

Verification of Green Residential Loan Portfolio for Verd Boligkreditt

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Summary

This report verifies that Verd Boligkreditt's green residential loan portfolio meets the established criteria under its green bond framework, amounting to a minimum of NOK 4,374 million in green residential loans. Vilda, an independent provider of building and energy performance data, has conducted a thorough analysis of the loan portfolio in compliance with the framework's green eligibility standards.

Purpose

The purpose of this report is to confirm Verd Boligkreditt's adherence to its green bond framework, ensuring the qualifying residential loans contribute to sustainable development and climate goals. This verification supports Verd Boligkreditt's commitment to transparency, accountability, and the promotion of environmentally responsible investments.

Scope of verification

The verification assessment covered residential loans within Verd Boligkreditt's portfolio aligning with the Green Bond Framework published September 2023, specifically evaluating those financed or refinanced to support ownership or renovation of residential properties that meet one or more of the following eligibility criteria:

- 1. Newly Built Green Buildings** (Constructed in 2021 or later): Residential buildings with a Primary Energy Demand (PED) that is at least 10% lower than the threshold set for nearly zero-energy building (NZEB) requirements as defined by national measures.
- 2. Pre-2021 Buildings with High Energy Performance:** Residential buildings classified under Energy Performance Certificate A or structures within the top 15% of Norway's national housing stock in terms of primary energy demand, meeting one of the following conditions:
 - Built under the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17).
 - For buildings constructed before 2012, holding an Energy Performance Certificate A or B.
- 3. Renovated Buildings:** Residential buildings undergoing significant renovation that have demonstrated at least a 30% reduction in primary energy demand. After renovation, for the full loan amount to qualify, these buildings are expected to align with either the new or

existing building standards specified above. If not, only the proceeds for upgrading the building is qualified under the framework.

Exclusions: Residential buildings designated for leisure use (cabins and holiday homes) are excluded from this analysis.

Methodology

Vilda has employed a structured verification approach involving detailed portfolio sampling, data analysis, and criterion validation. Key steps include:

- Loan Data Sampling: Representative sample selection to confirm compliance with green loan criteria.
- Energy Performance Verification: Analysis of provided Energy Performance Certificates (EPCs) issued by Enova and year of construction of main security pledged for the mortgages.
- Quantitative Assessment: Calculation of minimum qualified loan portfolio aligned with the green bond framework.

Verification Results

Following our review, Vilda confirms that Verd Boligkreditt's portfolio meets the requirements outlined in its green bond framework. Based on the verified sample, we ascertain the portfolio includes a minimum of **NOK 4,374** million in qualifying green residential loans. As per cut off date the outstanding amount of bonds issued under the green bond framework was **NOK 3,000 million**, making the free unallocated amount available for bond issuance maximum **NOK 1,374 million**.

Summary of Compliance:

Newly Built Green Buildings: Not verified or included

Pre-2021 Buildings with High Energy Performance: Verified and included in total amount

Renovated Buildings with Energy Efficiency Improvements; Not verified or included

Exclusions (Cabins/holiday homes): Excluded

Conclusion

Vilda hereby certifies that Verd Boligkreditt's residential green loan portfolio meets the stipulated criteria in the green bond framework. The verification affirms Verd Boligkreditt's eligibility for the issuance of green bonds and substantiates the commitment to environmental integrity within its residential loan portfolio.

Disclaimer: This report represents an independent verification conducted by Vilda and is based on the accuracy and completeness of information provided by Verd Boligkreditt as of the date specified. Vilda assumes no liability for any inaccuracies or omissions that may exist in the data provided by Verd Boligkreditt.

Vilda

Vilda is a Data-as-a-Service (DaaS) provider specialising in building and energy performance data for residential buildings. Combining building physics with data science, Vilda provides data and insights on buildings' energy usage, energy efficiency and environmental footprint.