

Green Bond Framework

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About Sparebank 1 Lom og Skjåk

SpareBank 1 Lom og Skjåk (“Fjellbanken” or “the Bank”) has long standing traditions in serving the local people of Nord-Gudbrandsdalen. The Bank is physically present with 4 sales offices in the region and expanded the offering in 2019 with an office in Oslo. Total assets under management are NOK 10 billion, with credit to retail customers amounting to 57 percent of total lending and the remaining 43 percent to the corporate market. Fjellbanken has played a societal role in the region for more than 150 years and we will continue to do so in the years to come. Our vision is “to be a local savings bank - where you are”, which is reflected in our values of being close, solid and enabling.

It should be good to live and thrive in Norddalen, and as an independent local savings bank, we take our social responsibility seriously by giving back generously to the local community. We aim to be present for our customers and to be a positive contributor to the continued development of our local communities. As a local bank, it is important for us to stay close to our customers and to contribute with expertise and market knowledge across various areas.

Fjellbanken shall take responsibility by being part of the solution and a proactive partner to our customers in the transition to a more sustainable society. This means that sustainability will be an integral part of how we create valuable customer experiences, how we deliver results, how we drive our business, and how we cooperate with others and contribute to our society.

The SpareBank 1 Alliance

The SpareBank 1 Alliance was established in 1996, and SpareBank 1 Lom and Skjåk joined the alliance in 1998. 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 Samspår 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 addressing prioritised business needs within ESG. The hub is identifying, collecting, sorting and delivering 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.

We are very pleased to be part of the SpareBank 1 family, as it is important for us, as an independent local bank, to be part of something larger. This will likely become even more important in the future, with increasing demands for specialized expertise and efficiency through collaboration and cost-sharing.

Sustainability at SpareBank 1 Lom og Skjåk

It is embedded in the culture of a local savings bank to find solutions that contribute to sustainable development of their region. This has been a natural part of Fjellbanken's history, and we aim to be a contributing part also in the coming years. Our ambition is to be a responsible and sustainable bank, and we wish to anchor a sustainable business culture, both internally and externally towards customers and our partners.

In recent years, Fjellbanken has placed even greater emphasis on sustainability and green transition by structuring and clarifying our internal efforts. In 2025 we conducted a double materiality assessment in accordance with EFRAG's recommendations, and the analysis will serve as the foundation for our work with sustainability and our contribution to the green transition.

SpareBank 1 Lom og Skjåk support the targets set out in the Paris-agreement. Reaching these targets requires a major transition and redirection of capital, and this framework is one step in our approach to strengthen our contribution to reach climate commitments.

In addition, the framework is based on our approach to sustainability with the following principles and guidelines:

- The UN's 17 Sustainable Development Goals
- [Global Compact](#)
- [Principles for Responsible Banking](#)
- [The OECD Guidelines](#)
- [UN Guiding Principles on Business and Human Rights](#)
- [Poseidon Principles](#)

As a financial service provider, the Bank has an opportunity to contribute to sustainable growth by maximizing positive impact on people, society, climate and nature. We work actively with both our retail and corporate customers on sustainability issues, through dialogue, credit assessment, and sustainable lending offerings.

SpareBank 1 Lom og Skjåk requires evaluation of ESG risks for corporate customers with credit lines over a certain threshold. The member banks of the SpareBank 1 Alliance have collectively established a common solution for reporting ESG factors in credit assessments. A new and improved solution was implemented in 2025. This tool also assists us in collecting sustainability data from our customers and creating engagement and awareness on the topic through dialogue.

Through our lending activities we have the ability to impact the green transition for both businesses and retail customers. One action we have taken, is to introduce "Fjellbanken Energilån" as a sustainable lending product for both our retail and corporate customers. This loan gives a customer favorable financing terms if they wish to reduce emissions through energy efficiency measures on their property.

Green Bond Framework

Through issuing Green Bonds, SpareBank 1 Lom og Skjåk 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 Lom og Skjåk'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 2025)¹. The framework enables SpareBank 1 Lom og Skjåk to issue Senior Preferred Bonds and Senior Non-Preferred Bonds. The variety of different formats and types will be referred to as Green Bonds throughout this document.


Use of proceeds

The net proceeds of the Green Bonds issued by SpareBank 1 Lom og Skjåk 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 Lom og Skjåk 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.

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.


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. 	<p>UN SDGs</p>  <p>EU Taxonomy</p> <p>7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings</p> <p>Environmental Objectives</p>

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-terskelverdier-for-energieffektivitet-i-bygninger/id3108066/>

	<p>3. 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> <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>Climate change mitigation</p> <p>Natural resource conservation</p>
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"> Produce electricity from hydropower and meet either of the following criteria: <ol style="list-style-type: none"> the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m²; the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 50gCO₂e/kWh. Produce electricity using solar photovoltaic technology. <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>4.5. Electricity generation from hydropower</p> <p>Environmental Objectives</p> <p>Climate change mitigation</p>
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Loans to finance or refinance agricultural activities or projects that meet the following criteria:</p> <p>Loans to finance or refinance agricultural activities or projects that meet the following criteria:</p> <ol style="list-style-type: none"> Renewable energy for local power generation: <ol style="list-style-type: none"> Solar PV installed on roof tops or on the ground at the farm (any ground 	<p>UN SDGs</p>  <p>EU Taxonomy</p> <p>Not included</p> <p>Environmental Objectives</p> <p>Biodiversity</p>

	<p>installations must be brownfield or non-cultivated and forest-free fields).</p> <ul style="list-style-type: none"> b. Bioenergy using locally sourced residues/bio-waste as feedstock. c. Wind power (onshore wind turbines installed at the farm) <p>2. Organic farming activities that are certified under the DEBIO certification scheme.</p> <p>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> <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>Natural resource conservation</p> <p>Climate change mitigation</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>

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

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

		Environmental objectives Climate change mitigation Pollution prevention and control
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Selection and evaluation of eligible projects

SpareBank 1 Lom og Skjåk 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 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 a quarterly basis, with more frequent meetings possible depending on specific circumstances.

The SFC consists of members from our sustainability unit, including the Sustainability Officer, Senior Credit Controller and Assistant Bank Manager from the corporate side, Assistant Bank Manager for the retail side, and Senior Business Development Officer.

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

1. SpareBank 1 Lom og Skjåk chooses potential Green projects and assets from each financing that are originated by SpareBank 1 Lom og Skjåk according to the above criteria and proposed for selection by the business units. SpareBank 1 Lom og Skjåk 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 Lom og Skjåk 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 3 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

Fjellbanken uses a portfolio approach to manage the proceeds of the Green Bonds. Management of proceeds will be based on the aforementioned "green registry".

SpareBank 1 Lom og Skjåk 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 Lom og Skjåk 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 Lom og Skjåk aims to have achieved 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, Fjellbanken 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 Lom og Skjåk 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

To be fully transparent towards investors and other relevant stakeholders, SpareBank 1 Lom og Skjåk commits to reporting on allocation and impact on an annual basis until no Green Bonds are outstanding under the Green Bond Framework. The report will be made available on Sparebank 1 Lom og Skjåk's website, as a separate section in the Banks annual report. Where relevant, SpareBank 1 Lom og Skjåk 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.

Allocation report

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

- Total amount of Green Bonds issues by SpareBank 1 Lom og Skjåk
- 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

SpareBank 1 Lom og Skjåk 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. 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.

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	<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
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 Lom og Skjåk 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 Lom og Skjåk’s website.

Verification

SpareBank 1 Lom og Skjåk 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.

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

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 (kuntarahoitus.fi))