

Green Bond Framework 2025

July



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About Sparebank 1 Hallingdal Valdres

SpareBank 1 Hallingdal Valdres (“the Bank”) is the largest locally owned financial institution in Hallingdal and Valdres. Established in 1870, the Bank has been an important cornerstone for the local community for over 150 years. The bank has around 200 employees in 9 branches in 9 different municipalities in Hallingdal and Valdres, as well as a branch in Oslo and one in Bergen. Total assets reached NOK 24,5 billion in 2024 (including funds transferred to SpareBank 1 Boligkreditt).

Our core business is to meet the everyday banking needs of local and regional customers, and we cater to both private and business customers through a range of credit and deposit products. Our customer base consists of around 75 percent retail customers and 25 percent corporate customers, comprised primarily of local small and medium-sized enterprises.

SpareBank 1 Hallingdal Valdres’ vision is to be recommended by the customer, and our mission is to help customers realise dreams and values, in both good and challenging times. We aim to be a driving force in the green transition and be forefront in our industry. To do so, we need to ensure that our bank is run sustainably and develop services that incentivise our customers to make sustainable choices.

The SpareBank 1 Alliance

SpareBank 1 Hallingdal Valdres is a part of the SpareBank 1 Alliance since established in 1996. Collectively, the SpareBank 1 Alliance is Norway’s second-largest financial grouping, measured by capital under management. It consists of 12 independent savings banks, of which eight banks have established their joint management company, SpareBank 1 Samspar 1 AS (“SamSpar”).

Within the SpareBank 1 Alliance and SamSpar, there are several joint initiatives that strengthen the banks’ sustainability efforts:

- A SpareBank 1 Alliance Sustainability Forum aligning the structure for the banks’ sustainability work and ensure that sustainability factors are included in business strategies, prioritization and decision-making processes.
- A dedicated ESG data hub team in SpareBank 1 Utvikling with the main purpose to support the banks’ regulatory ESG reporting. The team also address prioritised business needs within ESG. The hub identifies, collects, sorts and delivers sustainability data.
- A SamSpar Sustainability Expert Council that serves as an advisory body for the board of SamSpar, consisting of a representative from each owner bank. The council’s main tasks are to identify and put strategic sustainability issues on the agenda early and contribute with sustainability expertise into the strategic priorities.

Sustainability at SpareBank 1 Hallingdal Valdres

SpareBank 1 Hallingdal Valdres have a long-standing tradition of being a driver in sustainable development in the region. We are an important contributor in our region, and it is important to us that sustainability is integrated into our activities. Sustainability is an integral part of our strategy and business, and in 2024 we included sustainability aspects in all policy and strategy documents. We focus on reducing our own emissions, acting responsibly, and conducting our business with high ethical standards. Through our business areas, we can influence environmental, social, economic, and governance-related aspects among our customers, partners, suppliers, and the local community

To help guide our work on sustainability, SpareBank 1 Hallingdal Valdres conducts a double materiality assessment to identify the most important areas of our sustainability efforts—those that are significant enough to influence the decisions of our stakeholders, impact our financial position, and/or substantially affect the surrounding environment. Our double materiality assessment is in accordance with ESRS.

We work continuously to reach our targets within environmental, social and economic sustainability. Through our different business areas we are a big player in Hallingdal and Valdres, and we recognise that we have an important role in ensuring that our region succeed with the green transition.

SpareBank 1 Hallingdal Valdres finances a big part of local development, both housing mortgages and lending to local businesses. The Banks capability and desire to take part in new projects is a central pillar to the development of the region.

One of our sustainability targets is to be climate neutral within 2050. In line with the Paris Agreement's goal of limiting global warming to a maximum of 1.5 degrees celsius and the EU's ambition of becoming a climate-neutral continent, we have set a target of achieving net zero emissions by 2050. We are committed to reporting openly and transparently on our performance against this target annually. We expect continuously improvement of our emission data and analysis to improve the accuracy of our carbon reporting in the coming years.

Four our own operations we have specific short- and long-term targets for scope 1 and 2. As a financial services organisation, we recognise that greenhouse gas emissions from lending operations account for the majority of our total emissions. We have therefore set specific targets for Scope 3 emission reductions, specifically for our lending

The actions taken to reach the long-term climate targets set out by the Bank, shall be described in a climate transition plan. To address the indirect impact of our lending portfolio, we have and will incorporate different actions and guidelines for our financing. We have established lending products that will stimulate our customers to make more sustainable choices, such as green mortgage loans, EV loans and green energy loans. These actions are contributing to moving capital into sustainable investments.

For more information on our sustainability work, please see our [website](#).

Green Bond Framework


Through issuing Green Bonds, SpareBank 1 Hallingdal Valdres intends to contribute to the development of the green bond market while highlighting its Sustainability Strategy to capital markets participants. In addition, Green Bonds will help to diversify Sparebank 1 Hallingdal Valdres's investor base and to broaden dialogue to existing investors.

This Green Bond Framework is based on the Green Bond Principles, published by the International Capital Markets Association (June 2025¹).

Use of proceeds

The net proceeds of the Green Bonds issued by SpareBank 1 Hallingdal Valdres will be used exclusively to finance or re-finance eligible assets in the form of loans that have been evaluated and selected by SpareBank 1 Hallingdal Valdres in accordance with this Green Bond Framework.





The eligibility criteria for the Green Loan Portfolio have been mapped against the different categories included in the ICMA GBPs and the relevant economic activities included in the EU Taxonomy Regulation (the "EU Taxonomy")², as well as the UN SDGs.

ICMA GBP category	Eligible asset and project criteria	
Green Buildings	<p>Loans to finance or refinance residential and commercial buildings in Norway that meet either of the following criteria:</p> <ol style="list-style-type: none"> Buildings built in 2021 or later: Energy Performance Certificate (EPC) A or the primary energy demand (PED) of the building is at least 10% lower than the threshold for nearly zero-energy buildings (NZEB) in Norway. Buildings built before 2021: EPC A or within the top 15% most energy efficient buildings in Norway in terms of PED³. Major renovations leading to an improved energy efficiency of at least 30%. For the full building to qualify after the renovation, it must meet the criteria above for buildings built either before or after 2021. <p>Buildings larger than 5000m2 must have a demonstrated life-cycle Global Warming Potential and upon completion the buildings undergo testing for airtightness and thermal control.</p> <p>Loans to buildings with direct fossil fuel heating or buildings in the oil and gas value chain are not in scope of this framework.</p>	<p>UN SDGs</p>  <p>EU Taxonomy</p> <p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p> <p>Environmental Objectives</p> <ul style="list-style-type: none"> Climate change mitigation Natural resource conservation

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>


² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139>

³ Defined using the recommended threshold from the Norwegian Government, available here: <https://www.regjeringen.no/no/aktuelt/taksonomien-terkelverdier-for-energieffektivitet-i-bygninger/id3108066/>

Renewable Energy	<p>Loans to finance or refinance the construction or operation of electricity generation activities that meet either of the following criteria:</p> <ol style="list-style-type: none"> 1. Produce electricity from hydropower and meet either of the following criteria: <ol style="list-style-type: none"> a. the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; b. the power density of the electricity generation facility is above 5 W/m²; c. the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 50gCO₂e/kWh. 2. Produce electricity from wind power. 3. Produce electricity using solar photovoltaic technology. 4. Produce electricity from geothermal energy with life-cycle GHG emissions from the generation of electricity are lower than 100gCO₂e/kWh. 5. Produce electricity from bioenergy. <p>Loans to finance or refinance infrastructure (transmission or storage) related to the above sources of renewable energy.</p>	<p>UN SDGs</p>   <p>EU Taxonomy</p> <p>4.1. Electricity generation from solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.5. Electricity generation from hydropower</p> <p>4.6. Electricity generation from geothermal energy</p> <p>4.8. Electricity generation from bioenergy</p> <p>Environmental Objectives</p> <ul style="list-style-type: none"> • Climate change mitigation
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Sustainable Agriculture</p> <p>Loans to finance or refinance agricultural activities or projects that meet the following criteria:</p> <ol style="list-style-type: none"> 1. Renewable energy for local power generation: <ol style="list-style-type: none"> a. Solar PV installed on roof tops or on the ground at the farm (any ground installations must be brownfield or non-cultivated and forest-free fields). b. Bioenergy using locally sourced residues/bio-waste as feedstock. c. Wind power (onshore wind turbines installed at the farm) 2. Organic farming activities that are certified under the DEBIO certification scheme. 3. Improved farming methods that meaningfully contribute to achieve greenhouse gas emission reduction targets set out in "Landbrukets klimaplan 2021-2030"⁴, with a documented effect demonstrated through, for example, the use of the 'Klimakalkulator'⁵. 	<p>UN SDGs</p>   <p>EU Taxonomy</p> <p>Not included</p> <p>Environmental Objectives</p> <ul style="list-style-type: none"> • Biodiversity • Natural resource conservation • Climate change mitigation

⁴ <https://www.bondelaget.no/bondelaget-mener/miljo-og-klima/klima/landbrukets-klimaplan-pdf/>

⁵ <https://klimasmartlandbruk.no/klimakalkulatoren/>

	<p>Fossil fuel machinery and the industrial production of meat are not in scope of this framework. No farming activities that will lead to an increase in livestock herds will be financed under this framework.</p> <p>Sustainable Forestry</p> <p>Loans to finance or refinance afforestation, forest management and rehabilitation and restoration of forests that are certified in accordance with the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).</p>	
Clean transportation	<p>Loans to finance or refinance any electric transportation solutions/systems/processes (e.g., light- and heavy-duty vehicles and construction vehicles/machinery), and any related/supporting infrastructure.</p>	<p>UN SDGs</p>  <p>EU Taxonomy</p> <p>6.3. Urban and suburban transport, road passenger transport</p> <p>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.6. Freight transport services by road</p> <p>6.15. Infrastructure enabling low-carbon road transport and public transport</p> <p>7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</p> <p>Environmental objectives</p> <ul style="list-style-type: none"> • Climate change mitigation • Pollution prevention and control

Exclusions

The net proceeds will not be allocated to gambling, pornographic material, disputed weapons production and weapons and ammunition producers/suppliers without government approval, tobacco companies, production of narcotics (if not meant for medical purposes) or related to direct fossil fuel energy generation and nuclear energy generation.

Selection and evaluation of eligible projects

SpareBank 1 Hallingdal Valdres has designed and implemented a process to ensure that only projects aligned with the criteria set out above will be selected as Eligible Assets and Projects for its Green Bond issuances. To oversee the selection process, a Sustainable Finance Committee (SFC) has been established. The SFC consists of representatives from corporate and retail banking, sustainability, finance, and risk.

The SFC will manage any future updates to the Framework and monitor the Eligible Green Loan Portfolio, including any extension to the list of eligible categories and changes in market developments, and oversee its implementation. The SFC will hold meetings at least on an annual basis, with more frequent meetings possible depending on specific circumstances.

The SFC follows the process below when selecting and evaluating Eligible Projects.

1. SpareBank 1 Hallingdal Valdres chooses potential green projects and assets from each financing that are originated by SpareBank 1 Hallingdal Valdres according to the above criteria and proposed for selection by the business units. SpareBank 1 Hallingdal Valdres chooses potential green projects and assets from each financing that are originated by the Bank according to the above criteria and proposed for selection by the business units. The selected assets are assigned to the “green registry”.
2. The SFC reviews the green registry on a periodic basis and is responsible for checking the eligibility for each loan and consequently approving the list. The committee removes any ineligible loans from the registry.

SpareBank 1 Hallingdal Valdres will ensure that the advisors responsible for these loan processes have the proper training in order to register and track the loans that are provided. In addition, the credit policies for new green loans will be emphasized internally in the Bank, and for the relevant decision makers.

In addition to the criteria included in this framework, The Bank has implemented a thorough ESG assessment process for corporate customers with over NOK 5 million in credit. After applying for credit, companies must perform an ESG and climate risk assessment. This is split into two modules: one module at the customer level and another module for the individual loan. Both modules include a general ESG assessment and a specific section on climate risk, as well as an industry-specific part which asks questions about ESG criteria relevant to the industry in question. The analysis forms a key part of the Bank’s credit underwriting process and is vital to its efforts to avoid financial losses and stranded assets.

Management of proceeds

SpareBank 1 Hallingdal Valdres uses a portfolio approach to manage the proceeds of the Green Bonds. Management of proceeds will be based on the aforementioned “green registry”.

The Bank aims to allocate the proceeds from Green Bonds to a portfolio of loans that meet the eligibility criteria for use of proceeds and comply with the evaluation and selection process presented in the section above, the Eligible Loan Portfolio. The SFC will be responsible for the allocation process.

SpareBank 1 Hallingdal Valdres aims to designate sufficient eligible loans in the Eligible Loan Portfolio to ensure that its outstanding balance of eligible loans always exceeds the total balance of all outstanding Green Bonds. For each new issuance, where necessary, additional eligible loans will be added to this Eligible Loan Portfolio to ensure sufficient and timely allocation of the incremental net proceeds. SpareBank 1 Hallingdal Valdres aims to achieve full allocation of proceeds within 24 months of the issuance of a Green Bond.

If during the life of the Green Bonds the Bank becomes aware that a loan no longer meets the eligibility criteria, SpareBank 1 Hallingdal Valdres will remove the loan from the Eligible Loan Portfolio and replace it, when necessary, to restore the balance as soon as reasonably practicable.

While any Green Bond net proceeds remain unallocated, SpareBank 1 Hallingdal Valdres will hold and/or invest the balance of net proceeds not yet allocated to eligible loans, at its own discretion, in its liquidity portfolio in money market instruments.

Reporting

Allocation report

To be fully transparent towards investors and other relevant stakeholders, SpareBank 1 Hallingdal Valdres commits to reporting on allocation on an annual basis until full allocation of proceeds. The report will be made available on Sparebank 1 Hallingdal Valdres’s website, as a separate section in the Banks annual report.

The allocation report will, to the extent feasible, include the following components:

- Total amount of Green Bonds issues by SpareBank 1 Hallingdal Valdres
- Total amounts allocated and share of unallocated proceeds
- Share of proceeds used for financing/refinancing
- Share of proceeds allocated to each of the project categories and sub-categories
- Descriptions and case studies of selected Eligible Assets and Projects financed

Impact report

Where feasible, SpareBank 1 Hallingdal Valdres will strive to report on the actual environmental impact of the investments financed by their Green Bonds, and be aligned with the portfolio approach described in ICMA’s “Handbook – Harmonized Framework for Impact Reporting”⁶.

⁶ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf>

If/when actual impacts for some reason are not observable, or unreasonably difficult to source, estimated impact will be reported. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations. The impact report will be published alongside the allocation report. Where relevant, SpareBank 1 Hallingdal Valdres will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green & Sustainability Bond Impact Reporting.

ICMA GBP category	Eligible project criteria
Green Buildings	<ul style="list-style-type: none"> • Estimated annual energy consumption (kWh/m2) • Estimated % reduction of energy use • Average emission intensity of the Green Loan portfolio verses the relevant CRREM pathway threshold • Avoided GHG emissions (tCO2e/year) compared to baseline⁷
Renewable Energy	<ul style="list-style-type: none"> • Annual renewable energy generation (MWh)
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Sustainable Agriculture</p> <ul style="list-style-type: none"> • Annual renewable energy generation (MWh) • Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed) • Farmland covered by farming methods that meaningfully contribute to achieve GHG emission reduction targets set out in "Landbrukets klimaplan 2021-2030 (ha or km²)" • Estimated avoided GHG emissions (tCO2e/year) compared to baseline <p>Sustainable Forestry</p> <ul style="list-style-type: none"> • Area under sustainable forest management (ha)
Clean Transportation	<ul style="list-style-type: none"> • Number of financed zero tailpipe vehicles/machinery • Estimated avoided GHG emissions (tCO2e/year) from use phase compared to conventional mode of transport

External Review

Second Party Opinion

SpareBank 1 Hallingdal Valdres has engaged S&P Global Ratings to act as an independent external reviewer of this Green Bond Framework and the Eligible Assets and Projects. The assessment is included in the Second Party Opinion document, which is publicly available on SpareBank 1 Hallingdal Valdres's [website](#).

Verification

SpareBank 1 Hallingdal Valdres may, on an annual basis, starting one year after issuance and until maturity (or until full allocation), request a limited assurance report concerning the allocation of the bond proceeds to eligible assets from an external party.

⁷ Using the grid factor recommended in the Nordic Position Paper on Green Bonds Impact Reporting, clause 22, page 20 ([NPSI_Position_paper_2020_final.pdf](#))