Green Bond Verification Framework

The Green Bond Verification Framework helps to illustrate the sustainability quality and thus the social and environmental added value of Alliander's Green Bond issuance. The verification framework clearly defines the eligible categories and encloses specific sustainability criteria in order to verify the sustainability performance of the Green Bond. With the use of quantitative indicators the sustainability performance of the bond can be measured, ambitious targets set and progress reported. In addition, impact indicators provide investors with concrete information on environmental added value (e.g. number of smart meters installed)

Use of Proceeds

A. Smart grids

B. Green buildings (renovation)

C. Heating networks

Sustainability Criteria and Quantitative Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the financed projects are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for each project category. Possible quantitative indicators, allowing for measurement of progress and regular reporting, complete each criterion.

Project category A: Smart grids

A.1. Consideration of environmental aspects during planning and construction of telecom networks

Quantitative indicators:

- Percentage of funds allocated to projects that underwent environmental impact assessments at the planning stage.
- Percentage of funds allocated to projects for which the location in key biodiversity areas can be excluded (e.g. exclusion of Ramsar sites, UNESCO Natural World Heritage, IUCN protected areas I-IV).
- Percentage of funds allocated to projects that meet high environmental standards and requirements during the construction phase (e.g. noise mitigation, minimisation of environmental impact).

A.2. Community dialogue during planning and construction of telecom networks

Quantitative indicator:

- Percentage of funds allocated to projects that feature community dialogue as an integral part of the planning process and construction phase (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).

A.3. Energy efficiency and renewable energy use in telecom networks

Quantitative indicators:

- Percentage of funds allocated to projects for which high standards regarding energy efficiency and renewable energy use in data centres are in place (e.g. energy efficient IT-equipment, airflow management).
- Percentage of funds allocated to projects for which high standards regarding energy efficiency and renewable energy use in transmission networks are in place.

A.4. Social aspects of smart meters

Quantitative indicators:

- Percentage of funds allocated to projects for which measures to encourage customers to use energy saving potentials are in place.

A.5. Environmental aspects of smart meters

Quantitative indicators:

- Percentage of funds allocated to projects for which substances of concern in smart meters are reduced and/or eliminated.
- Percentage of funds allocated to projects that meet high environmental standards regarding the end-of-life stage of smart meters (e.g. longevity, take-back and recycling of smart meters).
- Percentage of funds allocated to projects that meet high environmental standards regarding take-back and recycling of conventional energy meters after replacement by a smart meter.

A.6. Working conditions during construction and maintenance

Quantitative indicators:

- Percentage of funds allocated to projects with high labour and health and safety standards for construction and maintenance work conducted by own employees and contractors (e.g. ILO core conventions).

- Occurrence of fatal accidents and annual accident rate related to construction and maintenance work (own employees and contractors) at project sites.

A.7. Standards for supply chain management

Quantitative indicators:

- Percentage of funds allocated to projects for which high labour and health and safety standards are applied in the supply chain (e.g. ILO core conventions).
- Percentage of funds allocated to projects for which high environmental standards are applied in the supply chain (e.g. environmental management system, resource efficiency).
- Percentage of funds allocated to projects for which procedures to ensure compliance with supplier standards are in place (e.g. risk assessments, audits, training).
- Percentage of funds allocated to projects for which a policy on the responsible sourcing of natural resources extracted in conflict zones is in place.

A.8. Standards for data protection and security

Quantitative indicators:

- Percentage of funds allocated to projects for which high standards for data protection are in place (e.g. regarding user consent and purpose of data collection, data minimisation, retention and access).
- Percentage of funds allocated to projects for which an information security management system is in place. A.9. Business continuity management Quantitative indicator:

A.9. Business continuity management

Quantitative indicator:

- Percentage of funds allocated to projects for which a business continuity management system is in place.

Controversies

- Description of possible controversies (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Impact indicator:

- Total number of smart meters installed at customers.

Project category B: Green buildings (renovation)

B.1. Social standards for construction

Quantitative indicator:

- Percentage of funds allocated to building projects with high labour and health and safety standards for construction work conducted by direct employees and contractors of the implementing construction companies (e.g. ILO core conventions).

B.2. Environmental standards for construction

Quantitative indicator:

- Percentage of funds allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste is guaranteed by the implementing construction companies.

B.3. Sustainable building materials

Quantitative indicator:

- Percentage of funds allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

B.4. Safety of building users

Quantitative indicator:

- Percentage of funds allocated to building projects for which the operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

B.5. Water use minimisation in buildings

Quantitative indicator:

- Percentage of funds allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

B.6. Energy efficiency of buildings

Quantitative indicator:

- Percentage of funds allocated to building projects for which energy efficiency improved / will improve by at least 20% after renovation.

B.7. Labels / Certificates

Quantitative indicator:

- Percentage of funds allocated to building projects that obtained a BREEAM “Very Good”, DGNB „Gold“, LEED “Gold” certificate or HQE „excellent“ label.

Controversies

- Description of possible controversies (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Impact indicators: Energy consumption and avoidance of CO2 emissions

- Average primary energy consumption (in MJ/m2) compared to the Dutch average.
- CO2 emissions (will be further defined after issuance).

Project category C: Heating networks

C.1. Consideration of environmental aspects during planning and construction

Quantitative indicators:

- Percentage of funds allocated to projects that underwent environmental impact assessments at the planning stage.
- Percentage of funds allocated to projects that meet high environmental standards and requirements during the construction phase (e.g. noise mitigation, minimisation of environmental impact).

C.2. Working conditions during construction and operation

Quantitative indicators:

- Percentage of funds allocated to projects with high labour and health and safety standards for construction work conducted by own employees and contractors (e.g. ILO core conventions).
- Percentage of loans allocated to projects with high labour and health and safety standards for operational tasks conducted by own employees and contractors (e.g. ILO core conventions).

Controversies

- Description of possible controversies (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Impact indicators: Supply of district heating and CO2 emissions

- Total annual supply of district heating (in GJ).
- CO2 emissions (will be further defined after issuance).