

SUSTAINABILITY STRATEGY

2022-2025

Contents

1. INTRODUCTION	3
1.1 PURPOSE AND ORGANISATION	3
1.2 CENTRAL GUIDELINES AND FRAMEWORKS	3
1.3 DEFINITIONS AND TERMS	5
2. STRATEGIC TARGETS	6
2.1 2050 TARGET	6
2.2 2030 TARGET	6
2.3 2025 TARGET	7
3. CRITICAL SUCCESS FACTORS	8
3.1 OVERALL KPI	8
3.2 MATERIAL SUSTAINABILITY TOPICS	9
3.3 STRATEGIC PRIORITY AREAS	11
4. RISK ASSESSMENT	13
5. EVALUATION AND FOLLOW-UP	13
6. REFERENCES AND LINKS	15

Owner	Sustainability Committee/Head of Sustainability
Written by	Sustainability Committee
Established by	Board of Directors
Access	Internal and external
Status	Adopted by the Board of Directors
Version	3
Created	30.05.2017
Last amended	23.08.2022
Number of pages	15

1. INTRODUCTION

SpareBank 1 Østlandet aims to use the Group's combined knowledge and resources to contribute to sustainable development in economic, social and environmental terms. The strategy is based on international frameworks and our overall policies and guidelines for sustainability. It is intended to form the basis of our strategic decisions and day-to-day work. The strategy should be viewed in conjunction with other internal governing documents.

SpareBank 1 Østlandet is primarily a regional player with business operations in central Eastern Norway. As a result, the Bank's primary focus is on sustainability, growth and development in the local communities of which it is part. At the same time, the Bank recognises that the transition we are facing requires it to take global considerations into account in all of its operations. The Bank should act responsibly, and in line with its own and internationally recognised principles of social responsibility and sustainability.

Sustainability work is largely about avoiding risk, because the Bank can have a negative impact on society, the environment, nature and people, but also because future changes will have a negative impact on the Bank. But the Bank also wants to highlight the business opportunities inherent in the sustainable transformation. The Bank aims to look for opportunities that have a significant positive sustainability effect (including substantial reductions in negative effects), contribute to reducing the Bank's sustainability risk and also have significant business potential.

1.1 Purpose and organisation

The purpose of this strategy is to show the strategic direction for the sustainability work in SpareBank 1 Østlandet. The strategy for sustainability and corporate social responsibility is determined by the Group Board of Directors. This strategy is built on and revised in line with the overall Group strategy. The strategy is incorporated into the relevant strategic governing documents.

The responsibility for delivering on the targets is delegated to the relevant executive vice presidents, and quarterly reports are sent to Group Management following the normal reporting lines in the Bank. The Bank has a Sustainability Committee which monitors our overall efforts on sustainability and acts as an advisory body to Group Management. The Committee is made up of representatives from twelve different departments. All those on the Committee have strategically important roles in the sustainability work; for example, the Credit Manager for the corporate market, the Chief Compliance Officer, the head of Corporate Governance, the head of Products and Solutions, the Marketing Manager and the head of Capital Markets are all represented. The Committee is chaired by the Bank's Head of Sustainability and holds monthly meetings.

1.2 Central guidelines and frameworks

UN Sustainable Development Goals

The Bank's sustainability work delivers on several of the UN's Sustainable Development Goals¹. As a bank, we have an impact on most of the SDGs, but we have identified the goals on which the business has a particularly large impact (positive or negative). These are SDG 4 on quality education, SDG 8 on decent work and economic growth, SDG 9 on industry, innovation and infrastructure, SDG 12 on responsible consumption and production, SDG 13 on climate action, SDG 15 on life on land and SDG 16 on peace, justice and strong institutions (which aims at combatting economic crime) (see figure). Some are internal goals, which the Bank itself can work to attain. To meet the external goals, the Bank needs to cooperate with customers and society in general, using the resources in its possession. Some goals are both internal and external; these are goals 4, 8, 9, 13 and 16.

Along with these seven goals, SDG 17 is also central to our work, because we place great emphasis on cooperation to achieve the goals. In the figure on the right, SDG 17 is therefore shown as a circle enclosing the other goals.



SpareBank 1 Østlandet's sustainable development goals - illustration

UN Global Compact

SpareBank 1 Østlandet is affiliated to the UN Global Compact², the world's largest initiative for corporate social responsibility. The Bank's Head of Sustainability was deputy chair of the Board when the Norwegian network was established. Through our membership of the Global Compact, we commit ourselves to working for ten principles under four headings: Human Rights, Labour, Environment and Anti-Corruption. Through our reporting on these principles, SpareBank 1 Østlandet is rated "GC advanced", which means that the Bank has the best standard for addressing several of the four areas. This includes implementing the principles in the Global Compact into our strategy and business development, our active use and support of the UN Sustainable Development Goals, and strategic management based on the SDGs. All of our reports are displayed on the Global Compact website.³

UNEP FI - Principles for Responsible Banking

The United Nations Environment Programme has developed a Finance Initiative (UNEP FI) for responsible banking and finance⁴. SpareBank 1 Østlandet was the first Norwegian bank to sign up to the principles. We apply their six principles actively in our work, and cooperate through UNEP FI with other banks on a sustainable financial industry worldwide. We have carried out UNEP FI's impact analysis to find the areas where the Bank has the greatest positive and negative impact. The results are actively used in our sustainability work. The analysis was last updated in autumn 2021. It shows that there are two sustainability areas that stand out, resource efficiency and security and climate. These are reflected in goals set by the Bank in the sustainability area in the current strategy period.⁵



UNEP FI Collective Commitment to Climate Action – CCCA

To

CCCA provides for effective quality assurance in our climate work, we signed the UN Environment Programme's climate commitments for banks in 2019. The commitments include setting concrete and time-specific targets to align the loan portfolio with the Paris Agreement. The Bank shows how we are delivering on our commitments through annual reports.⁶ Some of the work has now been transferred to the initiative below, the Net Zero Banking Alliance.

UNEP FI Net-Zero Banking Alliance - NZBA

This is the UN Environment Programme's net-zero initiative, launched in April 2021. The Bank was one of the first in the world to join the climate initiative. We did this in order to accelerate the work towards climate neutrality by 2050. We participate actively in several working groups to develop methods and guidelines in our work on climate neutrality, and report on our commitments.⁷

OECD Guidelines for Multinational Enterprises

The guidelines are recommendations from the OECD countries for business and industry in all sectors, including financial services⁸. They are in line with other guidelines for responsible business, such as the UN Global Compact and the UN Guiding Principles for Business and Human Rights (UNGPs). SpareBank 1 Østlandet works to comply with the guidelines and actively applies the new due diligence guidelines from the OECD in this work.

Greenwashing decree

The decree sets out principles and guidelines for ethical marketing and communication that are intended to prevent misleading marketing or greenwashing. Greenwashing occurs when companies promote goods or services as green or sustainable without any adequate basis for claiming this. We support the content of

the greenwashing decree and do our utmost to comply with the principles in our marketing and communications.

On the basis of the frameworks mentioned above, SpareBank 1 Østlandet has drawn up general policies and guidelines for our operations, which set out the direction and approach for our sustainability work. The guidelines are split into 'environment and climate', 'social conditions' and 'governance and control'. The complete overview can be found on our website.⁹

1.3 Definitions and terms

- Sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Commission, 1987).
- By “sustainability” we mean environment, nature and climate (E), social conditions and labour and human rights (S), and economic crime and governance (G).
- We talk about “the planetary boundaries” because we work with a research-based concept of sustainability. This means that we use research on the planetary boundaries as a scientific basis for our sustainability work, combined with research on the social foundation.¹⁰
- By “zero-emission society”, we mean a society that meets the Paris Agreement goal of limiting global warming to well below 2 degrees, which was strengthened at the climate summit in Glasgow in 2021 to well below 1.5 degrees compared to pre-industrial times.

2. STRATEGIC TARGETS

In order to operationalise the sustainability goal in the Group's overall strategy, and the strategic guidelines and framework set out in Chapter 1, the Bank has adopted an ambition with two main objectives. One goes out to 2025, the other to 2050, with interim targets in 2030.

2.1 2050 target

We have been part of creating a sustainable zero-emission society within the planet's tolerance limits.

Premise

The Bank's 2050 sustainability targets are important for ensuring a viable society in the future. This is vital to the Bank's continued existence and potential to operate for the next 175 years. The Bank's long-term sustainability goals should therefore also help to safeguard the Bank's profitability, financial strength and existence for the future.

What does the target mean specifically for the Bank?

- a) The Bank is known in the market for having taken the transition to a sustainable society seriously.
- b) The Bank has a sustainable and climate-neutral loan portfolio.
- c) The Bank has actively contributed to financing new and existing business ideas and supporting entrepreneurs who have contributed to the social transformation.
- d) The Bank has helped customers to make smart choices by consuming less, having less unsecured credit and keeping good control over their own finances.
- e) The Bank's sustainability risk is within the exposure permitted by its capital and earnings.

2.2 2030 target

2030 is an important milestone for our science-based climate targets as we move towards our ambition of net zero greenhouse gas emissions by 2050.

For the **mortgage portfolio** the Bank has projected the reduction in greenhouse gas emissions out to 2050. This is based on retail market (PM) targets for 2025 and 2030. The target was based on the method used by Science-Based Targets (SBT), although this is a 'well below 2 degrees' path because SBT has not yet drawn up a 1.5°C path for residential buildings. The figures for 2022 to 2050 are based on two of the Bank's targets for the mortgage portfolio, and a third-party projection of the EU's electricity mix:

- The first internal target is about upgrading the 'not green' portion of the mortgage portfolio. The ambition is to upgrade 40 per cent of these homes by 30 per cent more by 2050.
- The second internal target states that 40 per cent of new mortgages should be in line with the EU taxonomy in 2030, and 100 per cent by 2050.

The reductions are relatively small in the first few years, before the emissions start to reduce more quickly from around 2030. This means that the Bank is not completely following SBTi's ambitions in the first few years, but the CO₂ reduction from the mortgage portfolio will increase all the more from 2030 onwards. (See illustration in chapter 2.5 strategic priority areas).

In the **corporate market portfolio**, we have set a target of a minimum 42 per cent reduction in total emissions from the portfolio from 2020 to 2030. This equates to an annual reduction of 4.2 percentage points from 2020 levels, and is in line with the level of ambition of the Science-Based Targets Initiative (SBTi) of reducing emissions to meet the 1.5°C target. The Bank also has an increased focus on measuring carbon intensity, which shows emissions per million kroner loaned. This gives a more accurate picture of greenhouse gas reduction efforts, because carbon intensity is not affected by lending growth in the portfolio in the way that total emissions are. Our target is a reduction of at least 50 per cent in emission intensity from 2020 to 2030, an annual reduction of 5 percentage points from the 2020 level. (See illustration in the section on strategic priority areas).

To express the net zero emission target in more practical terms, the corporate market also has a goal that by 2030:

- At least 50 per cent of loans for commercial buildings for rent in our portfolio should be green, in line with our green bond framework.

2.3 2025 target

Sustainability is one of four goals in the Group's overall strategy for 2022-2025:

We are a clear driver for sustainable change.

Premise

The Bank's 2025 sustainability goals should take us to the 2050 target. The 2025 target may involve investments that are necessary to achieving the Bank's long-term goal (the 2050 targets) in the sustainability area.

What do we mean by this?

- See definition and explanation of the term "sustainability", under the 2050 target.
- By "a clear driver", we mean that we enable and make it easy for customers to make sustainable choices. We have contributed to sustainable change in our market area by channelling capital into sustainable projects and the necessary transition to a sustainable and climate-neutral society.

Among other things, this means that we

- Continue to work on sustainability in all relevant departments of the Bank, with defined targets reported on internally every quarter, and externally via our annual reporting.
- Have clear priorities in our work, and continue to focus on the five areas that are considered most significant for our bank in our sustainability efforts: responsible lending, work against financial crime, ethics and anti-corruption, requirements for providers of financial services, and ethical marketing of products and services.
- Prioritise the work towards our five strategic initiatives within responsible lending for this strategy period: greener property - retail market, greener property - corporate market, greener agriculture - corporate market, responsible consumption - retail market, and net zero greenhouse gas emissions in 2050.
- Contribute to sustainable change in our market area by channelling capital into sustainable projects, and to the necessary transition to a sustainable and climate-neutral society.
- Ensure that sustainability is an integral part of the Bank's operations and that we are actively contributing to achieving the UN Sustainable Development Goals, in both customer-facing work and internal operations, including our supply chains.
- Make investments that are necessary to achieve the Bank's long-term sustainability goals.
- Enable and make it easy for customers to make sustainable choices and exploit the business opportunities inherent in the sustainable transformation, including energy efficiency.
- Base our efforts on a research-based concept of sustainability.
- Work within the SpareBank 1 Alliance and internally within the Bank to obtain data and methods to try to measure customers' ESG risk.
- Develop and maintain integrated, broad and in-depth expertise in all relevant areas of sustainability (E, S and G).

We will have succeeded in 2025 when

- We have achieved all the goals set within our key sustainability areas and strategic initiatives for this strategy period – see section on 'Critical success factors'.

3. CRITICAL SUCCESS FACTORS

3.1 Overall KPI

Our overall goal of being a clear driver for sustainable change has the following overarching KPI: the share of green portfolio should be at least 20.4% of the total loan portfolio in 2025 (27% on own balance sheet only, without assets transferred to mortgage companies). ¹¹ Targets for each year up to 2025 are as follows:

Total green assets	2022e	2023e	2024e	2025e
Total assets on own balance sheet – green ratio	20.6%	22.3%	24.7%	27.0%
Total assets incl. credit companies – green ratio	16.9%	17.9%	19.1%	20.4%

Reporting will be quarterly through our reports on allocation to the green bond framework. Total green assets comprise the following portfolios:

- Residential buildings (strategic initiative this period)
- Commercial property (strategic initiative this period)
- Agriculture (strategic initiative this period)
- Forestry
- Renewable energy
- Transport

In the next strategy period, we have a special focus on the first three portfolios, as listed above, through the three strategic initiatives Greener property – retail market, Greener property – corporate market and Greener agriculture – corporate market. Measures and targets to make these portfolios greener are described in the chapter on the strategic initiatives.

In order to achieve a 20.4 per cent green portfolio in 2025, we need the following growth in the green share in the various portfolios:

Residential buildings	2022e	2023e	2024e	2025e
Residential buildings – green ratio own balance sheet	16.0%	16.9%	18.5%	20.1%
Residential buildings – green ratio transferred to SB1 Boligkreditt	19.8%	19.8%	19.8%	19.8%
Residential buildings - total green ratio incl. transfers to SB1 Boligkreditt	17.5%	18.0%	19.0%	20.0%
Corporate market	2022e	2023e	2024e	2025e
Commercial buildings - green ratio	29.4%	32.9%	36.5%	40.0%
Agriculture - green ratio	0.4%	0.6%	0.8%	1.0%
Forestry - green ratio	60.2%	60.1%	60.1%	60.0%
Renewable energy - green ratio	100.0%	100.0%	100.0%	100.0%
Corporate market - total green ratio - own balance sheet	14.3%	15.9%	17.3%	18.6%
Corporate market - total green ratio - incl. transfers to SB1 Næringskreditt	13.9%	15.4%	16.7%	18.0%
SpareBank 1 Finans Østlandet - Green loans	2022e	2023e	2024e	2025e
Car loans – green ratio	13.6%	17.4%	21.2%	25.0%

3.2 Material sustainability topics

The Bank conducted a materiality analysis in 2017, through a comprehensive stakeholder dialogue. The analysis identified areas where the Bank can reinforce its positive influence, and risk areas where the Bank ought to reduce its negative impact. Based on this analysis, the Bank is working within five material topics:

1. **Requirements for suppliers of financial services.**
2. **Ethical marketing of products and services.**
3. **Ethics and anti-corruption.**
4. **Combating economic crime.**
5. **Responsible lending.**

Below is an account of each of our material sustainability topics, with goals for each:

1. **Requirements for suppliers of financial services:** The Bank's financial service providers are mainly fund providers. It is difficult for customers to maintain an overview of companies' performance with respect to responsibility and sustainability within areas such as the environment, climate, human and labour rights, economic crime and corporate governance. The area is important for us to be able to offer advice and sustainable fund products with a good ESG profile.

Goal:

- At least 25% of our customers' investments in funds are in funds with a clear sustainability profile.¹²
- At least 25% of new sales should be in funds with a clear sustainability profile (applies to class A funds in the SpareBank 1 classification scheme)
- We capture carbon intensity for all of the funds that we offer, and provide this information to customers.
- We are developing our portfolio of sustainable savings products, which enable our clients to choose sustainable savings (such as green deposits).

2. **Ethical marketing of products and services:** Ethical marketing ensures that we provide good, accountable, simple and understandable information about our products and services. Our products and services should be transparent and understandable. We do this to ensure that customers are well-informed and able to make good decisions on their personal finances.

Goal:

- Our marketing should always maintain a high ethical standard.
- We should not place undue pressure on customer groups that do not need our products.
- We should market our products and services in such a way that we do not receive any complaints to the Norwegian Consumer Authority or the Financial Services Complaints Board.
- The needs and interests of customers are safeguarded through sound, professional and honest customer management which ensures that the Group's customers are able to make conscious, well-informed choices. (From governing document on business risk).

3. **Ethics and anti-corruption:** The Bank has had a strong focus on ethics for many years. For us, it is an unbreakable principle not to accept any form of conduct that could be perceived as bribery, corruption or an attempt to improperly influence decision-making processes.

Goal:

- The Bank has zero tolerance for corruption. Number of known corruption cases involving the Bank or its employees = 0
- Proportion of employees signing to confirm that they have read the anti-corruption policy > 95%¹³
- Proportion of employees signing to confirm that they have read the code of conduct > 95%¹⁴

- Number of credit cases in which breaches of impartiality rules have been identified = 0.

- 4. Combating economic crime:** The extent of crime impacting the financial services sector is increasing and becoming ever more complex. The Bank has extensive measures for preventing economic crime, particularly digital fraud. Both customers and society in general must have confidence that the Bank is being proactive in this area.

Goal:

- Safeguard regulatory requirements and the Bank's social responsibility by detecting and stopping *digital fraud* and financing of crime. There is a need to boost our anti-fraud efforts by upgrading today's anti-fraud systems. The use of new technology, such as *machine learning* and *algorithms*, will make us better able to detect and stop fraud in real time.
- Limit the damage by effectively stopping future phishing campaigns where SB1/SB1 Østlandet is exposed, by taking down fake websites. This will do more to prevent financial losses for customers and for the Bank, as well as maintaining a high level of trust among our customers.
- Reduce the risk of cyber-attacks on the Bank's infrastructure and systems (ransomware). This is done through risk assessments of IT systems, crisis and emergency preparedness work and follow-up of suppliers.
- Maintain the level of security by further developing training of employees (Passopp), with a particular focus on cyber/information security. Carry out phishing tests to check the security level in the Bank.
- Comply with regulatory requirements and social responsibility by anticipating and preventing money laundering and terrorist financing (AML).
 - Further develop procedures and system solutions to improve our ability to prevent and detect possible money laundering and terrorist financing. Implement new IT systems for AML follow-up based on new technology.
 - Innovative and effective electronic monitoring of suspicious transactions, with a focus on real-time monitoring, contributing to more efficient case handling.
 - Ensure proper authentication of new customers. Target: proportion of customers whose details do not match their credentials based on compliance tests = less than 2%.
 - Ensure that customers with dummy customer numbers are covered by the relevant procedure. Goals: No new customers with dummy ad-hoc customer numbers.
- Strengthen staffing within the AML area.

- 5. Responsible lending:** Responsible lending has been and is an important part of the Bank's social mission. Today, this is the main priority in our sustainability work. Lending will be directed more towards sustainable activities, also increasing our green portfolio out to 2050.

Goal:

- See next section on our five strategic initiatives for this strategy period, all of which fall within this key sustainability area for the Bank.

3.3 Strategic priority areas

To act on the key topic of responsible lending, the Bank has conducted an impact analysis according to the UN Principles for Responsible Banking. This was updated in the autumn of 2021 and showed that it is important for the Bank to focus on two topics in particular: resource utilisation and greenhouse gas emissions. Based on this, the Bank has identified five strategic priority areas:

1. **Greener Residential Buildings – Retail Division.**
2. **Greener Commercial Buildings – Corporate Division.**
3. **Greener Agriculture – Corporate Division.**
4. **Responsible consumption – Retail Division / Innovations and Business Development division.**
5. **Net Zero Greenhouse Gas Emissions in 2050 – Overarching initiative.**

In these five areas, the Bank should focus on both risk-reducing measures and business opportunities. The risk reduction is intended both to minimise the Bank's negative impact on society, people, the environment, climate and nature, and to reduce the negative effects that climate and nature change, or the transition to a sustainable world, could have on our operations. The Bank should also focus on the business potential inherent in the sustainable transformation, especially for our customers. Some of the business opportunities lie in using sustainability as a "defensive" measure. By focusing on sustainability and responsible business operations, we protect ourselves against customer loss and reputational loss, and thereby reinforce the basis for our business operations.

Objectives for the strategic priority areas in this strategy period

1. Greener Residential Buildings – Retail Division.

- At least 20 percent of the mortgage portfolio should be green.
This means that at least:
 - 4 per cent of the estimated non-green mortgage portfolio should be upgraded so the home emits at least 30 per cent less greenhouse gases than specified in EU and national requirements
 - 30 per cent of new builds that we lend to should be energy class B or better.

2. Greener Commercial Buildings – Corporate Division.

Goals 2025 Commercial buildings (property rental):

- At least 40 per cent of the loans for commercial buildings for rent¹⁵ should be green, in line with our green bond framework.
- At least 10 per cent of our loans for commercial buildings for rent¹⁶ should be for existing commercial buildings¹⁷ that meet the requirements of our green bond framework for green upgraded buildings.

Goals 2025 Construction projects (residential or commercial buildings):

- By no later than the beginning of 2025, greenhouse gas accounts must be published for loans financed by the Corporate Division for emissions from materials¹⁸ for all construction projects¹⁹.
- By no later than the beginning of 2025, we shall require a 20 per cent reduction in greenhouse gas emissions²⁰ from materials in construction projects that we finance.

3. Greener Agriculture – Corporate Division

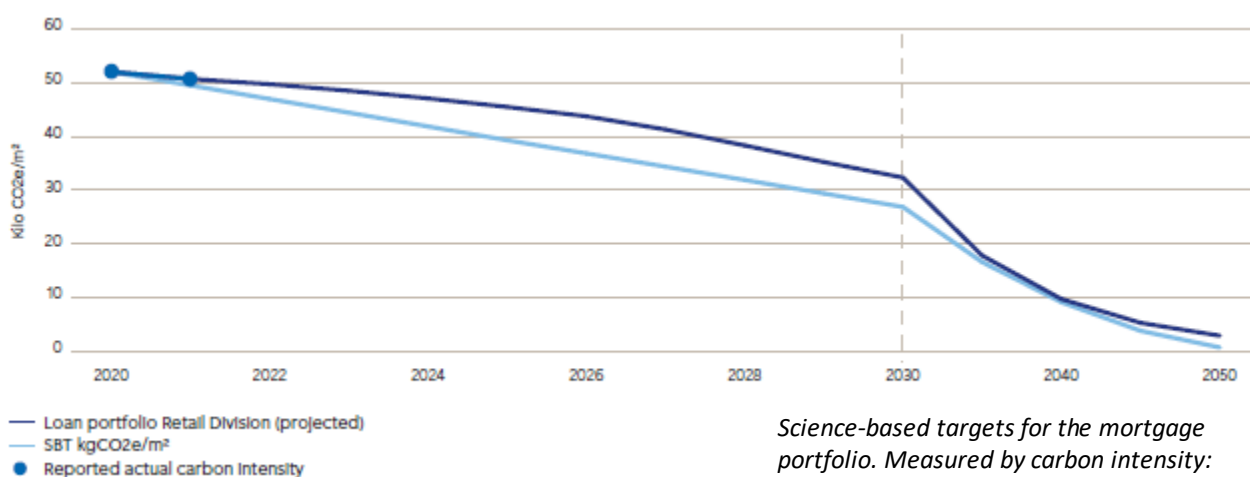
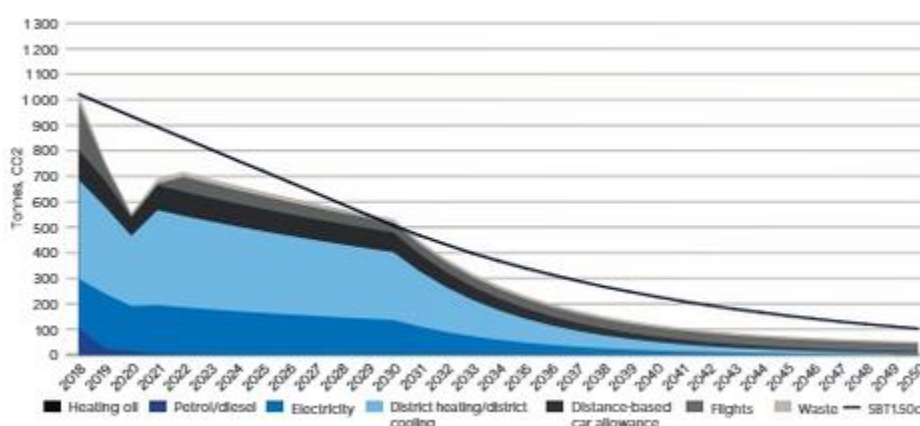
- 80 per cent of our agriculture customers¹ have started using the climate calculator.
- 80 per cent of our agriculture customers² have had climate advisory and as a result established a climate action plan on their farms.
- 25 per cent of our agriculture customers who have established a climate action plan have implemented measures in line with the action plan.
- By the end of 2025, the Bank should have granted and paid out green agriculture loans to at least 100 customers.

4. Responsible Consumption – Retail Division / Innovation and business development

- We have helped our customers to make smart choices through responsible consumption and keeping good control over their own finances.
- We are the banking brand that consumers perceive as the most sustainable²¹.

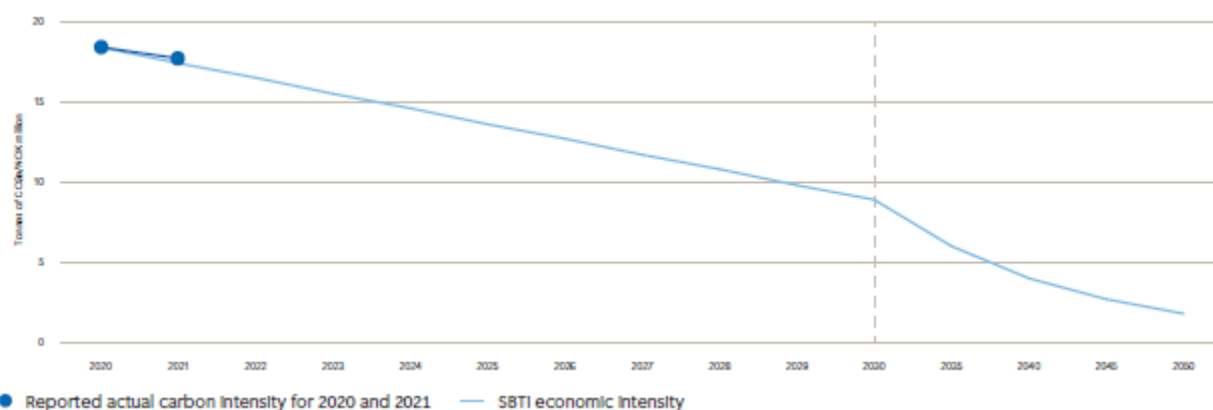
5. Net Zero Greenhouse Gas Emissions in 2050 – Overarching initiative.

- We have contributed to a sustainable zero-emission society by reducing CO₂ emissions from our operations and in our lending and investment portfolios. We should have net zero emissions by 2050 at the latest.
- We should reduce our own and our customers' emissions according to the projected graphs under our science-based climate targets.



¹ with exposures of more than NOK 2 million

² ibid



Science-based targets for the corporate market portfolio. Measured by carbon intensity: Tonnes of CO2 equivalents per million NOK.

4. RISK ASSESSMENT

- Lack of capacity and resources to work properly on sustainability.
- Lack of expertise internally and externally.
- We do not meet our annual targets because of external factors.
- We are unable to exploit the business opportunities offered by the green transformation.
- We do not succeed in showing our customers the value proposition behind sustainable change.
- We do not get our customers involved in the restructuring work.
- We spend too much time in indecision about different methods and calculations from different initiatives.
- We cannot get green funding because we cannot increase the green portfolio.
- We choose to spend our growth on non-green projects.
- We measure too much on volume and growth and not enough on green growth.
- We may lose customers because we are too strict.

The strategy as a whole, and our internal action plans, contain risk-reducing measures.

5. EVALUATION AND FOLLOW-UP

The present strategy is a 4-year governing document to be revised annually if changes in overall strategies require this. The Group's activities and work on corporate social responsibility and sustainability are reported each year as part of the Bank's annual report. The Bank reports according to the standard from the Global Reporting Initiative (GRI).²² The Bank also uses these reporting frameworks to report on the following topics:

General sustainability information

- **Global Compact:** The Bank has been affiliated since 2017. We use the GRI index to show how we are delivering on the 10 principles in the Global Compact. We also report to the Global Compact through their "Communication on Progress".²³
- **UNEP FI: Principles for Responsible Banking (PRB)** - part of the UN environmental program. We use the GRI index to show how we are delivering on the six PRB principles. We also draw up a separate index where we account for things that do not naturally fit into the GRI index.²⁴
- **The EU classification system (taxonomy) for sustainable activities** is a central part of the EU's Action Plan for Sustainable Finance. The Bank is working to classify the portfolio according to the taxonomy and the Norwegian Act on the disclosure of sustainability information. The work has begun and will be pursued in line with new requirements brought in during the strategy period.²⁵

Human rights

- The **Coalition for Responsible Business (KAN)** is an association of businesses, trade unions and civil society. The Bank joined the Coalition in 2020. The goal of a human rights law for business was achieved in the form of the Norwegian Transparency Act, which entered into force in July 2022. The Coalition is continuing as a network working for human rights in business. The Bank has published account of its work on human rights in line with the Transparency Act.

Energy consumption and greenhouse gas emissions in our own operations and the loan portfolio

- **Eco-Lighthouse** – The Bank has been environmentally certified through the Eco-Lighthouse since 2008. We use the Eco-Lighthouse to report each year on our direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas emissions.²⁶
- Since 2020, the Bank has used the **Partnership for Carbon Accounting Financials (PCAF)** to report on greenhouse gas emissions in its loan portfolio. PCAF is a global partnership between financial institutions which works to gain access to data on greenhouse gas emissions linked to lending.²⁷

Share of green portfolio

- The Bank has drawn up a green bond framework based on the **ICMA Green Bond Principles**²⁸. The framework has been rated “Medium Green” by Cicero Shades of Green, and the governance structure has been rated “Excellent”. The Bank uses Multiconsult in its impact reporting.²⁹

Climate and climate risk

- The Bank makes active use of the **Task Force on Climate Related Financial Disclosure (TCFD)** framework in its work on climate risk and reports in accordance with the principles.³⁰
- The Bank shows how we deliver on the six commitments in the UNEP FI **Collective Commitment to Climate Action (CCCA)** through collective progress reports every two years, in which we report our progress on setting credible and achievable climate targets.³¹
- **Net Zero Banking Alliance, NZBA** – Through this commitment, we work actively with other global members to explore and test industry best practice for reporting on climate and lowering emissions in the loan portfolio towards a zero-emission society by 2050. We undertake to report annually on this through the annual report and the climate report.
- The **Carbon Disclosure Project (CDP)** is an internationally recognised non-profit climate organisation that SpareBank 1 Østlandet reported to in 2020 and 2021, to grades A and A-. The Bank will report on CDP in this strategy period also.
- The **European Climate Pact** is an initiative which obliges its members to take concrete action on climate change and the environment. SpareBank 1 Østlandet joined this initiative in 2021, and will continue to participate in the coming strategy period. The Climate Pact is part of the EU’s Green Deal.
- **Science Based Targets Initiative (SBTi)** – the Bank has implemented science-based targets³² to reduce greenhouse gas emissions within Scope 1, 2 and 3 for its own operations³² and from the loan portfolio³³.

Nature and natural risk

- The Bank makes active use of the **Task Force on Nature Related Financial Disclosure (TNFD)** framework in its work on natural risk and reports in accordance with the principles.³⁴

6. REFERENCES AND LINKS

- ¹ <https://sustainabledevelopment.un.org/?menu=1300>
- ² <https://www.unglobalcompact.org/engage-locally/europe/norway>
- ³ <https://www.unglobalcompact.org/what-is-gc/participants/113461-SpareBank-1-Ostlandet>
- ⁴ <https://www.unepfi.org/banking/bankingprinciples/>
- ⁵ <https://www.sparebank1.no/nb/ostlandet/om-oss/samfunnsansvar/tilslutning-globale-initiativer.html>
- ⁶ <https://www.sparebank1.no/nb/ostlandet/om-oss/nyheter/fns-klimaforpliktelse-for-banker---slik-jobbet-vi-det-forste-are.html>
- ⁷ <https://kommunikasjon.ntb.no/pressemelding/sparebank-1-ostlandet-er-andre-norske-bank-til-a-signere-fns-klimaforpliktelse-for-banker?publisherId=17847612&releaseId=17908981>
- ⁸ <https://www.responsiblebusiness.no/oceds-retningslinjer/>
- ⁹ https://www.sparebank1.no/nb/ostlandet/om-oss/samfunnsansvar/retningslinjer-og-rammeverk.html#par_title
- ¹⁰ <https://www.ius.uio.no/forskning/omrader/selskaper/aktuelle-saker/fns-berekriftsmal-april-2018.html>
- ¹¹ What we define as green comes from our green bond framework, which is externally assessed by Cicero – Shades of Green.
- ¹² Applies to class A funds in the SpareBank 1 classification scheme.
- ¹³ The actual goal is 100%, but we do not get everyone because of leave/illness, etc.
- ¹⁴ As above, the actual goal is everyone, but we do not get them all because of leave/illness etc.
- ¹⁵ Commitments in excess of NOK 10 million
- ¹⁶ Ibid
- ¹⁷ Built before the Norwegian technical buildings standard TEK 17
- ¹⁸ Produced in accordance with recognised regulations
- ¹⁹ Where the law stipulates that such accounts must be produced
- ²⁰ In relation to the average building in 2021
- ²¹ Measured through Europe's largest annual sustainability brand survey: Sustainable Brand Index. <https://www.sb-index.com/>
- ²² Example of reporting according to GRI, taken from the 2021 report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=26_2
- ²³ SpareBank 1 Østlandet's reporting to the Global Compact: <https://www.unglobalcompact.org/what-is-gc/participants/113461-SpareBank-1-Ostlandet>
- ²⁴ Example report on PRB, taken from the 2021 report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=260
- ²⁵ Example taxonomy-related reporting from the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=254
- ²⁶ https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=260
- ²⁷ Example of reporting on greenhouse gas emissions from our loan portfolio, using PCAF, taken from the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=240
- ²⁸ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>
- ²⁹ <https://www.sparebank1.no/nb/ostlandet/om-oss/samfunnsansvar/rammeverk-for-gronne-obligasjoner.html>
- ³⁰ Example of reporting on climate risk according to the TCFD, taken from the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=256
- ³¹ <https://www.sparebank1.no/nb/ostlandet/om-oss/nyheter/fns-klimaforpliktelse-for-banker---slik-jobbet-vi-det-forste-are.html>
- ³² Our science-based target for business operations can be found in the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=234
- ³³ Our science-based target for the loan portfolio can be found in the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=244
- ³⁴ Example of reporting on natural risk in accordance with the TNFD, taken from the 2021 annual report: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_aarsrapport_2021/#page=258