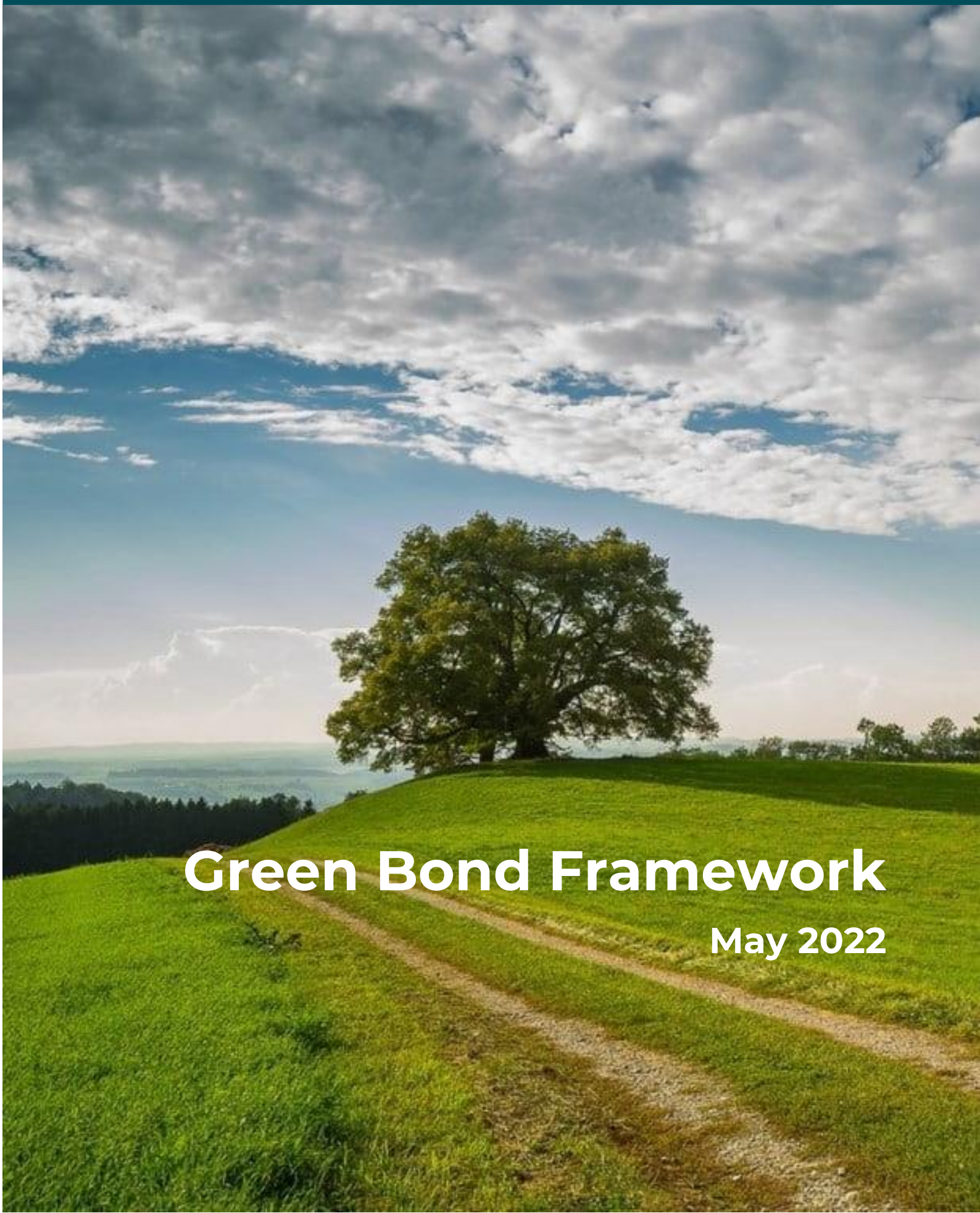
Aurskog SPAREBANK



Green Bond Framework

May 2022

Content

This is Aurskog Sparebank

Aurskog Sparebank is a regional savings bank established in 1846. Our market area is Romerike in Viken county, with surrounding areas. We are a supplier of financial products and services to both private retail and corporate customers.

Established in 1846 Aurskog Sparebank has developed into a strong regional savings bank in our geographical area and surrounding areas. Romerike is the region in Norway with highest growth over the last years – both in terms of population and development of new workplaces. Our head office is located in Aurskog and we have branch offices in Bjørkelangen, Årnes, Jessheim and Sørumsand. We are just over 60 employees in total. We have passed NOK 15 billion in business capital and we have about 22,000 customers.

We offer traditional banking services, such as deposits, loans and payment solutions, to private customers and local businesses, which contributes to create workplaces and value creation in the local community. We also sell products within fund savings and asset management, as well as insurance.

Our operations are built around our core values which are **Being local**, **relationship- and customer oriented,** paired with **competence and personal service.** Our strategy is based on stability and long-term perspective, with clear requirements for the ability and willingness to quickly adapt to changing framework conditions. We are organized along five main lines: retail market, corporate market, savings and investment, call center, finance and governance.

Aurskog Sparebank has always been an active player in the local community. A significant part of the bank's profits is therefore used each year to support various activities within cultural, sports and association life in the local communities of which we are a part.

In 1998 Aurskog Sparebank chose to issue equity certificates and at the same time be listed on the Oslo Stock Exchange. Being an equity certificate bank commits vis a vis equity certificate holders with regards to our business conduct, reporting and overall transparency at the same time as it is a very important element in the bank's growth and development.

Aurskog Sparebank is a co-owner of, and one of the largest banks within, the Eika Alliance, a strategic banking alliance between small and medium-sized savings banks in Norway. Through the collaboration in Eika we gain access to a wide range of modern financial products and services that we can offer our customers.

Sustainability at Aurskog Sparebank

As the world faces major global climate, environmental and social challenges, the challenges also require local solutions. Our main focus in this respect is on sustainable growth and development in the local communities of which we are a part, but we must also take global considerations into account in our business strategy. Thus, we signed the UNEP FI Principles for Responsible Banking in 2020.

We will act in line with internationally recognized principles for social responsibility and sustainability. We are integrating sustainability and ESG throughout the organization. To be able give our customers valuable advice is important that our employees have knowledge of what sustainability implies , but also for us to be able to make correct assessments related to credit risk. We acknowledge that internal competence building is a continuous work.

To better understand the impact of the bank's business activities we will carry out a thorough impact assessment, as well as set specific goals to increase the positive, and reduce any negative, impact on the environment. By signing the UNEP FI Principles for Responsible Banking, we are committed to aligning our activities with the UN's sustainability goals and the Paris Agreement. We have a long-term ambition of zero emissions from our own operations and our credit portfolio. How we will achieve the ambition will be a key theme in the bank's strategy processes in the coming years.

The recommendations from the G20 countries' *Task Force on Climate Related Financial Disclosures (TCFD)* have been established as the central framework for how climate risk is to be analyzed and reported. We will merge our sustainability reporting and financial reporting with effect from the reporting year 2021. In this connection, both the TCFD framework and the GRI standards for reporting will be reviewed and assessed implemented in our reporting.

We will require that our suppliers and partners also are conscious with regards to operating in a sustainable manner. Aurskog Sparebank shall strive to achieve a good working environment, where we are showing respect and consideration for each other. We will share our expertise with the local community and contribute to attitude-creating work within sustainability and social responsibility.

Aurskog Sparebank's overall ambitions, goals and principles for the bank's sustainability work are:

- Achieve zero emissions from own operations and from the bank's credit portfolio as a long-term goal
- Develop our employees to have expertise and be up to date on sustainable financial products and services in order to assist our customers in choosing environmentally friendly solutions, and make environmentally friendly investments
- Encourage gender equality and climate- and environmentally smart behavior from our suppliers and partners
- Increase the share of financing of green loans (mortgages, business loans and car loans)
- Increase the share of gift and sponsorship awards related to climate- and environment-positive measures, to minimum of 10% annually of the total amount of awards being distributed as a long-term ambition
- Reduce the number of loans which have a negative climate and environmental impact

Sustainable lending practices

Providing credit is a core business area for Aurskog Sparebank and this is where we have the greatest opportunity to make a positive impact, but also the greatest risk of having a negative impact, especially in the corporate customers' market. We aim to have a sustainable credit portfolio, as well as contribute to our customers having a conscious relationship to sustainability and climate risk.

The risk sustainability (ESG) and climate risk associated with retail customers is considered low. While the risks associated with corporate customers, which accounts for about 25 % of our aggregated loan portfolio, is higher and therefore risk assessment is part of our credit risk management. In our internal credit assessment papers, there is a requirement to document that the corporate loan applicant's climate and environmental impact has been assessed, as well as physical risk and transition risk for the project and the customer. The customer advisor will discuss with the corporate customer if they have established an ESG strategy and set targets and which climate change risks are relevant for the customer's business activities. The customer advisors are supported by a list of questions related to ESG risks, which shall be addressed in the credit assessment papers.

Our credit policy states that Aurskog Sparebank shall not have credit commitments with customers who have significant activities within oil, shipping, fishing, pub and restaurant operations or hotel operations. Exceptions can be made for local reasons after special consideration. Further, it clearly states that Aurskog Sparebank should not be involved in industries that are ethically problematic, such as weapons, pornography or tobacco, and all customers must conduct their business in accordance with applicable laws and regulations, which include environmental considerations and human rights.

Aurskog Sparebank has a responsible corporate governance policy that provides a good foundation for further developing our sustainability strategy and implementing goals and activities for further work with sustainability. Aurskog Sparebank's sustainability strategy has been discussed and approved by The Board of Directors. The management reviews the status of our sustainability work at regular intervals. Our sustainability manager has an overall responsibility for inviting to discussions, workshops, meeting deadlines for reporting and goals that have been set. Aurskog Sparebank has established a separate balance sheet management committee consisting of the CEO, the CFO, a member of the treasury/finance team and a member from the risk management team. This committee operates under a mandate from the Board and has the ongoing responsibility for investments and issuing bonds related to the liquidity management. This committee will also have the responsibility for the issuance of green bonds and the green loan share of the balance sheet, as well as contribute to the reporting in accordance with this Green Bond Framework. The committee is supplemented by other relevant employees if necessary, and for matters related to sustainability (including the green mortgage loan offering and green bonds funding) our head of sustainability will join.

Signatory to sustainability initiatives

UN Sustainable Development Goals (UN SDGs)

As a bank, we can influence most of the UN's sustainability goals[1]. We have selected four of the UN's sustainability goals, which are the priority goals for our business. The goals are relevant in our work to contribute to the local communities the bank is part of are good places to grow up and live.

We have chosen to prioritize SDG 4 - good education, SDG 5 - gender equality, SDG 8 - decent work and economic growth and SDG 11 - sustainable cities and communities.

In addition, we consider two of the other sustainability goals to be particularly important for the bank's work: SDG 3 - good health, and SDG 17 - cooperation.

United Nation's Principles for Responsible Banking (PRB)

On 20 May 2020, Aurskog Sparebank was recognized as a member of the UN Environment Program Finance Initiative (UNEP FI). UNEP FI is a global organization for cooperation between the UN and the financial sector[2]. The UNEP FI program consists of certain principles, which aim to make the banking industry able to take a leadership role in achieving the SDGs and fulfilling the Paris Agreement.

Signing the UN's principles for responsible and sustainable banking was a milestone for our sustainability work. By signing the principles, Aurskog Sparebank undertakes to carry out a thorough analysis of how our business affects the environment around us. We will work systematically with sustainability through, among other things, our products and services for individuals and businesses, as well as activities we support in the local community. In addition, we are committed to aligning our activities with the UN's sustainability goals and the Paris Agreement.

Our reporting and self-assessment can be found in our annual Sustainability Report on our website.

[1] THE 17 GOALS | Sustainable Development (un.org)
[2] About the Principles – United Nations Environment – Finance Initiative (unepfi.org)

Eco-Lighthouse certification

On 20 October 2020, Aurskog Sparebank's offices became environmentally certified as an Environmental Lighthouse ("Miljøfyrtårn")[3]. Eco-Lighthouse is a recognized and effective tool for certification and environmental management, which helps companies succeed in green transformation.

The Eco-Lighthouse certificate is Norway's most widely used certificate for companies to document environmental efforts and show social responsibility. It provides good foundation for contributing to achieving several of the UN's sustainability goals.

Aurskog Sparebank shall have an active relationship with climate and environmental challenges in own operation. We have established good routines for internal environmental work, as well as attitude-building work among our employees. Through the certification, Aurskog Sparebank undertakes to submit an annual climate and environmental report that shows the company's impact on the internal and external environment, as well as set up an action plan for the coming years' work. The reports are made available on the bank's website.

[3] Stiftelsen Miljøfyrtårn (miljofyrtarn.no)

Aurskog Sparebank and Green Bonds

The financial industry has a special responsibility to ensure that value creation and profitability do not come at the expense of the people around us, the climate and the environment, or are contrary to basic ethical principles. With this Green Bond Framework (the "Framework") we at Aurskog Sparebank want to promote our ambition of driving sustainable development in our region through offering Green Loans to 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.

The EU Taxonomy

The Green Loan category has been aligned with the relevant criteria included in 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,

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

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].

1. 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, products and/or R&D within weapons and defense, potentially environmentally negative resource extraction, gambling, pornography, or tobacco, nor other activities in violation of Aurskog Sparebank's established industry sector guidance vis a vis corporate customer.

Green Loan Portfolio

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

[5]https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

Green Loan Criteria:	ICMA GBP category:	UN SDG:	EU Taxonomy Environmental Objective:
	Green Buildings		Climate Change Mitigation

Loans financing the acquisition, ownership, construction, and renovation of residential buildings meeting the following criteria:

1. **Buildings built in 2021 or later**
   - Buildings with an energy consumption that is at least 10% lower than national minimum requirements (TEK17) [6].
2. **Buildings built before 2021**
   - Energy Performance Certificate A, or
   - 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). 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, minimum Energy Performance Certificate B.
3. **Renovated buildings**
   - Costs related to renovations leading to a reduction in primary energy demand of at least 30%.
   - For the building to qualify after renovations it should meet the criteria under 1 or 2 above for buildings built either before or after 2021.

Exclusions: Leisure homes (cabins) will not be financed under this Framework. Further, for avoidance of doubt, buildings used for the purpose of exploration, extraction, refining and distribution of fossil fuels are excluded.

Alignment with the EU Taxonomy

The Green Loan Criteria are considered to be in line with the criteria for the environmental objective *Climate Change Mitigation* set out in Annex 1 to the EU Taxonomy Regulation Delegated Act[7], which distinguish between construction of new buildings, renovation of buildings and acquisition and ownership of existing buildings (see Appendix for details). We also believe our Green Loan portfolio in all material respects comply the *Do No Significant Harm (DNSH)* criteria related to each of the remaining five environmental objectives.

[6] In accordance with the EU Delegated Acts, the criterion is that buildings have at least 10% lower the Primary Energy Demand than the threshold set for the "nearly zero-energy building" (NZEB) requirements in national measures. In Norway, a definition for what constitutes an NZEB has not yet been implemented, hence we currently apply TEK17.

[7] https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

2. Process for Project Evaluation and Selection

To ensure the transparency and accountability around the selection of Green Loans, Aurskog Sparebank has an established Balance sheet Management Committee responsible for allocation of Green Bond Proceeds raised under this Green Bond Framework comply with the Green Loan criteria included herein. The committee will be responsible for the evaluation and selection of loans for inclusion in the Green Loan Portfolio.

The Balance sheet Management Committee consists of members from the Treasury/Finance and Risk Management teams in Aurskog Sparebank in addition to the CEO and CFO, and when matters related to this Green Bond Framework are being discussed the Head of Sustainability will attend. Other internal representatives with specific expertise may be invited from time to time when deemed necessary. All decisions related to this Green Bond Framework will be made in consensus.

All lending activities in Aurskog 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 internally in Aurskog Sparebank, 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. The Balance sheet Management Committee will keep a register of the portfolio of identified Green Loans.

The Balance sheet Management 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 Balance sheet Management Committee, it will be removed from the Green Loan Portfolio.

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

Aurskog Sparebank's CFO and the Head of Sustainability are in charge of potential future oversight and updates of this Framework.

3. 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 Aurskog 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.

4. 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 or Green Bond proceeds awaiting allocation.

Allocation Report

The allocation report will include the following information.

- Size of the identified Green Loan Portfolio.
- 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. Aurskog Sparebank may rely on external parties to assist with impact calculation and analysis. Aurskog Sparebank will align, on a best effort basis, our impact reporting with the portfolio approach described in "Handbook – Harmonized Framework for Impact Reporting" (April 2020)[8].

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] Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf (icmagroup.org)

External Review

Second-Party Opinion

Aurskog 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 Aurskog 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. Further, the Impact Report will be provided by an externally qualified party.

These reports will be made available on our website.

Appendix

Relevant activities related to Green Buildings described in EU Taxonomy Delegated Acts Annex 1:

<table>
<tr><td>Description of Activity:</td><td>7.1. Construction of new buildings

Development and/or construction of residential and non-residential building projects</td></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td colspan="2">Do No Significant Harm to other Environmental Objectives:</td></tr>
<tr><td>▪ Climate Change Adaptation</td><td>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;
d) For activities with lifespan above 10 years, apply high-resolution state-of-the-art climate projections.</td></tr>
<tr><td>▪ Sustainable use and protection of water resources</td><td>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.

<u>Appendix B summary</u>:</td></tr>
</table>

	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.

<table>
<tr><td>Description of Activity:</td><td>7.2. Renovation of existing buildings

Construction and civil engineering works or preparation thereof.</td></tr>
<tr><td colspan="2">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 %.</td></tr>
<tr><td colspan="2">Do No Significant Harm to other Environmental Objectives:</td></tr>
<tr><td>▪ Climate Change Adaptation</td><td>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;
d) For activities with lifespan above 10 years, apply high-resolution state-of-the-art climate projections.</td></tr>
<tr><td>▪ Sustainable use and protection of water resources</td><td>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.

<u>Appendix E summary</u>:
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 above.</td></tr>
<tr><td>▪ Transition to circular economy</td><td>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.</td></tr>
</table>

	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 m³ of material or component, and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ 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.

1. 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;* *d) 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