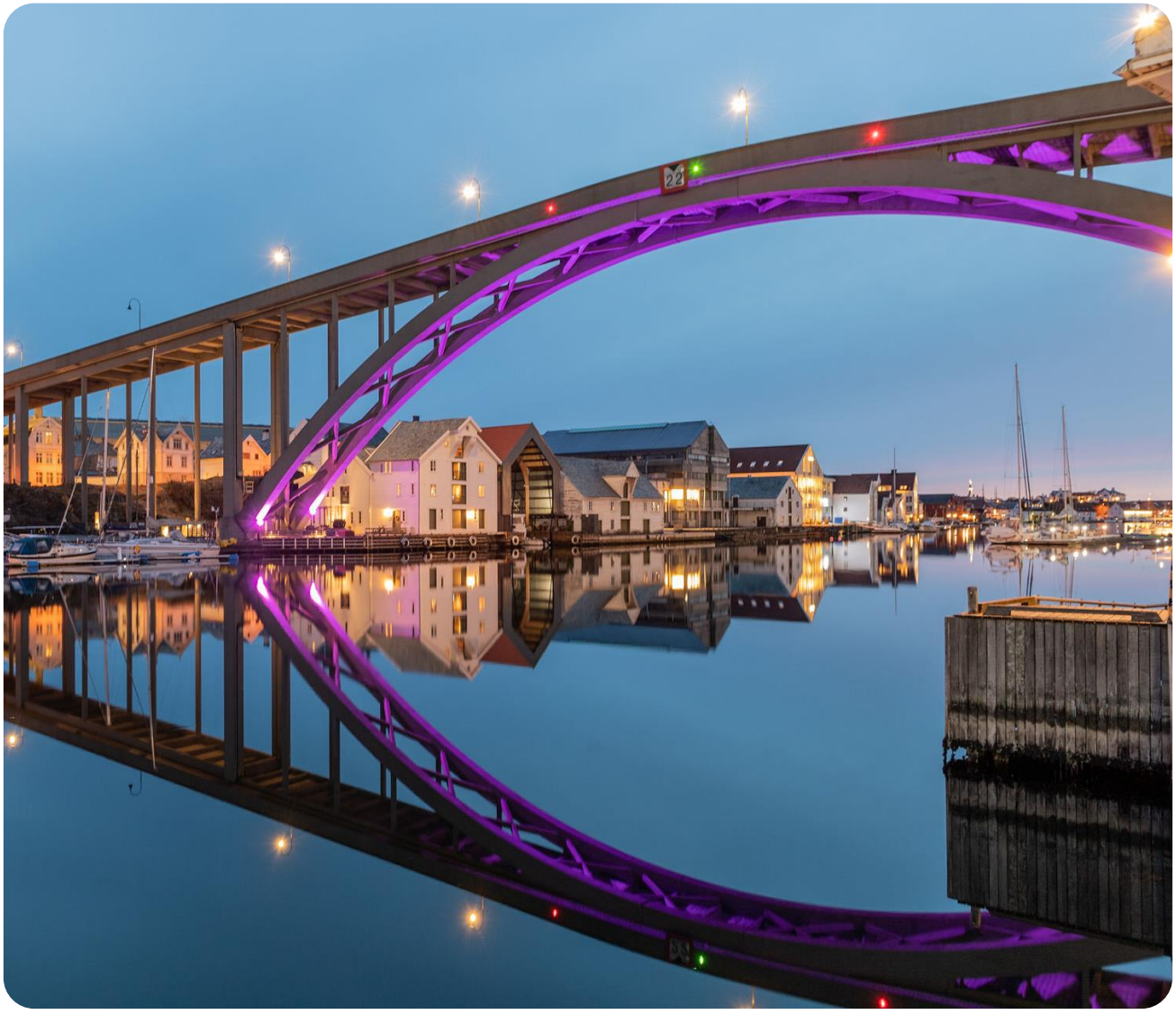
Green Bond Framework

October 2022



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Haugesund Sparebank in brief

Haugesund Sparebank is a savings bank based in the town of Haugesund in Western Norway with a strong standing in the local market and a goal of contributing to Haugalandet being a good place to live.

Our main mission is serving the local private market with financial products and services. As the only savings bank in Haugesund and a strong standing in the local market we have a wide spectrum of other clients ranging from SME's, municipalities and institutions to associations and sport clubs, servicing approximately 26 000 private banking customers and 4 000 within corporate banking. We have a business capital of 15bn NOK[1]

Key figures

Established 1928

70 employees

7 branches in 5 municipalities

Business capital 15bn NOK[1]

Our values "lokal, nær og personlig» translates to "local, close and personal" and is the basis of everything we do. We aim to be a customer oriented, attractive and independent savings bank with local anchoring. We shall operate after sound financial principles in the customer's and local society's best interest. Our strengths are in providing quality advisory and customer service in addition to our local attachment.

[1] Includes the value of mortgage loans transferred to Verd Boligkreditt.

Haugesund Sparebank is a part of the DSS-banks (“De Samarbeidende Sparebankene”), a collaboration of 8 independent saving banks located in different geographical parts of Norway. The collaboration creates synergy effects by collaborating on purchasing and standardising which increase the DSS-banks’ competitive power.

Through this collaboration Haugesund Sparebank is also a part-owner in a series of financial product companies, such as Frende Forsikring, Brage Finans, Norne Securities, Verd Boligkreditt and Eiendomsmegler A

Sustainability at Haugesund Sparebank

The world community is facing a significant change to reach the climate goals for 2030.

If we are to succeed, knowledge and will to change are required of both authorities, business players and the individual consumer.

Haugesund Sparebank is concerned with sustainability, growth and development on a local, national and global level. As a financial institution and important player in Haugalandet with a strong power to influence the local community, we find it important to take our share of responsibility to create a more sustainable environment. Our vision “We shall contribute to Haugalandet being a good place to live” entails taking a leadership role in the development of our region. Through knowledge, commitment, sustainable lending practices and a substantial contribution back to society with sponsorships and gifts, we shall create values that benefits people, businesses and the society as a whole.

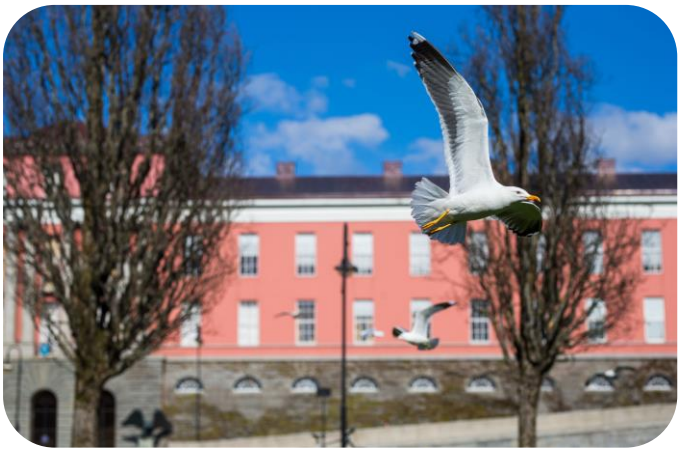
Materiality analysis

Haugesund Sparebank has a broad and diverse stakeholder group, all increasingly concerned with how we fulfil our social mission. Dialogue with the surroundings shall be given high priority and we have defined our stakeholders to be the following: Employees, customers, equity certificate owners, suppliers, partners, authorities, teams and organizations, municipalities and politicians in the region, trade and interest organisations and media.

In 2021 we carried out a materiality analysis to reveal which sustainability topics that are most important to our stakeholders. This indicates how Haugesund Sparebank can amplify its positive impact and where it can reduce its negative impact on sustainability. Based on the materiality analysis, several topics are defined as the most important for sustainability work in Haugesund Sparebank. The most relevant topics are included in the yearly sustainability report.

Most important topics to our stakeholders

- Good business ethics
- Preventing corruption and economic crime
- Local business development
- Competence development and job engagement
- Privacy and data security
- Climate and environment
- Equality and diversity
- Supplier requirements



Following the materiality analysis, we have defined four of the UN Sustainability Development Goals as relevant for our operation, and have applied these goals as part of the foundation to define our objectives related to the sustainability strategy:

Selected UN Sustainability Goals		Targets particularly relevant for Haugesund Sparebank
	**Goal 5 – Gender equality:** Achieve gender equality and empower all women and girls	**Target 5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
	**Goal 8 – Decent work and economic growth:** Promote sustained, inclusive, sustainable economic growth, full and productive employment and decent work for all	**Target 8.3:** Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
	**Goal 11 – Sustainable cities and communities:** Make cities and human settlements inclusive, safe, resilient and sustainable	**Target 11.3:** Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management
	**Goal 13 – Climate action:** Take urgent action to combat climate change and its impacts	**Target 13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Strategic targets for sustainable development

After assessing the relevance of UN's Sustainability Development Goals for Haugesund Sparebank's operations we defined a set of strategic priority areas, one of which is that we shall be a driving force for sustainable development. In order to clearly communicate our mission and integrate sustainability in daily operations, we have developed a sustainability strategy with the following purpose:

- Ensure a clear a common direction through defined goals/targets
- Ensure a positive impact on environmental, social and governance (ESG) conditions
- Define a framework for the bank's work with sustainability, including a clear division of responsibilities

The strategy is a basis for both strategic decisions and ongoing operational work and is to be seen in connection with other internal governing documents, including the guidelines for ethics and social responsibility. The strategy consists of goals for sustainable development regarding our own operations, our customers and our society:

Related to internal operations	Related to customers and suppliers	Related to our society
Be climate-neural on Scope 1 and 2 by 2023	Offer customers sustainable products and services	Actively contribute to reducing financial crime, money laundering, fraud and corruption
Build sustainability understanding	Carry out ESG assessment for new credits to corporate customers with a credit exposure above a set threshold, and measure development annually	Use our sponsorship funds to promote activity, good health, cultural life and social community in our region
Protect worker rights and promote a safe and secure working environment	Set requirements for our suppliers and partners	Prioritize contributions from our gift funds to non-proft initiativesthat promote sustainability
Ensure equality when hiring in different positions at all levels	Seek external partners related to enhancing green competitiveness	Influence associations to offer genders equal opportunities
		Facilitate venues for start-ups and well-established corporates to meet to collaborate, share knowledge and enhancement competence
		Contribute to give young adults an opportunity for work experience

Sustainable lending practices

Haugesund Sparebank strives to exercise responsible lending practice. Sustainable credit practices include assessing risks related to environmental impacts of an activity we may finance, and that anti-money laundering routines support our obligations regarding efforts to combat crime and terrorism.

For our customers this entails not providing credits which a borrower is not able to manage and restrictive in granting credit to customers who develop or sell products that have a particularly negative effect on the environment, nature or human conditions.

Our ambition is to assist our customers to be conscious with regards to sustainability and climate risk and promote sustainable solutions and encourage sustainable business.

To promote sustainable choices among private customers Haugesund Sparebank offers Green Mortgage Loans, where loans to finance homes with climate-friendly solutions achieves particularly favourable terms & conditions. We seek to develop new “green products” to offer to our customers, both to retail customers as well as corporate customers. We recently launched a green agriculture loan to support farmers related to investments that result in lower emissions and more sustainable production.

We will also work actively to increase the share of companies using renewable energy and contribute to a sustainable societal development.

Signatory to sustainability initiatives

Haugesund Sparebank has joined several national and global sustainability initiatives and objectives which provide guidelines for the bank's work in sustainability.

UN Sustainable Development Goals (UN SDGs)

The UN Sustainable Development Goals is a collection of 17 independent but interconnected goals to address the global challenges we face such as poverty, inequality, climate change, the environment, peace and justice and can be considered the model for how to achieve a better and more sustainable global future with a 2030 agenda. The goals were created with businesses in mind, providing a path – what some people refer to as a "Pathway for Humanity" — for any business to harness their power by directing their efforts toward specific global objectives.

While Haugesund Sparebank supports all the 17 goals we have, on the basis of the materiality analysis as described above, defined the four sustainability goals where we believe we particularly have the opportunity to influence through our role both as employer, investor, lender, facilitator and supplier of financial services.

Finance Norway – "Roadmap for Green Competitiveness in The Financial Sector"

In the aftermath of the adoption of The Paris agreement in 2015, several industry groups produced sectorial roadmaps for green competitiveness The Norwegian finance sector is too uniting behind the common goals and Finance Norway has developed a roadmap with the vision "The financial industry in 2030 is profitable and sustainable. We lend, manage and insure with the climate in mind, so creating value and contributing to green competitiveness".

For the financial sector of 2030, this means: Transparency and access to data and information, decisions based on an understanding of climate risks and opportunities and increased rate of innovation and a green business sector. The roadmap includes seven industry-specific recommendations to help guide the way to a profitable and sustainable financial sector with green competitiveness. Haugesund Sparebank supports the roadmap and will contribute to the efforts to reach both national and global sustainability goals.[2]

United Nation's Principles for Responsible Banking (PRB)

The United Nations Environment Programme (UNEP) has a partnership with the financial sector called the United Nations Environment Programme – Finance Initiative (UNEP FI). The program consists of principles, which aim to make the banking industry able to take a leadership role in achieving the SDGs and fulfilling the Paris Agreement. Haugesund Sparebank will join UNEP's "Principles for Responsible Banking" which entails embedding 6 principles regarding alignment, impact & target setting, client & customers, stakeholders, governance & culture, transparency & accountability.[3]

Eco-Lighthouse certification

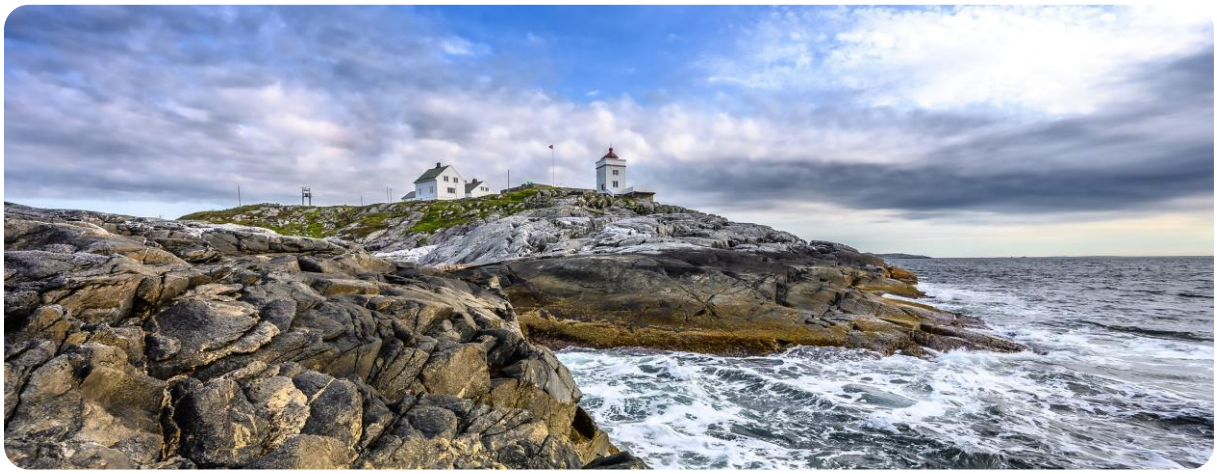
Since 2009, we have been certified under the banking and financial criteria of the Eco-Lighthouse certification scheme. The certification includes general and sector specific criteria covering waste, energy, transport, purchase and work environment. Haugesund Sparebank experience beneficial effects from the certification such as increased awareness and improved plans on how to manage energy usage, waste, and use of paper, as well as the link between environmentally beneficial measures and reduced costs.

[2] roadmap-for-green-competitiveness-in-norwegian-financial-sector_digital.pdf (finansnorge.no)

[3] About the Principles – United Nations Environment – Finance Initiative (unepfi.org)

Haugesund Sparebank and Green Bonds

The most significant contribution we as a bank can make towards a low-carbon and climate-resilient future is through offering green loans to our clients.



To include sustainability as a part of our product offering and dialogue with clients, we can impact society to move in a greener direction. Hence, to issue Green Bonds and apply proceeds to provide funding for environmentally sustainable investments and projects, we take part in the green transition of our society.

With this Green Bond Framework (the “Framework”) we want to promote our ambition of driving sustainable development in our region through the financing we offer our clients. The Framework defines the criteria for which loans are eligible to be financed by Green Bonds, and it also outlines the process to evaluate, select, track and report on such lending activities (“Green Loans”). Each Green Bond issued under this Framework will in their relevant transaction documentation refer to this Green Bond Framework. The terms and conditions contained in the underlying documentation for each issued Green Bond will specify the actual terms of the instrument.

This Framework may over time be updated, however new versions of the Framework shall have no implications for the Green Bonds issued under this version of the Framework.

Alignment with Relevant Market Standards and Guidelines

With this Framework, our aim is to meet best market practices by adhering to relevant standards and guidelines in the green finance market.

The Framework is aligned with the guidelines of the Green Bond Principles, published by the International Capital Markets Association ("ICMA GBPs") with an updated version in June 2021[4] and has been prepared in cooperation with DNB. Each Green Loan category has been mapped against the different categories of the ICMA GBPs, the UN Sustainable Development Goals ("UN SDGs"), as well as the relevant economic activities included in the EU Taxonomy.

Use of Proceeds

An amount equal to the net proceeds from Green Bonds issued under this Green Bond Framework will be used to finance a portfolio of loans that promote the transition towards low-carbon and climate-resilient development ("Green Loan Portfolio").

Only such loans that comply with the list of Green Loans below are deemed eligible to be financed by Green Bonds. Green Bond net proceeds can be used for the financing of new loans, as well as for refinancing of existing loans outstanding which meet the criteria.

For the avoidance of doubt, Green Bonds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction, gambling, pornography or tobacco, nor other activities in violation of the bank's established sector guidance.

[4] https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf

Green Loan Portfolio

Green Bonds issued under this Framework will finance and/or refinance loans within the Green Buildings category:

Green Loan Criteria	ICMA GBPs	UN SDGs	EU Taxonomy
Loans financing the acquisition, ownership, construction, and renovation of residential, commercial, and public buildings meeting the criteria set out below:	Green Buildings		Climate Change Mitigation

1. **Buildings built in 2021 or later**
   - Buildings with an energy consumption that is 10% lower than national minimum requirements (TEK17)
   - For commercial buildings, a BREEAM-NOR certificate notation as "Excellent" or "Outstanding".

2. **Buildings built before 2021**
   - Energy Performance Certificate A, or alternatively, buildings within the top 15% of the national or regional stock in terms of primary energy demand, defined as;
     - buildings built according to Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) (whereas to ensure TEK10-alignment, we use a conservative 2-year time lag and include buildings built from 2012 and onwards, for hotels and restaurants we use a 3-year time lag); or
     - for buildings built prior to 2012, Energy Performance Certificate B.
   - For commercial buildings, a BREEAM-NOR certificate notation as "Excellent" or "Outstanding".

3. **Renovated buildings**
   - Costs related to renovations leading to a reduction in primary energy demand of at least 30%.
   - For the full building to qualify after renovation, it should be expected to meet the criteria above for buildings built either before or after 2021.

❖ **Exclusions**
   - Residential buildings used for leisure (cabins);

Commercial buildings purposely built to support the exploration, extraction, refining and distribution of fossil fuels.

Alignment with the EU Taxonomy

The EU Taxonomy provides a classification system for identifying environmentally sustainable economic activities. The Taxonomy Regulation, which entered into force in July 2020, states that to qualify as environmentally sustainable, an economic activity should 1) make a substantial contribution to the achievement of one or several of EU's six overarching environmental objectives, 2) do no significant harm to the achievement of any of the other environmental objectives, and 3) meet minimum social safeguards.

In June 2021, the first set of delegated acts providing technical screening criteria for two of the six environmental objectives – "**Climate Change Mitigation**" and "**Climate Change Adaptation**" – were published[5].

The above-mentioned Green Loan Criteria are aligned with the criteria for the environmental objective Climate Change Mitigation which are detailed in Annex 1 to the EU Taxonomy Regulation Delegated Act, which distinguish between new and existing buildings (detailed in the Appendix):

1. **Construction of new buildings:**
   The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures[6]. The energy performance is certified using an as-built Energy Performance Certificate (EPC).

2. **Acquisition & ownership of buildings:**
   For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.
   - As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.

We believe the Green Loan Criteria in this Framework align well with the metrics and thresholds of the EU Taxonomy and contribute to meet EU's environmental objectives.

[5] taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf (europa.eu)

[6] In Norway, a definition for what constitutes an 'NZEB' has not yet been implemented.

For ease of reference, we have annexed the relevant EU Taxonomy criteria related to the first environmental objective “Climate change mitigation” as well as the “**Do No Significant Harm**” (DNSH) criteria.

Process for Project Evaluation and Selection

To ensure the transparency and accountability around the selection of Green Loans, Haugesund Sparebank will establish an internal Sustainability Committee responsible for this Green Bond Framework and the Green Loan criteria included herein. This committee will be responsible for the evaluation and selection of loans for inclusion in the Green Loan Portfolio.

The Sustainability Committee consists of members from the Sustainability, Credit Risk Management and Treasury teams in Haugesund Sparebank. Other internal representatives with specific expertise may be invited from time to time when deemed necessary. All decisions will be made in consensus.

All lending activities in Haugesund Sparebank must go through the regular and applicable credit approval processes. The terms and conditions that govern our business lending require borrowers to comply with all applicable laws, regulations and practices and that they comply with all authorisations, consents, approvals, waivers, resolutions, licenses, permits, exemptions or registrations related to the projects financed. In addition, to qualify as a Green Loan, the loan must meet the Green Loan criteria defined in the Use of Proceeds section of this Framework. Only such loans that meet these criteria are eligible to be financed with Green Bonds. Relevant business units in Haugesund Sparebank, such as representatives from our corporate and retail banking segments, can nominate loans for inclusion in the Green Loan Portfolio. The Green Bond Committee will keep a register of the portfolio of identified Green Loans.

The Sustainability Committee holds the right to exclude, at their own discretion, any Green Loans already funded by Green Bonds. If a Green Loan already included in the Green Loan Portfolio no longer meets the criteria in this Framework, as evaluated by the Sustainability Committee, it will be removed from the Green Loan Portfolio.

To ensure traceability, all decisions made by the committee will be documented and filed.

The Sustainability Committee is also in charge of potential future oversight and updates of this Framework.

Management of Proceeds

An amount equal to the net proceeds from issued Green Bonds will be allocated toward the financing and refinancing of our Green Loan Portfolio.

The Treasury department of Haugesund Sparebank will endeavor to ensure that the value of the Green Loan Portfolio at all times exceeds the total nominal amount of Green Bonds outstanding.

Net proceeds from Green Bonds awaiting allocation to the Green Loans Portfolio will be managed according to the regular liquidity management policy of our Treasury department. To the extent possible, the exclusions listed in the Use of Proceeds section of this Framework also apply for such temporary holdings of net proceeds.

Reporting

To enable investors and other stakeholders to follow our issuance of Green Bonds, and the developments and impact of our Green Loan Portfolio, a Green Bond Report will be made available on our website. The Green Bond Report will include an “Allocation Report” and an “Impact Report” and will be published annually as long as there are Green Bonds outstanding.

Allocation Report

The allocation report will include the following information.

- Size of the identified Green Loan Portfolio and each Green Loan category.
- Nominal amount of Green Bonds outstanding.
- Share of the Green Loan Portfolio currently financed by Green Bonds.
- Amount of net proceeds awaiting allocation (if any).
- Information on possible changes/developments in the EU Taxonomy regulation and delegated acts criteria or Norwegian laws and regulations that may be of relevance for our Green Loan criteria.

Impact Report

The impact report aims to disclose the environmental impact of the Green Loans financed by Green Bonds.

Impact reporting will be aggregated for each Green Loan category, and depending on data availability, calculations will be made on a best intention basis. Haugesund Sparebank may rely on external

parties to assist with impact calculation and analysis. Haugesund Sparebank will align, on a best effort basis, our impact reporting with the portfolio approach described in "Handbook – Harmonized Framework for Impact Reporting" (June 2022)[7].

The impact assessment may, where applicable, be based on the metrics listed below.

Impact reporting metrics:

- **Green Buildings**
  - Estimated annual energy consumption (kWh/m2) compared to baseline.
  - Annual GHG emissions avoided (tCO2e) compared to baseline[8].

External Review

Second-Party Opinion

Haugesund Sparebank has obtained a pre-issuance Second Party Opinion from CICERO Shades of Green to confirm the transparency of this Green Bond Framework and its alignment with the ICMA Green Bond Principles, published in 2021.

The Second Party Opinion will be made available on our website, together with this Green Bond Framework.

Post-issuance verification

An independent auditor appointed by Haugesund Sparebank will provide a limited assurance report confirming that an amount equal to the net proceeds from issued Green Bonds has been allocated in line with the criteria of this Green Bond Framework.

This report will be made available on our website.

[7] Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf (icmagroup.org)

[8] When comparing the CO2 emissions from the eligible Green Loan portfolio with the portfolio of standard buildings, the calculation will apply the grid factor recommended in the Nordic Position Paper on Green Bonds Impact Reporting, clause 22, page 20 (NPSI_Position_paper_2020_final.pdf (kuntarahoitus.fi))

Appendix

Activities related to buildings described in EU Taxonomy Delegated Acts Annex 1:

Description of Activity:	**7.1. Construction of new buildings** **Development and/or construction of residential and non-residential building projects**
Technical Screening Criteria for Substantial Contribution to Climate Change Mitigation 1. The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures. The energy performance is certified using an as built Energy Performance Certificate (EPC). 2. For buildings larger than 5000 m^2 (upon completion): - the building undergoes testing for air-tightness and thermal integrity (unless robust and traceable quality control processes are in place during the construction process), and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed. the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.	
Do No Significant Harm to other Environmental Objectives:	
Climate Change Adaptation	The activity complies with the criteria set out in Appendix A. *<u>Appendix A summary</u>: The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment related to temperature, wind, water and solid mass with the following steps:* *a) Identification of the activity's physical climate risks;* *b) Assessment of materiality of identified risk;* *c) Assessment of adaptation solutions;* *For activities with lifespan above 10 years, apply high-resolution state-of-the-art climate projections.*

Sustainable use and protection of water resources	Where installed (except for installations in residential building units) the specified water use is attested by product datasheets or a building certification to meet: - wash hand basin taps and kitchen taps have a water flow of maximum 6 litres/min - showers have a water flow of maximum 8 litres/min - WCs have full flush volume of maximum 6 litres and maximum average flush volume of 3,5 litres, and flushing urinals have full flush volume of maximum 1 litre and urinals use maximum of 2 litres/bowl/hour. To avoid impact from the construction site, the activity complies with the criteria set out in Appendix B. *Appendix B summary:* *Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential, and a water use and protection management plan developed thereunder for the potentially affected water body, in consultation with relevant stakeholders.*
Transition to circular economy	At least 70 % (by weight) of non-hazardous construction and demolition waste (excluding naturally occurring material) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators limit waste generation in processes related to construction and demolition, taking into account best available techniques, using selective demolition to enable removal and safe handling of hazardous substances, to facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques to support circularity, and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.
Pollution prevention and control	Building components and materials used in the construction comply with the criteria set out in Appendix C. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m^3 of material or component, and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m^3 of material or component, upon testing in accordance with standardised test conditions and determination methods. Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.

	Appendix C summary: The activity does not lead to manufacture, placing or use of substances such as toxic fluid, mercury, ozon depleter, electrical and electronic equipment, unregistered use or mixture of hazard chemicals.
Protection of ecosystems	The activity complies with the criteria set out in Appendix D. The new construction is not built on: a) arable land and crop land with a moderate to high level of soil fertility; b) greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List; c) land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest. *Appendix D summary:* *An Environmental Impact Assessment (EIA) or screening has been completed.* *Where EIAQ has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.* *For sites/operations located in or near biodiversity-sensitive areas, an appropriate assessment has been conducted and based on its conclusions the necessary mitigation measures are implemented.*

Description of Activity:	**7.2. Renovation of existing buildings** **Construction and civil engineering works or preparation thereof.**
Technical Screening Criteria for Substantial Contribution to Climate Change Mitigation	1. The building renovation complies with the applicable requirements for major renovations as set in the applicable national and regional building regulations. - Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %.
Do No Significant Harm to other Environmental Objectives:	

Climate Change Adaptation	The activity complies with the criteria set out in Appendix A. *Appendix A summary: The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment related to temperature, wind, water and solid mass with the following steps:* *a) Identification of the activity's physical climate risks;* *b) Assessment of materiality of identified risk;* *c) Assessment of adaptation solutions;* *For activities with lifespan above 10 years, apply high-resolution state-of-the-art climate projections.*
Sustainable use and protection of water resources	*Where installed as part of the renovation works, except for renovation works in residential building units, the specified water use for the following water appliances is attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E:* *- wash hand basin taps and kitchen taps have a water flow of maximum 6 litres/min* *- showers have a water flow of maximum 8 litres/min* *- WCs have full flush volume of maximum 6 litres and maximum average flush volume of 3,5 litres, and flushing urinals have full flush volume of maximum 1 litre and urinals use maximum of 2 litres/bowl/hour.* *Appendix E summary:* *1. The flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 -0/+0,02 for products limited to low pressure.* *2. The flow rate at the lower pressure 1,5 -0/+ 0,2 bar is ≥ 60 % of the maximum available flow rate.* *3. For mixer showers, the reference temperature is 38 ± 1 ℃.* *4. Where the flow has to be lower than 6 L/min, it complies with the rule set out in point 2.*
Transition to circular economy	At least 70 % (by weight) of non-hazardous construction and demolition waste (excluding naturally occurring material) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators limit waste generation in processes related to construction and demolition, taking into account best available techniques, using selective demolition to enable removal and safe handling of hazardous substances, to facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques to support circularity, and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.

Pollution prevention and control	Building components and materials used in the construction complies with the criteria set out in Appendix C. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m^3 of material or component, and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m^3 of material or component, upon testing in accordance with standardised test conditions and determination methods. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. *Appendix C summary: The activity does not lead to manufacture, placing or use of substances such as toxic fluid, mercury, ozon depleter, electrical and electronic equipment, unregistered use or mixture of hazard chemicals.*
Protection of ecosystems	N/A

Description of Activity:	**7.7. Acquisition & ownership of buildings** **Buying and exercising ownership of real estate.**

Technical Screening Criteria for Substantial Contribution to Climate Change Mitigation

1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.

- As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.

2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1.

3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.

Do No Significant Harm to other Environmental Objectives:

Climate Change Adaptation	The activity complies with the criteria set out in Appendix A. *<u>Appendix A summary</u>: The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment related to temperature, wind, water and solid mass with the following steps:* *a) Identification of the activity's physical climate risks;* *b) Assessment of materiality of identified risk;* *c) Assessment of adaptation solutions;* *For activities with lifespan above 10 years, apply high-resolution state-of-the-art climate projections.*
Sustainable use and protection of water resources	N/A
Transition to circular economy	N/A
Pollution prevention and control	N/A
Protection of ecosystems	N/A

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