUR 1.570.115.660
New Loans in the Renewable Energy Portfolio since 31Dec 2017	EUR 1.453.325.787
New Loans in the Green Buildings Portfolio since 31Dec 2017 (Estimation)	EUR 164.000.000

# ING, Netherlands - Green Bond Impact Reporting

All information on just two pages, in line with the ICMA “Harmonized Impact Reporting Framework”

In ING's 2018 Green Bond Reporting, we published our Post-Issuance Impact Report, detailing the following:

- Key impact metrics such as total installed capacity of renewable energy, GHG emissions avoided, etc.
- External consultant reports detailing the environmental impact of the Eligible Green Loan Portfolio

## ING Green Bond Impact Report 31 December 2018

Eligible Project Category	Number of loans	Signed Amount (EUR)	Share of Total Portfolio Financing	Eligibility for Green Bonds	Total installed capacity of renewable energy in MW	Pro-rata installed capacity of renewable energy in MW	GHG emissions avoided in tCO2e
a/		b/	c/	d/	e/	e/	e/
Renewable Energy	153	€ 3.816.233.176	77,7%	100%	24,659	4,942	4.126.160
Green Buildings	1.244	€ 1.096.154.836	22,3%	100%			23.027
<b>Total</b>	<b>1.397</b>	<b>€ 4.912.388.012</b>	<b>100%</b>	<b>100,0%</b>			<b>4.149.187</b>

Portfolio-based Green Bond Report according to the Harmonized Framework for Impact Reporting

a/ Eligible category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

c/ This is the share of the total portfolio per Eligible Category

d/ This is the share of the total portfolio costs that is Green Bond eligible

e/ Impact indicators

- Installed capacity of renewable energy in MW (total and pro-rata)
- GHG emissions avoided in tCO2e (pro-rata)
- For refurbished buildings: GHG emissions reduced in tCO2e when compared to the reference building code of the construction year

## ING Green Bond Impact Report 31 December 2018

Eligible Project Category	Number of loans	Signed Amount (EUR)	Share of Total Portfolio Financing	Eligibility for Green Bonds	Total installed capacity of renewable energy in MW	Pro-rata installed capacity of renewable energy in MW	GHG emissions avoided in tCO2e
a/		b/	c/	d/	e/	e/	e/
Renewable Energy	153	€ 3.816.233.176	77,7%	100%	24,659	4,942	4.126.160
Green Buildings	1.244	€ 1.096.154.836	22,3%	100%			23.027
<b>Total</b>	<b>1.397</b>	<b>€ 4.912.388.012</b>	<b>100%</b>	<b>100,0%</b>			<b>4.149.187</b>

Portfolio-based Green Bond Report according to the Harmonized Framework for Impact Reporting

a/ Eligible category

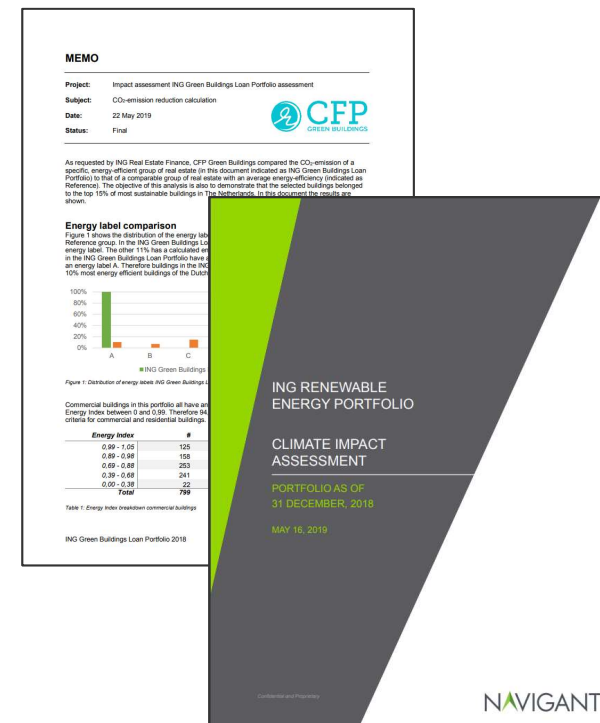
b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

c/ This is the share of the total portfolio per Eligible Category

d/ This is the share of the total portfolio costs that is Green Bond eligible

e/ Impact indicators

- Installed capacity of renewable energy in MW (total and pro-rata)
- GHG emissions avoided in tCO2e (pro-rata)
- For refurbished buildings: GHG emissions reduced in tCO2e when compared to the reference building code of the construction year





# ITOCHU Europe, London – Green Loan Reporting



## ITOCHU Europe Green Finance Framework

- As the regional headquarters of ITOCHU's operation in Europe, ITOCHU Europe Plc (ITOCHU Europe) published its Green Finance Framework in March 2019 and raised its first green loan of EUR150Million from Mizuho Bank and ING Bank.

### Allocation Reporting:

- Annually until full allocation of the net proceeds, ITOCHU Europe will report on allocation of proceeds and, if applicable and to the extent of its reasonable effort, update the report in case where there is a material change, in its corporate website.

### Impact Reporting:

- Throughout the term of the Green Finance, ITOCHU Europe may, if applicable and to the extent of its reasonable effort, report to the impact metrics:

Use and source table as of March 2019

Use of Proceeds (€Mil)		Source of Proceed(€Mil)	
Renewable Energy	206	Green Loan March 2019 from Mizuho and ING	150
Pollution Prevention and Control	68	Other Sources	124
Total	274	Total	274

List of eligible projects

Category	Project	Country	Type	Invest-ment Start	COD (*1)	Capacity (*2)	GHG reduction (ex-ante)
Renewable Energy	Aankoski	Finland	Biomass	2015	2017	280MW	93 million CO2 ton /year
	Butendiek	Germany	Wind	2017	2015	288MW	
	Solaben 2&3	Spain	Solar	2010	2012	100MW	
Pollution Prevention and Control	ST&W	UK	Efw	2011	2014	260kt/year	13 million CO2 ton /year
	Cornwall			2013	2017	240kt/year	
	Merseyside			2013	2017	460kt/year	
	West London			2013	2016	350kt/year	
	Belgrade	Serbia		2018	2021	340kt/year	

(\*1) COD=Commercial Operation Date

(\*2) "Capacity" is generation capacity for Renewable Energy and capacity for waste treatment volume per year for Efw.

## EDP, Portugal – Green Bond Reporting

### USE OF PROCEEDS FOR ELIGIBLE GREEN PROJECTS



Portfolio date: December 2018

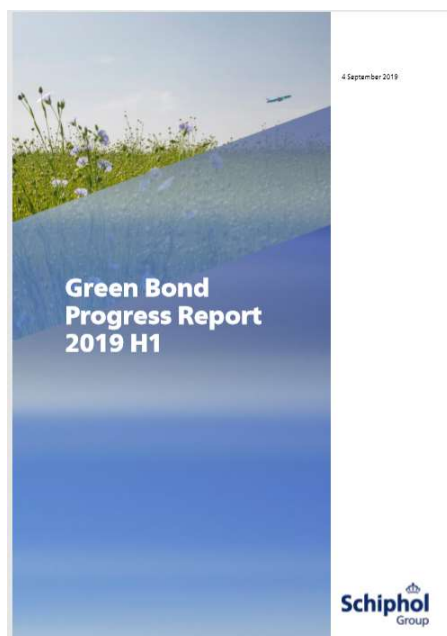
ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	UN	VALUE	ALLOCATION OF GREEN FUNDING (IN PERIOD)	UN	VALUE
Existing projects (~ 2018)			Allocated to green bonds	€	600,000,000
Renewable Energy					
Wind	€	6,942,664,580			
Solar	€	188,042,074			
New Projects (~2018)					
Renewable Energy					
Wind	€	75,931,600			
Solar	€	-			
			Unallocated Amount of Eligible Project Portfolio	€	6,606,638,254
<b>TOTAL ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO</b>	<b>€</b>	<b>7,206,638,254</b>	<b>MAXIMUM SUSTAINABILITY FINANCING</b>		<b>7,206,638,254</b>
Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding:	%	8.3 (usage)			
Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding:	%	100			

### PORTFOLIO BASED GREEN BOND REPORT ACCORDING TO THE HARMONIZED FRAMEWORK FOR IMPACT REPORTING

Portfolio date: December 2018

ELIGIBLE PROJECT CATEGORY SOCIAL BOND PRINCIPLES (SBP) GREEN BOND PRINCIPLES (GBP)*	SIGNED AMOUNT	SHARE OF TOTAL PORTFOLIO FINANCING	ELIGIBILITY FOR GREEN BONDS	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (MWh)	CO <sub>2</sub> EMISSIONS AVOIDED (tCO <sub>2</sub> )
a/	b/ EUR	c/	d/	e/	e/	e/
Renewable Energy	€ 7,206,638,254	100%	100%	8,518	20,772,473	14,580,656
<b>Total</b>	<b>€ 7,206,638,254</b>	<b>100%</b>	<b>100%</b>	<b>8,518</b>	<b>20,772,473</b>	<b>14,580,656</b>

# Schiphol Airport, Netherlands – Green Bond Reporting



Assurance report of the independent auditor  
To the Executive Board of Royal Schiphol Group N.V. and the holders of Green Bonds issued by Royal Schiphol Group N.V.

## Our conclusion

We have reviewed the Eligible Green Project Portfolio (hereafter 'Eligible Green Project Portfolio') as included in section 1.4 'Green bond allocation reporting' of the Schiphol Group Green Bond Progress Report (hereafter 'the Report'), dated 4 September 2019 of Schiphol Group N.V. (hereafter 'Schiphol') based in Haarlemmermeer. The Eligible Green Project Portfolio is marked in the Report with an asterisk (\*).

Based on our procedures performed, nothing has come to our attention that causes us to believe that the Eligible Green Project Portfolio are not, in all material respects, prepared in accordance with the Eligible investments per category as described in the Royal Schiphol Group Green Bond Framework 2018 (hereafter 'the Schiphol Green Bond Framework').

## 1.4 Green bond allocation reporting \*

Portfolio date: April 30, 2019

Eligible Green Project Portfolio		Green funding				
Category	Amount (EUR) <sup>a</sup>	Instrument	Issuance date	Due date	Principal	Amount (EUR)
Green buildings	1.232.884.327	XS1900101046	5 November 2018	5 November 2030	EUR 500m	500.000.000
Clean transportation	16.037.495					
Electric busses - airside	8.931.581					
Other <sup>a</sup>	7.105.914					
Total eligible Green Project Portfolio	1.248.921.822	Total Green Funding				500.000.000

Percentage of Eligible Green loan Portfolio Allocated (usage) 40%

Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio 100%

Eligible Green Loan Portfolio – Unallocated EUR 748.921.822

Expected eligible green buildings currently under construction<sup>10</sup> EUR 144.153.298

Green buildings	# <sup>1</sup>
Number buildings with A label <sup>2</sup>	13
Number buildings with B label <sup>3</sup>	4
Number of buildings with BREEAM (either in use very good, excellent or outstanding)	6 <sup>4</sup>
Number of LEED Gold	2 <sup>5</sup>

Clean transportation	# <sup>6</sup>
Number of Electric busses airside	35
Number of charging stations airside e-vehicles	289
Number of charging stations landside e-vehicles (other than e-busses landside)	300

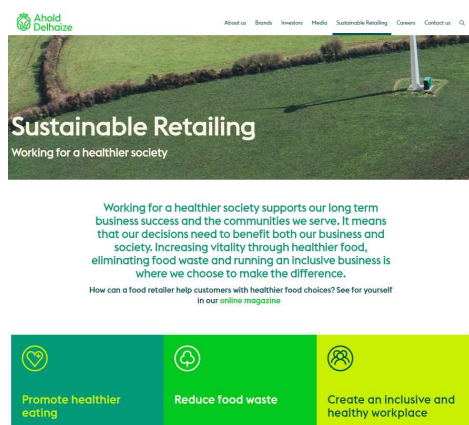
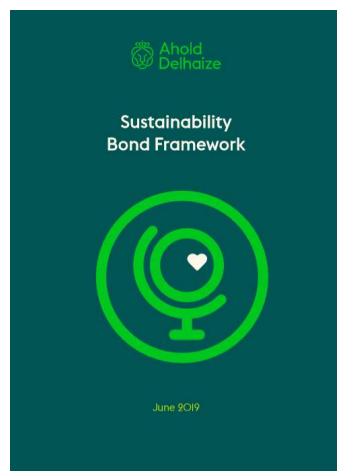
## 1.5 Impact reporting \*\*

Year: 2018

### Green Buildings

Eligible project category	Eligible portfolio (EUR)	Share of total financing	Percentage of refinancing	Total annual energy (GJ) savings <sup>11</sup>	Total annual electricity (kWh) avoidance <sup>11</sup>	Total annual gas (m3) avoidance <sup>11</sup>	Total annual CO <sub>2</sub> (tonnes) avoidance <sup>11</sup>	Total annual electricity production (kWh) <sup>11</sup>
a	b	c	d	e	f	g	h	i
Green buildings	1.232.884.327 <sup>12</sup>	98,7% <sup>13</sup>	100%	61.952	5.258.123	462.197	3.553	107.681

# Ahold Delhaize, Belgium/Netherlands – Sustainability bond



GBP/SBP Eligible Project Category	Eligibility Criteria and related eligible green or social projects	SDG Alignment
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	<p>Expenditures related to procurement of sustainably produced products, including certified sustainable products, in the year of issuance</p> <p>Costs related to:</p> <ul style="list-style-type: none"> <li><i>Procurement of third-party certified products including tea, coffee, cocoa and seafood:</i> certification schemes include UTZ, Rainforest Alliance, Fairtrade USA, Fairtrade International. For seafood products, we include certification schemes which are recognized by the Global Sustainable Seafood Initiative (GSSI) benchmarking - which currently includes Alaska Responsible Fisheries Management Certification Program, Iceland Responsible Fisheries Management Certification Programme, Marine Stewardship Council, Best Aquaculture Practices Certification, GLOBALG.A.P. Aquaculture Certification System, Aquaculture Stewardship Council Certification, and Audubon G.U.L.F RFM Certification Program.</li> <li><i>Expenditures related to the installation of the "Urban Farm" (Boondael Store):</i> store rooftop farm that grows vegetables on-site, thereby contributing to providing local sustainable products while lowering greenhouse gas emissions from distribution. The farm also provides educational programs and workshops for schools.<sup>5</sup></li> </ul>	     

## 4.4 Reporting

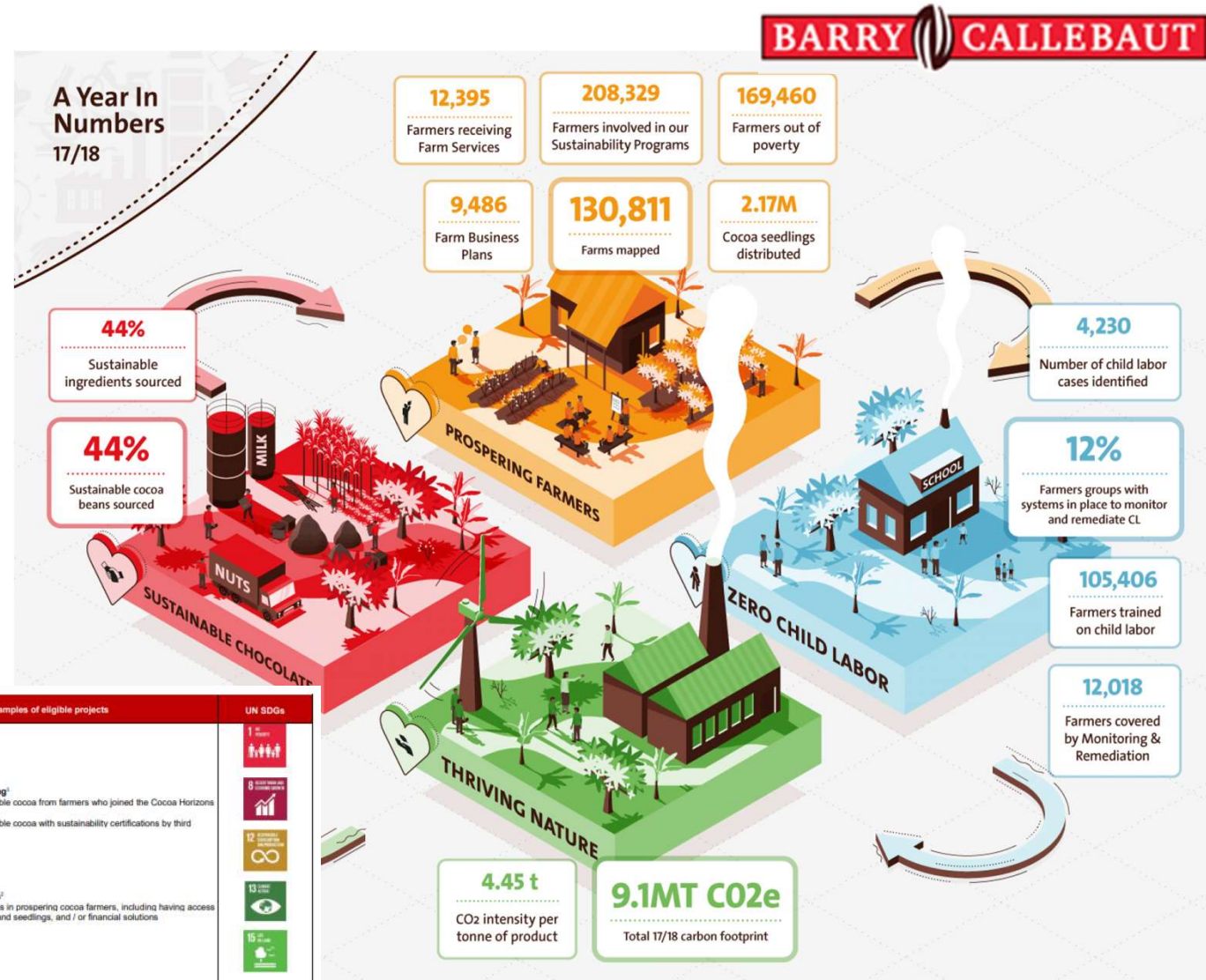
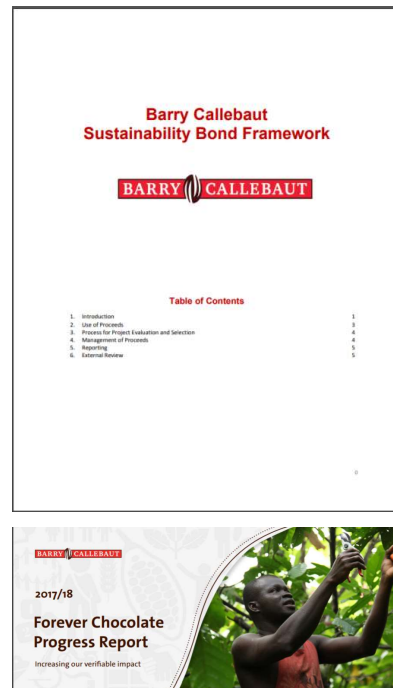
Annually, until all the proceeds have been allocated, and on a timely basis in case of material developments, Ahold Delhaize will publish yearly updates to investors on its website <https://www.aholddelhaize.com/en/investors/bond-information/sustainability-bonds/> that will include (i) the amount of net proceeds allocated to each Eligible Project category, (ii) expected key performance indicators (KPIs) (qualitative and quantitative), where feasible and (iii) the outstanding amount of net proceeds yet to be allocated to projects at the end of the reporting period.

### Examples of relevant expected KPIs could include:

Eligible projects	Expected KPIs
Certified seafood	€ of sales from sustainability sourced own-brand products
Certified tea, coffee, cocoa	€ of sales from sustainability sourced own-brand products
Urban farm	€ of sales from sustainability sourced own-brand products
Solar, bio-digesters	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Energy efficiency projects	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Refrigeration projects	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent Annual energy savings in MWh (electricity) and GJ (other energy savings)
Green buildings	LEED, BREEAM, or equivalent environmental certification scores
Optimizing replenishment processes, ordering, and stock management to reduce shrink; offering unsold food to hunger relief charities	€ of total food waste recycled Tonnes of food waste reduced Tonnes of waste recycled
Packaging changes to meet our New Plastics Economy Global Commitment	Tonnes of plastic reduced
Improving collection and recycling of packaging and other operational waste within company's operational boundaries	Tonnes of waste recycled
Product reformulation	€ sales from healthier products
Guiding Stars	€ sales from healthier products
Choices International	€ sales from healthier products
Nutri-Score	€ sales from healthier products



# Barry Callebaut, Switzerland, Forever Chocolate Report (Sustainable Schuldschein)



ICMA GBP / SBP category	Barry Callebaut Sustainable Objectives	Examples of eligible projects	UN SDGs
Environmentally sustainable management of natural resources and land use	Promote sustainable chocolates	Sustainable cocoa purchasing <sup>1</sup> Purchasing costs of sustainable cocoa from farmers who joined the Cocoa Horizons Programme Purchasing costs of sustainable cocoa with sustainability certifications by third parties, including: - Rainforest Alliance - UTZ - Fairtrade - Organic(EU / USDA)	12 Responsible Consumption and Production 13 Climate Action
Socio-economic advancement and empowerment	Improve the livelihoods of cocoa farmers and their communities through the promotion of sustainable, entrepreneurial farming, improved productivity and community development	Farmer support Programmes <sup>2</sup> Investments and expenditures in prospering cocoa farmers, including having access to coaching, inputs for tools and seedlings, and / or financial solutions	13 Climate Action 15 Life on Land

# Apple, US – Green bond reporting



## 2017 Green Bond Allocation



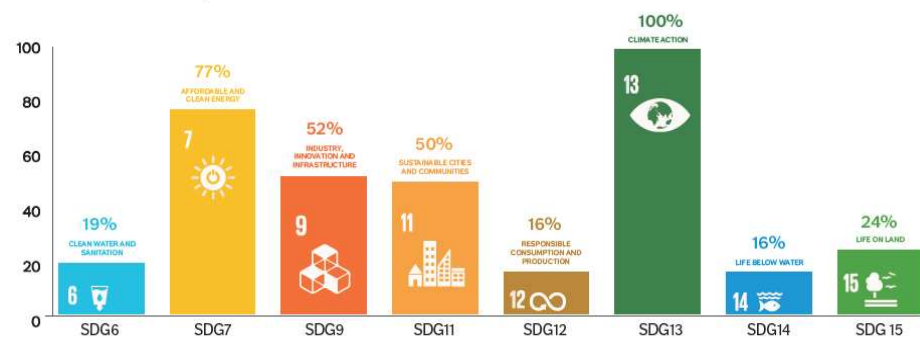
## Sustainable investor case study

With ~€1bn AuM, the NN IP Green Bond Fund is one of the biggest dedicated funds on the street

### Strategy Description

- The **NN IP Green Bond Fund** strategy primarily invests in a portfolio of Global green bonds of high quality (with a rating of AAA to BBB-) mainly denominated in Euro
- Supported by 5 Portfolio Managers, 16 Analysts, Trading Team and the Responsible Investment Team
- The Fund aims to beat the performance of **the Bloomberg Barclays MSCI Euro Green Bond Index**
- Eligibility is determined by checking the following elements:
  - ✓ Must adhere to the **Green Bond Principles**
  - ✓ **Dark green approach:** NN IP checks whether investments are truly 'green' by conducting independent and in-house assessments, using the full CBI taxonomy on top of GBP
  - ✓ **Additional issuer screening on environmental criteria:** Incl. controversies scan and issuer policy env. assessment
  - ✓ **Extensive impact report:** Incl. exposure to the UN Sustainable Development Goals, providing insights into the goals the fund contributes to

### UN Sustainable Development Goals Exposure\*



\* Portfolio positions can have exposure to multiple SDG themes.

- The chart above shows the exposure of the Green Bond Strategy to different **SDGs**
- All the Green bonds in the portfolio have a positive impact on climate change mitigation, as a result the exposure to **Climate Action (SDG13)** is 100%
- The proceeds of many green bonds are used for alternative energy, hence the exposure to **Affordable and Clean Energy (SDG7)** is also high

### Portfolio Statistics\*

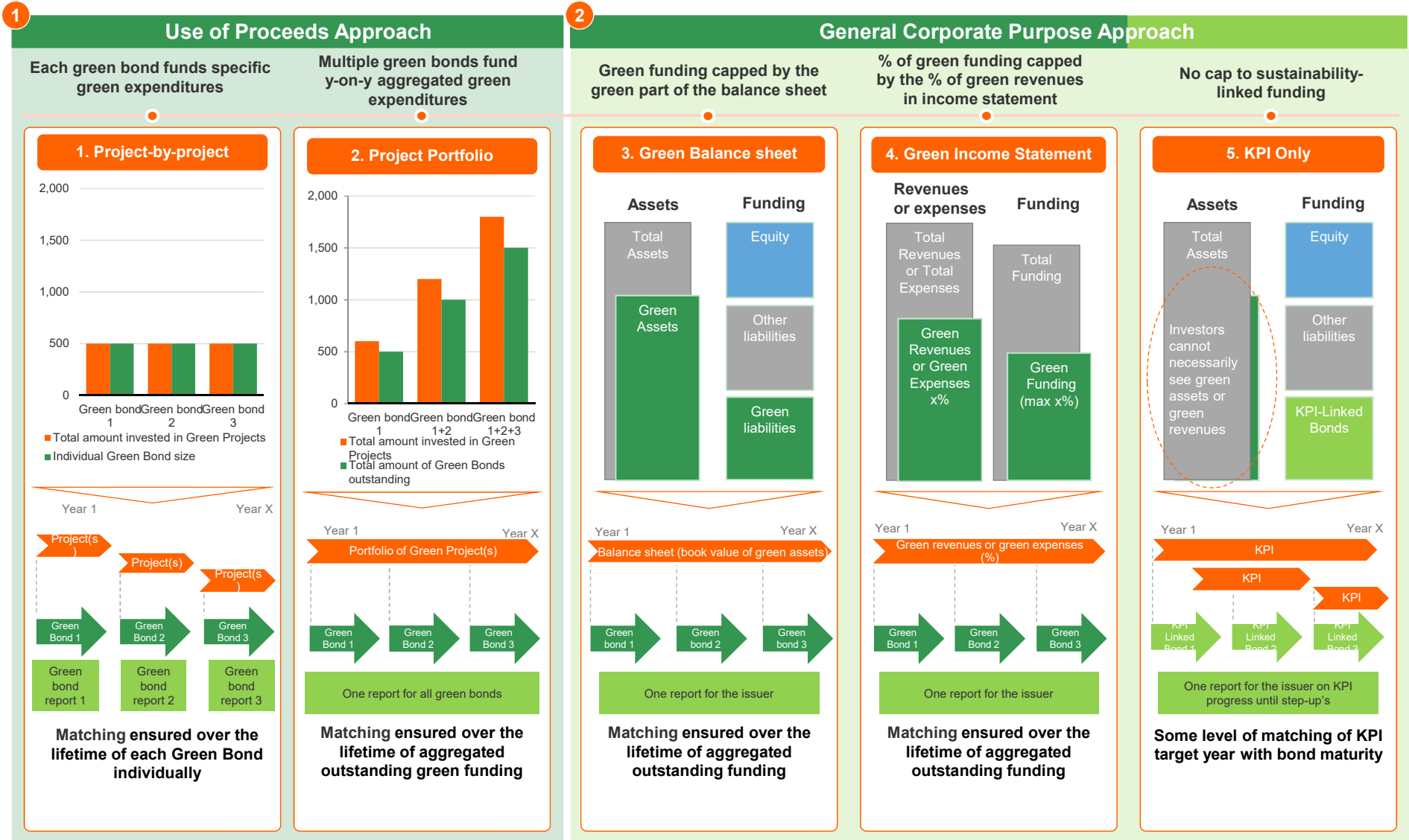
Currency	EUR
Strategy Assets under Management	€927m
Yield of the portfolio	0.92%
Duration	7.97

### Top 5 Renewable Energy Capacity added (MW) - weighted

1	TenneT
2	Iberdrola
3	Electricite de France
4	Enel Finance
5	European Investment Bank

\* Source: NN IP Green Bond Strategy Brief – 30 Nov 2018

# Management of Proceeds: sustainable funding policies





# How the EU recommends investors to identify the percentage of sustainable activities of a company

Investors will look at a Green Balance Sheet or Green Income Statement to identify the percentage of sustainable activities

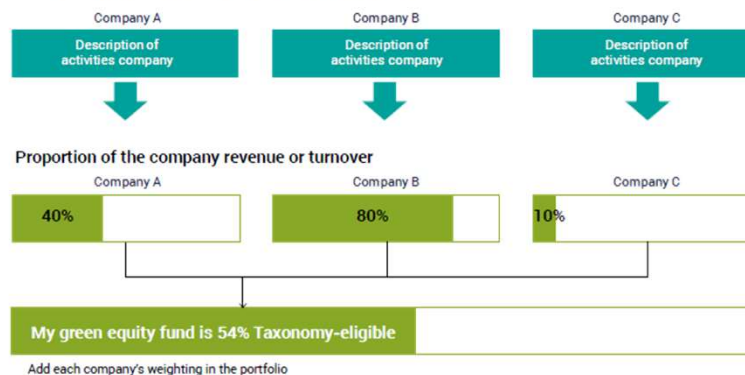
## Considerations

- The EU Taxonomy **will be a legally mandated classification system of environmentally sustainable activities** which sets out authoritatively what is environmentally sustainable
- That information shall enable investors to identify:
  - a) **The percentage of holdings** pertaining to **companies carrying out environmentally sustainable economic activities**;
  - b) **The share of the investment funding** environmentally sustainable economic activities as a percentage of all economic activities.
- The Commission shall adopt delegated acts to specify the information required to comply with that paragraph, taking into account the technical screening criteria set out in accordance with this Regulation.

## HOW INVESTORS WOULD USE THE TAXONOMY IN FIVE STEPS

1	Identify the activities conducted by the company, issuer or covered by the financial product (e.g. projects, use of proceeds) that could be eligible.
2	For each activity, assess whether the company or issuer meets the relevant criteria for a substantial contribution e.g. electricity generation <100g CO <sub>2</sub> /kWh.
3	Verify that the DNSH criteria are being met by the issuer. Investors using the Taxonomy would most likely use a due-diligence like process for reviewing the performance of underlying investees.
4	Conduct due diligence to avoid any violation to the social minimum safeguards stipulated in the Taxonomy regulation (article 13).
5	Calculate alignment of investments with the Taxonomy and prepare disclosures at the investment product level.

### How to apply the taxonomy to an equity portfolio



SRI fund managers **must comply with the sustainable finance regulation** in case they want to sell their funds as “sustainable” and need to identify **what percentage of the activities of an issuer is “sustainable”** according to the EU definition





Thank You