



Nederlandse Waterschapsbank N.V. (NWB) Green Bond Second Opinion

May 12, 2022

The Nederlandse Waterschapsbank N.V. (NWB) is a publicly owned financial institution that provides funding to the 21 regional water authorities and the local government organizations in the Netherlands. This is the fourth second opinion that CICERO has provided on NWB's framework. In the updated framework, NWB provides more transparency on the type of eligible assets with new examples, as well as on the bank's new environmental strategies and policies.

Proceeds will fund NWB's lending to the water authorities to finance sustainable water management projects, in accordance with the Dutch law. Most proceeds are expected to be allocated to climate adaptation (mostly flood protection and defences), and biodiversity and climate mitigation investments in the Netherlands. Climate resilience is at the heart of the water authorities' activities and proceeds from the green bonds will finance climate adaptation measures necessary to reduce the effects of a changing climate in a 2050 perspective.

Investors should be aware that the framework allows for investment into fossil fuelled infrastructure, which can lock in emissions for the medium-term. This includes fossil-fuelled pumping stations and water treatment plants, construction of roads, and fossil-fuelled transportation related to wastewater treatment and water management. The bank further informed us that the water authorities receive around 60% of their funding from taxes, and the remaining 40% from NWB. The bank assumes that all the water authorities' non-green expenses (around 25%), are being financed by those taxes, but CICERO oversees a risk that green loans to the water authorities can be allocated to non-green assets, as the bank allocates financing on a balance sheet level to the water authorities without any further screening.

NWB has ambitious climate targets, such as to reduce the carbon emissions of the portfolio by at least 43% by 2030, and to reach zero emission by 2050. The bank is also committed to analysing climate risks and, where possible, applying the recommendations of the TCFD. On the reporting, the issuer would however benefit from disclosing methodologies and calculations used, and from providing transparency on the grid factor and baselines. CICERO Green sees a risk in overestimating the impact, as NWB report on impact for all the water authorities' green projects, including those financed by taxes.

Based on the overall assessment of the projects that will be financed under this framework, and governance and transparency considerations, NWB's Green Bond Framework receives a **CICERO Dark Green** shading and a governance score of **Good**. The issuer could however improve its governance through having more ambitious eligibility criteria and better reporting procedures.

SHADES OF GREEN

Based on our review, we rate the NWB's green bond framework **CICERO Dark Green**.

Included in the overall shading is an assessment of the governance structure of the green bond framework. CICERO Shades of Green finds the governance procedures in NWB's framework to be **Good**.



GREEN BOND PRINCIPLES

Based on this review, this Framework is found to be aligned with the principles.





Contents

1	Terms and methodology	3
	Expressing concerns with 'Shades of Green'	3
2	Brief description of NWB's green bond framework and related policies	4
	Use of proceeds.....	5
	Selection.....	5
	Management of proceeds	6
	Reporting.....	6
3	Assessment of NWB's green bond framework and policies	7
	Overall shading.....	7
	Eligible projects under the NWB's green bond framework	7
	Background	9
	Governance Assessment.....	9
	Strengths	10
	Weaknesses	10
	Pitfalls.....	11
	Appendix 1: Referenced Documents List	12
	Appendix 2: About CICERO Shades of Green	13









1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated **March 2022**. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

Expressing concerns with 'Shades of Green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
 Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
 Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



2 Brief description of NWB's green bond framework and related policies

The Nederlandse Waterschapsbank N.V. (NWB) is a publicly owned financial institution that only provides funding to the water authorities and to other local government organizations and entities in the Netherlands. Most NWB's clients are regional water authorities, municipalities, housing associations, healthcare institutions, and drinking water companies. The Dutch law prescribes that the water management, carried out by the water authorities, is aimed at preventing floods and water shortage, protecting and enhancing the chemical and ecological quality of water systems, and fulfilling the societal function of water systems.

NWB started issuing green bonds in 2014 and ever since these bonds have become an indispensable part of the business operations. NWB routinely updates its green bond framework to improve its policies. This is the fourth second opinion that CICERO has provided for NWB's framework, the first being in 2014, the second in 2018, and the third in 2019. In the new framework, NWB provides more transparency on the type of eligible assets with new examples (i.e., sustainable use of water and water shortages), within the adaptation project category. In the new framework, NWB also provides details on the bank's updated environmental strategies and policies. Since 2019, NWB reports as part of the annual report on CO₂ emissions reflecting the balance sheet activities.

Environmental Strategies and Policies

NWB's ultimate target is to achieve the lowest possible level of emissions in its lending portfolio. It has also committed to reduce the carbon emissions of the portfolio by at least 43% by 2030 compared to 2019 level, and to reach zero emission by 2050. The bank has recently published its climate action plan which, according to the bank, will help reducing the emissions of its portfolio in line with the Paris climate agreement. Examples of actions may include providing sustainability linked loans, engaging with clients to ensure they set science-based targets, and CO₂ reduction targets per sector as well as for operating activities. NWB uses the information related to the emissions of its entire loan portfolio, when possible, to inform sustainability policies and strategic decision making on how to reduce emissions. For its own operating emissions, the bank already compensates emissions via offsets and aims to compensate any remaining emissions in the future. The water authorities also have ambitious mitigation and resilience goals that guide project development under this framework, such as to be climate neutral in 2035 for scope 1, 2, and 3, and to be 100% energy neutral by 2025.

NWB reports annual emissions from own activities, as well as for 95% of the loan portfolio. However, the bank is only reporting emissions from the water authorities based on the consumption of energy, but informed us that it plans to report on some scope 3 emissions from the water authorities in the future. Due to the production of biogas and the purchase of green electricity, the water authorities' emissions decreased from 393 kilotons of CO₂ in 2017 to 194.7 kilotons of CO₂ in 2019. We understand from the bond newsletter dated 2020 that 50% of the emissions from the overall portfolio (not only the green bond framework related loans), is coming from cargo and passenger transport (i.e., work travel from employees and board of the water authorities), 40% from wastewater treatment, 9% from water system, and 1% from accommodation. NWB joined the Partnership for Carbon Accounting Financials in 2019 (PCAF), a group of 14 Dutch financial institutions that are developing open-source methodologies to measure the carbon footprint of their investments and loans.

NWB has a dedicated Corporate Social Responsibility (CSR) Committee to compose, monitor, and amend its sustainability policy. The sustainability policy has been integrated in the bank's various departments, where it represents a joint responsibility among all employees. The sustainability officer is responsible for the internal coordination of all matters relating to sustainability. Furthermore, the bank only purchases zero-emissions cars for its fleet since 2019 and aims to have only electric cars in its fleet by 2023. Also, the bank purchases energy from



renewable sources and sustainability certificates to compensate for its gas consumption and is taking steps to obtain energy label A for its office in the coming years.

NWB engages in dialogue with its suppliers about sustainability. For example, it requests documentation from suppliers showing how they mitigate any potential material negative environmental impacts. If consultation is necessary and if the results do not subsequently lead to a solution that meets NWB's sustainability criteria, the bank will not enter into a relationship with that supplier or may consider ending its relationship with a given supplier.

On climate resiliency, the bank is committed to analysing climate risks and, where possible, applying the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). However, the bank does not use climate scenario analysis.

Use of proceeds

For the purposes of the framework, proceeds from green bonds (water bonds) will exclusively fund NWB lending to the water authorities to finance sustainable water management projects. NWB will allocate the green proceeds to a selected pool of loans that promote the transition to a low-carbon and/or climate resilient growth as determined by the water authorities, according to their mandate as defined by the Dutch Water Act. The project categories remain the same as in the previous framework. However, in the new framework, NWB provides more transparency on the type of eligible assets with new examples (i.e., sustainable use of water and water shortages) within the adaptation project category. The vast majority of NWB Bank's lending to the water authorities finances the balance sheet activities of the water authorities, which the authorities then spend on specific projects. Proceeds from NWB green bonds can be used to finance as well as re-finance eligible loans. NWB expects that approximately 70% of proceeds will go to new financing.

The NWB's 2020 water bonds report lists expected allocation of proceeds. Between 2019 and 2022, the bank's planned investments were divided between primary flood defences (38%), transport and treatment of wastewater (25%), water systems (quality and quantity) (13%), other flood defences and miscellaneous (7% each), and water level management, disposal of sewage sludge, and sanitation and dredging of waterbeds (10%). The bank does not expect major changes to the allocation of proceeds in the coming years.

The bank informed us that the water authorities receive around 60% of their funding from taxes, and the remaining 40% from NWB. The bank assumes that all non-green expenses, such as administration and infrastructure expenses (an estimated 25% of the water authorities' expenses) are being paid by those taxes. However, as the loans are allocated to the water authorities on a balance sheet level, the bank does not have a clear overview over what specific projects are financed with green loans, and thus, there is a risk that green loans potentially finance non-green projects.

Selection

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

The eligible projects are selected by the lending department of NWB and represent loans provided to the water authorities in accordance with the water authorities' mandate. All NWB's lending to the water authorities qualifies as green under the eligible loan criteria in the green bond framework, without any further screening. The bank is



not systematically screening against controversial projects but informed us that it is not aware of any controversies on the water authorities' activities as of today.

Management of proceeds

CICERO Green finds the management of proceeds of NWB to be in accordance with the Green Bond Principles.

NWB applies a portfolio approach to its green bond program, given the green bonds issued under the framework fund a portfolio of eligible loans. NWB immediately allocates green bond issuance to the eligible loan portfolio. NWB's eligible loans and green bond issues are earmarked internally by means of a green register. NWB will at all times maintain an outstanding balance of green bonds that is smaller than that of the total balance of eligible loans minus any co-financing volumes (i.e., loans to the water authorities coming from both NWB and other institutions). An annual internal audit of the earmarked account will confirm lending done during the calendar year.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

To enable investors to follow the development of the portfolio and provide insight into the priority areas, NWB will provide an annual investor letter on its website, including the following:

- 1) List of eligible loans financed in the period;
- 2) Selection of project examples;
- 3) Summary of the NWB Bank's green bond development;
- 4) Mapping of the activities of the water authorities to EU Taxonomy activities, and
- 5) Where relevant and accessible, an assessment of environmental impact, examples of which include water authorities':
 - a) Share of sustainable energy in total energy consumption;
 - b) Quantity of biogas produced in millions of m³;
 - c) Share of own renewable energy production in their total energy consumption;
 - d) Carbon footprint in tonnes of CO₂;
 - e) % of quantity of substances eliminated from wastewater; and
 - d) Kilometres of primary flood defences meeting the safety standards by the Dutch Water Authorities.

The latest bond report available on the bank's website is dated 2019. NWB reports on the allocation of proceeds and the above-mentioned environmental impact related metrics. However, the issuer is not disclosing methodologies and calculations used, nor provide transparency on the grid factor and baselines. The allocation report is reviewed by the bank's auditor, however, the bank will not have the impact reporting externally reviewed.



3 Assessment of NWB's green bond framework and policies



The framework and procedures for NWB's green bond investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where NWB should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in NWB's green bond framework, we rate the framework **CICERO Dark Green**.

Eligible projects under the NWB's green bond framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green bonds aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed and that the selection process should be "well defined".

Category	Eligible project types	Green Shading and some concerns
Mitigation  	<ul style="list-style-type: none">• Energy recovery from wastewater and extraction of Phosphor.	Dark to Medium Green <ul style="list-style-type: none">✓ Sewage sludge can be considered a renewable energy source and can generate substantially lower GHG emissions than energy generation from fossil fuels. For the same amount of energy, energy recovery from sewage sludge emits 58% fewer emissions than natural gas and 80% less than hard coal and fuel oil¹.✓ These energy factories generate more energy than the plant itself needs to process and treat wastewater, which allows them to feed cleaner energy into the grid.✓ The extraction of phosphor is a key in preventing the eutrophication of surface waters.✓ According to the issuer, the entities receiving loans from the bank are not required by the Dutch law to

¹ <https://www.mdpi.com/1996-1073/12/10/1927/pdf>



have measures to avoid and mitigate excessive storm water overflows from the wastewater collection system.

- ✓ Fossil fuelled equipment could qualify for funding according to the issuer.

Adaptation



- Flood protection
- Other flood defences
- Pumping stations
- Sustainable use of water
- Water shortages

Dark to Medium Green

- ✓ Most proceeds are expected to be allocated to this project category, more specifically to flood protection and defences, according to the issuer.
- ✓ In the new framework, NWB provides more transparency on the type of eligible assets with new examples (i.e., sustainable use of water and water shortages), within this project category. According to the issuer, these were eligible under the previous framework, but not explicitly mentioned. According to the issuer, these refers to the management of the water supply. Excess of water will be collected and stored. In times of water shortage, the water authorities set crowding rules, such as spray ban, and limit water supply.
- ✓ Construction of roads, pumping stations running on fossil fuel and fossil fuelled transportation for adaptation activities could qualify for funding.

Biodiversity



- Sanitation and dredging of waterbeds
- Water treatment
- Transport and cleaning of wastewater
- Disposal of sewage sludge

Dark to Medium Green

- ✓ CH₄ and N₂O are currently not monitored.
- ✓ Water treatment plants, dredging equipment, and transportation of wastewater may run on fossil fuel. Further, the disposal and processing of sewage sludge is an energy intensive activity. However, the bank does not consider the emissions from the construction and operation of the water treatment and disposal and processing of sewage sludge.
- ✓ The bank informed us that the water authorities are working on a plan to



reduce methane and laughing gas. The aim would be to reduce by 80% the emission of methane after fermentation by 2030.

Table 1. Eligible project categories

Background

Two-thirds of the Netherlands lies below sea level. Thus, without proper water management, 60% of the Netherlands could be flooded, as some areas of the Netherlands are up to six meters below sea level². The Dutch water authorities and the district water boards are charged with water management in the Netherlands, with the involvement of provinces and municipalities. The water authorities in the Netherlands includes 21 regional water authorities and manages infrastructure comprising 17,700 km of flood defences, 235,000 km of waterways, 5,700 pumping stations and 318 wastewater treatment plants³. Among other tasks, they are responsible for ensuring a sufficient supply of water and keeping the country protected against flooding. Under EU and national laws, the Dutch water authorities are required to develop a water management plan and report on the progress of implementation. The National Water Plan 2016-2021 sets out the Dutch flood risk management and freshwater supply policies and specifies the strategies to be pursued with respect to areas particularly abounding in water. It also examines optimum ways to accommodate water in the spatial planning of the Netherlands⁴. The water authorities and other regional and local authorities also signed a Memorandum in 2017, in which they pledged to make their infrastructure climate-resilient by 2040 and to increase public knowledge about adaptation to climate change. Other national adaptation plans include the 2016 Freshwater Delta Plan and the 2017 Delta Plan on Spatial Adaptation, which aim to ensure that the country is water-robust and climate-proof by 2050.

Sewage sludge can be considered a renewable energy source and can generate substantially lower greenhouse gas emissions than energy generation from fossil fuels. One of the recent goals of wastewater treatment plants is to develop more environmentally friendly processes to reduce the volume of sludge for disposal and to convert sludge into bioenergy, such as into biogas, syngas, and bio-oil which can be further converted into electricity, mechanical energy, and heat⁵. The Netherlands has more than 90,000 kilometres of sewer lines⁶. The water authorities are also signatories to the national Raw Materials Agreement of 2016, which aims to ensure that the Netherlands has a 100% circular economy by 2050. The water authorities aim to achieve this goal by recovering substances from wastewater and using them to generate biogas, paper, and other composite materials. The water authorities are already the largest producer of biogas in the Netherlands. The water authorities intend to produce 40% of their own energy demand by 2020 and to be 100% energy-neutral by 2025. The water authorities have had a sustainable energy percentage of more than 100% since 2013. A percentage greater than 100% means that the water authorities supply sustainable energy to third parties.

Governance Assessment

Four aspects are studied when assessing the NWB's governance procedures: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

² [Benchmark-on-wastewater-treatment_EN.pdf \(waterschapsspiegel.nl\)](#)

³ [Water bond report 2020](#)

⁴ [Water management in The Netherlands | Water management | Government.nl](#)

⁵ [Recent advances in energy recovery from wastewater sludge - ScienceDirect](#)

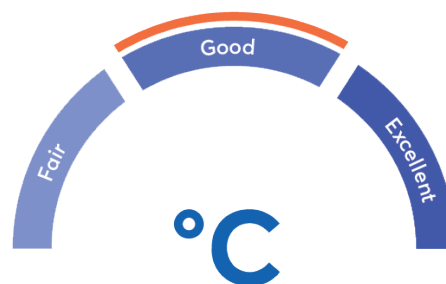
⁶ [Quality of wastewater | Water management | Government.nl](#)



NWB and the water authorities have ambitious environmental and climate goals and targets. NWB reports annual emissions for the CO₂ emissions equivalents from operating activities, as well as for 95% of the loan portfolio. However, the bank is only reporting emissions from the water authorities based on the consumption of energy. NWB engages in dialogue with its suppliers about sustainability, and requests documentation from suppliers showing how they mitigate any potential material negative impacts. On climate resiliency, the bank is committed to analysing climate risks and, where possible, applying the recommendations of the TCFD.

All NWB Bank's lending to the water authorities in accordance with the Dutch law qualifies as green under the eligible loan criteria in the green bond framework, without any further screening. Thus, as the loans are allocated to the water authorities on a balance sheet level, it appears that bank does not have a clear overview over what specific projects are financed with green loans. This represents a risk that the green loans can be allocated to non-green assets. It is also unclear whether environmental competence is included in the selection process. The bank is not systematically screening against controversial projects but informed us that it is not aware of any controversies on the water authorities' activities as of today.

An annual report on allocation of proceeds and environmental impacts with relevant indicators is public on the bank's website, but the bank would benefit from disclosing methodologies and calculations used, such as e.g., providing transparency on the grid factor and baselines. The allocation report is reviewed by the bank's auditor, however, the bank will not have the impact reporting externally reviewed. CICERO Green also sees a risk in overestimating the impact, as NWB report on impact for all the water authorities' green projects, including those financed by taxes.



The overall assessment of NWB's governance structure and processes gives it a rating of **Good**.

Strengths

Climate resilience is at the heart of the water authorities' activities: the potential damage from flooding, water shortages, heat stress, sinking of land and salinization in the Netherlands is estimated at €70 billion by 2050⁷. Proceeds from the green bonds issued under the framework will finance climate adaptation measures which are necessary to reduce the adverse effects of a changing climate in a 2050 perspective.

With respect to project categories, the baseline performance for NWB and the water authorities is already high. In the mitigation category, the energy and materials recovery from wastewater is an important step towards a truly circular economy and has played a part of the water authorities' investment in reducing emissions. As of now, the water authorities converted 14 wastewater treatment plants into "energy factories", with 13 more set to transition in the near future⁸. These energy factories generate more energy than the plant itself needs to process and treat wastewater, which allows them to feed cleaner energy into the grid. The projects outlined in the adaptation category are thoughtful and responsive to national policies and planning and public sector needs.

Weaknesses

NWB reports on impact for the overall projects of the water authorities financed both by green loans from NWB and by taxes. Without pro-rating the impact based on share of green loans versus taxes that has been allocated to the projects, there is a risk of overestimating the impact from the green bond proceeds.

⁷ [NWB Bank Newsletter Waterbonds 2020.pdf](#)

⁸ www.efgf.nl



Pitfalls

The framework does not exclude fossil fuelled equipment and activities, or emissions intensive materials. This may result in proceeds financing construction of roads or flood defences built with emissions intensive materials and equipment, operation or development of pumping stations or water treatment facilities powered by fossil fuel equipment, or fossil fuelled transportation of wastewater and other materials. These activities can result in locking in emissions for the medium-term. Careful consideration should be taken to identify risks and minimize or mitigate locking in emissions with green bond financing. CICERO Green is encouraged by NWB and the water authorities' commitment to ambitious emissions reductions targets which may limit the risk of long-term locked in emissions. NWB only measures and reports CO₂ emissions. CH₄ and N₂O emissions are not monitored. The information about GHG accounting may be of interest to investors tracking emissions reductions carefully. Although the volumes of CH₄ and N₂O emissions are smaller than CO₂ in general, they are relevant in wastewater management and in flood zones and wetlands, as their global warming potential makes them a significant concern for global warming effects.

While investments in flood and water damage management measures are critical in flood zones and coastal areas, hard infrastructure in coastal areas, such as sea walls and dykes, can carry biodiversity risks (e.g. destruction of wetlands, altering tidal, sediment or nutrition flows, or disrupting fragile marine ecosystems). Further, the construction of sea walls or the operation of pumping stations and wastewater treatment plants, important elements for climate resilience, can be energy and emissions intensive. Therefore, investments in climate resiliency infrastructure must include material and energy sourcing considerations, as well as energy efficient equipment.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	NWB's Green Bond Framework	Dated March 2022
2	NWB's Annual Reports 2010-2020	Annual Reports: NWB Bank
3	Code of Conduct (Dutch)	Code of Conduct
4	NWB's Rules and Guidelines	Corporate Governance: NWB Bank
5	Code of Conduct set out in the 'Future-Oriented Banking' package issued by the Dutch Banking Association (NVB)	nwb.nl/media/1657/000597_future-oriented-
6	NWB's Sustainability Policy	sustainability policy
7	NWB's Goals and Targets	<ul style="list-style-type: none">- NWB Bank signs Finance for Biodiversity Pledge- NWB Bank adopts the Equator Principles- Bank has started setting up Science Based Targets
8	NWB's Corporate Governance	Corporate Governance: NWB Bank
9	NWB's Green Bond Newsletters 2014-2019	Green Bond Newsletters: NWB Bank
10	GHG-emissions (PCAF method) of the Loan Portfolio of NWB Bank methodological explanation	GHG-emissions (PCAF method) of the Loan Portfolio of NWB Bank methodological explanation
11	NWB Climate Action Plan	https://nwbbank.com/download_file/977/978 (In Dutch)
12	NWB ESG Facts and Figures 2021	https://nwbbank.com/download_file/980/978



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.

