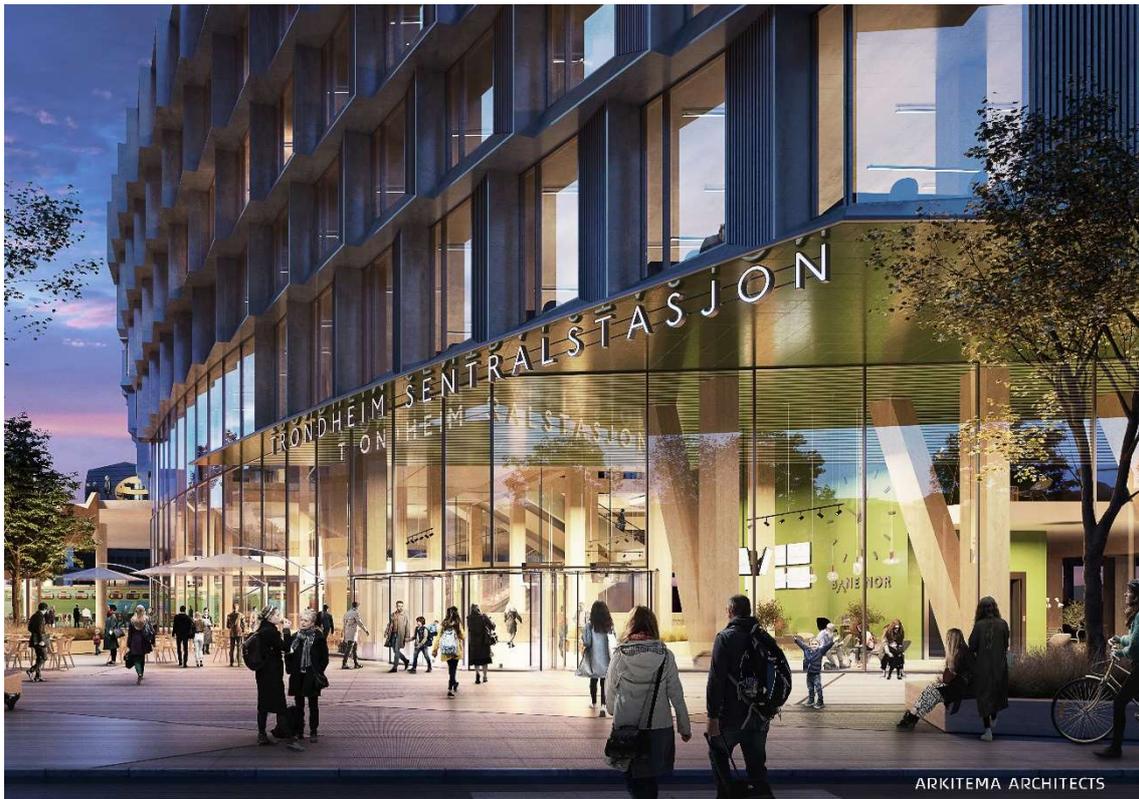


Green Bond Framework



BACKGROUND

About Bane NOR Eiendom AS

Bane NOR Eiendom AS (“**Bane NOR Eiendom**”) is Norway’s leading transportation hub developer and service provider to the railway in Norway. Bane NOR Eiendom’s property portfolio ranges from office and commercial premises to railway stations, workshops and terminals in Norway. The company is involved in more than 200 property development projects mainly located on transportation hubs. By increasing the efficiency and appeal of rail transport, Bane NOR Eiendom has set itself the goal of taking social responsibility in encouraging more people to choose to travel by public rail.

The company is 100% owned by Bane NOR SF (“**Bane NOR**”), a state-owned company under the Ministry of Transportation and Communication. Bane NOR’s mission is to plan, build, operate and maintain the national rail network, manage traffic and manage and develop railway property. Carrying out this mission sustainably is part of Bane NOR’s strategy for 2019-2023. Bane NOR is responsible for a number of the country’s largest public transportation projects, such as InterCity and The Follo Line. The National Transport Plan outlines historically large funding of railways maintenance and investments in Norway (approximately NOK 320 billion from 2018 - 2029). The significant upgrade in railway infrastructure has great impact on Bane NOR Eiendom as a service provider and real estate prospects.



Environmental considerations

The Norwegian population is expected to increase from current 5.3 million to 6 million people within the next 20 years¹. The railway’s share of total transport experiences a significant growth rate, from 2004 to 2018 there was an 40 % increase in total passenger-km on the national railway network.² The Norwegian government is projecting that railway will have a growing market share of total domestic “passenger workload”³ in the future⁴, and the railway investments are on historical high levels.

The increased effort to get goods and passengers from roads to railway means more scheduled departures and more trains on the Norwegian railway network.⁵ With a projected increase in the number of locomotives and rolling stock, the capacity for maintenance needs to increase in order to keep up. Without significant investments, the majority of existing maintenance halls will be outdated by 2029.

¹ Statistics Norway SSB

² Statistics Norway, SSB report 04780: Goods and passenger transport by rail, by type of transport, contents and year

³ «Passenger workload»: a measure used in Norwegian transport sector to estimate how many passengers a mode of transportation carry for a specific travel length (travel length x number of passengers)

⁴ <https://www.regjeringen.no/contentassets/7c52fd2938ca42209e4286fe86bb28bd/en-gb/pdfs/stm201620170033000engpdfs.pdf>

⁵ Total number of passenger trains in the Norwegian railway network estimated to increase 30-40 % the next 10 years.

Rail transport plays a crucial role in achieving today's environmental and climate goals. Compared to other modes of transport, railways are energy, land and climate efficient, generating relatively little noise, and making only a marginal contribution to local air pollution. Railway infrastructure such as maintenance depots, trains storage and depot facilities are essential in making the railway the most efficient and safest alternative. Bane NOR's goal of a more reliable rail network with higher capacity utilization is an important environmental contribution.

Bane NOR aims to develop Europe's safest railways, and this also applies to the environment. Bane NOR's environmental work focussing on efforts to clean up pollution and waste from historic railway operations, to developing new, environmentally efficient forms of operation and development.



The real estate sector is responsible for nearly 40 percent of both the energy consumed by society and the world's greenhouse gas emissions. Real estate impacts the environment throughout its life cycle, i.e. from project planning, construction and management to renovation and demolition. Bane NOR Eiendom possesses in the Norwegian real estate market being the possessor of large, central areas close to public transportation nodes in and around several Norwegian cities. Redevelopment of such areas have significant impact on cities development and major consequences on use of transport. Environmental effects of central nodal point developments have been evaluated by for example Institute of Transport Economics, who states that such development results in far less car traffic compared to development in other areas. Using the development in Bjørvika in Oslo as an example they found that construction of office buildings for 12,500 jobs in Bjørvika save Oslo 6,250 car trips and 110,000 vehicle kilometers a day compared to locating these workspaces similar to the current distribution in Oslo. This saves 15 tonnes CO2 emissions, 23 kg NOx emissions and 8 kg NO2 emissions per day, as well as 25 MWh of energy for transport.⁶ Other studies show that energy and emissions vary widely between cities with, depending on past infrastructure and planning decisions; where carbon emission (tons CO2 per person) in Atlanta are ten times higher than in Barcelona⁷.

There are also studies supporting positive environmental effects of locating housing and workplaces in close proximity to train stations in other cities, with fewer car trips and fewer vehicle kilometers by car. Institute of Transport Economics have analyzed transport-related effects of ventral nodal point development in suburbs and cities outside Oslo, but within the InterCity-triangle⁸. The study shows that although the environmental effect is greatest in Oslo itself, cities like in example Drammen and Moss have an estimated decrease of car shares of approximately 20 % using location close to train stations compared to less central development. Another study shows that most people choose to drive instead of walk if the distance is longer than 1 km, and

⁶ Institute of Transport Economics report 1285/2013

⁷ New climate economy Report, World Resource Institute, September 2014

https://newclimateeconomy.report/2016/wp-content/uploads/sites/2/2014/08/NCE-Global-Report_web.pdf

⁸ Institute of Transport Economics, **Environmental effects of locating housing and workplaces in proximity to railway stations**, Report 1550/2017

the proportion increases considerably from 500 meter and upwards⁹. Thus, the impact of working and/or living on transportation hubs have significant impact on the environment.

Bane NOR Eiendom's owns train stations and has a land bank of approximately 2,800 hectares with an estimated development potential of 2 million square meters mainly located close to transportation hubs. This puts the company in a unique position as a leading hub developer with the opportunity to impact environment through real estate development going forward.

Bane NOR Eiendom's environmental goals

Sustainability is an important part of Bane NOR Eiendom's business and Bane NOR Eiendom will work to obtain a climate neutral society. In order to guide and assess Bane NOR's progress in integrating climate risk into its operations, Bane NOR Eiendom has set the following environmental goals with respect to new property developments:

- Develop attractive and sustainable hubs with efficient land use and increased use of public transport. The hubs should incorporate good aesthetic solutions, high environmental standards, as well as having high functional value
- All new buildings over 10,000 square meters shall be classified BREEAM-NOR, with the ambition of achieving a BREEAM-NOR Excellent classification
- Ambition for achieving Energy Performance Certificate rating (EPC) label A for new buildings and EPC label B for renovation projects, as well as focus on reducing resource consumption

This Framework mainly targets the following UN Sustainable Development Goals (“SDG”):



Issuance of Green Bonds will enable Bane NOR Eiendom to integrate the company's environmental strategy into its funding and will enable the company to focus even more on positive environmental impacts. When issuing Green Bonds, this Green Bond Framework (the “**Framework**”) will apply.

⁹ National travel habits survey in Norway 2009

USE OF PROCEEDS

The net proceeds raised from the issuance of Bane NOR Eiendom Green Bonds will be used to finance or re-finance, in whole or in part, a selected pool of assets that promote the transition to low-carbon and climate resilient growth and as determined by Bane NOR Eiendom according to the criteria defined below (“**Eligible Projects**”).

GBP category		Eligible Projects
Clean Transportation <i>Enabling projected railway’s growing market share of total domestic «passenger workload» in the future and to achieve increased and more efficient use of capacity in order to increase the accessibility and use of public mass transportation and low carbon initiatives</i>		Investments in new supportive railway infrastructure and service facilities, such as maintenance depots, trains storage and depot facilities
Green buildings <i>Development of sustainable buildings on transportation hubs encouraging more people to use the railway</i>	New buildings	Projects that, at the time of financing approval by Bane NOR Eiendom of such project, fulfil the following minimum requirements: a) New construction of commercial buildings that have or with the objective to receive, after completed construction, a certification from BREEAM-NOR with a minimum certification level of «very good» and Energy Performance Certification label A b) New construction of residential buildings that have or with the objective to receive, after completed construction, either (i) a certification from BREEAM-NOR with a minimum certification level of «very good» and Energy Performance Certification label A or (ii) a Nordic Swan Ecolabel (Svanen) Certification
	Existing buildings	Major renovations of buildings leading to either reduced energy use per year on a m ² basis of at least 30%

Bane NOR Eiendom’s Green Bonds can be used to finance new projects or refinance issued Green Bonds. New projects are defined as projects and assets financed within 12 months from completion.

PROCESS FOR PROJECT EVALUATION AND SELECTION

Eligible Projects will be evaluated, selected and approved in consensus by a Green Bond Committee consisting of the Head of Sustainability, Head Projects, and Head of Finance. The group will ensure that the financing processes and the allocation of the proceeds from the Bane NOR Eiendom Green Bonds are structured or made, as applicable, in accordance with this Framework.

MANAGEMENT OF PROCEEDS

Bane NOR Eiendom will establish a Green Bond Register to monitor the allocation of net proceeds from Bane NOR Eiendom’s Green Bonds to Eligible Projects. Bane NOR Eiendom will build up and maintain a portfolio of Eligible Projects in a total amount at least equal to the aggregate net proceeds of all outstanding Green Bonds. The net proceeds raised under this Framework is managed by the Finance department of Bane NOR Eiendom. An appropriate internal independent party with the relevant expertise and experience will annually assure Bane NOR’s selection process for the financing of Eligible Projects and the allocation of the proceeds of Bane NOR’s Green Bond, and that such processes and allocations are in accordance with the Bane NOR

Eiendom Green Bond framework. If, for any reason, an Eligible Project is sold and/or no longer fulfil the Eligible Project criteria, such asset will be removed from the Green Bond Register and replaced by another Eligible Project.

Proceeds yet to be allocated towards Eligible Projects will be placed in Bane NOR Eiendom's liquidity reserves and managed as such. Unallocated capital from Green Bonds that may arise for a period will not be reinvested in stocks or debt instruments.

REPORTING

To enable investors to follow the development and to provide insight to prioritised areas Bane NOR Eiendom will, until maturity of the Bane NOR Eiendom Green Bonds issued, provide an investor letter on an annual basis.

The investor letter will include:

1. Total amount of Green Bonds issued.
2. When possible, further information of Eligible Projects financed, including a brief description and expected or actual impact where feasible.
3. Information on the allocation of Green Bond proceeds between new projects, refinancing as well as any unallocated balance outstanding.
4. When possible, further information list on Eligible projects financed, including a brief description and expected or actual impact where feasible:
 - a. Type of certification and level
 - b. Energy performance (KWh per produced sqm)
 - c. CO2 emissions
 - d. Waste date from construction phase
 - e. Water intensity (m3 per sqm and year)
 - f. Material consumption (kg per produced sqm)

EXTERNAL REVIEW

To secure alignment with national and international guidelines Bane NOR Eiendom has obtained an external second party opinion on the Green Bond framework from CICERO Shades of Green.

PUBLICALLY AVAILABLE DOCUMENTS

The Green Bond Framework, the second party opinion and the investor letter will be publicly available on Bane NOR Eiendom's Investor Relations webpage (www.banenor.no/ir).