Green Funding Framework

September 2025

Nu al zin in morgen

asn bank

1. Introduction

History & company profile

Our history dates back to 1817, the year in which a number of regional savings banks merged with the aim of taking good care of the money that the Dutch people entrusted to them. Today, we serve customers, entrepreneurs and small and medium sized enterprises, by providing payment, saving, mortgage, insurance and investment products.

Our mission and ambition

Our **'banking with a human touch'** mission focuses on creating value for all our stakeholders: Our customers, society, our employees and our shareholder. We pursue optimum total value rather than maximization of a single value, and call this our shared value ambition. We monitor and measure against specific objectives and report on this shared value ambition for each stakeholder group.

Transition from De Volksbank N.V. to ASN Bank N.V.

In the second half of 2024, we announced the launch of the internal transformation programme focused on simplifying our commercial distribution network and streamlining business operations to develop a healthier and more resilient future-proof bank. In this context, we have moved from one company, De Volksbank N.V., with four different retail brands, to a single company with one strong brand, ASN Bank N.V (subsequently "ASN Bank"). This step became effective with the change in the Dutch Trade Register on July 1, 2025.

The current strategy continues to focus on two main pillars aimed at strengthening our distinctive capabilities:

- To be the bank with the strongest customer relationship and
- To have a substantial and measurable positive impact on society. Throughout the year 2025, ASN Bank will review and renew its strategy and strategic objectives for the business period after 2025.

2. Sustainability Statements

2.1 Sustainability Policies

The purpose of our sustainability policies is to minimize our negative impact and where possible, increase our positive impact we have through our investments and loans. In addition, we want to have a well-understood and accepted governance and definition of sustainability for ASN Bank and its stakeholders.

Our approach to sustainability covers all investments, financing to corporates and governments and our own operations and is applied at three levels, which are described below. Besides our sustainability policies, we also have a Risk Management Policy Sustainability Risk and several business policies in place. Several components of our policies are related to how our counterparties deal with social and governance risks.

Sustainability Policies (SP) and Specific Sustainability Policies (SSP)

We distinguish three pillars in our Sustainability Policies (SPs): **Climate, Biodiversity and Human Rights**. We assess countries, organizations and businesses on the basis of these sustainability policies. The approach to our SPs consists of two elements: 1) a set of sustainability criteria to exclude or avoid investments that have a negative impact and 2) a set of criteria to assess how to support investments that contribute to sustainability. Below, we elaborate on the two elements of our approach for each pillar.

The SPs and SSPs contain information on sustainability content applicable to for instance our investments in corporate and sustainable bonds. We update our sustainability policies so that it incorporates recent developments, for certain sustainability policies, we engage with external parties including NGOs, other financial institutions, academics, politicians, and the media. In SSPs, we provide additional guidance and criteria for specific themes, such as animal welfare or plastics, sectors, such as financial services, or asset classes, such as ESG bonds. These SSPs are related to one or more SPs.

Climate

Our sustainability criteria avoid involvement in entities that have a substantial negative impact on climate change and support investments that contribute to combating climate change. Activities we refuse to invest in are, for instance, the exploration, extraction and production of fossil resources and electricity generation by means of fossil resources. For details on these policies, see our link.

Biodiversity

Before we invest, we analyze whether potential loans and investments meet our sustainability criteria, since we aim to reduce the negative ecological impact from our loans and investments. Our biodiversity criteria are in line with the main threats to loss of nature and biodiversity: land use change, overexploitation, climate change, invasive and exotic species, and pollution. At the same time, we invest in ways to protect nature and relief the pressure society puts on nature, such as renewable energy and the circular economy leading to a reduction in the use of natural resources. Closely linked to this policy is our **Circular Entrepreneurship Policy**, which includes our vision on the circular economy in which the focus is on a more efficient use of both renewable and non-renewable raw materials. For further detail, refer to our **Biodiversity Policy**.

Human Rights

We base our human rights policy on the **Universal Declaration of Human Rights, the OECD guidelines for multinational enterprises, and the United Nations Guiding Principles for Business and Human Rights (UNGPS) and he ILO Declaration on Fundamental Principles and Rights at Work.**

We have a wide range of policies to avoid violations of human rights in our loan and investment portfolios. We do not want to invest in companies that engage in or profit from war or armed conflict. We cannot and will not reconcile ourselves with the idea that these types of companies benefit from the existence of, and increase in armed conflicts. This implies that we also want to refrain from every form of financing of or investment in companies involved in the development, maintenance, testing, storage and distribution of arms. All listed companies are screened and then monitored periodically to ensure that they are not involved in the arms industry. For this purpose, we make use of external data providers specialised in this field.

Examples of criteria to support investments that uphold collective, human and labour rights are: equal treatment and anti-discrimination, no forced or child labour, safe and healthy working conditions, freedom of association and to respect the rights of local communities and indigenous people. This is in line with the Core Conventions of the International Labour Organization. For further details on these policies, see our **Human Rights Policy.**

Our human rights policy also prescribes how we conduct our human rights due diligence. In 2023, we completed a salience risk analysis to assess whether our activities could be linked to human rights risks in the international value chains to which we are connected. In conducting this analysis, we followed the United Nations Guiding Principles for Business and Human Rights. This analysis showed that the risks of forced labour and degradation of livelihoods in the mining and metals chain are the most salient human rights risks. For instance, our investments related to renewable energy could be related to potential human rights risks in the value chain, but this is not assessed as a material risk for ASN Bank. We continue our efforts in exploring how we can influence these supply chains to address these forms of abuse in line with international guidelines.

Applied Sustainability Policies (ASP's)

The ASPs specify how specific policies are implemented in various processes. Thus, compared with other policies that deal with the 'why' and 'how, these policies have a more practical approach, i.e. 'what to do'. The responsibility for implementing these more operational policies lies with the relevant departments.

2.2 Foundation of our policies

Our sustainability policies are based on relevant and important global conventions, reports and initiatives that aim to ensure a bright and sustainable future for next generations.

ASN Bank regards the following international treaties and conventions as the fundamental starting points for its policies and their implementation. These international treaties and conventions are subject to change and do not constitute an exhaustive list.

Climate

- Paris Agreement
- Intergovernmental Panel on Climate Change (IPCC) of the World Meteorological Organization (WMO)
- United Nations Environment Programme Finance Initiative (UNEP FI)
- Montreal Protocol

Biodiversity

- Convention on Biological Diversity (CBD)
- The Kunming-Montreal Global Biodiversity Framework (GBF)
- Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report
- Five Freedoms of the Farm Animal Welfare Committee
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on Wetlands (also known as the Ramsar Convention)
- UNESCO World Heritage Convention (WHC)

Human rights

- United Nations' Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- Conventions of the International Labour Organization (ILO)
- Guidelines of the Organisation for Economic Co-operation and Development (OECD) for MNE
- UN Global Compact
- Conventions in relation to weapons

2.3 Climate Change

In response to the 2015 Paris Agreement, the Dutch financial sector committed itself to the National Climate Agreement of the Netherlands (het Klimaatakkoord). In 2019 ASN Bank endorsed the Climate Commitment Financial Sector, after which ASN Bank's Climate Action Plan (CAP) was developed in 2022. In 2025, based on our CAP, we have worked on altering our KPI from a climate-neutral balance sheet, to net zero by 2050. Our net zero KPI will include our financial emissions, and additionally, we consider the emissions from our own operations and upstream and downstream activities. ASN Bank has validated Science Based Targets (SBTs) since November 2022 to support it GHG reduction targets to achieve net zero by 2050. Additional detail is available in the sections below.

2.4 Climate Impact

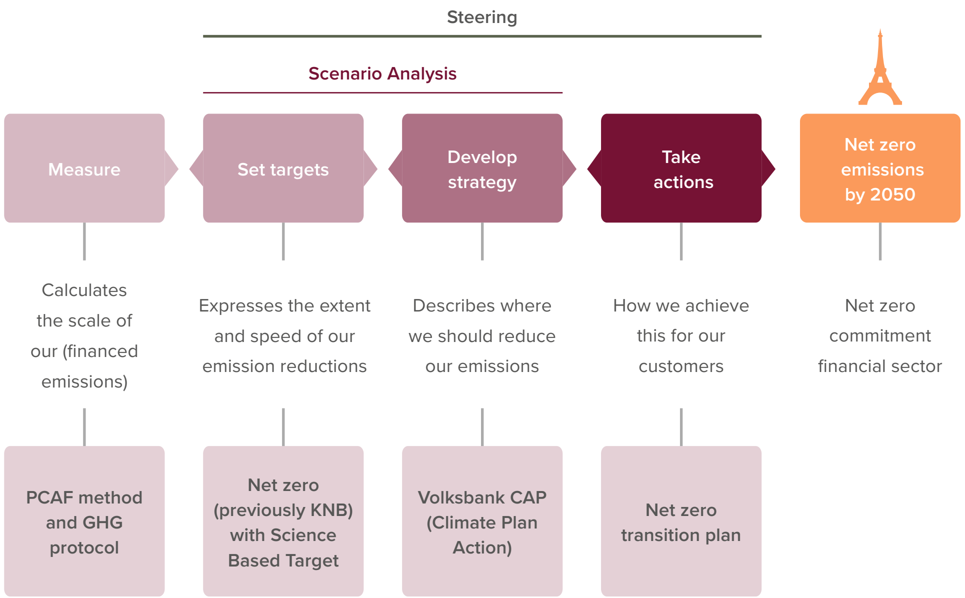
Transition Plan for Climate Change Mitigation

In response to the 2015 Paris Agreement, the Dutch financial sector committed itself to the National Climate Agreement of the Netherlands (het Klimaatakkoord). In 2019 ASN Bank endorsed the Climate Commitment Financial Sector, after which ASN Bank's Climate Action Plan (CAP) was developed in 2022. In 2025, based on our CAP, we have worked on altering our KPI from a climate-neutral balance sheet, to net zero by 2050. Our net zero KPI will include our financial emissions, and additionally, we consider the emissions from our own operations and upstream and downstream activities. ASN Bank has validated Science Based Targets (SBTs) since November 2022 to support it GHG reduction targets to achieve net zero by 2050. Additional detail is available in the sections below.

Net Zero Transition Plan

During 2024, we developed our Net zero transition plan. In this plan, we describe that we will explore actions that could contribute to a transition towards a net zero business model by 2050, given changing prudential and changing customer behaviour. We have validated Science Based Targets (SBTs) for scope 1 and 2. For our scope 3 categories, we only have targets for category 15: Investments for our mortgage portfolio and corporate bonds. These reduction targets have been set for 2030 and cover 30% of our GHG inventory.

The human and financial resources allocated to our transition plan for 2025 are utilised for pilots to determine the effectiveness or our decarbonisation levers, to improve data quality and for customer outreach. With these insights we will further develop our scope 1, 2 and 3 targets and actions that will contribute to our net zero target and assess what resources are required for 2026 and onwards. Net zero entails that we have to reduce our direct emissions from our own operations and our financed emissions, to as close to zero as possible, and that we have to remove the residual emissions from the atmosphere. The CAP and the Net zero transition plan cover all relevant activities of the bank: residential mortgages, SME loans and other corporate and government loans, including project finance loans for renewable energy projects. These choices were made in line with our climate objective. This is explained in the climate policy, where we justify our action to the stakeholder groups involved. After the net zero target was internally validated, we included in our Net zero transition plan a net zero roadmap per business unit. These plans show how to intensify our organisation's efforts to raise awareness among retail and SME customers about the need to reduce emissions. In our business strategy we consider all our KPIs, this includes our net zero KPI. The data and calculation method for determining the progress on the KPI, are registered and monitored in automated IT processes. The KPI is reported to and managed by the management team and ESG Impact Committee (ESG IC) on at least a monthly basis. The Net zero transition plan has been reviewed by the Customer and Brand leadership team and the ESG IC and approved by the Executive Committee (ExCo) in December 2024. Stakeholders were involved with the CAP, climate-neutral balance sheet and net zero target development.



Carbon Mitigation Hierarchy

To minimise our negative impact, we use the carbon mitigation hierarchy in our Net zero transition plan as a tool to manage our mitigating actions and to prioritise the effectiveness of climate change mitigation measures. The hierarchy is structed as follows:

First, the greatest impact is achieved by reducing greenhouse gas (GHG) emissions. Consequently, we do not invest in companies that are involved in fossil fuel production, that produce energy using fossil fuels or that use fossil fuels in their production process. Second, it is important to reduce GHG emissions in our own operations and our value chain, including our financed emissions. The third measure in the carbon mitigation hierarchy is to substitute energy sources that produce large quantities of GHG emissions for renewable energy sources with a low carbon footprint, or to replace energy sources that emit greenhouse gases with energy sources that avoid such emissions. Via the SBTi we have committed ourselves to only invest in renewable energy through 2030 to promote the energy transition. Fourth, we remove and store GHG emissions from the atmosphere for a long time. We prefer financing natural solutions for removing GHG emissions over technical options, like Carbon Capture and Storage. Regenerative agriculture and biobased construction are examples of natural storage that we focus on.

Science Based Targets

Net-zero entails that we must significantly reduce our emissions from our own operations and financing activities with 90-95% and remove the residual emissions from the atmosphere. ASN Bank's Science Based Targets (SBTs) express the extent to which, the speed and means by which our emissions need to be reduced to align with the 1.5°C Paris Agreement scenario. The SBTs apply to our scope 1 and 2 and our scope 3 mortgage portfolio emissions and contribute to the climate-neutral balance sheet and net zero balance sheet target that we have set for 2030. This near-term target ensures sufficient progress to stay on track for our net zero target by 2050. For 2050 we do not have validated targets by the SBTi. The scope 1 and 2 target is aimed at our own operations, where we have direct influence on our car fleet, our energy consumption and our renewable energy contracts.

Our current SBTs:

Scope 1 and 2:

- ASN Bank commits to reduce absolute scope 1 and 2 GHG emissions with 45% by 2030 compared to the base year 2020.
- ASN Bank commits to continue financing only renewable electricity through 2030.

Scope 3:

- ASN Bank commits to reduce its mortgage portfolio GHG emissions with 59% per square meter by 2030 compared to the base year 2020.
- ASN Bank commits to 29% of its corporate bond portfolio by total value held, have set SBTi validated targets by 2025, and 53% of its corporate bond portfolio by invested value have set SBTi validated targets by 2030.

Locked-in GHG emissions

Locked-in emissions are the future emissions that are likely to be emitted over the lifetime of the key assets of ASN Bank. Our main assets are mortgages. As part of our social profile, our policy is to finance homes with the entire range of energy efficiency ratings (A-G), to keep the financing of these homes accessible. We develop products and initiate partnerships on sustainable housing to increase the energy efficiency of these homes, allowing homeowners with a low energy efficiency rating to implement measures to make their home more sustainable. However, we are dependent on homeowners, asset characteristics and external factors, in reducing our mortgage portfolio emissions. The dependency on homeowners is linked to their willingness and ability to make their homes more sustainable. If they do not want or are not financially able to make their house more sustainable, the energy efficiency rating of their home and consequently our mortgage portfolio will not improve. For some of our assets, for example monumental real estate, increasing the energy efficiency rating is challenging as options for improvement are limited. Finally, external factors – such as effective government policy implementation, macroeconomic development and the high energy prices – play a significant role. Currently we have not determined the extent to which locked-in GHG emissions are present in the financial assets of ASN Bank. In 2024 we increased our insights to determine the potential locked-in emissions in order to identify potential transition or physical risks.

Net zero target

In 2024 we implemented our net zero target. This is an absolute reduction target covering our scope 1, 2 and 3 emissions. As we do not expect to be able to completely reduce all emissions to zero by 2050, we finance nature-based carbon removal projects that remove emissions from the atmosphere. By aligning our own operations and investments with the net zero target we contribute to mitigating our negative impact on the environment.

Our net zero target is a gross GHG reduction target that covers the GHG inventory of scope 1, 2 and 3 within our organisational boundaries (own operations of all brands and the upstream and downstream activities, but excluding subsidiaries), which does not include greenhouse gas removals. Of our total emissions in our GHG inventory, 30% are covered by reduction targets. Were we have a target for our scope 1 and 2 impact combined, and an intensity target on our mortgage portfolio, we do not have reduction targets for other scope 3 categories in our upstream and downstream activities. For our investments and financing activities in category 15 we have SBTi validated targets.

As validated by the SBTi, the targets follow sector decarbonisation approaches in line with a 1.5°C reduction pathway: the scope 1 and 2 target follows the World B2DS service buildings scenario, and the target for the mortgage portfolio follows the IEA NZ scenario of 1.5°C.

We moved beyond the climate-neutral balance sheet to a net zero balance sheet. This entails that avoided emissions are no longer taken into account. In the clarification note ‘Difference between climate-neutral balance sheet and net zero balance sheet’ we explain the similarities and differences and present the impact these differences.

The target for the mortgage portfolio is determined with a sectoral decarbonisation approach using the net zero emissions 2050 scenario from the International Energy Agency (2021) as a benchmark. This target is expressed as an intensity metric ($kgCO_2e/m^2$) and is obtained by dividing the total emissions of the mortgage portfolio by the total floor area.

2.5 Decarbonisation levers

Decarbonisation levers are the tools and mechanisms that are used to reduce emissions to achieve climate mitigation goals. Supported by the carbon mitigation hierarchy, we have identified various decarbonisation levers.
To reach our scope 3 financed emission reduction targets we develop decarbonisation levers for both banking and non-banking products. The budget to achieve the reduction targets, the FTEs and out-of-pocket costs are included in the Financial Plan & Budget for 2025. The following decarbonisation levers tools and mechanisms are used to reduce emissions to contribute to our GHG emission reduction targets.

1. Banking products and services to private entities

We offer several banking products and services that serve as decarbonisation levers. These products and services either attract new customers with more energy efficient collateral, or help existing customers improve the energy efficiency of their current home. These products and services include: Bespaarhypotheek, an ASN mortgage including a loan component for sustainable housing, a personal loan for sustainability, and advice for sustainable renovation.

2. Non-banking products and services

ASN Bank works together with several partners to offer its customers multiple non-banking products and services aimed at improving the energy efficiency of their home. These products and services could serve as decarbonisation levers in addition to our banking instruments and include energy advice – the huisscan and offering energy-saving measures such as insulation, solar panels, heat pump and a green roof.

3. Removing CO_2e from the atmosphere

For the remaining emissions, such as emissions from mortgages, the last step of the carbon mitigation hierarchy, is to extract those emissions from the atmosphere and store them for a long period of time. We set requirements on CO_2e removal and storage in line with the four principles of carbon dioxide removal as stated in paragraph Carbon mitigation hierarchy.

The decarbonisation levers do not cover all our scope 3 categories. We are currently in the phase were we are determining the key decarbonisation levers for our scope 3 environmental impact.

2.6 Managing Sustainability Risks

Sustainability risk is one of ASN Bank's strategic risks and is part of the bank's risk taxonomy as a stand-alone risk type with the aim of developing a holistic approach to the incorporation of ESG risk drivers into its overall business strategy, governance, risk management framework, organisational structure and reporting.

We define sustainability risk as the risk arising from Environmental, Social or Governance-related (ESG) factors over the short, medium or long-term that may have an (in)direct financial or reputational impact on ASN Bank - either directly or by acting as a driver for other risk types - as well as the risk arising from the value chain of ASN Bank that may have an (in)direct negative impact on the environment or society. The integration of short, medium and long-term sustainability risk within the risk management framework is based on the ECB Guide on climate-related and environmental risks and the draft EBA guidelines on the management of ESG risks.

Risk Management Policy

As sustainability risk is classified as a stand-alone risk type, both a Risk Management Policy (RMP) and a Risk Appetite Statement (RAS) for this risk type are in place. Our Sustainability Risk RMP covers climate-related risks, including physical risks and transition risks. The RMP is the overarching policy regarding sustainability risk and elaborates on the risk management cycle for managing this risk type, which includes the processes and instruments for risk identification, measurement, response, monitoring, incident management and issue and action management. The risk management cycle is the basis for identifying, assessing, prioritising and monitoring risks and opportunities and their financial impact. There are various methods to assess risks in the material risk assessment. Risks are typically expressed in euros as much as possible, and there is always a rationale behind prioritising risks. The RMP applies to ASN Bank N.V., including all underlying legal entities, brands, Centers of Expertise, Hubs, staff departments and portfolios. The Chief Risk Officer is accountable for the implementation of the Sustainability Risk RMP. Since sustainability risk is considered both a stand-alone risk type and a risk driver for other risk types within the risk framework of ASN Bank, specific sustainability key risk indicators (KRIs) are included in the RAS for sustainability risk and in those for credit risk and reputational risk. Other KRIs are not specific to sustainability risk, but do include the impact of sustainability as a risk driver. For example, the KRI regarding compliance with prudential laws and regulations includes ESG regulations. To monitor sustainability risk, we have developed sustainability KRIs with the corresponding thresholds. Where possible, we have determined quantitative indicators to monitor ESG risks. The determination of the indicators and the associated thresholds is an annual process and is approved by the ExCo.

3. Green Funding Framework

To enhance its power to address environmental and sustainability issues where ASN Bank has the ability to affect positive change, ASN Bank has established this Green Funding Framework (hereinafter referred to as the 'Framework' or 'GFF'), under which it can issue green senior, covered and subordinated bonds, green commercial paper (CP) and green deposits, together forming the Green Funding Instruments (hereinafter referred to as 'GFIs')[1].

ASN Bank has set up its green bond strategy, via the publication of its first Framework, back in April 2019 (i.e. 'De Volksbank Green Bond Framework'), aimed at issuing green bonds to (re)finance green assets, namely green residential buildings in the Netherlands and renewable energy projects. Since the first publication of the Framework in 2019, ASN Bank (prior 'de Volksbank') has taken important steps to enhance its green finance strategy and sees it as a major tool to support the growth of its own green asset portfolio. With the update of September 2025, ASN Bank intends to expand the type of labelled funding instruments that can be issued under this Framework, including green CP and deposits, as well as to ensure the Framework is up to date and reflects the most relevant sustainable finance trends. ASN Bank sees the issuance of GFIs, including green bonds, as an effective tool to mitigate climate change and to achieve the Sustainable Development Goals of the United Nations (or 'UN SDGs').

Via our green funding program, we aim to further diversify our investor base by making sustainable investments available in the debt market to both dedicated green bond investors as well as to mainstream investors who may be looking to integrating ESG factors in the investment decision.

3.1 The Framework

In alignment with the ICMA Green Bond Principles (or 'ICMA GBP') 2025[2], the Framework is presented through the following core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also follows the recommendations of the ICMA Green Bond Principles regarding External Review. In addition to assessing alignment with the ICMA Principles, ASN Bank has requested to ISS-Corporate, acting as external reviewer, to verify the level of alignment with the EU Taxonomy Climate Delegated Act.

European Green Bond Standard

The EU Green Bond Regulation[4], which entered into force on 20 December 2023 and applicable from 21 December 2024, introduces a voluntary label (i.e. 'the European Green Bond Standard') for issuers of green use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Taxonomy ('European Green Bonds' or 'EuGBs').

ASN Bank may decide to issue European Green Bonds to finance and/or refinance green eligible assets aligned with the EU Taxonomy. For these bonds, ASN Bank will act in accordance with the requirement of the EU Green Bond Regulation and (i) the completed European Green Bond Factsheet and (ii) the pre-issuance review by the external verifier (both referred to in Article 10 of the EU Green Bond Regulation) will be made available on the issuer's website and the EU GB designation will be indicated in the applicable bonds' Final Terms, as required.

Post-issuance requirements imposed by the Regulation will be followed accordingly. There will be no double counting of bonds designated under the EU Green Bond Regulation and ICMA Green Funding Instruments governed through this Framework[5].

3.2 Use of Proceeds

An amount equal to the net proceeds of the Green Funding Instruments issued by ASN Bank under this Framework will be used to finance and/or refinance, in part or in whole, an eligible green loan portfolio (the '**Eligible Green Loan Portfolio**') in accordance with certain prescribed eligibility criteria. To qualify for the Eligible Green Loan Portfolio, the assets (or 'loans') are required to meet at least one of the eligibility criteria (the '**Eligibility Criteria**') as set out below (i.e. eligible assets under the 'Green Buildings' or 'Renewable Energy' categories, are an "**Eligible Green Loan**").
ASN Bank's Green Funding Instruments respect the EU Paris Aligned Benchmark (EU PAB) exclusions[6].

1. This Framework and its core components apply to all Green Funding Instruments (or GFIs) issued by ASN Bank.
2. ICMA Green Bond Principles 2025 available here.
3. For the relevant economic activity (and EU Environmental Objective) as requested by ASN Bank.
4. Regulation (EU) 2023/2631 available here.
5. 'European Green Bonds' or 'Eu GB' may also be designated as both European Green Bonds and ICMA aligned (being ICMA voluntary guidance), as indicated in the applicable Final Terms.
6. In May 2024, the ESMA released guidelines on fund names, outlining specific requirements for using ESG or sustainability related terms in funds' names. In December 2024, the ESMA has provided further clarification on the application of the guidelines for use of proceeds instruments. These guidelines apply to investors who may invest in ASN Bank's Green Funding Instruments offering and ASN Bank aims to be transparent to support investors' assessment process.

Environmental Information

ICMA Green Bond Principles Eligible Project Categories	Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental Objective[7]	EU Taxonomy activity[8]
Green Buildings	New or existing residential buildings in the Netherlands: ▶ Buildings built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A ▶ Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)[9] ▶ Buildings built after 31 December 2020 with a Primary Energy Demand (PED) at least 10% lower than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the Dutch market[10] ▶ Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30%[11] ▶ Buildings that have been renovated meeting the criteria for major renovation[12]	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	Climate Change Mitigation	**7.2** Renovation of existing buildings **7.7** Acquisition and ownership of buildings
Renewable Energy	Production, development, construction, operation, acquisition and products of renewable energy; as well as the connection of renewable energy production units to the electricity grid, the transportation through the network and the manufacturing of the technology. Renewable energy sources include[13]: ▶ On and offshore wind energy ▶ Solar energy ▶ Tidal energy	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Climate Change Mitigation	**4.1** Electricity generation using solar photovoltaic technology **4.3** Electricity generation from wind power **4.4** Electricity generation from ocean energy technologies

7. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088. See here.
8. Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (see here).
9. Refer to our Green Buildings Methodology Assessment document available on our website. As per EU Taxonomy Regulation, the methodology to establish the Top 15% distinguishes between residential and commercial building stock and in this case, it is based on the Dutch national residential building stock performance expressed as operational PED and demonstrated by adequate evidence.
10. NZEB requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The Dutch version of NZEB is called Bijna Energieneutrale Gebouwen ("BENG"). In case new version of NZEB will be enforced in The Netherlands, our definition will be updated accordingly through our Green Building Methodology Assessment document. As per EU Taxonomy regulation, the energy performance of building must be certified using an as built Energy Performance Certificate (EPC).
11. The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30% improvement results from a reduction in actual primary energy demand and can be achieved through a succession of measures within a maximum of three years. The initial PED and the PED reduction is assessed by comparing the energy performance of the building before and after the renovation, using the NTA 8800 standard. Further detail on the process is included in the SPO assessment.
12. As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.
13. All below the threshold of 100g CO_2eq./KWh.

3.3 Process for Project Evaluation and Selection

Potential eligible assets align with the goals outlined in section 3.2 and are required to adhere to local laws and regulations, including relevant environmental and social regulatory requirements. Additionally, as part of the standard credit approval process, potential eligible assets are evaluated based on the sustainability criteria outlined in our sustainability policies, where applicable.

Alignment of Eligibility Criteria with the EU Taxonomy Climate Delegated Act:

The definition of the Eligibility Criteria considers the EU Taxonomy Regulation (referred to as 'EU Taxonomy')[7] and the EU Taxonomy Climate Delegated Act[8], especially in relation to the Substantial Contribution ('SC') criteria to Climate Change Mitigation[9]. Saying that, ASN Bank is subject to the EU Taxonomy Regulation and therefore it started publishing its regulatory Green Asset Ratio (GAR)[10] since March 2024[11]. Since ASN Bank is assessing the compliance of its balance-sheet with the EU Taxonomy for regulatory reasons, we are well positioned to assess what portion of our Eligible Green Loan Portfolio is meeting the EU Taxonomy criteria[12].

ESG Impact Committee

The ESG Impact Committee (ESG IC) is a risk committee that oversees our (inside-out) impact on society and the (outside-in) impact of sustainability matters on ASN Bank and monitors the proper integration of long, medium and short term ESG risks in the overall business strategy, governance, risk management framework, organizational, organizational structure, reporting practices and policies. The ESG IC is responsible for monitoring the progress of our strategic social impact targets and the incorporation of sustainability matters in business processes, as well as for the implementation of ESG risks in our risk management framework. It is also responsible for fostering transparency on compliance with the non-financial reporting guidelines.
The committee is chaired by the Chief Risk Officer, representing the ExBo. Members of the ESG IC are the Chief Operating Officer, Director Marketing & Proposition, Director Lending, Lead Sustainability team, Director Finance Data and Reporting, Director Financial Markets & Treasury, Director Enterprise Risk Management and Director Compliance, with the COO acting as the vice-chair. Non-members with a standing invitation are Internal Audit, Legal, Lead Strategy and Director Corporate Communication. All member of the ESG IC may escalate any decision to the ExBo.

The ESG IC is responsible for among others:
- Adopting ESG-related impact strategies, risk policy frameworks and standards within the frameworks established by the Executive Board;
- Approving the Bank's sustainability policy (as prepared by the Sustainability team);
- Monitoring and steering the implementation of the ESG strategy and the Bank's Social Identity;
- Monitoring and steering the implementation and compliance of policies on Sustainability Risk and ESG in business strategy, governance and risk management framework; and
- Approving of and/or advising on non-financial disclosures that relate to the scope of the committee.

3.4 Management of Proceeds

The proceeds of the Green Funding Instruments will be managed by ASN Bank in a portfolio approach. ASN Bank intends to allocate an equal amount to the net proceeds from the Green Funding Instruments to an Eligible Green Loan Portfolio, selected in accordance with the Eligibility Criteria and evaluation and selection process presented above.

The proceeds of Green Funding Instruments are tracked and assessed in an appropriate manner via internal tracking mechanisms. The same approach will be followed for fully EU Taxonomy aligned assets that can be (re)financed through European Green Bonds, as per the relevant documentation which will be made available on the issuer's website.

ASN Bank will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio which matches or exceeds the balance of net proceeds from its outstanding GFIs (i.e. expected full refinancing of Eligible Green Loans). Additional Eligible Green Loans will be added to ASN Bank's Eligible Green Loan Portfolio to the extent required.

In the event of unallocated net proceeds from the GFIs (full allocation will in any case be completed within 24 months from issuance), or in case of an insufficient Eligible Green Loan Portfolio, ASN Bank will temporarily hold and/or invest, at its own discretion[20], the balance of net proceeds not allocated to the Eligible Green Loan Portfolio in its treasury liquidity portfolio, in cash or other short term and liquid instruments or any other treasury activity.

14. See here.
15. See here.
16. Full correspondence between ASN Bank's Green Eligibility Criteria and the SC criteria for Climate Change Mitigation for the Eligible Green Loans that, at the date of publication of this GFF, compose the Eligible Green Loan Portfolio.
17. The ratio shows the EU Taxonomy aligned assets as a percentage of the total assets in the scope of the GAR.
18. See here.
19. In particular in relation to the Climate Delegated Act.
20. Subject to Sustainability Criteria that apply to all loans and investments.

3.5 Reporting

ASN Bank will make and keep readily available a Green Funding Report, detailing the allocation and the environmental benefits of net proceeds of the Green Funding Instruments issued annually, until maturity of such instruments.

ASN Bank will report on the allocation of the net proceeds of its outstanding GFIs to the Eligible Green Loan Portfolio at least at Eligible Project Category level and on an aggregated basis for all of ASN Bank's GFIs outstanding. On the green liabilities' side of its allocation table, ASN Bank will indicate the amount of GFIs outstanding per GFI type and in aggregate.

In case European Green Bonds are issued, the allocation report will respect the requirement of post-issuance reporting as indicated in the relevant section ('Article') of the EU Green Bond Regulation.

ASN Bank intends to align the reporting with the most up to date methodology proposed by Partnership for Carbon Accounting Financials ('PCAF') at the time of reporting and intends to align with the portfolio approach templates described in the 'Handbook – Harmonized Framework for Impact Reporting' provided by ICMA[21]. Both the allocation report as well as the impact report will be made available on ASN Bank's website[22].

Allocation Reporting

The allocation report will, on a best-efforts basis, include:

- The size of the Eligible Green Loan Portfolio, with a breakdown Eligible Project Category
- The total amount of proceeds allocated to the Eligible Green Loan Portfolio
- The number and location of Eligible Green Loans
- The total amount of Green Funding Instruments issued, including CP and Deposits[23]
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing[24]
- The proportion of the Eligible Green Loan Portfolio that is EU Taxonomy aligned[25]

Impact reporting

ASN Bank aims to provide an annual non-financial impact report on climate impact associated to the Eligible Project Categories of the Eligible Green Loans[26]. Where feasible, the impact report may include:

Green Buildings:

- EPC label distribution
- Estimated annual primary energy consumption in KWh/m^2/y
- Estimated annual GHG emissions compared to the baseline, in tons of CO_2 equivalent
- Estimated annual reduced and/or avoided emissions in tons of CO_2 equivalent
- Examples and/or description of typical green residential asset

Renewable Energy:

- Installed capacity in MW
- Estimated avoided emissions in tons of CO_2 equivalent
- Examples and/or case studies of selected projects[27]

21. Available here and updated from time to time.
22. See here.
23. ASN Bank reports annually and in aggregate for all its Green Funding Instruments outstanding and the entire Eligible Green Loan Portfolio. CPs and deposits are short-term instruments that may no longer be outstanding at the reporting date. However, ASN Bank will provide information on the amount and type of CPs and deposits that were issued during the reporting period. There will be no 'double counting' of Eligible Green Loans of outstanding CPs and Deposits (short-term instruments) with any other type of outstanding green funding instrument at the reporting date. The Green Funding Report, including both CPs and Deposits if any, will be externally reviewed. In relation to CPs, ASN Bank intends to report on simple average and highest amount of CPs during the reporting period, and to showcase higher Eligible Green Loans amounts than GFIs, including CPs outstanding. No specific look-back period will be established, proven that loans comply with the Green Eligibility Criteria at all times, which will be strictly monitored by ASN Bank (as per section 3.3 and 3.4).
24. At issuance, Green Funding Instruments are expected to be fully allocated to 'refinancing' of Eligible Green Loans as of the date of issuance, as ASN Bank will strive, over time, to achieve a level of allocation of Eligible Green Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Funding Instruments. The Eligible Green Loan Portfolio is dynamic, as new Eligible Green Loans enter the pool and maturing loans exit it. ASN Bank will report on (i) percentage and (ii) amounts of new Eligible Green Loans entering the portfolio (including 'new origination') on an annual basis. That figure will represent 'new financing'.
25. In case European Green Bonds are issued, ASN Bank will make use of the post-issuance templates for allocation reporting provided in Annex II of the European Green Bond Regulation.
26. Where CO_2 emissions figures are reported, the GHG accounting methodology and assumptions will be referenced in the impact reports and/or respective methodological documents.
27. Subject to confidentiality agreements.

3.6 External Review

Pre-issuance external review

The Framework has been reviewed by ISS-Corporate who has issued a Second Party Opinion (or 'SPO). ISS-Corporate has evaluated the Framework's alignment with the ICMA Green Bond Principles and the EU Taxonomy Climate Delegated Act[28] as part of the SPO process, as requested by ASN Bank. ISS-Corporate is listed on the List of firms that have notified ESMA and meet the obligations under Article 69 or Article 70 of the EU Green Bond Regulation[29], and therefore is well positioned to provide ASN Bank with an external review on the factsheet.
The Framework and the SPO will be made available to investors through ASN Bank's website.

Post-issuance verification

ASN Bank may request on an annual basis, starting one year after issuance of any relevant GFI and at least until GFIs are outstanding, a limited assurance report of the allocation of the proceeds of its outstanding GFIs to the Eligible Green Loan Portfolio, provided a qualified party. The post-issuance verification will also be made available on the issuer's website.

28. For certain economic activities.
29. Available here.

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