



Second-Party Opinion

Argenta Spaarbank NV Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Argenta Spaarbank NV Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Green Buildings – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.



EVALUATION / SELECTION Argenta Spaarbank NV has established a Green Bond Committee which will be responsible for evaluating and selecting eligible loans. The Committee is comprised of representatives from various departments, including Group Treasury, Group Wholesale Funding, and Group Sustainability, as well as subject matter experts from relevant business units. Argenta Spaarbank NV has in place an internal environmental and social risk monitoring process which is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.

MANAGEMENT OF PROCEEDS



REPORTING

Argenta Spaarbank NV's Green Bond Committee will be responsible for the management of proceeds based on a portfolio approach and will track the allocation of proceeds using existing internal systems. Argenta Spaarbank NV intends to fully allocate all proceeds at the time of issuance. However, in case of unallocated proceeds, such proceeds will be temporarily invested in cash, other short-term and liquid instruments, or used to repay debt. This is in line with market practice.



Argenta Spaarbank NV intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated, the balance of unallocated proceeds, share of new financing and refinancing and the geographical distribution of loans. In addition, Argenta Spaarbank NV is committed to reporting on relevant impact metrics. Sustainalytics views Argenta Spaarbank NV's allocation and impact reporting as aligned with market practice.

Evaluation date	January 11, 2022
Issuer Location	Antwerp, Belgium

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Introduction

Argenta Spaarbank NV (“Argenta” or the “Issuer”) provides retail financial services such as savings, loans, mortgages, investments, pension plans, corporate bonds, securities deposits, and online banking, among others. Established in 1956, Argenta is headquartered in Antwerp, Belgium. The Issuer serves approximately 1.7 million customers across Belgium, Luxembourg and the Netherlands.

Argenta has developed the Argenta Spaarbank NV Green Bond Framework (the “Framework”) under which it intends to issue green bonds (public or private placements) and commercial papers, and use the proceeds to finance or refinance, in whole or in part, existing or future projects in green buildings that are expected to reduce the carbon footprint of Argenta’s investment portfolio and contribute to improving the energy performance of buildings in Europe. The Framework defines eligibility criteria in one green area:

1. Green Buildings

Argenta engaged Sustainalytics to review the Argenta Spaarbank NV Green Bond Framework, dated January 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).¹ The Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Argenta’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Argenta representatives have confirmed that: (1) they understand it is the sole responsibility of Argenta to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Argenta.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Argenta Spaarbank NV Green Bond Framework is available on Argenta’s website at: <http://www.argenta.eu>.

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Argenta has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Argenta Spaarbank NV Green Bond Framework

Sustainalytics is of the opinion that the Argenta Spaarbank NV Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Argenta Spaarbank NV Green Bond Framework:

- Use of Proceeds:
 - The eligible category – Green Buildings – is aligned with those recognized by the GBP. Sustainalytics notes that the projects funded under the Framework are expected to reduce the carbon footprint of Argenta's mortgage portfolio and contribute to improving the energy performance of buildings in Europe.
 - Within the Green Buildings category, the Issuer may finance or refinance loans for the development and renovation of residential buildings in the Netherlands and Belgium that meet the following criteria:
 - Buildings that have received: (i) a minimum Energy Performance Certificate (EPC) level "A", (ii) belong to the top 15% energy performing buildings in the national or regional building stock based on primary energy demand, or (iii) the primary energy demand is at least 10% lower than the local threshold set under the nearly zero-energy buildings (NZEB) requirements. Sustainalytics notes that Argenta used a third-party consultant to determine the top 15% energy performing buildings in Belgium⁴ and the Netherlands⁵ based on primary energy demand. This is in line with market practice.
 - Renovation of buildings that: (i) comply with the applicable requirements for major renovations as defined in the EU Taxonomy, or (ii) lead to energy savings of at least 30% in comparison to the baseline performance before the building renovation. Sustainalytics notes that the performance standard reflected in the EU Taxonomy⁶ – meeting the relevant cost-optimal minimum energy performance requirements under the Energy Performance of Buildings Directive (EPBD)⁷ – may vary by EU Member State. Sustainalytics therefore encourages Argenta to report on the actual primary energy demand performance level or energy savings achieved compared to the referenced buildings as defined according to the existing building stock in the region.
- Project Evaluation and Selection:
 - Argenta has established a Green Bond Committee which will be responsible for evaluating and selecting eligible loans in line with the Framework's eligibility criteria. The Committee is comprised of representatives from various departments, including Group Treasury, Group

⁴ Argenta, "EU Taxonomy Alignment Methodology Document for Sustainable Residential Buildings in Belgium", (2022), P. 14, at:

<https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2022/green-bonds/Methodology-Report-Argenta-Green-Loan-BE.pdf>

⁵ Argenta, "EU Taxonomy Alignment Methodology Document for Sustainable Residential Buildings in The Netherlands", (2022), P. 9, at:

<https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2022/green-bonds/Methodology-Report-Argenta-Green-Loan-NL.pdf>

⁶ European Commission, "EU taxonomy for sustainable activities", (2020), at: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en#:~:text=What%20is%20the%20EU%20taxonomy%3F%20The%20EU%20taxonomy,sustainable%20investment%20and%20implement%20the%20European%20green%20deal.

⁷ European Commission, "Energy Performance of Buildings Directive", (2020), at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

- Wholesale Funding and Group Sustainability as well as subject matter experts from relevant business units, such as lending.
- The Issuer has an internal environmental and social risk monitoring process in place, which is applicable to all allocation decisions. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail, see Section 2.
 - Based on the cross-functional oversight for project selection and risk management system, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - Argenta's Green Bond Committee will be responsible for the management and allocation of proceeds based on a portfolio approach, and will track the use of proceeds through existing internal systems.
 - Argenta intends to allocate all proceeds to eligible loans at the time of issuance. However, in case of any unallocated proceeds, such proceeds will be held or invested temporarily in cash, other short-term and liquid instruments, or used to repay debt in accordance with the Issuer's exclusionary policy.⁸
 - Based on the use of a tracking system and disclosure on temporary use of proceeds, Sustainalytics considers this process to be in line with market practice
 - Reporting:
 - Argenta intends to report on the allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated, the balance of unallocated proceeds, share of new financing and refinancing, and the geographical distribution of loans.
 - In addition, the Issuer is committed to reporting on relevant impact metrics which may include avoided or reduced CO₂e emissions, estimated annual energy consumption, overview of EPC labels and certificates for eligible buildings, and estimated adverse environmental impacts.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Argenta Spaarbank NV Green Bond Framework aligns with the four core components of the GBP 2021. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Argenta

Contribution of framework to Argenta Spaarbank NV's Sustainability Strategy

Sustainalytics is of the opinion that Argenta demonstrates a commitment to sustainability through its Sustainability Policy, which is underpinned by four key environmental and social pillars: (i) ecological impact, (ii) employees, (iii) products and services, and (iv) society.⁹ The Issuer has also developed a Sustainability Action Plan for 2020-2023 under which it has outlined the strategies and targets for each of the focus areas.¹⁰

Under the ecological impact pillar, Argenta has set a target to reduce its carbon emissions by 50% by 2023 relative to 2017, with an aim to be carbon neutral by 2030. To achieve these targets, Argenta has set an annual emissions reduction target of 10%. However, the Issuer has demonstrated efforts towards improving sustainable mobility, increasing renewable consumption and improving the carbon footprint of its buildings through energy efficiency renovations.

In line with these climate-related goals, the Issuer has developed an ESG Investment Policy¹¹ aiming at reducing the carbon footprint of its investment portfolio. Argenta ranks companies on the basis of various ESG factors, environmental scores and its exclusionary policy into its investment decisions. Only companies that receive an overall score in the top 75% of their sectors are considered eligible for investment. The Issuer also monitors the carbon footprint of its investment portfolio based on the GHG Protocol for scope 1 and 2

⁸ Argenta's exclusionary policy prohibits investments in controversial activities, such as revenues from oil, coal, tobacco, nuclear energy, gambling, adult entertainment, weapons, pesticides and products involving animal, non-conventional oil and gas and controversies.

⁹ Argenta, "Sustainability Policy", (2021), at: https://www.argenta.eu/content/dam/argenta-eu-site/about/Sustainability%20Policy%20Argenta_202110_ENG.pdf

¹⁰ Argenta, "Activities and Sustainability Report, 2020" at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2020/argenta-bank-en-verzekeringsgroep-nv-activities-and-sustainability-report-2020.pdf>

¹¹ Argenta Assuranties, "ESG Investeringsbeleid" at: <argenta-assuranties-ESG-investeringsbeleid.pdf>

emissions.¹² Argenta's average carbon footprint per fund decreased from 170 to 133 tonnes of CO₂ per million euros invested in 2020 relative to 2019. The Issuer has also set a target to ensure that all asset management funds are sustainable¹³ by 2023.¹⁴

Sustainalytics is of the opinion that the Argenta Spaarbank NV Green Bond Framework is aligned with Argenta's overall sustainability strategy and will further the Issuer's action on its key environmental and social priorities.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds issued under the Framework will be directed towards eligible projects that are recognized by the GBP to have positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes, such as those involving occupational health and safety, land use change and biodiversity loss associated with large-scale infrastructure development, and emissions and effluents. While Argenta has limited involvement in the development of the specific projects to be financed under the Framework, it is exposed to environmental and social risks associated with the loans that it may finance. Sustainalytics is of the opinion that the Issuer is able to manage or mitigate potential risks through implementation of the following systems:

- Argenta is compliant with the UN Global Compact Principles and conforms to its 10 principles on upholding human rights, eliminating unfair labour practices, prevention of environmental degradation, and anti-corruption.¹⁵ The Issuer's investment decisions are also compliant with the UN Principles for Responsible Investment, demonstrating Argenta's commitment to integrating ESG considerations into its investment processes.¹⁶
- Argenta's Charter Integrity outlines the policies and guidelines with regard to the responsibilities of all its stakeholders, including suppliers and business partners. All employees and relevant stakeholders are required to report any violation of these policies and guidelines to the Compliance Department.¹⁷
- Argenta's Supplier Sustainability Statement ensures management of risks throughout the supply chain to minimize adverse effects on the community and the environment. The Issuer also monitors its suppliers' policies on data security and audits, including compliance with the General Data Protection Regulation. To further strengthen its procurement process, Argenta has implemented a cross-company approach whereby various departments check suppliers' and other business partners' compliance with Argenta's policies and standards.¹⁸
- Argenta has a governance structure in place under which its Council, comprised of the Executive Board, the Executive Committee, and the senior management, is responsible for monitoring the implementation of Argenta's risk mitigation and management practices in line with its Risk Management Policy.¹⁹
- The Issuer carries out its business operations in Belgium and the Netherlands, which are recognized as "Designated Countries" under the Equator Principles.²⁰ This implies the presence of robust environmental and social governance systems, including legislation and institutional capacity for protecting the environment and communities.
- Argenta has in place an Exclusionary Policy which is evaluated twice a year by the Exclusion Committee. The policy prohibits investments in controversial activities, such as oil, coal, tobacco, nuclear energy, gambling, adult entertainment, weapons, pesticides, and products involving animal abuse during production, and non-conventional oil and gas.²¹

¹² Greenhouse Gas Protocol, "Corporate Standard", at: <https://ghgprotocol.org/corporate-standard>

¹³ Currently, the Issuer defines sustainable funds as ones which have received the Towards Sustainability Label. This means that by 2023, the Issuer aims for all funds to have received this label.

¹⁴ Argenta, "Sustainability Policy", (2021), at: https://www.argenta.eu/content/dam/argenta-eu-site/about/Sustainability%20Policy%20Argenta_202110_ENG.pdf

¹⁵ Argenta Spaarbank NV, "Activities and Sustainability Report, 2020", P. 79, at: <https://www.argenta.be/content/dam/argenta/over-argenta/jaarverslagen/2020/argenta-bank-en-verzekeringsgroep-nv-activities-and-sustainability-report-2020.pdf>

¹⁶ Ibid.

¹⁷ Argenta Spaarbank NV, "Charter Integrity", at: <https://www.argenta.be/content/dam/argenta/documenten/algemeen/duurzaamheid/argenta-handvest-integriteit.pdf>

¹⁸ Argenta Spaarbank NV, "Supplier sustainability statement", (2020), at: <https://www.argenta.be/content/dam/argenta/documenten/algemeen/duurzaamheid/supplier-sustainability-statement.pdf>

¹⁹ Argenta Spaarbank NV, "Sustainability at Argenta", (2021), P.31, at: <https://www.argenta.be/content/dam/argenta/documenten/algemeen/duurzaamheid/duurzaamheidsbeleid-argenta.pdf>

²⁰ Argenta Spaarbank NV, "Activities and Sustainability Report, 2020", P. 79, at: <https://www.argenta.be/content/dam/argenta/over-argenta/jaarverslagen/2020/argenta-bank-en-verzekeringsgroep-nv-activities-and-sustainability-report-2020.pdf>

²¹ Argenta Spaarbank NV, "Activities and Sustainability Report, 2020", at: <https://www.argenta.be/content/dam/argenta/over-argenta/jaarverslagen/2020/argenta-bank-en-verzekeringsgroep-nv-activities-and-sustainability-report-2020.pdf>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Argenta has implemented adequate measures and is well positioned to manage or mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics focuses below on how the impact is specifically relevant in the local context.

Importance of financing green buildings in Europe

Buildings accounted for 30% of global energy consumption in 2020, with more than 28% of their CO₂ emissions stemming from energy used for heating, cooling and lighting.²² The building sector's CO₂ emissions need to be reduced by 50% by 2030, relative to 1990 levels, to help limit global warming to 1.5°C or below in line with the Paris Agreement, according to estimates of the International Energy Agency.²³ Therefore, an increase in the development of green buildings and improving the energy efficiency of existing buildings are key areas of focus for countries to achieve climate mitigation targets set under the Paris Agreement and the UN Sustainable Development Agenda.

Buildings are a key contributor to the emissions profile and the largest consumer of energy in the EU.²⁴ The buildings sector is responsible for 40% of the total energy consumption in the EU and 36% of its GHG emissions.²⁵ The EU has committed to a GHG emissions reduction target of 55% by 2030 compared to 1990 levels.²⁶ To achieve this, the EU would need to reduce GHG emissions from buildings by 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030 compared to 2015 levels. Given that more than 85% of the EU's building stock was built before 2001, the renovation of buildings to improve their energy efficiency is expected to play a major role in decarbonizing the sector.²⁷ The renovation of existing buildings could reduce the EU's total energy consumption by an estimated 5-6% and lower its total greenhouse gas emissions by 5%.²⁸

Recognizing the need to decarbonize the buildings sector, the EU has enacted the Energy Performance of Buildings Directive (EPBD) outlining policies to help improve energy efficiency and create a stable environment for investment decisions. Under the Directive, Belgium and the Netherlands are required to ensure that all new buildings constructed after 2020 are nearly zero-energy buildings (NZEB).²⁹ The Netherlands has set an emissions reduction target of 49% by 2030 and 80-95% by 2050 relative to 1990.³⁰ The buildings sector accounts for approximately 28% of the overall energy consumption in the Netherlands, with natural gas being the primary energy source used for heating.³¹ Similarly, Belgium has committed to an emissions reduction target of 35% by 2030 compared to 2005 levels.³² Belgium's average residential energy consumption is 72% higher than the EU average, which indicates the importance of integrating green buildings into the local building stock.³³ The renovation of the building stock in Belgium and the Netherlands offers the potential to reduce the energy consumption and emissions from the buildings sector.

Based on the above context, Sustainalytics expects Argenta's financing of green buildings to contribute towards reducing GHG emissions from the built environment in Belgium, the Netherlands and more broadly in the EU, thereby supporting the transition to a decarbonized economy.

²²International Energy Agency, "World Energy Output Special Report: Buildings", (2020), at: https://iea.blob.core.windows.net/assets/c3de5e13-26e8-4e52-8a67-b97aba17f0a2/Sustainable_Recovery.pdf

²³International Energy Agency, "Tracking Buildings 2020", (2020), at: <https://www.iea.org/reports/tracking-buildings-2020/building-envelopes>

²⁴ European Parliament, "Report on maximizing the energy efficiency potential of the EU building stock", (2020), at: https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.htm.

²⁵ European Commission article, "In focus: Energy efficiency in buildings", (2020) at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

²⁶ European Commission, "Stepping Up Europe's 2030 climate ambition", (2020) at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0562>

²⁷ European Commission, "A Renovation Wave for Europe" (2020) at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0662&rid=5>

²⁸ European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: https://ec.europa.eu/energy/sites/ener/files/documents/1_final_report.pdf

²⁹ European Commission, "Energy performance of Buildings Directive", at: [Energy performance of buildings directive | Energy \(europa.eu\)](https://ec.europa.eu/energy/sites/ener/files/documents/1_final_report.pdf)

³⁰ Government of the Netherlands website, "Climate policy" at: [Climate policy | Climate change | Government.nl](https://www.government.nl/topics/climate-change/policies-and-measures)

³¹ Dutch Government, "Energy Report Transition to sustainable energy" (2016), at: <https://www.government.nl/documents/reports/2016/01/01/energy-report-transition-to-sustainable-energy>

³² Kingdom of Belgium, "Paris Climate Agreement", at: [Paris Climate Agreement | Federal Public Service Foreign Affairs \(belgium.be\)](https://www.government.nl/topics/climate-change/policies-and-measures)

³³ Global Trade, "Green Building Market", at: [Sales in Belgium: Green Building Market \(globaltrade.net\)](https://www.globaltrade.net/)

Alignment with/contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The instruments issued under the Argenta Spaarbank NV Green Bond Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

Conclusion

Argenta has developed Argenta Spaarbank NV Green Bond Framework under which it may issue green bonds and other instruments, and use the proceeds to finance or refinance, in whole or in part, existing or future projects in green buildings that are expected to reduce the carbon footprint of Argenta's investment portfolio and improve the energy performance of buildings in Europe. Sustainalytics considers that the projects eventually funded by the proceeds are expected to provide positive environmental impact.

The Argenta Spaarbank NV Green Bond Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for Argenta to report on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Argenta Spaarbank NV Green Bond Framework is aligned with the overall sustainability strategy of the Company and is expected to contribute to the advancement of the UN Sustainable Development Goal 11. Additionally, Sustainalytics is of the opinion that Argenta has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Argenta Spaarbank NV is well positioned to issue green bonds and other instruments, and that the Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Argenta Spaarbank NV
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Argenta Spaarbank NV Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 7, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible category for the use of proceeds, Green Buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Argenta Spaarbank NV has established a Green Bond Committee ("Committee") which will be responsible for evaluating and selecting eligible loans. The Committee is comprised of representatives from various departments including Group Treasury, Group Wholesale Funding and Group Sustainability and subject matter experts from relevant business units. Argenta Spaarbank NV has in place an internal environmental and social risk monitoring process which is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Argenta Spaarbank NV's Green Bond Committee will be responsible for the management of proceeds based on a portfolio approach and will track the allocation of proceeds using existing internal systems. Argenta Spaarbank NV intends to fully allocate all proceeds at the time of issuance. However, in case of unallocated proceeds, such proceeds will be temporarily invested in cash, other short-term and liquid instruments, or used to repay debt. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Argenta Spaarbank NV intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated, the balance of unallocated proceeds, share of new financing and refinancing and the geographical distribution of loans. In addition, Argenta Spaarbank NV is committed to reporting on relevant impact metrics. Sustainalytics views Argenta Spaarbank NV's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):

Information reported:

- Allocated amounts Green Bond financed share of total investment
- Other (*please specify*): total amount of bonds outstanding, balance of unallocated proceeds, share of financing versus refinancing, geographical distribution of loans

Frequency:

- Annual Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Other ESG indicators (*please specify*):

GBP Category	Potential Impact Indicators
Green Buildings	<ul style="list-style-type: none"> • Estimated avoided/reduced carbon emissions (in CO₂ equivalent) • Estimated ex-ante annual energy consumption in KWh • Overview of EPC labels and certificates for eligible buildings (in case available and relevant) • Estimated adverse environmental impacts if any

Frequency

- Annual Semi-annual
- Other (*please specify*):

Means of Disclosure

- Information published in financial report Information published in sustainability report

- Information published in ad hoc documents Other (please specify): Website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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