

Green Bond Investor Letter 2023

SpareBank 
RINGERIKE HADELAND



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Introduction

Sparebank 1 Ringerike Hadeland is a part of the Sparebank 1-alliance that consists of 12 individual saving banks across the country. We have four offices in the Ringerike-, Hadeland-, and Nittedal region in the southern part of Norway, and a history dating 190 years back. We have 69 500 clients and a loan portfolio of NOK 38 billion outstanding, including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

It is important for us to contribute to our local community, and we engage actively in initiatives aimed at developing our region. We understand local differences and provide a wide range of financial services including loans, deposits, advisory, insurance and pension for both private and corporate clients. We strive to contribute to a sustainable development of the local community and region.

Sustainability at SpareBank 1 Ringerike Hadeland

The purpose of our sustainability work is to contribute to sustainable communities and a better future in line with the Paris Agreement. Our focus on sustainability includes both environmental, social and governance aspects. We wish to help our customers transition to sustainable solutions by offering relevant products and services and providing sound financial advice. We take pride in being a local and community-based contributor within culture, youth sports and local business development. We want to create opportunities for our region and the people who live here.

We offer financing products linked to the Green Bond Framework for both the retail and business customers and work to improve data availability and quality on green assets.

In 2023, SpareBank 1 Ringerike Hadeland updated the business strategy. Sustainability is one of the four main areas in the strategy, to ensure that we remain relevant and competitive. Within sustainability, competence, green portfolio, reduction of greenhouse gas emissions in our own operations, and data, have been identified as four priority areas going forwards. In 2023, we also conducted our first double materiality analysis to better focus our efforts on the most important issues and increased the resources working on sustainability by hiring a sustainability controller. We also conducted a competence program on sustainability for our staff.

Please find more information about our work in our [sustainability report](#) for 2023 available at our website

The framework

SpareBank 1 Ringerike Hadeland established a Green Bond Framework in collaboration with Skandinaviska Enskilda Banken AB (SEB) in 2021. The Green Bond Framework has been assessed by the independent third-party CICERO Shades of Green AS (CICERO).

Based on their review, CICERO rated the SpareBank 1 Ringerike Hadeland's green bond framework Medium Green shading and a governance score of Good. The grade is given when the framework is considered to contribute to projects and solutions in line with the UN's long-term sustainability goals.

The framework specifies projects and objects eligible for green bonds, and covers the following areas:

- Renewable Energy
 - Hydropower
 - Bioenergy
 - Infrastructure
- Green Buildings
 - Residential buildings
 - Commercial buildings
 - Refurbishments
- Environmentally Sustainable Management of Living Natural Resources and Land Use
 - Agriculture
 - Forestry and reforestation

The Framework and the Second Opinion are available on our web page ([Green Bond Framework, Cicero Second Opinion](#)).

Issue of green bonds

In February 2022 SpareBank 1 Ringerike Hadeland issued our first Green Bonds tranche of 500 NOK million, with a tenor of 5 years. The bank issued a second Green Bond tranche of 200 NOK million in November 2022, with a tenor of 5 years and 9 months.

Green bond reporting 2023

In accordance with the Sparebank 1 Ringerike Hadeland Green Bond Framework, this document provides:

- The total amount of investments and expenditures in the Eligible Green Loan Portfolio
- The total amount of green funding outstanding
- The balance of unallocated proceeds
- The environmental impact of the eligible assets financed in this framework

Sparebank 1 Ringerike Hadeland has engaged an external specialist consultant in Multiconsult AS to operationalize the eligibility criteria used to outline the Eligible Green Loan Portfolio. We have also been provided the impact calculations for eligible assets by Multiconsult AS.

Both reports are based on currently identifiable data and on a best effort basis. Efforts to improve data availability and quality are ongoing.

Allocation report

Eligible Project Category	Eligible Green Loan Portfolio			Green Funding					
	Amount (MNOK)	Δ 2022 (MNOK)	Instrument (ISIN)	Rank	Currency	Issuance Date	Due Date	Amount (MNOK)	Δ 2022 (MNOK)
Residential Buildings	1,281	637	NO0012447202	Senior Preferred	NOK	23.02.2022	23.02.2027	500	0
Renewable Energy	50	0	NO0012757683	Senior Preferred	NOK	22.11.2022	22.08.2028	200	0
Sustainable Forestry	193	-4							
Total	1,524	633	Total					700	0
1) Residential buildings, transferred to SB1 Boligkreditt, which qualifies for the Green Loan Portfolio, are not included in the allocation report.									
These loans are funded through Green Covered Bonds issued by SB1 Boligkreditt.									
2) This is based on currently identifiable data and on a best effort basis. Efforts to improve data availability and quality are ongoing.									
3) Sparebank 1 Ringerike Hadeland was not required to report on taxonomy information for fiscal year 2023, and as such the share of loans that are aligned with the EU Taxonomy Climate Delegated Act is not calculated.									

Impact report

On assignment from SpareBank 1 Ringerike Hadeland, Multiconsult AS has assessed the environmental impact of the part of SpareBank 1 Ringerike Hadeland's loan portfolio eligible for green bonds in the categories (1) energy efficient residential buildings, (2) renewable energy and (3) forestry.

This impact report is based on Multiconsult AS' findings and methods. Please see the attached report from Multiconsult AS for a detailed explanation of the findings and methods used.

Portfolio based green bond report according to the Harmonized Framework for Impact Reporting						
Eligible Project Category	Eligible Green Loan Portfolio		Eligibility for Green Bonds 2)	Annual Site Energy Savings (MWh) 3)	Impact	
	Amount (MNOK)	Δ 2022 (MNOK)			Annual CO2 Emission Avoidance (tCO2)	Δ 2022 Annual Emission Avoidance (tCO2)
Residential Buildings 1)	1.281	637	100 %	10.500	1.205	795
Renewable Energy	50	0	100 %	65.000	8.450	0
Sustainable Forestry	193	-4	100 %		61.360	0
Total	1.524	633		75.500	71.015	795

1) Of the 624 eligible dwellings in the portfolio, 547 objects are eligible through the EPC criterion and 77 objects are eligible through the refurbishment criterion. Please see the Multiconsult report for details on the criteria.

2) This is the share of the total portfolio cost that is Green Bond eligible.

3) Impact indicator:

Residential Buildings: Avoided energy compared to average specific energy demands of the Norwegian residential building stock.

Renewable energy: Expected produced power.

Appendix 1: Impact Assessment Report_SpareBank 1 Ringerike Hadeland_2023 as carried out by Multiconsult AS.

Please contact us if you have any questions

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