

Green Bond Allocation Report

Q4 2024



Grønn obligasjon allokeringsrapport

I henhold til SpareBank 1 Nordmøres Green Bond Framework, inkluderer dette dokumentet

- En oversikt over vår Eligible Green Loan Portfolio (oversatt til Grønn Låneportefølje) som er i henhold til vårt Grønne Obligasjonsrammeverk
- Totalt utestående beløp i obligasjon

Eligible Green Loan Portfolio (Grønn låneportefølje)	
Kategori	Beløp (MNOK)
Grønne næringsseiendommer	581
Grønne boliger	1.955
Fiskeri og havbruk	498
Fornybar energi	2
Transport	203
Totalt	3.239

Grønn finansiering			
Instrument (ISIN)	Inngått	Forfall	Beløp (MNOK)
NO0011161580	01.12.2021	01.03.2027	500
NO0013076968	28.11.2023	28.02.2029	500
Sum			1.000

Prosent av Grønn Låneportefølje som er allokert til grønn finansiering	31 %
Prosent av grønn finansiering som er allokert til grønne utlån (all grønn funding er allokert)	100 %
Grønn Låneportefølje – ikke allokert til grønn finansiering (MNOK)	2.239
Nye lån inkludert i Grønn Låneportefølje siden Q4 2023 (MNOK)	951

Kommentar:



Økning i Grønn Låneportefølje skyldes i hovedsak vekst i volum grønne boliger gjennom 2024. Videre har det vært en økning på MNOK 163 i grønne næringsbygg og MNOK 18 i fiskeri og havbruk, begge siden 31.12.2023. Ren transport har hatt en nedgang på MNOK 59 det siste året.





Use of Proceeds

1. Use of Proceeds

The net proceeds of the Green Bonds issued, will be used to finance or re-finance (in part or in full) *Eligible Assets* that have been evaluated and selected by SpareBank 1 Nordmøre in accordance to

this Green Bond Framework. The table below defines the criteria according to which the Use of Green Bond Proceeds will be determined. An asset that meets the criteria will be eligible for a loan financed with the green funds raised under this Framework.

Categories	Eligible Projects	UN SDG's
Renewable Energy	<p><i>Loans to finance or refinance acquisition, development, expansion, operation and maintenance of renewable energy power plants, plants for cogeneration of heat/cool and power from renewable energy sources, renewable energy heat recovery plants, generation and transmission of energy from renewable sources, and manufacturing of related technologies and equipment.</i></p> <p>Renewable energy sources pertain to:</p> <ul style="list-style-type: none"> Solar energy: Photovoltaic energy projects (PV), Concentrated Solar Power (CSP) and solar thermal facilities Biomass or biogas projects with: <ul style="list-style-type: none"> LCA emissions < 100gCO₂/kWh OR ENOVA supported Hydroelectric power projects: <ul style="list-style-type: none"> Small scale < 25MW capacity OR Large scale > 25MW capacity with: <ul style="list-style-type: none"> LCA emissions < 100gCO₂/kWh <p>AND/OR</p> <ul style="list-style-type: none"> Power density > 5W/m² <p><i>Bioenergy from food- or feed crops will be excluded.</i></p> <p>Infrastructure to support transmission and distribution of renewable energy pertains to:</p> <ul style="list-style-type: none"> Improvement of existing transmission systems to facilitate integration of renewable energy sources into the grid Construction of new transmission systems to facilitate integration of renewable energy sources into the grid <p>Renewable energy technology pertains to:</p>	 <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>  <p>13. Take urgent action to combat climate change and its impacts</p>

	<ul style="list-style-type: none"> Development and production of renewable energy technology, including equipment and storage of energy (e.g. solar cells, wind turbines) 	
Energy Efficiency	<p><i>Loans to finance or refinance activities, projects, services, installations, equipment, and related infrastructure enabling improved energy efficiency and monitoring of energy use, or the replacement of fossil energy-use. This includes, but is not limited to:</i></p> <p><u>Buildings:</u></p> <ul style="list-style-type: none"> Direct costs (e.g. materials, equipment, and labour) for installing energy efficient technologies such as heat pumps, energy management systems, new windows, energy efficient lightning, or costs associated with enabling the use of renewable energy sources Professional technical consultations, energy audits and management services related to the improvement of energy performance of buildings <p><u>Other areas:</u></p> <ul style="list-style-type: none"> Energy efficiency measures in agriculture, forestry, fisheries, and aquaculture leading to a transition away from, or a direct substitution of, fossil-energy use in Norway (e.g. replacing diesel generators with electricity from the grid) 	 <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>
Green Buildings	<p><i>Loans to finance or refinance the construction or acquisition of new or existing residential buildings.</i></p> <p><u>New Buildings</u></p> <ul style="list-style-type: none"> Built from 1st January 2021 <ul style="list-style-type: none"> Buildings that are 20% more energy efficient than current regulations* <p><u>Existing Buildings</u></p> <ul style="list-style-type: none"> Built between 2019-2021 <ul style="list-style-type: none"> Current standard (TEK17) + EPC = A Built between 2012-2018 <ul style="list-style-type: none"> Current standard (TEK10) + EPC = A or B Built before 2012 <ul style="list-style-type: none"> Relevant standard (TEK07 or earlier) + EPC = A or B or C <p><u>Refurbishments</u></p> <ul style="list-style-type: none"> ENOVA supported projects and solutions <ul style="list-style-type: none"> Only project cost may be included 	 <p>7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>  <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p>12. Ensure sustainable consumption and production patterns</p>

- Renovations leading to minimum 30% energy efficiency improvements, measured in specific energy (kWh/m²) compared to the calculated label based on the building code in the year of construction
- OR
- Renovation leading to at least a two-step improvement in the EPC-label relative to the calculated label based on the building code in the year of construction. A lower threshold is set at an achieved EPC "D"
 - Entire building is eligible for financing

*Loans to finance or refinance the construction or acquisition of commercial buildings. ***

New Buildings

- Built after 1st January 2021
 - Buildings that are at least 10% more energy-efficient than the energy standard enshrined in the Norwegian building code defining a national standard for a NZEB building
 - That has received, or is expected to receive:
 - A minimum certification of BREEAM or BREEAM-NOR "Excellent" with either:
 - An EPC "A"
 - Aligned with being "Paris Proof"***
 - Nordic Swan Ecolabel
 - Buildings receiving a "FutureBuilt" label

Existing Buildings

- Built before 1st January 2021
 - That has received or expect to receive a minimum certification of:
 - BREEAM-NOR In-Use "Very Good" and EPC = A or B
 - Nordic Swan Ecolabel
 - Buildings receiving a "FutureBuilt" label

Refurbishments

- ENOVA supported projects and solutions
 - Only project cost may be included
- Renovations leading to minimum 30% energy efficiency improvements, measured in specific energy (kWh/m²) compared to the calculated



13. Take urgent action to combat climate change and its impacts

label based on the building code in the year of construction

OR

- Renovation leading to at least a two-step improvement in the EPC-label relative to the calculated label based on the building code in the year of construction. A lower threshold is set at an achieved EPC "D"
 - Entire building is eligible for financing

* In accordance with the EU Delegated Act, all buildings constructed from 1st January 2021 ought to have a primary energy demand (PED) measured in (kWh/m²/yr.), expressed through the EPC-label (Energy Performance Certificate) that is minimum 10% lower than the PED stipulated in the national definition of a NZEB building. In Norway, ENOVA is currently reviewing the current TEK17-standard, and a final definition of what constitutes a NZEB in Norway is expected to be readily available by the end of 2021. SpareBank 1 Nordmøre is committed to apply the 10% < NZEB-criterion for all buildings constructed after 1st January 2021 when the new building standard is implemented. In the meantime, new buildings being 20% more energy-efficient than the current building standard (i.e. TEK17) will be eligible for financing under this framework.

** Buildings heated directly by fossil fuels, airport buildings, gas stations, parking lots or in general heavily emitting industrial buildings are excluded, as well as buildings directly being used for the exploration, extraction, refining and distribution of fossil fuels. Shopping centres are eligible insofar as they are accessible by means of public transportation.

*** Microsoft Word - Notat_ParisProof bygg.docx (byggalliansen.no)

Clean Transportation

Loans to finance or refinance the production, establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructures.

Low carbon vehicles pertain to:

- Vehicles for land-based passenger or freight transportation with new electric, hydrogen-based or zero-emission technologies
- Public transportation modalities (e.g. buses, trams, metro) with new electric, hydrogen-based or zero-emission technologies
- Marine vehicles for passenger or freight transportation that are zero-emission (e.g. ferries, fishing vessels)

Infrastructure pertains to:

- Charging stations both private and public, commercial and non-commercial designated for electrical vehicles
- Hydrogen fuelling stations
- Non-motorized transport infrastructure (e.g. pedestrians or bicycles)
- Infrastructure to support zero-emission public transport



9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



11. Make cities and human settlements inclusive, safe, resilient and sustainable









13. Take urgent action to combat climate change and its impacts

Environmentally Sustainable Management of Living Natural

Agriculture:

Loans to farms and projects/activities aligned with the relevant KSL-standards, that limit impacts on soil,

Resources and Land Use	<p><i>marine environment and local flora and fauna, and do not deplete existing carbon pools, including:</i></p> <ul style="list-style-type: none"> Loans to finance or refinance agricultural projects or activities where a substantial positive climate impact has been identified based on the use of <i>Landbrukets Klimakalkulator</i> and accompanying advisory services Projects/techniques/activities aligned with "Klimasmart Landbruk" Loans to machinery, equipment or vehicles that run on biofuel, biogas and/or electricity, such as tractors Existing machinery with a contractual commitment to solely use biofuel alternatives Technologies/techniques enabling reduction of fertilizer use, collection of agricultural waste, improving manure handling, irrigation modernization, rangeland management ENOVA supported initiatives and solutions Projects/activities supported by Innovation Norway's programs: "Renewable energy in agriculture" or "Support to bioeconomy projects" <p><i>Fossil fueled solutions will be excluded or carved out from the financing.</i></p> <p><u>Forestry and Reforestation:</u> Loans to finance or refinance forest activities or projects aligned with environmentally responsible forest management, including:</p> <ul style="list-style-type: none"> Loans to reforestation, planting of new forest Rehabilitation of degraded lands to facilitate reforestation <p><i>All forest land must be certified in accordance with the FSC or PEFC standard (either at individual or group level)</i></p>	 <p>13. Take urgent action to combat climate change and its impacts</p>  <p>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
Terrestrial and Aquatic Biodiversity Conservation	<p><u>Aquaculture:</u> Loans to companies benefiting from an ASC certification on products, services, or processes, including but not limited to:</p> <ul style="list-style-type: none"> Loans to production facilities, fish cages or supporting infrastructure for fish production ENOVA supported initiatives and solutions <p><i>Any fossil fuel solutions will be excluded or carved out from financing</i> <i>Any facility using non-certified soy* feed will also be</i></p>	 <p>13. Take urgent action to combat climate change and its impacts</p>

	<p><i>excluded</i> <i>*Pro Terra, RTRS, ISCC Plus or ASC Feed Standard v02</i></p> <p><u>Fisheries:</u> Loans to companies benefiting from an MSC certification on products, services, or processes, including but not limited to:</p> <ul style="list-style-type: none"> Loans to production facilities, equipment and supporting infrastructure for fish-catching and production Fishing vessels running on 100% electricity or biofuels ENOVA supported initiatives and solutions <p><i>Any fossil fuel solutions will be excluded or carved out from financing</i></p>	 <p>14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>
Waste Management and Circular Economy	<p><i>Loans to finance or refinance acquisition, development, expansion, operation and maintenance of waste management facilities and the related infrastructure, equipment or technologies focusing on and enabling the prevention, reduction, re-use or recycling of waste and materials. This includes, but is not limited to:</i></p> <ul style="list-style-type: none"> Recycling facilities and related infrastructure, including treatment and processing of all types of waste, for the purpose of minimizing the amount of waste to landfill and bring back valuable raw material to the market Measures to reduce methane emissions from existing and discontinued landfills Investments that enable a circular economy (e.g. tools or systems to re-use and recycle materials to reduce the quantity of raw materials usage) ENOVA supported initiatives and solutions 	 <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p>  <p>12. Ensure sustainable consumption and production patterns</p>

To the Green Finance Committee of Sparebank 1 Nordmøre

Independent Practitioner's Assurance Report on the Green Bond Allocation Report

We have undertaken a limited assurance engagement in respect of Sparebank 1 Nordmøre's Green Bond Allocation Report (the Subject Matter) for the period 1 January 2024 - 31 December 2024. The scope of our work was limited to assurance over:

- allocating proceeds from the Green Bond to such loans, as described in the Green Bond Allocation Report section "Grønn obligasjon allokeringssrapport"

The Green Bond Allocation Report Q4 2024 is prepared using the criteria described in the "Use of Proceeds" section in the Green Bond Framework per November 2021 available on the company's website <https://www.sparebank1.no/content/dam/SB1/bank/nordmore/Vedlegg/Berekraft/sno-grontobligasjonsrammeverk.pdf>. The "Use of Proceeds" sections are attached to the Green Bond Allocation Report (The Criteria).

Our assurance does not extend to any other information in the Green Bond Allocation Report Q4 2024 than the section "Grønn obligasjon allokeringssrapport".

Management's Responsibility

Management is responsible for ensuring that the Company has implemented appropriate guidelines for green bond management and internal control. Management is responsible for evaluating and selecting eligible assets, for the use and management of bond proceeds, and for preparing an allocation and impact report that is free of material misstatements, whether due to fraud or error, in accordance with the Company's Green Bond Framework.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information», issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter

Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included:

- Making inquiries of the persons responsible for the Subject Matter;
• Obtaining an understanding of the process for collecting and reporting the Subject Matter Information, including relevant internal controls;
• Performing limited substantive testing on a selective basis of the allocation report to test whether data had been appropriately allocated;

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information for the period 1 January 2024 - 31 December 2024 is not prepared, in all material respects, in accordance with the applicable Criteria.

Bodo, 28 april 2025
PricewaterhouseCoopers AS

Silja Eriksen
State Authorised Public Accountant
(This document has been signed electronically)