



Nederlandse Waterschapsbank N.V. (NWB) – Green Bond Framework

Management of proceeds

NWB Treasury has established an internal management system to track and monitor individual eligible loans and the aggregated lending to eligible loans at all times.

To allow The Water Authorities to use some of the loans to supporting functions (like Administration), NWB will not qualify more than 90pct of their lending to the Water Authorities as eligible assets.

Proceeds from NWB Green Bonds can be used to finance as well as re-finance Eligible Loans.

Eligible Loans

"**Eligible Loans**" means a selected pool of loans, provided in whole or in part, by NWB that promote the transition to a low-carbon and/or climate resilient growth as determined by The Water Authorities according to their mandate. Proceeds from Green Bonds will exclusively fund NWB lending to The Water Authorities. Eligible Loans may include loans that target (a) mitigation of climate change, being waterway management ("Mitigation Loans") (b) adaptation to climate change, including investments in climate-resilient growth ("Adaptation") or (c) Biodiversity, to loans which are related to Water related Biodiversity projects rather than directly climate related.

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.

Examples of Eligible Loans may include:

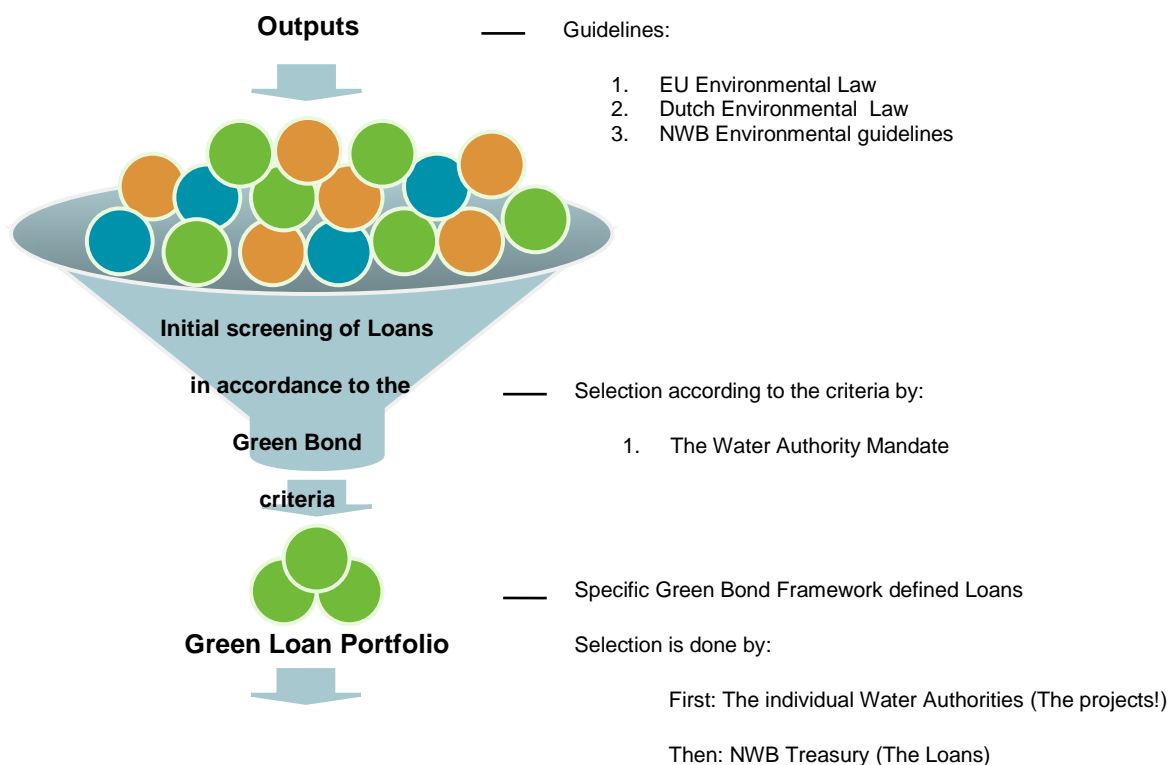
- Mitigation
 1. Energy recovery from waste water and extraction of Phosphor
- Adaptation
 1. Flood protection
 2. Other flood defenses
 3. Pumping stations
- Biodiversity
 1. Sanitation and dredging of waterbeds
 2. Water treatment

3. Transport and cleaning of wastewater
4. Disposal of sewage sludge

Selection of Eligible Loans

The Eligible Loans are selected by the Lending Department of NWB and are entitled to the Water Authority Lending. The Water Authorities will use the funds to finance climate and environmental related projects according to the criteria described above.

Green Bond Loan Selection Process Flowchart



Transparency and Reporting

To enable investors to follow the development and provide insight to prioritised areas, NWB will through its homepage, provide an annual investor letter to investors including 1) a list of new Loans financed in the period 2) a selection of project examples, 3) a summary of the NWB Green Bond development and 4) where relevant and accessible, an assessment of environmental impact, examples of which include:

- Water authorities share of sustainable energy in total energy consumption
- Quantity of biogas produced in millions of m³
- Share of own production in total energy consumption
- Carbon footprint of water authorities in tonnes of CO₂.
- % of quantity of substances eliminated from wastewater

Further information:

NWB:

<https://www.nwbbank.com/csr-reporting-policies.html>

<https://www.nwbbank.com/green-bond>

Water Board:

<http://english.uvw.nl/download.php?f=bd1fb70b0413351985ed51558d859513>

<http://english.uvw.nl/download.php?f=f9d84f81925f17719a0b1e33df5d6cd5>