

Green Bond Investor Presentation

February 2024



Agenda

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Green Bond Framework



Green Bond Framework - Highlights

- Follows best market practice and in line with the ICMA Green Bond Principles (GBP)
- Prepared by the Green Bond Committee, including representatives of Corporate Banking, Retail Banking, SpareBank 1 Finans Østlandet AS, Treasury and Sustainability
- Consideration and commitment to align with the EU Taxonomy on a best efforts basis

- **Green Eligible categories:**








- Green buildings
- Agriculture
- Forestry
- Renewable Energy (hydro power)
- Clean Transportation (electric only)

- Pre-issuance impact reporting calculated by specialist consultant Multiconsult
- Cicero second party opinion: Medium Green
- Cicero assessment on EU Taxonomy eligibility: Technical Screening Criteria, DNSH & MS



Use of Proceeds

Strict Eligibility Criteria in line with ICMA Standards, best market practices and upcoming EU regulation

ICMA GBP ¹ Eligible Category	Description of the Eligible Loans	UN SDGs	EU Objectives
Green Buildings	<ul style="list-style-type: none"> • Residential buildings in Norway <ul style="list-style-type: none"> ✓ <u>Before 31st of December 2020</u>: Buildings belonging to the top 15% Low-Carbon residential buildings in the local context ✓ <u>From 1st January 2021</u>: Buildings at least a 20% more energy efficient than regulation at time of construction (NZEB² – 20% in terms of Primary Energy Demand) • Commercial buildings in Norway <ul style="list-style-type: none"> ✓ <u>Before 31st of December 2020</u>: Buildings belonging to the top 15% Low-Carbon commercial buildings in the local context ✓ <u>From 1st January 2021</u>: Buildings at least a 20% more energy efficient than regulation at time of construction (NZEB – 20% in terms of Primary Energy Demand) • Refurbished residential and commercial buildings in Norway with improved energy efficiency of 30% versus baseline 	 	Climate Change Mitigation
Renewable Energy	<ul style="list-style-type: none"> • <u>Solar Power</u>: Photovoltaic energy projects • <u>Geothermal Power</u>: projects with life cycle emissions of less than 100g CO₂e/kWh • <u>Hydro Power</u>: Small-scale hydropower projects (less than 25MW), and large-scale projects (more than 25MW) with life cycle emissions of less than 100g CO₂/kWh • <u>Transmission Systems</u>: aimed at transmission and integration of renewable energy 	 	
Clean Transportation	<ul style="list-style-type: none"> • <u>Low carbon vehicles</u>: Fully Electric, Hydrogen or otherwise zero-emission passenger vehicles • <u>Low carbon public and mass transportation</u>: Fully Electric or Hydrogen busses 		
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> • <u>Sustainable Agriculture</u>: Substantial positive climate impact has to be established. Compliance with KSL-standard and ESG due diligence assessment is mandatory • <u>Sustainable Forestry</u>: FSC or PEFC certified forestry 	 	Climate Change Mitigation and Protection of healthy ecosystems

The Use of Proceeds is in line with the ICMA GBP, the recommendation of the CBI Low-Carbon Building Standard³ and takes into account the EU Green Bond Standard⁴

1. [Green-Bonds-Principles-June-2018-270520.pdf \(icmagroup.org\)](https://www.icmagroup.org/standards/intermarket-principles/green-bonds-principles-june-2018-270520.pdf)

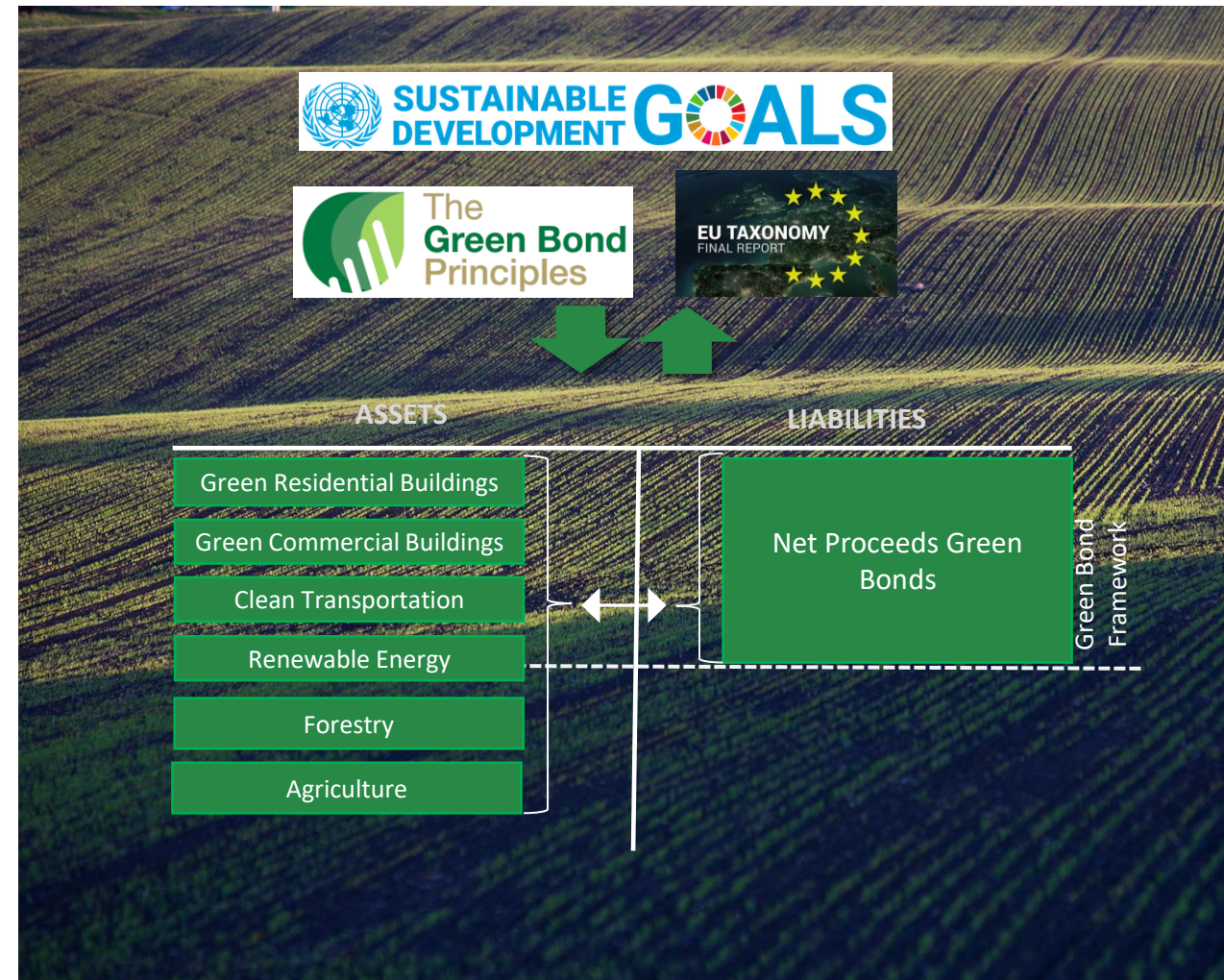
2. NZEB “Nearly Zero Energy Buildings” has not yet been established in Norway in terms of corresponding Norwegian Building Regulation

3. Climate Bond Initiative Low Carbon Building Standard: [Buildings | Climate Bonds Initiative](#)

4. The EU Green Bond Standard (EU GBS) is a voluntary standard for green bond issuers. We do take into consideration its recommendations. The final EU GBS is expected to be released by the EU Commission in the course of 2021

Management of Proceeds

- Allocate amount equal to net proceeds from the issue of Green Bonds to Eligible Green Loan Portfolio
- Size Eligible Green Loan Portfolio should match or exceeds balance of net proceeds from outstanding Green Bonds
- Pending allocation of net proceeds of any tranche of Green Bonds to an Eligible Green Loan Portfolio will be held in treasury liquidity portfolio, cash, or other short term liquid instruments



Allocation Report 4Q2023

Included eligible green loans transferred to SpareBank 1 Boligkreditt

Portfolio date: 31 December 2023

Eligible Green Loan Portfolio			
		Amount (NOK million)	Portfolio Growth 4Q 2023
<i>a</i>	Residential buildings	13.875	796
<i>b</i>	Residential buildings - transferred to SB1 Boligkreditt	9.227	(567)
<i>c</i>	Commercial buildings	7.103	237
<i>d</i>	Agriculture	82	13
<i>e</i>	Forestry	733	(157)
<i>f</i>	Renewable energy	1.123	51
<i>g</i>	Clean Transportation	1.482	22
<i>h</i>	Total	33.625	395

Green Financing					
Instrument (ISIN)	Rank	Currency	Issue Date	Due Date	Amount (NOK million)
XS2308586911	Green Senior Preferred	EUR	24.02.2021	03.03.2028	5.139
XS2472845911	Green Senior Preferred	EUR	20.04.2022	27.04.2027	4.770
NO0012702606	Green Senior Preferred	NOK	13.09.2022	22.09.2027	500
NO0012702614	Green Senior Preferred	NOK	13.09.2022	22.09.2027	1.500
NO0012940404	Green Senior Non Preferred	NOK	09.06.2023	15.06.2028	500
NO0012940396	Green Senior Non Preferred	NOK	09.06.2023	15.06.2028	500
XS1760129608	Green Covered Bond (SPABOL)	EUR	23.01.2018	30.01.2025	2.238
XS2182121157	Green Covered Bond (SPABOL)	SEK	27.05.2020	02.06.2025	2.077
XS2234568983	Green Covered Bond (SPABOL)	EUR	15.09.2020	22.09.2027	2.523
XS2624502105	Green Covered Bond (SPABOL)	EUR	19.05.2023	19.05.1930	2.036
	Green Deposits	NOK			61
					21.844

Green Senior Bond eligible assets	$z = (a+(b-y)+c+d+e+f+g)$	24.751	<i>z</i>
Percentage of Eligible Green Loan Portfolio allocated	i/h	65,0%	
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio		100,0%	
Eligible Green Loan Portfolio - Unallocated Senior Preferred (NOK million)	$z-x-o$	11.781	
Eligible Green Loan Portfolio - Unallocated Covered (NOK million)	$b-y$	353	
Percentage of Eligible Green Loan Portfolio allocated for Green Senior Bonds ¹	x/z	52,2%	
Percentage of Eligible Green Loan Portfolio allocated for Green Covered Bonds ¹	y/b	96,2 %	
New loans added to the portfolio 4Q 2023		395	
New loans added to the portfolio since 4Q 2022		4.575	
New loans added to the portfolio since inception (12/31/2020)		9.010	
Residential buildings built after 2021 (TEK17/EPC A/B) - not included in the allocation report ²		7.637	

¹Green covered bonds are allocated solely to green residential buildings within SpareBank 1 Boligkreditt and green senior bonds are allocated to all Use of Proceeds categories (minus green residential buildings already allocated to green covered bonds). Allocations are in line with the ICMA Green Bond Principles 2021.

²In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the 'Nzeb -10%' criterion. In Norway, Nzeb definitions were announced on 31 January 2023. Currently, a practical method to select compliant Nzeb -10% buildings is not available, where detailed scrutiny is needed to ensure a robust selection approach. Going forward, green buildings expert Multiconsult will investigate if a suitable selection approach is possible. If feasible, Sparebank 1 Østlandet expects to implement this new selection approach. Residential buildings built after 2021 are therefore not included in the report.

Impact Report

4Q 2022

Portfolio date: 31 December 2022

Eligible Project Category	Eligible Project Subcategory	Eligible portfolio (NOKm)	Share of Total Financing	Eligibility for Green Bonds	Estimated reduced energy (in GWh/year)	Estimated renewable energy produced (GWh/year)	Direct emissions avoided vs baseline in tons of CO2 / year (Scope 1)	Indirect emissions avoided vs baseline in tons of CO2 / year (Scope 2)	Total CO2 Storage (tonnes)	Estimated annual avoided / reduced emissions (tons of CO2 / year)
a/	b/	c/	d/	e/	f/	f/	f/	f/	f/	f/
Green Buildings	Residential	11,933	63%	100%	53					5,499
	Commercial	4,222	22%	100%	18					2,046
Renewable Energy	Hydropower	782	4%	100%		141				18,385
Clean Transportation	Electric Vehicles	1,364	7%	100%			3,375	-1,451		1,924
Environmentally Sustainable Management of Living Natural resources and Land Use ¹	Sustainable Forestry	636	3%	100%					3,601,353	177,354
Total		18,937	100%	100%	71	141	3,375	-1,451	3,601,353	205,208

Avoided Emissions per NOK million invested

10.84

Avoided Emissions per EUR million invested²

113.78

Portfolio based green bond report in accordance with the ICMA Handbook Harmonized Framework for Impact Reporting (version June 2022).

a/ Eligible category under the Green Bond Principles

b/ Eligible sub-category

c/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

d/ This is the share of the total portfolio that is financed by the issuer

e/ This is the share of the total portfolio that is Green Bond eligible

f/ Impact indicators

¹Relates to the Annual Increase in CO2 Storage of the financed assets. The mean (50%) has been taken from Multiconsult's estimated range, which is considered a conservative approach given that Multiconsult states: "the annual sequestration capacity of forest-based loan portfolio of SpareBank 1 Østlandet is likely to be closer to the highest estimates, given that the forest properties are actively managed and belongs to the productive forest areas in Norway."

²EURNOK 31 December 2021 = 10.0244

EU Taxonomy Assessment: TSC, DNSH & MS

High-level assessment¹ vs EU Taxonomy Delegated Acts (June 2021)

Eligible Green Asset Category	Green Buildings ¹ (Residential & Commercial)	Sustainable Forestry	Sustainable Agriculture	Hydro Power	Clean Transportation
Geography					
			Norway		
Eligibility Criteria	Top 15 % (via Building code/ EPC label)	PEFC certification (as part of ISO 14001)	KSL-standards with substantial positive climate impact	Facilities with <100gCO ₂ e/kWh) life cycle emissions (all facilities <20MW)	Electric vehicles
Technical Screening Criteria	Built <2021: Likely aligned ² Built >2021: Not in portfolio Large commercial buildings: Not aligned	Likely aligned	Likely aligned	Likely aligned	Likely aligned
Do No Significant Harm	Likely aligned	Likely aligned	Likely aligned	Likely aligned	Likely aligned
Minimum Social Safeguards	Likely aligned	Likely aligned	Likely aligned	Likely aligned	Likely aligned

¹Included loans transferred to SpareBank 1 Boligkreditt AS

²In Norway, NZEB definitions were announced on 31 January 2023. Currently, a practical method to select compliant NZEB -10% buildings is not available, where detailed scrutiny is needed to ensure a robust selection approach. Going forward, green buildings expert Multiconsult will investigate if a suitable selection approach is possible. If feasible, SpareBank 1 Østlandet expects to implement this new selection approach. Residential buildings built after 2021 are therefore not included in the report

External Review

- SpareBank 1 Østlandet has obtained an independent Second Party Opinion from Cicero, confirming the validity of the Green Bond Framework & compliance with the ICMA Green Bond Principles
- Green Shading given per Use of Proceeds category, where overall Framework has received: **Medium Green**
- Cicero finds the governance structure & procedures in SpareBank 1 Østlandet's framework to be: **Excellent**
- Cicero has assessed the alignment of the Green Bond Framework and the due diligence and selection processes in place with the **EU Taxonomy**
 - Technical screening criteria, do no significant harm & minimum safeguards criteria have been taken into account
 - Based on both the TEG Report (March '20) & the Delegated Acts (Nov '20)

°CICERO

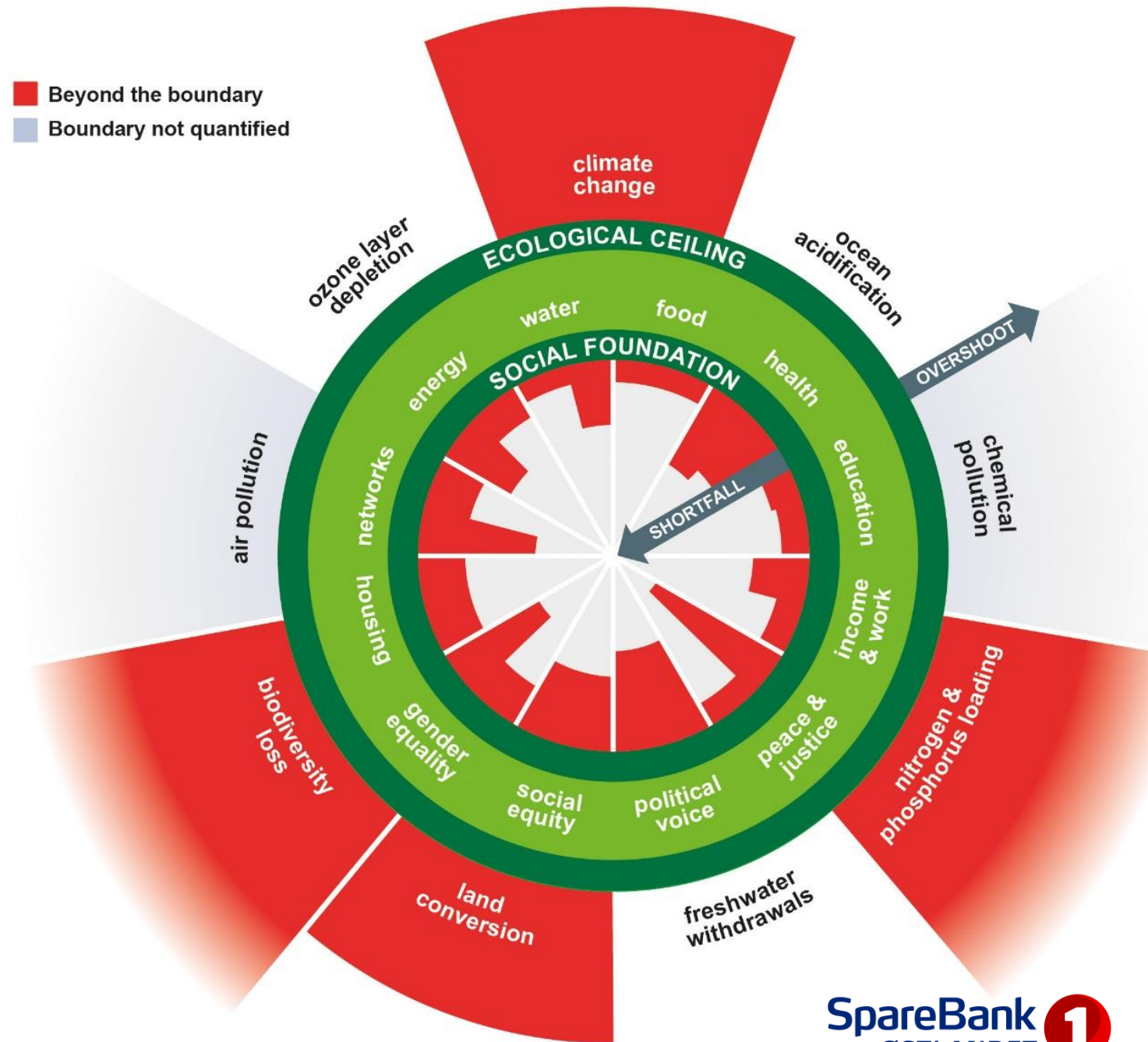


ESG and Sustainability



2050 target

We have helped create a sustainable zero emission society within the Planetary Boundaries..



A clear driving force for sustainable transition

Our most material sustainability topics

Materiality analysis

Importance to external stakeholders >	MOST IMPORTANT	<ul style="list-style-type: none"> Active ownership 	<ul style="list-style-type: none"> Privacy Negative screening New products and green innovation Positive screening 	Our most material sustainability topics <ul style="list-style-type: none"> Responsible lending E S G Combating economic crime G Ethics and anti-corruption S G Requirements for suppliers of financial services E S G Ethical marketing S 	
	MORE IMPORTANT	<ul style="list-style-type: none"> Energy consumption and savings Stakeholder engagement 	<ul style="list-style-type: none"> Local business development Follow-up of the supply chain Diversity and equal opportunities Customer engagement and satisfaction 		<ul style="list-style-type: none"> Good banking practices
	IMPORTANT	<ul style="list-style-type: none"> Waste management Measures for those who fall outside Paper consumption Greenhouse gas emissions (CO2) Water consumption 	<ul style="list-style-type: none"> Innovation and digitalisation Employee development HSE Sponsorships and contributions to the local community 		
		IMPORTANT	MORE IMPORTANT	MOST IMPORTANT	

Importance to SpareBank 1 Østlandet >

Climate

Climate changes impacts the Bank in two ways. Physical climate change is increasing the risk to the Bank's buildings and the Bank's loan portfolio, particularly within property and agriculture. Additionally, changed framework conditions, such as more stringent regulations and changed patterns of consumption, may be a risk for our customers, although they can also present new business opportunities.

Nature

Losses and changes in nature and ecosystems increase risk for the Bank. This is the highest risk in our value chain, especially in relation to our loans to agriculture. Stricter regulation designed to safeguard nature may also increase risk for the Bank through, for example, the protection of areas that were intended for commercial purposes or the development of residential estates or holiday homes. Better protection of nature can also present business opportunities.

Impact analysis of the Bank's largest business areas: Retail Division (RD) and Corporate Division (CD)

Areas that are positively affected +			+ Areas that are negatively affected		
S	Food	1	Corporate Division	1	Resources efficiency/security E
S	Housing	2		2	Climate E
E	Climate	3		3	Waste E
S	Housing	1	Retail Division	1	Resources efficiency/security E
S G	Inclusive, healthy economies	2		2	Climate E
S	Work	3		3	Inclusive, healthy economies S G

E Environment, climate and nature **S** Social conditions and Human rights **G** Governance

Human rights and social conditions

More and more attention is being paid to protecting human rights, including decent working conditions and consumer rights. The Bank is affected by this in relation to both our employees, our suppliers and our customers. In 2022, the Bank's focus areas included meeting the requirements of the new Financial Contracts Act and the Transparency Act.

Economic crime

Economic crime is a major social problem, and one of the Bank's material sustainability topics. The Bank is affected both directly, by customers who use the Bank for illegal transactions, and indirectly, by customers who fall victim to fraud.

Business idea

We exist so that people and businesses can succeed
Together we create sustainable growth and development in Eastern Norway

Vision

Creating together

Targets 2025



We know our customers and we create the best customer experience



We create tomorrow's relationship bank in an open and engaging working environment



We are a significant driver of the sustainable transition



We have one of the most attractive equity certificates on Oslo Børs

Ambition

We are Norway's best relationship bank!

Strategic focus areas

Relation, service and distribution

Data- and insights driven operations and development

Leadership, competence and organisation

Cooperation and partnership

Sustainable operations and development

Profitable growth

Values

Proficient Nearby Engaged

The Path to Net Zero

Specific ESG and climate targets

Retail Division

- Net Zero lending portfolio by 2050
- KPI established – green ratio in residential buildings 20% by 2025.
 - Status 4Q 2023: 19.8 %

Corporate Division

- Net Zero lending portfolio by 2050
- Commercial buildings:
 - KPI established – green ratio 40 % by 2025, 50 % by 2030.
 - Status 4Q 2023: 41.9 %
 - From 2025 demanding GHG accounting for real estate projects
- Renewable Energy:
 - By 2025, 50 % growth in lending to renewable energy
- Agriculture:
 - KPI established – green ratio 1 % by 2025
 - Status 4Q 2023: 1.4 %
 - By 2025, 80 % of agricultural customers have used the “Agricultural Climate Calculator” – a methodical way of defining the carbon footprint of every agricultural customer.
 - By 2025, 80 % of agricultural customers have established plans for reductions in GHG emissions.

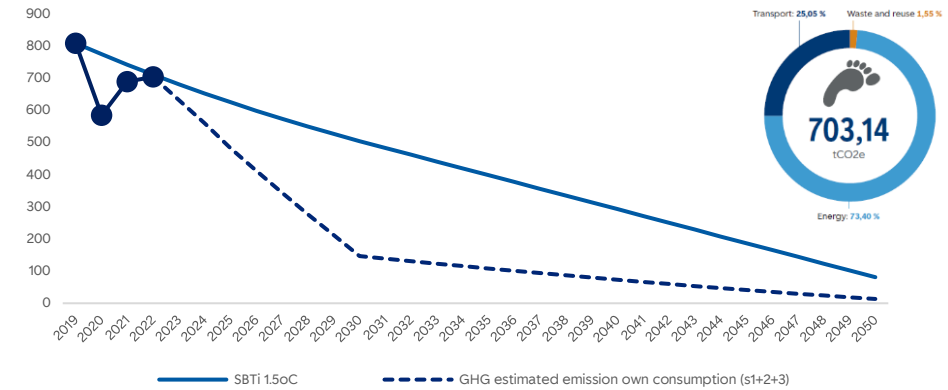
SpareBank 1 Finans Østlandet

- Clean transportation
 - KPI established – green ratio of 25 % by 2025
 - Status 4Q 2023: 12.5 %

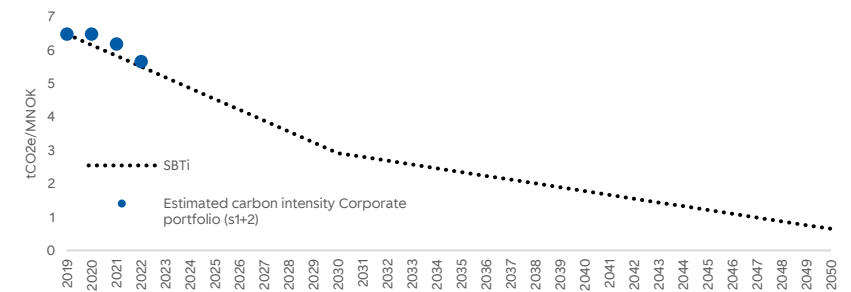


(*) Methods for emission calculation and target setting: Partnership for Carbon Accounting Financials (PCAF) and Science Based Target initiative (SBTi)

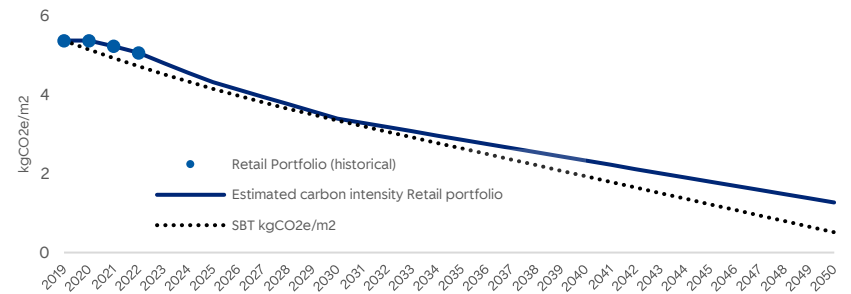
Energy and Climate in our business operations*



The path to Net Zero in the Corporate portfolio*



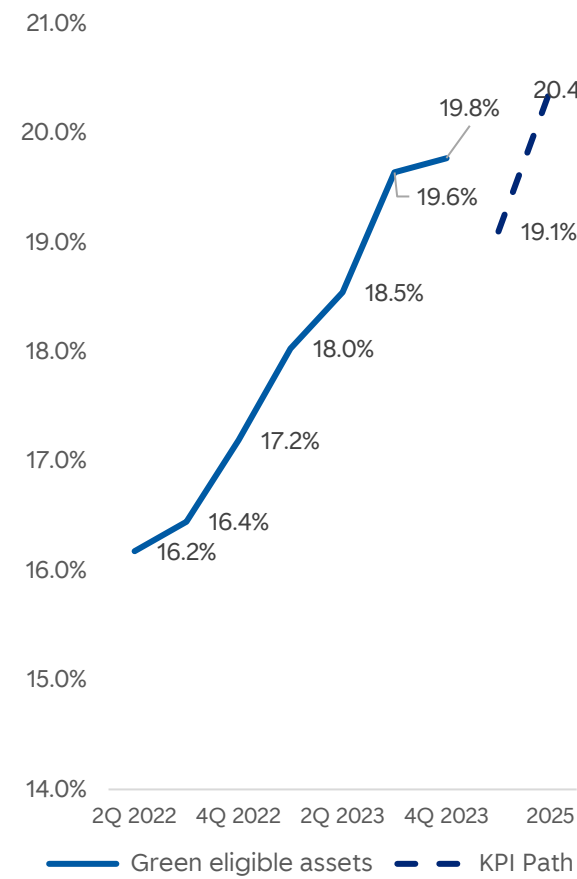
The path to Net Zero in the Retail portfolio*



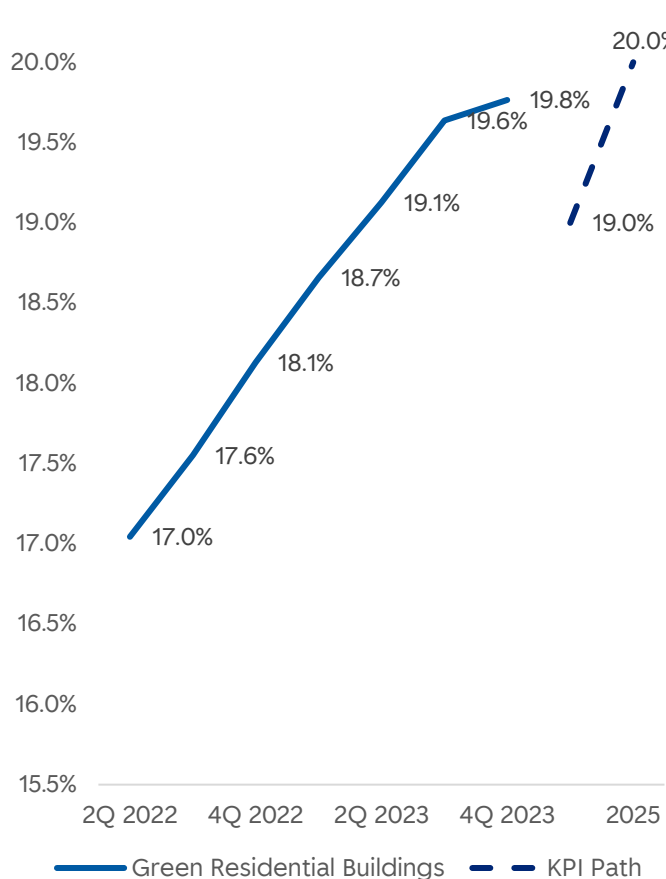
The Path to Net Zero

Green KPIs – building the green eligible portfolio

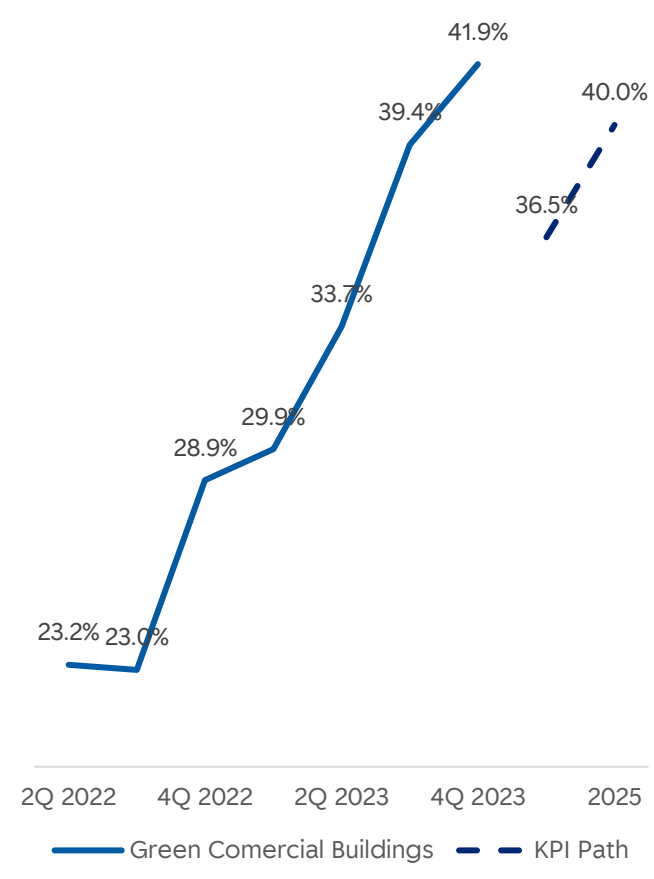
Total Green Eligible assets



Green Residential Buildings



Green Commercial Buildings



Sustainable Products and ESG Advisory Service



Green mortgage

Do you own, or are considering buying a home with EPC level A or B? You get lower interest rates with a green mortgage.



Green agricultural loan

Installing a solar panel on your farm? Our green agricultural loan will match your needs.



Green car loan

Are you buying an electrical car? We give you even better conditions when buying an environmentally friendly car.



Corporate solar energy loan

We aim to support energy improvements on existing buildings.



Green deposits

Are you concerned about what your savings are contributing to? Green deposits supports a sustainable future.



How to have the right focus

We aim to be a significant agent for sustainable development and to be an ESG partner for our corporate customers.

- We hope our ESG Guide can be a help in focusing on the right things, says our Head of Sustainability, Karoline Bakka Hjertø and Head of Corporate Banking, Hans Olav Wedvik.

ESG due diligence assessment at loan origination

Example

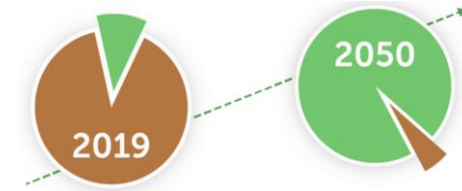
The following themes are covered in the due diligence assessments (example):

General understanding	General understanding of the risk of human rights violations, environmental challenges or corruption risk in own industry and business.	Social/human rights risk (social)	The company's familiarity with industry risk related to human rights, workplace crime, e.g. social dumping.
	Risk in input factors or suppliers/supply chain.		The extent to which the company has relevant guidelines.
Environmental and climate risk (the environment)	Environmental certification and environmental management system.	Finances/governance risk (governance)	Acts and regulations regarding health, safety and the environment (HSE).
	Measures to cut greenhouse gas emissions.		The company's familiarity with industry risk related to economic crime such as corruption, money laundering and bribery.
	Measures to cut energy consumption.		The extent to which the company has relevant guidelines and/or routines.
	Energy labelling (construction).	Other	Separate form for anti-money laundering due to the anti-money laundering regulations.
	Risk of natural disasters: How the project impacts vulnerable ecosystems.		Other measures that have a positive impact on the environment or social or economic conditions.
	Familiarity with, and any measures implemented from, the industry's roadmap.		Other things that indicate the company is involved in harming/having a negative impact on the environment or social/economic conditions?]
	Climate risk: How the project has been adapted for climate change and changing framework conditions. More specific questions here for agriculture.		
Environmentally certified input factors (e.g. construction materials).			

Climate Risk assessments in the credit process

Incorporation of climate risk, as well as other ESG-risks into the credit process have been prioritized. Relevant sector specific questions are asked at each credit approval. But this is still a work in progress.

All relevant parts of the bank include climate and ESG in their risk assessments.



Governance	Strategy ¹	Risk Management	Metrics and Targets
<ul style="list-style-type: none"> Climate risk is treated yearly by the board through ICAAP, specific as credit risk in cases that need attention and Work on reporting CO2, GHG, scenario analysis and environmental leadership is reported to board Climate risk embedded in all policy documents Guidelines and action plan for ESG and climate risk 	<ul style="list-style-type: none"> Incorporate climate risk into the credit process, mainly exposed to climate risk through lending to the SME market and retail lending Medium to low risk, but also leeway for having a positive impact, in two of the largest sectors, real estate and agriculture, and in retail lending Increase data availability in order to do in-depth reporting and analysis Assessment of ESG risk related to products solutions and processes. 	<ul style="list-style-type: none"> Due diligence assessment also assessing climate risk when granting loans Analysis of physical risk in geographic areas Scenario analysis related to NGFS scenarios for the banks credit portfolio as whole(2020) Scenario analyses for the banks largest sectors were created in partnership with CICERO (2019) Scenario analysis on specific scenarios highly relevant for the bank 	<ul style="list-style-type: none"> Scope 3 emissions reporting of our loan portfolio Targets on the energy efficiency of real estate properties and in the household portfolio See slide on specific ESG and Climate targets

For a full TCFD overview [click here](#)

Sustainability Ratings

Sustainalytics

- 9.2 ESG Risk Rating (“Negligible Risk”)
- 29/1010 banks

MSCI ESG Ratings

- AAA
- 1 of 3 Norwegian banks

CDP – Carbon disclosure project

- A (“Climate”)
- 1 of 9 Norwegian companies

Newsweek

- World’s Most Socially Responsible Banks 2022
- 8/175

The Bankers Magazine

- Sustainable Banking Revenues Ranking
- #9 total rank

ESG 100 – Oslo Stock Exchange

- B+
- #5 among savings banks



External sustainability initiatives

The bank needs to cooperate and collaborate to achieve goals



Contact details



Bjørn-Erik R. Orskaug

Investor Relations

+47 922 39 185

bjorn-erik.orskaug@sb1ostlandet.no



Cathrine Mordal

Head of Treasury

+47 480 02 537

cathrine.mordal@sb1ostlandet.no

Investor Relations

investor@sb1ostlandet.no

<https://www.sparebank1.no/en/ostlandet/about-us/investor.html>