



SpareBank 1 Østlandet Transition Plan 2024

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Preface: SpareBank 1 Østlandet is a clear driving force for sustainable transition and the road to net zero

We witness the effects of how climate change impacts our society daily through the news. The year 2023 has been another year marked by records we would gladly have done without. The world experiences more extreme weather due to increased greenhouse gas emissions, as warned by researchers over an extended period. This affects people, nature, and businesses both regionally and globally, and we all share a societal responsibility to contribute to reversing this trend. We must equip both the bank and our customers to make sustainable choices in how we live, reside, and conduct business. By looking at the opportunities in the green transition, it's about facilitating the shift within the limits of nature's resilience.

To succeed in this transformation process, we must ensure that various stakeholders have access to robust financial services. Understanding traditional banking operations, insights into effective measures combined with innovation and technological development, is one of the keys to successful adaptation. We need to reduce our carbon footprint, and through an attractive range of products and services that steer capital in a sustainable direction, the bank plays a crucial role. Our bank's goal is to embed sustainability in everything we do, from our core business to our interaction with society and the environment.

This transition plan defines our ambitions and strategic goals, along with specific actions to be a clear driver for sustainable transformation. The plan is updated annually, and we continuously improve our product and service offerings, ensuring that together with our customers, we create green competitiveness. In this way, we believe that by 2050 or earlier, we will have contributed to creating a net-zero emissions society within the planet's boundaries.

Richard Heiberg, CEO

1. Strategy and the Bank's work on sustainability

With the implementation of the new Corporate Sustainability Reporting Directive (CSRD), SpareBank 1 Østlandet has conducted a double materiality analysis to identify and select the most significant sustainability topics in the bank. As part of this effort, climate change and reducing greenhouse gas emissions have been identified as a material topic, specifically through ESRS E1. ESRS E1 requires the bank to create and publish a transition plan describing the work towards achieving net-zero emissions by 2050. This transition plan provides a comprehensive overview of the bank's strategic efforts to reach this goal.

SpareBank 1 Østlandet will work purposefully and concretely to be a clear driver in this transition. This involves making emission reductions in our own operations and business, as well as being a trusted advisor and supporter for our customers. The transition work will be characterized by continuous improvement and adaptation in the years to come.

The bank's role in the transition is continually shaped by the evolving demands of our environment. This is evident in our interactions with customers and other stakeholders, as well as in the regulatory developments related to sustainable finance and corporate reporting. SpareBank 1 Østlandet will continuously assess relevant sustainability risks and opportunities while offering products and services that align with these goals. At the core of the savings banks' role lies social responsibility, providing secure savings and financing for individuals, businesses, public entities, associations, and societies. Long-term sustainability has been a central pillar of the bank's vision throughout its nearly 180-year history. In line with climate change and global challenges related to social justice and economic stability, the bank's role has become significantly amplified. This is a responsibility we are aware of in the bank and based on the UN Sustainable Development Goals and the objectives of the Paris Agreement for net-zero emissions, we work to reduce the bank's negative impact and enhance its positive influence on essential sustainability areas.

The transition plan serves as a management tool to help SpareBank 1 Østlandet achieve the climate goals we have set and contribute to our customers' success in their transformation efforts. The transition plan is owned by the bank's board and is subject to annual revisions. The board, group management, and the entire organization consider the bank well-prepared to meet the upcoming changes, both related to physical climate shifts and transition risks.

The goals established in the strategic plan are deeply embedded in the bank's operations, with strong alignment throughout the entire group. These goals, along with the specified actions, are both realistic and achievable given our current expertise and data levels. However, they will require increasingly ambitious, comprehensive, and integrated efforts in climate and sustainability for the bank to succeed.

This transition plan has been developed in accordance with the requirements of the new reporting directive¹. The structure of the transition plan is inspired by the framework from the Transition Plan Taskforce² in the United Kingdom, and we have utilized recommendations from the UN Environment Programme's Net Zero Banking Alliance (NZBA) Transition Finance Guide³ to explore opportunities within financial instruments for stimulating and motivating the transition through facilitating transition financing.

The transition plan should be read in conjunction with the most current annual report.

1.1 Main goals in SpareBank 1 Østlandet's Sustainability Strategy

SpareBank 1 Østlandet has set its main goal as **“to contribute to creating a sustainable zero-emission society within the planet's limits by 2050”**. In this endeavor, it is crucial to understand the bank's positive and negative impact on society and also comprehend how the bank and its customers are affected by an increasingly unstable global landscape with new regulations and demands for adaptation. This transition plan outlines how the bank will work to reduce negative impacts and leverage opportunities to enhance green competitiveness. By doing so, the bank aims to fulfill its commitments while remaining a robust player that offers competitive products, services, and solutions to customers, investors, and other stakeholders. The sustainability efforts are firmly rooted in the bank's core strategy, and one of our four main goals for 2025:

“We are a clear driving force for sustainable transition”

The bank contributes to sustainable transformation in the market area by channeling capital toward sustainable projects and the necessary transition to a low-emission sustainable society. The 2025 vision specifies sustainability as one of the four strategic pillars. Key qualitative objectives along this path are outlined as follows:

¹ CSRD, NOU 2023:15

² <https://transitiontaskforce.net/>

³ NZBA Transition Finance Guide (2022)

SpareBank 1 Østlandet aims to:

- Work on sustainability across relevant departments within the bank, with defined targets reported quarterly both internally and externally through annual reporting.
- Ensure that sustainability is an integral part of the bank's operations and actively contribute to achieving the United Nations' Sustainable Development Goals, both in customer-facing efforts and internal operations, including the supply chain.
- Prioritize key areas deemed most significant for the bank's sustainability initiatives.
- Facilitate and simplify sustainable choices for customers, leveraging business opportunities related to the sustainable shift, including energy efficiency.
- Contribute to sustainable transformation in the market area by channeling capital toward sustainable projects for transitioning to a sustainable and climate-neutral society.
- Make necessary investments to achieve the bank's long-term sustainability goals.
- Base decisions on a research-based sustainability concept.
- Collaborate within the SpareBank 1 alliance and internally to gather data and methods for assessing customers' ESG risk.
- Develop and maintain integrated, broad, and deep expertise in all relevant sustainability areas.

As a bank, the significant footprint and emissions arise from activities related to the loan portfolio and the customers who receive financing. SpareBank 1 Østlandet's role as a clear driver for transition involves supporting our customers on the path toward net-zero emissions by 2050. This effort will contribute to building robust and profitable businesses, creating a more energy-efficient building stock, ensuring climate-resilient and viable local communities, and helping Norway achieve its climate goals and commitments. Through targeted transformation work, we also aim to secure a profitable and stable bank in the years leading up to 2050 and beyond.

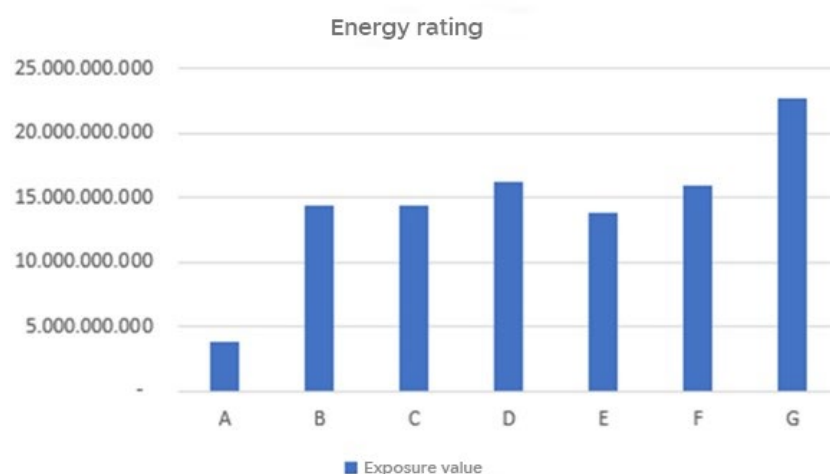
1.2 Climate risk management

Understanding the current risk landscape and attempting to estimate and prepare for managing this risk is a crucial part of the bank's journey toward a net-zero emission society. Therefore, the work on climate risk management within the bank is essential for identifying, analyzing, and addressing risks, as well as recognizing and leveraging the opportunities inherent in climate risk and transition.

Physical Risk and Transition Risk in the Bank's Portfolio

The bank has conducted a climate risk analysis, assessing both physical risk and transition risk. When combined with industry significance (measured in loans), this analysis reveals that the real estate rental, real estate development, and agriculture sectors face the greatest climate risk. Within transition risk, areas such as regulation, technology, market dynamics, and reputation have been evaluated.

In scenarios of high emissions, climate-related physical risks—such as sea level rise, floods, landslides, loose material slides, quick clay slides, and snow avalanches—could occur within the bank's operations and along the value chain. The bank has analyzed climate-related risks, demonstrating that its assets are relatively insensitive to these dangers. Only 2.02 % of the exposed value in the loan portfolio could be affected by the mentioned climate-related hazards.



The figure above shows the bank's exposure value in the loan portfolio distributed across energy efficiency classes. For those properties that are energy labeled, there is the greatest exposure value in high energy classes, which constitutes a transition risk for the bank. Here, there are most residential properties, while commercial properties are more towards the middle of the scale. A larger proportion of the properties in the loan portfolio lack energy efficiency classes, which means that the table does not show the completely correct picture of the risk.

Regarding transition risk, the bank lacks specific data, but it considers energy efficiency classes as indicative of this risk. As regulations tighten and demand for more energy-efficient buildings increases, there will be requirements for renovation and upgrades across many properties⁴. Having a significant number of buildings in the loan portfolio that do not meet these requirements could pose substantial transition risk in the short, medium, and long term.

In the corporate portfolio, 2.8% of the exposure is addressed through climate reduction measures for significant transition risks. However, data in this area remains limited, and the bank currently lacks information on this for the retail market. The bank has assessed the physical climate and natural risks associated with its own assets, including natural damage to its buildings and operational disruptions. Geographical location and building suitability were among the factors considered. The analysis indicates low to moderate risk, providing predictability in this context.

The bank contributes to sustainable transition in the market area by channeling capital toward sustainable projects and understanding future regulations. Many of the bank's customers are in the SME (small and medium-sized business) market and lack the expertise or resources to understand how regulations can be operationalized and what the best ways are to adapt products and services. The bank plays a central role here and can act as a valuable advisor, collaborating with customers to create effective solutions. This includes supporting customers in their transition, especially those facing challenges in adapting to new standards and practices.

To address transition dilemmas, we focus on finding solutions that balance economic growth with sustainability. The bank has defined various transition risks that are managed through dedicated strategic initiatives (as described in Chapter 2). We work on developing and offering financial products, advisory services, and solutions that promote sustainable investments and climate-friendly business models. Calculating transition risk requires continuous data gathering, which is both demanding and challenging to validate.

⁴ This particularly applies to the national action plan for energy efficiency and the revised Energy Performance of Buildings Directive from EU.

Collaboration between suppliers and development is necessary to meet the demand for information and methods, making it an ongoing process.

The bank's analyses indicate low physical risk in its loan portfolio. However, the bank's assessment is that transition risk will pose greater financial risk in the future. Transition risk will largely be associated with the real estate portfolio, including private and commercial properties where the bank holds collateral. Energy-intensive buildings will face requirements for energy efficiency improvements and upgrades in the coming years. The absence of energy-efficient measures could lead to decreased property values and make them harder to sell. Within the bank's portfolio, many buildings have low energy ratings. Products that incentivize customers to invest in or upgrade their buildings to better energy standards will play a crucial role in managing this transition risk.

Scenario analysis and stress testing

SpareBank 1 Østlandet has collaborated with the SpareBank 1 Alliance and the Kompetansesenter for kredittmodeller (KFK) to develop a stress test model for ESG risk. The ongoing work involves further refining the model in the coming years. The model utilizes scenarios from the Network for Greening the Financial System (NGFS) and has currently selected the following scenarios (with plans to expand the model in the future):

The first version of the model focuses on high transition risk.	The second version of the model expands to include both high physical climate risk and transition risk.
Divergent Net Zero: Achieving net-zero emissions by 2050, but with high costs due to divergent guidelines across sectors and a faster phase-out of fossil fuels.	Current Policies: Continuing with existing climate risk measures, leading to high physical risk. This scenario assumes global warming up to 3°C .
Delayed Transition: Failing to reduce emissions by 2030, with significant policy tools aimed at achieving the 2-degree target.	Fragmented World: Delayed and divergent global climate policy ambitions. This results in increased transition risk in certain countries and high physical risk globally due to an inefficient transition. In this scenario, global warming is assumed to reach 2.3°C .

These scenarios are translated through the IAM model⁵, which provides estimates of macroeconomic parameters based on the changes each scenario introduces. The model then calculates the effects on the bank's credit risk estimates going forward.

The results from the first version of the model indicate, among other things, that the bank's expected losses will increase over time, both in the reference scenario and the two ESG stress scenarios in the model. Naturally, the increase is most pronounced in the stress scenarios. However, the difference between the reference and stress scenarios remains limited.

Locked-in greenhouse gas emissions

The bank has examined locked-in greenhouse gas emissions but cannot find this information in the bank's balance. The bank is continuously working to identify these emissions.

1.3 Regulatory Obligations, Voluntary Frameworks, and Other External Factors

The transition and climate efforts at SpareBank 1 Østlandet take direction, inspiration, and support from a range of mandatory and voluntary commitments, in addition to voluntary frameworks and tools.

Regulatory Obligations and Requirements

The European Union's work on sustainable finance has been crucial for the transition efforts within the financial industry and banking sector in recent years. The EU's action plan for sustainable growth⁶ and strategy for sustainable finance⁷ has laid the foundation for

⁵ <https://unfccc.int/topics/mitigation/workstreams/response-measures/modelling-tools-to-assess-the-impact-of-the-implementation-of-response-measures/integrated-assessment-models-iams-and-energy-environment-economy-e3-models>

⁶ Action Plan: Financing Sustainable Growth (2018) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0097>

⁷ Strategy for Financing the Transition to a Sustainable Economy (2021) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0390>

ambitious and comprehensive regulations that are continuously shaped in line with current market requirements, expectations, and scientifically based climate goals.

With the introduction of the new Corporate Sustainability Reporting Directive (CSRD)⁸, there will be a requirement to publish a transition plan showing the extent to which the reporting company aligns its business model and strategy with the goals of the Paris Agreement and the transition to a net-zero emissions society by 2050. Additionally, the new reporting requirements in the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR) will contribute to making information available from financial institutions and market actors more comprehensive, openly accessible, and of higher quality. Stakeholders and users of this information can have greater confidence in what is reported, and it will be easier to compare information across different companies. This regulatory work is also a significant driver in SpareBank 1 Østlandet's efforts toward transition and climate, including the development of this transition plan.

SpareBank 1 Østlandet voluntary frameworks and tools

SpareBank 1 Østlandet is actively engaged in sustainable initiatives and utilizes various voluntary frameworks and tools to ensure targeted and concrete efforts toward transition and climate action.

Collective Commitment to Climate Action - CCCA

This initiative was launched by the United Nations Environment Programme (UNEP FI) in September 2019.⁹ The bank signed these climate commitments for banks the same autumn, which means taking clear steps towards adapting the business to international climate goals. The commitments are:

1. Focus our efforts where we have or can have the greatest effect, i.e., first focus on the most carbon-intensive and climate-vulnerable sectors in our lending portfolios.
2. Have dialogue and cooperation with our customers about the necessary changes.

⁸ The Corporate Sustainability Reporting Directive (CSRD) will take effect from the reporting year 2024.

⁹ <https://www.unepfi.org/banking/bankingprinciples/commitments/ccca/>

3. Work together and support each other to develop banks' ability to and methods for measuring climate impact and adaptation to global and local climate goals.
4. Interact with authorities, scenario suppliers, and other relevant actors about the development of clear and feasible sector-specific roadmaps to reach well below 2 and strive for 1.5 degrees warming, for all relevant sectors and across different geographical areas.
5. No later than three years after signing this commitment, set and publish sector-specific, scenario-based goals for portfolio prioritization.
6. Implement measures now, while working on methods and developing goals. We commit, within 12 months of signing, to start publishing and implementing measures we will do in the bank and together with our clients to support and accelerate the shift towards low-carbon, climate-adapted technology, business models, and society. The bank delivered a report on the status of our work within the commitment in September 2020, and we contributed in 2021 in a joint report from CCCA. See more information on our website.¹⁰ However, some of the work in CCCA has been moved over to the initiative below.

Net Zero Banking Alliance - NZBA

The United Nations Environment Programme's (UNEP FI) net-zero initiative for banks was launched in April 2021 in the run-up to the climate summit in Glasgow the same year. A central part of the work is to develop methods and guides for zero-emission work, and the bank actively participates in several working groups. NZBA has a "Commitment statement" which among other things commits to:

- Adaptation of emissions from own operations, lending and investments to a net-zero emission path by 2050.
- Within 18 months, set a 2030 target and a 2050 target, with intermediate targets to be set every 5 years from 2030 onwards.
- The 2030 target should focus on priority sectors where the bank can have the greatest impact, i.e., the most greenhouse gas-intensive sectors.
- Annually publish absolute emission and emission intensity figures in line with best practice and within one year after setting goals, show progress according to given criteria.
- Take a robust approach to offsetting emissions.¹¹

¹⁰ <https://www.sparebank1.no/nb/ostlandet/om-oss/samfunnsansvar/tilslutning-globale-initiativer.html>

¹¹ <https://www.unepfi.org/banking/bankingprinciples/commitments/ccca/>

Eco-lighthouse certification (Miljøfyrtårn)

The bank has since 2008 used the Environmental Management System (EMS) to become environmentally certified. The system is also used to report on its own direct (level (scope) 1) and indirect (level (scope) 2 and 3) greenhouse gas emissions. The figures that appear in this report on own emissions are taken from the Eco-Lighthouse reporting.

Partnership for Carbon Accounting Financials - PCAF

PCAF is a global partnership between financial institutions that work to access data on, and report on greenhouse gas emissions. The bank joined in 2020 and actively uses the method to estimate emissions from the lending portfolio. The figures that appear in this report on emissions from the lending portfolio have been obtained using PCAF.

Science Based Target Initiative

The bank has implemented a methodology from the Science Based Targets Initiative to set science-based targets for reducing greenhouse gas emissions for level (scope) 1, 2, and 3 (including the lending portfolio).

Carbon Disclosure Project - CDP

The bank has in recent years reported on its climate work through the internationally recognized non-profit climate organization CDP. We achieved the grade A in 2020, A- in 2021, A in 2022, and A in 2023.¹²

Task Force on Climate-related Financial Disclosures - TCFD

TCFD is used in the assessment of climate risk, and the bank has reported annually according to TCFD since 2018 through our annual reporting.¹³ TCFD reporting will be part of the reporting in CSRD from 2024 onwards.

¹² <https://www.cdp.net/en/companies/companies-scores>

¹³ <https://www.sparebank1.no/en/ostlandet/about-us/investor/reports.html>

European Climate Pact

In 2021, the bank joined The European Climate Pact, which commits us to take concrete steps for climate and environment. The Climate Pact is part of the EU's Green Deal.¹⁴

The bank has voluntarily reported in various initiatives and frameworks for sustainable operations since 2008. The entire history is outlined below.



Reporting and certification will be carried out until 2023 in the annual report in line with the GRI framework. The work to approach the requirements in CSRD started in 2023, and the bank expects to be in line with the requirements in CSRD/ESRS from the reporting for 2024 onwards. The bank uses the guidelines set by UNEP-FI in the management of our work:¹⁵

1. Set and report on long-term goals to achieve the Paris Agreement.
2. Set a baseline level for emissions in the portfolio with annual measurements from this.
3. Use science-based scenarios for decarbonization that are aligned with the Paris Agreement.
4. Regularly update the goals to keep up with the latest climate research.

¹⁴ <https://www.sparebank1.no/en/ostlandet/about-us/sustainability/support-to-global-initiatives.html>

¹⁵ UNEP FIs «Guidelines for Climate Target Setting for Banks.

For the upcoming reporting period, only the parent bank will be reported. In line with the new requirements in CSRD, the bank will work for fully consolidated reporting for the group in the years to come.

1.4 Prerequisites for the transition plan

SpareBank 1 Østlandet will actively work to achieve the goal of being a clear driver for the transition towards 2050. At the same time, this transition plan is based on some prerequisites that must be met if the goals are to be achieved.¹⁶

- The authorities must comply with the climate commitments in the Paris Agreement and in the Norwegian Climate Act. If the bank is to achieve its goal of net zero emissions in the portfolios by 2050, the climate policy that is pursued and the transition in Norway must have a higher pace and Norway must achieve its climate goal of 90 to 95% emission cuts by 2050. The bank will be a driver for achieving this goal, but will depend on the rest of the economy being transformed in line with the Norwegian climate goals.
- Greenhouse gas emissions must become more costly, based on the principle that “the polluter pays”. This must be reflected in, among other things, the tax regime - such as the CO2 tax - and that emission quotas become fewer and have a cost that makes it profitable to cut emissions and operate more climate-smart. Norway must have a national plan for energy efficiency and upgrading of existing buildings that is in line with the new requirements in the EU’s revised building energy directive. The building stock must become much more energy efficient, and especially the buildings and homes with the highest energy consumption must be upgraded and improved. This will require good public financing solutions and mechanisms, and targeted work to ensure that the buildings throughout the country - also outside urban areas - get upgrades that are in line with the goals for energy efficiency.

¹⁶ These are inspired by Finance Norway’s “Roadmap for green competitiveness in the financial sector” published in 2018.

2. Operationalization of the goals in the transition plan

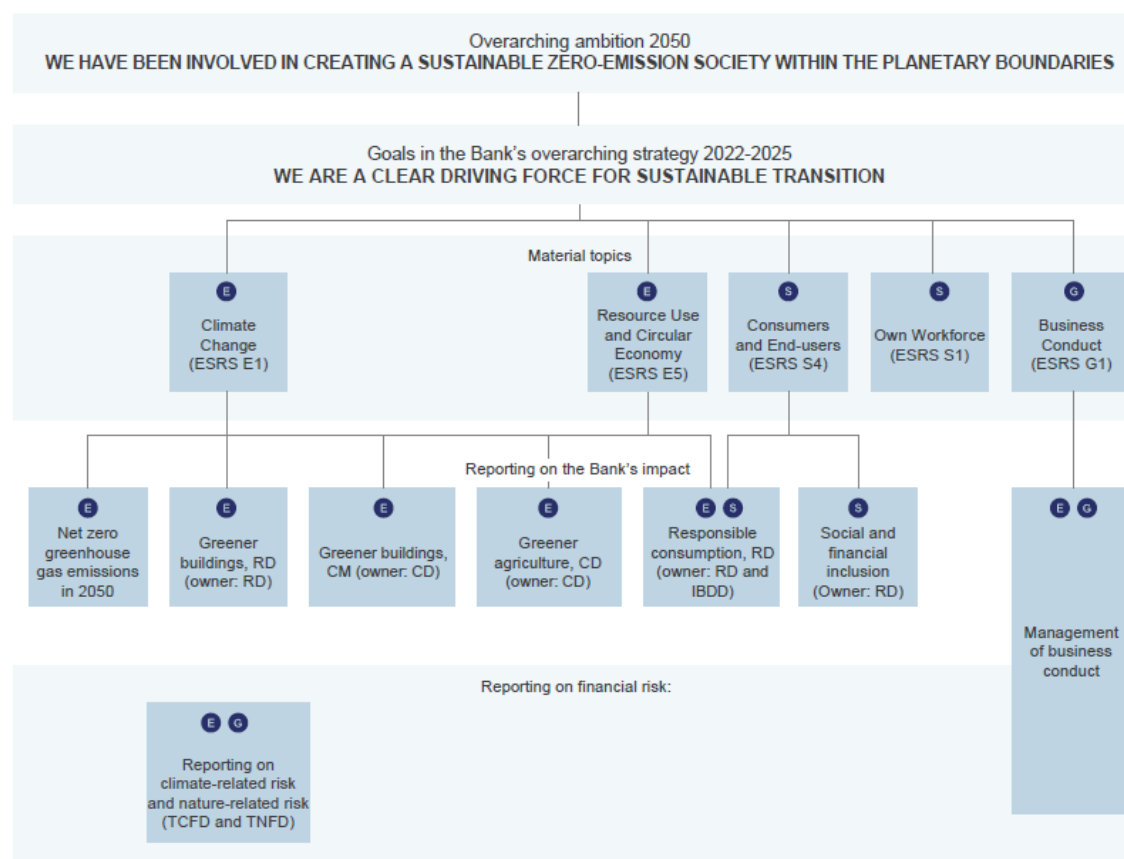
SpareBank 1 Østlandet is working to operationalize the commitments related to the transition and climate goals towards 2050. There will be a high degree of innovation and new product and business development in the bank in the coming years, and we are underway in concretizing how SpareBank 1 Østlandet will fulfill the role as a clear driver in the transition.

2.1 The bank's activities

The bank's primary activity is related to lending to private and corporate customers. It is also this activity that will have the greatest impact on the bank's emission figures and actual transition out in our market area. In line with the strategy until 2025, the bank has organized the work with the significant sustainability themes in various strategic initiatives. These initiatives consist of interdisciplinary working groups that work with concrete measures to raise the employees' competence, as well as define and facilitate the transition of the bank's portfolio by developing products, services, and solutions that can be used.

Four of these strategic initiatives contribute to the work of net zero emissions by 2050. The strategic initiative "Net zero emissions of greenhouse gases by 2050" ensures the overall monitoring with an assessment of goals and methodology for reporting on our emissions. The largest emissions are found in our level (scope) 3 in the value chain, and customer-close work for efficient transition is

Roadmap towards overarching ambition 2050



central, and this is carried out in the three other strategic initiatives “Greener property CM”, “Greener property BM”, and “Greener agriculture”. The basis for the work is a risk-based approach.

The bank has assessed physical climate and nature risk related to its assets, such as climate-related hazards to buildings, operational interruptions, and the like. Geographic location and the suitability of the buildings are a central part of the assessment. It is clearly defined that it is important for the bank to increase financing in line with the green bond framework to ensure the transition to net zero, and the work is reported quarterly via business management to the group management.

Energy and climate in our business operations

SpareBank 1 Østlandet has been a certified Eco-Lighthouse company since 2008, and continuous work is being done to improve routines and categories for this reporting. We renewed our Eco-Lighthouse certificate in 2022, and have a focus on sustainable procurement and sustainable award criteria for purchases, so that suppliers are influenced to deliver sustainable goods and services. When refurbishing and renovating our own premises, the bank focuses on resource efficiency and circular economy. The business has increased the proportion of reused furniture, chooses climate-neutral refrigerants, and influences contractors to reuse building materials. In 2023, the bank started using the Energy Follow-up System (EOS) and will use this for energy-reducing measures. When renovating the bank’s premises, it is aimed to change from electric heating to water-borne heat. By increasing the proportion of water-borne heat, the bank will be prepared in the future to choose the energy sources with the lowest emission factor. The bank had a total greenhouse gas emission of 377,443 tons of CO₂ equivalents in 2023. 0.2 percent of total greenhouse gas emissions come from the bank’s business operations.

Total tons of CO₂ emissions from business operations according to the adjusted method:

	2023	2022	2021	2020	2019	2018*	2017*
Scope 1	4	8	5	14	11	30	25
Scope 2	594 **	516	563	701	236	307	222
Scope 3	221	179	124	32	202	216	207
Total	820	703	691	748	449	553	454
	* Used GHG methodology						
	** Used location-based methodology						

2.2 Products and services

SpareBank 1 Østlandet continuously works to develop a product and service offering that is attractive, relevant, and future-oriented for our customers. This is primarily done through the lending products offered to private and corporate customers. Through the products offered, we aim to motivate those customers who are specifically working on, for example, emission cuts or energy efficiency measures. We also aim to be a relevant and knowledgeable advisor who can help customers better understand their own impact on the climate.

Instruments for transition for corporate customers

Quantitative instruments

To stimulate an increase in the green part of the loan portfolio, and thus green transition among customers, the bank currently offers five different green loans to the corporate market:

- Green agricultural loan; The product is to finance measures in line with the agricultural climate action plan. It is required that the customer uses the climate calculator, and it is encouraged to carry out climate advice and establish a climate action plan for the farm. Measures that can be financed are equipment for environmentally friendly operation, better resource utilization of input factors, production of renewable energy, phasing out of renewable energy or other measures that improve soil health or strengthen animal welfare.
- Green loan newer commercial property; green loan for newer commercial property with extra high climate standard
- Green rehabilitation loan
- Solar energy loan

Qualitative instruments

- The advisers at CM have started using a new ESG module for due diligence assessments in 2023, and the ESG assessment is actively used in credit cases. If a customer gets a too poor ESG score, the credit case must be raised to a higher level. This also contributes to collecting data from customers.
- CM has its own focus area which is to increase the use of the agricultural climate calculator.
- The bank does not lend to fossil energy, such as coal, oil and gas.
- Through the new ESG tool, sustainability risk is analyzed when processing loan and credit applications
- The advisers actively offer products or measures that stimulate green transition
- The bank requires documentation of the energy label for financed properties.

Instruments for transition for private customers

Quantitative instruments

To stimulate an increase in the green part of the loan portfolio, and thus green transition among the bank's customers, the bank currently offers four different green loans to private customers:

- Green energy loan; offered to customers who make an energy-efficient upgrade of an existing home or holiday home that improves energy consumption by either 30 percent, or two energy characters (minimum character D).
- Green housing loan; offered to customers where the home has energy class A or B.
- Green solar energy loan; offered to customers who want to install solar cells on their own home.
- Green car loan; was launched in 2020 in the subsidiary SpareBank 1 Finans Østlandet and has a very competitive interest rate. The maximum repayment time is eight years, but with faster repayment, customers get even better conditions.

Qualitative instruments

The bank has also implemented several qualitative measures to reduce greenhouse gas emissions.

- Exchange weekend
- Saving rather than consumption
- These are measures that we know reduce greenhouse gas emissions, but the bank has not yet found good measurement indicators for. We will work on developing this in 2024, as there is great value in cutting emissions by influencing consumer behavior in a circular direction.

In 2023, the bank established an interdisciplinary pilot project for customers who are selling their homes. The purpose of the project was to provide real insight into homes that are selling about what measures the individual homeowner can do with the home to achieve energy efficiency. The insight that is provided is both with what measures can be done, recommended order, and how this can trigger both support from Enova and green financing from the bank. The project is a collaboration project between SpareBank 1 Østlandet, EiendomsMegler 1 Innlandet, and Takstgruppen AS.

Green Bond Framework

The bank established a framework for issuing green bonds in 2021.¹⁷ The framework is prepared in accordance with ICMA Green Bond Principles¹⁸, is based on best market practice, and supports the UN's sustainability goals. A green bond is a type of bond where the borrowed capital is exclusively used to finance or refinance green projects. These projects must at least be in line with best market practice and the main components of ICMA GBP. We measure our green share of loans with an indicator (KPI) that shows the proportion of green loans of our total loans in line with our green bond framework. The bank's total green qualified loans were almost 34 billion kroner as of December 31, 2023, including 9 billion kroner transferred to SpareBank 1 Boligkreditt which also qualifies according to the bank's green bond framework. This represents an increase in qualified assets of 9 billion kroner since establishment on December 31, 2020.

2.3 Guidelines and policies

The work with sustainability, ESG, and social responsibility in SpareBank 1 Østlandet is governed by a number of guidelines and policy documents. All our relevant documents can be found on our website: www.sparebank1.no/nb/ostlandet/om-oss/samfunnsansvar/retningslinjer-og-rammeverk.html

Please see Chapter 3 in the 2023 Annual Report for further discussion of due diligence and credit assessments.

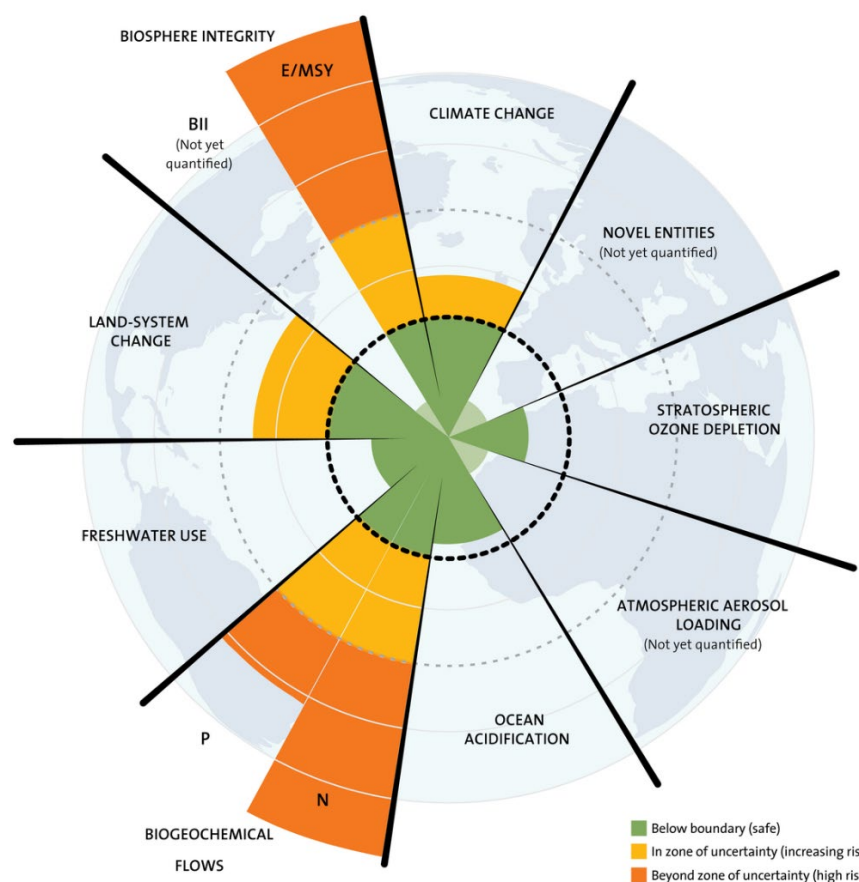
2.4 Memberships of industry bodies

SpareBank 1 Østlandet is a member of two industry and interest organizations - Finans Norge and Grønn byggallianse. These organizations are our primary channels for the business policy work. Both of these organizations have formulated strategies, action plans, or similar that are in line with the bank's transition and climate goals.

¹⁷ <https://www.sparebank1.no/nb/ostlandet/om-oss/investor/gjeldsinvestorer/green-bond-framework.html>

¹⁸ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

3. Transitioning of the bank's portfolio



Most of the bank's greenhouse gas emissions come from the customer portfolio and level (scope 3) (see the greenhouse gas accounts in Chapter 3.1). Therefore, the most important transition work takes place in the portfolio and among the bank's customers. This is the central part of our goal to be a clear driver for sustainable transition.

The transition work in the bank is science-based, based on the methodology from the Science Based Targets Initiative (SBTi). Specifically, this means that the research on the planet's tolerance limits forms the basis for the bank's assessments.¹⁹ As the figure on the left shows, the climate is one of the planet's tolerance limits that is "In zone of uncertainty – increasing risk". We will work for both the bank and our customers to support the transition to a low-emission society by 2050, that we limit warming to 1.5 degrees and avoid the most serious climate changes.

¹⁹ <https://www.jus.uio.no/forskning/omrader/barekraftsrett/aktuelle-saker/fns-berekraftsmal-april-2018.html>

3.1 Greenhouse gas emissions

Total greenhouse gas emissions 2023

The Bank's total greenhouse gas emissions calculated in ton CO₂-equivalents.



Ton CO ₂ e	Own operations	Housing mortgages portfolio retail market	Lending portfolio corporate market	Total emissions
Direct emissions (scope 1)	5			5
Indirect emissions from purchased energy (scope 2)	595			595
Indirect emissions from supply chain (scope 3)	222	19,254	357,368	376,844
Total	821	19,254	357,368	377,443

3.2 Method for calculating greenhouse gas accounts and climate goals

Method for calculating greenhouse gas emissions

The bank uses the method of PCAF (Partnership for Carbon Accounting Financials) to calculate emissions for the loan portfolio. The bank has also actively participated in Finans Norge's preparation of a guide for calculating financed greenhouse gas emissions. This guide is based on the PCAF framework and local adaptations and is an important contribution to harmonizing the reporting of greenhouse gas emissions in loan portfolios among banks. This contributes to raising the data quality of this year's calculation. For business operations, Miljøfyrtårn is used as a calculation methodology.

Assumptions and weaknesses of the method

In the calculations, the highest possible data quality is sought, and it has increased from last year's reporting. For agriculture, the analysis is based on emission factors per animal, species, and acres of cultivated land of different plant species. For commercial property, emissions are primarily calculated per square meter. Consideration has then been given to building type and energy class, except for small engagements. This level of detail corresponds to data quality 3 in PCAF, on a scale from 1 to 5, where 1 is best. In 2023, the housing portfolio is also included in the distribution of data quality. 50 percent of the loan portfolio is now calculated with data quality 3. The weighted average data quality in 2023 was 3.5, compared to 3.8 in 2022. For other industries, the analysis is based on Norwegian emission factors at the industry group level (NACE code). For AS, emission factors based on turnover are used, which corresponds to data quality 4 in PCAF (46 percent of the portfolio). For sole proprietorships and personally operated businesses, emission factors based on loan volume are used, this corresponds to score 5 in PCAF (4 percent of the portfolio). There is a difference in the calculation method for AS and sole proprietorships due to data availability.

Data quality score – a timeline

	2019*	2020	2021	2022	2023**
Score 3	N/A	0 %	0 %	27 %	50 %
Score 4	N/A	9 %	61 %	59 %	46 %
Score 5	N/A	91 %	39 %	14 %	4 %

*Not estimated with the use of the PCAF-framework with data quality score.

**Including private and corporate customers. Earlier only corporate customers.

Limitations

There are several weaknesses with the method:

- The emission factors that form the basis for the calculations are partly rough estimates that do not provide information about emissions at the customer level, but the results still show where we should focus our sustainability work.
- One must expect relatively significant variation in emission measurements going forward because there is constantly more updated information, and the data quality increases.

The bank's plans for emission reduction towards 2050 can be seen in the graphs below, for business operations, housing market loans, and corporate market loans. Please note that I can't display the graphs here, but you can refer to the original document for the visual representation.

Method for setting science-based targets on net zero and cutting emissions

To develop the goals of reducing greenhouse gas emissions to zero by 2050, the method of The Science Based Targets Initiative (SBTi) is used to set a science-based target with assistance from the company Cemsys. The calculations have not been submitted to SBTi for approval, because exposure, in addition to housing loans, almost only includes small and medium-sized businesses in the loan portfolio and SBTi does not yet have a method that is adapted to such a portfolio. The goals that are set are in line with the Paris Agreement, and both short-term and long-term goals have been adopted with accompanying measures towards 2050. In addition, the calculation is used via Eco-Lighthouse certification.

Emissions from business operations

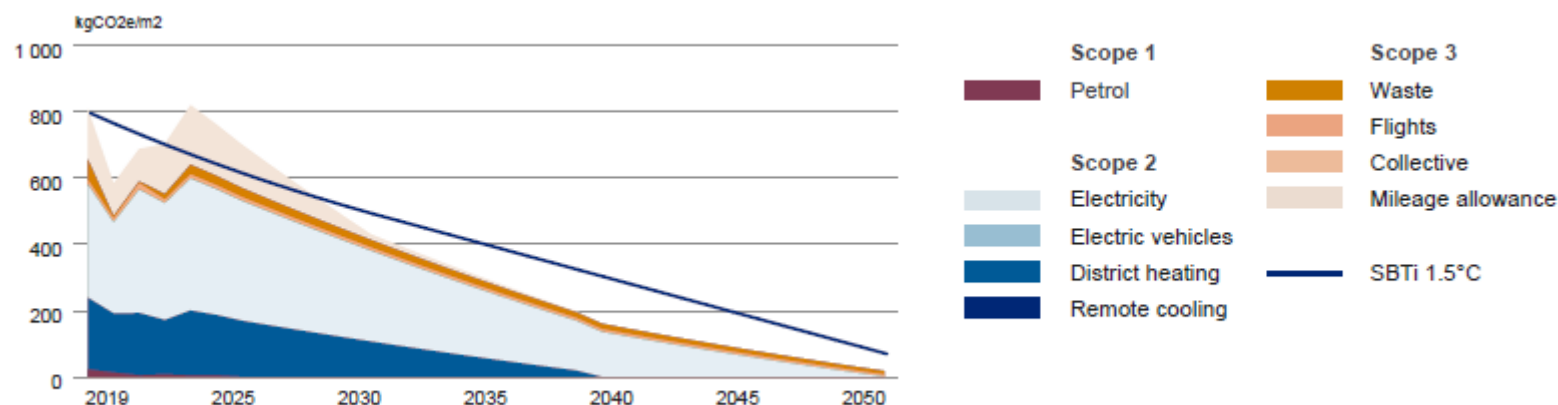
The emission paths from 2019-2023 show actual emissions, while from 2024 the graph shows projections. These projections are a product of assumptions related to future consumption and future development of emission factors. Emission parameters follow from Eco-Lighthouse classifications, such as level (scope) 1 as direct emissions, level (scope) 2 as electricity, and level (scope) 3 as waste and business travel.

The bank has a goal that business operations should reduce annual emissions by 4.2 percent and not exceed 720 tCO₂e. In addition, goals are defined at each individual level (scope) as follows:

Emission Level	Target
Scope 1: Gasoline	The bank's company cars will be replaced with electric cars by 2025. Therefore, there will be no emissions from fossil fuels from company cars from 2025 onwards.
Scope 2: Electricity, district heating and cooling	<p>The bank has significantly reduced electricity consumption over the past 13 years.</p> <p>More electric company cars will lead to some increase in electricity consumption in isolation.</p>
Scope 3: Waste	<p>The bank aims to reduce emissions from waste by 50% in the period 2018-2050.</p> <p>Residual waste accounts for over 95% of the bank's total waste emissions and has a much higher emission factor than the remaining waste fractions that are recycled. An important measure for the bank will therefore be to increase the sorting rate by facilitating source sorting in the offices, as well as focusing on reducing waste that goes to incineration.</p>
Scope 3: Business travel	<p>The bank has initiated measures to reduce travel activity through the use of video meetings, Teams and telephone meetings. When physical meetings are needed, all employees are encouraged to travel collectively, as well as reduce travel activity using their own car as far as possible.</p> <p>The bank offers green car loans for customers and employees who buy electric cars.</p>

The projections for reduction are shown in the graph below.

Business operations 2019-2050



Emissions from the loan portfolio

The largest emissions are found as indirect emissions, scope 3. Therefore, there is an active effort to reduce greenhouse gas emissions in the value chain in both the private market and corporate market portfolios. This involves a high focus on increasing the proportions of loans that finance objects and activities that have low greenhouse gas emissions and are considered “greener” in line with the green bond framework.

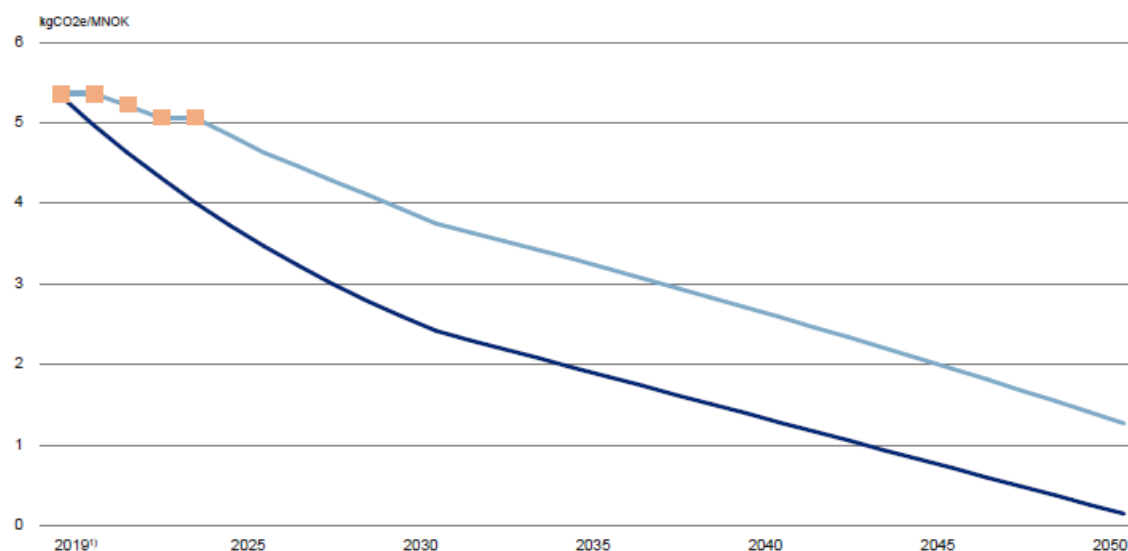
Retail market

The base year is set as 2019, and due to missing data, 2019 is equal to 2020. Volume increase in the portfolios is not included, but a linear increase of the green share in line with the bank’s objectives is assumed. Inflation is also not taken into account. Furthermore,

it is assumed that the green carbon intensity is reduced in line with the Norwegian climate act (55 percent reduction by 2030, 90 percent reduction by 2050), and that the brown carbon intensity is reduced by half as much (27.5 percent reduction by 2030 and 45 percent reduction by 2050). When calculating carbon intensity, m2 is used, as it is considered more accurate than exposure value.

The expected projections with the set goals are shown in the graph below.

Loan portfolio – private homes (carbon intensity), incl. SBTi 1.5°C



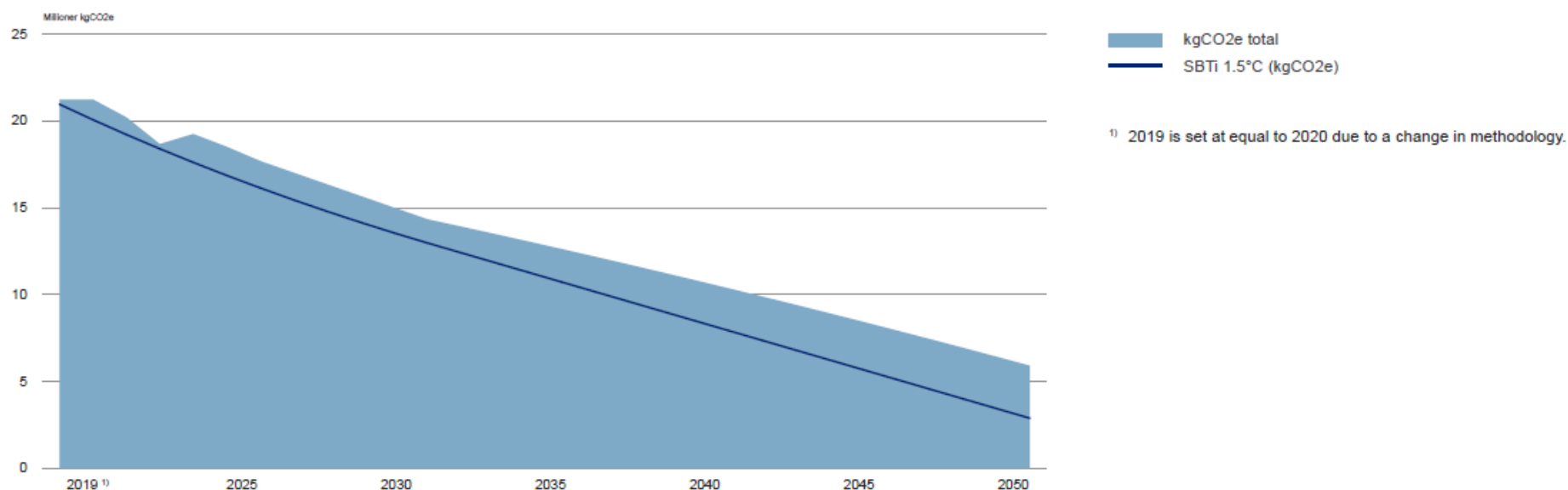
In 2050, the projected graph reaches a carbon intensity of 0.15 kgCO2e/m2, which means that the Bank must further tighten its targets to reach zero by 2050. We will continue to work on this in 2024.

- Private homes (projected) (kgCO2e/m2)
- SBTi (kgCO2e/m2)
- Private homes (historical) (kgCO2e/m2)

¹⁾ 2019 is set at equal to 2020 due to a change in methodology.

Emission paths for private housing.

Loan portfolio – private homes (total emissions), incl. VAT SBTi 1.5°C



The bank has increased focus on measuring carbon intensity, as this better reflects the amount of emissions relative to the activity. This provides a more accurate picture of greenhouse gas reduction, as it is not directly influenced by the growth in lending in the portfolio, as the total emissions are. The goal is still the same, with at least a 50 percent reduction in emission intensity from 2020 to 2030, with an annual reduction of 5 percent of the 2020 level.

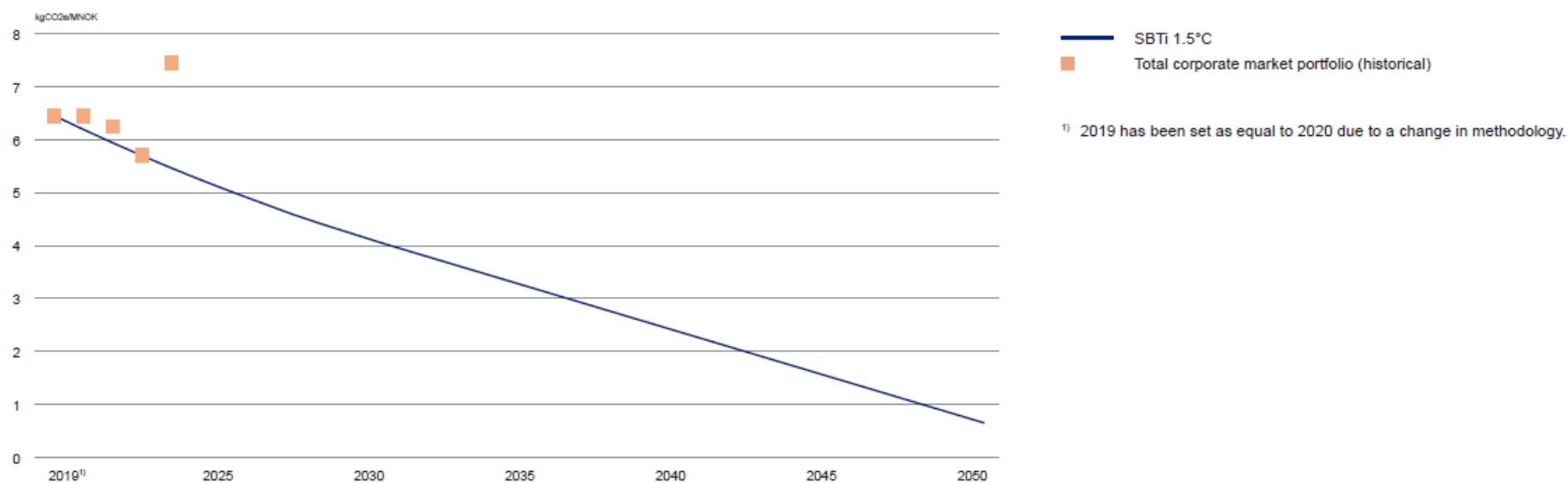
Corporate Market

The base year is set as 2019, and due to missing data, 2019 is equal to 2020. Volume increase in the portfolios is not included, but a linear increase of the green share in line with the bank's objectives is assumed. Inflation is also not taken into account. For commercial buildings, agriculture and forestry, we distinguish between green and brown carbon intensity. It is assumed that the green carbon intensity is reduced in line with the Norwegian climate law (55% reduction by 2030, 90% by 2050). It is further assumed that the brown carbon intensity is reduced by half as much (27.5% reduction by 2030, 45% by 2050). For the remaining industries, the

bank has not set any climate goals (with the exception of Building Construction), here we assume that the industries reduce in line with the Norwegian climate goal (55% reduction by 2030, at least 90% by 2050).

The expected projections with the set goals are shown in the graph below.

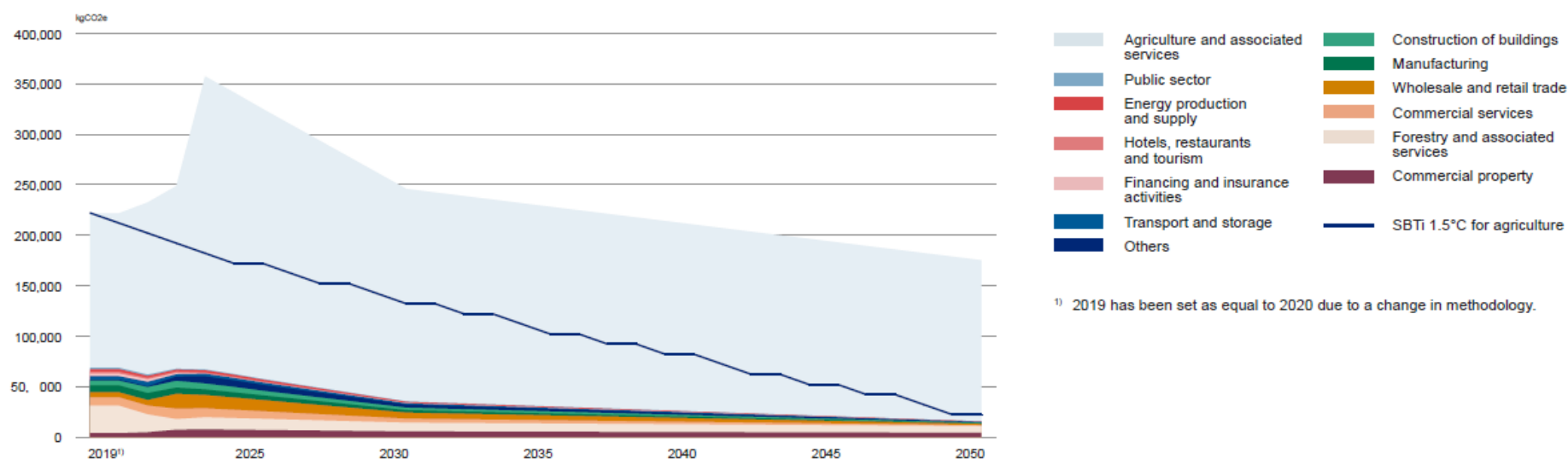
Total corporate market portfolio, incl. SBTi 1.5°C



The total emission paths for the corporate market portfolio.

Estimated annual greenhouse gas emissions (Scopes 1 and 2)

In the corporate market portfolio for 2020–2023 and projections of emission trajectories according to SBTi.



The agricultural sector is one of the bank's biggest emitters, both in light of the double materiality analysis and also due to the bank's geographical area. Loss and changes in nature and ecosystems contribute to increased risk for the bank. There is the highest risk in our value chain, especially in our loans to agriculture. In the short term, the bank has set targets for stimulation and competence enhancement of the sector.

Emissions from liquidity management

In connection with the management of the group's liquidity risk, SpareBank 1 Østlandet has a portfolio consisting of liquid securities with high credit quality. The bank has implemented social and sustainability assessments in its liquidity management to assess and minimize the risk that the bank's liquidity portfolio is in conflict with the bank's guidelines for corporate social responsibility and sustainability. at new investments. Any deviations are followed up in accordance with applicable guidelines. All issuers are assessed in relation to their sustainability work, and efforts are being made to put in place assessments of greenhouse gas emissions in the liquidity portfolio.

Emissions from funds

SpareBank 1 Østlandet does not operate its own fund management, and the bank therefore does not have access to data for greenhouse gas emissions in all the funds the bank offers. However, we collect data on emissions from the managers and work to report on and reduce CO2 emissions in the fund portfolio going forward. For 2023, we only have figures from one fund provider, but we are working to get data from several providers.

3.3 Targets for the green share in the loan portfolio

SpareBank 1 Østlandet has set targets for an increased share of green loans for both private and corporate customers. This is in line with the products and services offered (see chapter 2.2) and will be an important indicator of the pace of transition in the portfolio. By signing the Net Zero Banking Alliance, the bank has committed to adopting short and long-term goals for green transition in the loan portfolio.

Method for calculating green shares of loans

The bank developed a green bond framework in 2021 where parts of the loan portfolio are defined as light, medium, or dark green according to different criteria. The framework has an external verification from Cicero Shades of Green, and they assess the framework overall as medium green. In addition, our criteria have been assessed against the EU taxonomy as it was proposed at the time of the launch of the framework. Essentially, it is the definition in this bond framework that is used to define what is green. If the reporting deviates from this, it is pointed out.

3.3.1 Climate targets for the corporate market portfolio

Climate targets for the corporate market are defined as:

Climate measures CM		
Greener property (CM)		
2025	Commercial property (property rental)	At least 45 % of loans to commercial property rental (limited to engagements over MNOK 10) should be green according to our green bond framework.
		At least 10 % of our loans to commercial buildings rental (limited to engagements over MNOK 10) should be to existing commercial buildings (built for TEK 17) that meet the requirements in our green bond framework for green upgraded buildings.
2030		At least 55 % of loans to commercial property rental (limited to engagements over MNOK 10) should be green according to our green bond framework.
2025	Construction projects (residential or commercial buildings)	No later than the beginning of 2025, a greenhouse gas account for loans that we finance on BM for emissions from materials (carried out according to recognized regulations) should be presented for all construction projects (as the law stipulates that such an account should be prepared for).
		No later than the beginning of 2025, we should require a 20 % reduction in greenhouse gas emissions (compared to the average building in 2021) from materials on construction projects we finance.
Greener agriculture (CM)		
2025	By the end of 2024, the bank should have approved and paid out Green Agricultural Loans to 15 % of our agricultural credit customers.	

	80 % of our agricultural customers with engagements over MNOK 2 have used the climate calculator.
	80 % of our agricultural customers with engagements over MNOK 2 have undergone climate counseling and established a climate action plan on their farm.
	25 % of our agricultural customers who have established a climate action plan have implemented measures in line with the prepared action plan.

Targets for increasing the share of green loans have been adopted for the corporate market, in the outlined sectors for the upcoming strategic period:

	Result 2023	Target 2023	Target 2024	Target 2025
Commercial property	41,2 %	32,9 %	42,5 %	45 %
Agriculture	1,4 %	0,6 %	2,2 %	3,0 %
Forestry	100 %	100 %	100 %	100 %
Renewable energy	100 %	100 %	100 %	100 %
Total	18,3 %	15,4 %	20 %	21 %

Including transferred to SB1 Næringskreditt

3.3.2 Climate goals for the private market portfolio

The private market portfolio primarily consists of housing and car loans. Therefore, the most important work for transition takes place within these categories.

The long-term ambition towards 2050 is net zero greenhouse gas emissions in the loan portfolio for the private market, where the short-term and medium-term goals are defined as:

Target 2025: At least 20% of the housing portfolio should be green.
Including at least:

- 4% of the estimated non-green housing portfolio should have upgraded energy efficiency by 30%
- 30% of new buildings we lend to should have an energy label B or better

Target 2030: At least 25% of the housing portfolio should be green.

By the end of the strategic period (2025), 20 % of the loan portfolio should be “green”, and at the end of 2022, the share was 18.1 %. For the private market, reporting is done for the parent bank’s exposure, transfers to SB1 Boligkreditt, as well as green car loans from the subsidiary SpareBank 1 Finans Østlandet.

Green homes	2022e	2023e	2024e	2025e
Share of green homes - share of own balance	16,0%	16,9%	18,5%	20,1%
Share of green homes - share of transferred to SB1 Boligkreditt	19,8%	19,8%	19,8%	19,8%
Total share of green homes - including transferred to SB1 Boligkreditt	17,5%	18,0%	19,0%	20,0%

SpareBank 1 Finans Østlandet - Green loans	2022e	2023e	2024e	2025e
Green car loans - share	13,6%	17,4%	21,2%	25,0%

3.5 Carbon credits and origin guarantees

For internal operations and in our own buildings, the purchase of carbon credits and origin guarantees is the most widespread tool for working towards net zero today. The quotas and guarantees are not included in the calculation of the bank's total greenhouse gas emissions. The bank will continuously work to consider other measures in the future, which are more adapted to Norwegian conditions.

For the year 2023, EUA climate quotas and origin guarantees were purchased to compensate for our own emissions. EUA is the designation for quotas under the EU's quota system for companies ("EU quotas") and is primarily available for purchase and sale between companies. Origin guarantees were purchased through Fjordkraft. The bank has origin guarantees for the total delivered volume.

In 2023, 562 climate quotas and origin guarantees for 3,352,040 kWh were traded through Fjordkraft and 467,890 kWh through Kraftriket.

4. Governance and Management

4.1 The Board's and Management's work on sustainability

The Board has the ultimate responsibility for the bank's sustainability work. The transition plan is anchored in the Board, and the responsibility to deliver on this and the other sustainability goals as a clear pillar in our corporate strategy is assigned to the relevant corporate directors. The work on sustainability is reported via business management to the group management on an ongoing basis. The bank has its own interdisciplinary sustainability council that oversees the holistic focus on sustainability, and the sustainability council serves as an advisory body to the group management. The council consists of 12 representatives from various departments, all of whom have strategically important roles both in the sustainability work and in the bank otherwise. The council meets 8 times a year, with 4 meetings for structural reporting to the group management and four dedicated discussion meetings. Key people from the bank's subsidiaries are included in the discussion meetings to ensure knowledge transfer. The council is led by the bank's head of sustainability.

4.2 Employees, competence and development

Employee behavior

In the transition to a double materiality analysis, the bank wants to look at expanding and committing its own employees, as a driver in the work with green transition. This will be important for minimizing future reputation loss, competence enhancement across the bank's professional areas, in addition to committing everyone the bank can directly influence. This is considered an improvement point in the work towards net zero and will be worked on in the coming periods.

Competence

The bank's employees share competence, deliver added value to the customers and contribute clearly in the work community. The bank offers an appropriate and sustainable service offer adapted to different customer groups' needs. In the strategic period, integrated, breadth and depth competence is developed and maintained in all relevant areas within sustainability (ESG). It is therefore

important that there is a willingness to change in the organization and that it facilitates sufficient capacity and continuous competence development of the entire company from top management to all employees. This competence enhancement takes place in parallel between internal and external courses and workshops, in addition to daily follow-up and work.

Annex

Climate risk matrix

Climate Risk Factor	Transmission Channel	Financial Risks Affected	Plans and Measures for Risk Reduction	Other Plans and Measures Affecting Business Model and Strategy	Relevant Products Offered or Considered/Planned for Development	Quantified Targets (and Relevant Deadlines)
Outside-in						
Transition risk: New requirements for energy efficiency in homes	Security values/loss rate: Lower value on existing homes, which the bank has a mortgage on.	Credit risk	PM: Established pilot project, interaction throughout the value chain from appraisal, real estate agent, and bank.	The bank has established a dedicated interdisciplinary strategic initiative that works to manage risk and opportunity.	Dedicated products: Energy loan and Solar energy loan.	PM: Green share in portfolio PM: 2030: 20% CM: Green share in the portfolio BM: 2030: 55%

	Servicing capacity/delinquency : Increased expenses for borrowers due to upgrade needs on existing homes and/or increased costs for new construction.	Credit risk	BM: Strategic partnerships established for further development of the bank's products and services, and increased government influence. The bank calculates potential loan losses in connection with financial reporting, and makes any necessary provisions.	The bank has established a dedicated interdisciplinary strategic initiative that works to manage risk and opportunity.	Expanded product and service palette for financing of specific measures.	To be determined during Q2-2024.
Transition risk: Introduction of CO2 tax on greenhouse gas emissions.	Servicing capacity/delinquency : Increased expenses for borrowers due to increased costs.	Credit risk	To be assessed during 2024.	To be assessed during 2024.	Strategic advice within sustainable strategy and reporting. Consider reporting of customers' own emissions and plan for net zero.	No set point at the moment.

					Consider strategic cooperation with external and/or subsidiaries.	
<p>Transition risk:</p> <p>Compliance with relevant regulations, such as CSRD and EU taxonomy.</p>	<p>Breach of regulatory requirements, the bank runs a risk of not getting approved external audit and Financial Supervisory Authority controls. Risk of subsequent fines and lost reputation.</p>	<p>Financial risk, reputation risk.</p>	<p>Training, anchoring, competence enhancement, structured approach to implementing regulations in the bank.</p>	<p>Accountability and anchoring of regulations in the bank's top management.</p> <p>Operationalization of regulations in strategic initiatives, interaction with customers.</p>	<p>Strategic advice within sustainable strategy and reporting.</p> <p>Consider reporting of customers' own emissions and plan for net zero.</p> <p>Consider strategic cooperation with external and/or subsidiaries.</p>	<p>Earmarked competence enhancement in the board and audit committee, key personnel in the bank. Employed and hired special competence in the field.</p> <p>Established governance structure for monitoring and control of implementation and compliance.</p> <p>Established working groups for understanding of regulations and actual operationalization in the divisions.</p>

<p>Transition risk:</p> <p>SME customers' ability to adapt.</p>	<p>Risk that SMB customers are unable to adapt or position themselves in line with large customers' requirements can lead to them being chosen away as preferred suppliers. Leads to weakened profitability and turnover: SME customers who are unable to adapt can lose competitiveness when they are to deliver to the large customers who are reporting obligated.</p> <p>For the SME customers, the following risks are run: Revenue risk, Market share risk, Bankruptcy risk.</p>	<p>Credit risk</p>	<p>Consider strategic partnerships and expanded service offerings to the SMB market.</p> <p>Competence enhancement of the bank's advisors.</p> <p>Competence enhancement of the customer through advice.</p>	<p>Strengthen today's service offerings both in terms of advice and requirements to the customers.</p>	<p>Strategic advice within sustainable strategy and reporting.</p> <p>Consider reporting of customers' own emissions and plan for net zero.</p> <p>Consider strategic cooperation with external and/or subsidiaries.</p>	<p>No set point at the moment.</p>
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Transition risk: Changed consumption habits	The risk of changed consumption habits can affect the demand for goods and services, for example, red meat.	Credit risk	To be assessed during 2024.	To be assessed during 2024.	To be assessed during 2024.	No set point at the moment.
Physical climate risk: Storm surge, flood, and landslide	Security values/loss rate: Lower value on existing buildings, which the bank has a mortgage on.	Credit risk	To be assessed during 2024.	To be assessed during 2024.	To be assessed during 2024.	No set point at the moment.

	Weakened service capacity due to increased insurance costs and/or costs for security measures	Credit risk	To be assessed during 2024.	To be assessed during 2024.	To be assessed during 2024.	No set point at the moment.
	Weakened earnings and dividends from SpareBank 1 Group due to large damage compensation in Future Insurance	Owner risk	To be assessed during 2024.	To be assessed during 2024.	To be assessed during 2024.	No set point at the moment.