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Second Party Opinion

Sparebank 1 Ringerike Hadeland Green Bond Framework

Dec. 19, 2025

Location: Norway **Sector:** Banks

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

✓ Green Bond Principles, ICMA, 2025

See Alignment Assessment for more detail.

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Light green

Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Strengths

The framework's eligible project categories support the transition to a low-carbon society. The categories are also relevant to the bank's loan book, which consists mainly of mortgage loans. The high energy performance of existing buildings that are eligible under the framework plays a vital role in the energy transition.

SB1 Ringerike Hadeland measures its scope 3 financed emissions and has set targets to achieve net-zero emissions by 2050. It reports on its greenhouse gas emissions across all scopes and details its emissions in the loan portfolio. This makes the bank more advanced in its carbon accounting than local peers.

Weaknesses

No weaknesses to report

Areas to watch

Physical climate risk exposure is assessed, but the green buildings category does not address the mitigation of those risks. Although Norway's regulations consider these risks, there is no assurance that they are adequately addressed.

Shades of Green Projects Assessment Summary

Over the three years following the first issuance of the financing, Sparebank 1 Ringerike Hadeland (SB1 Ringerike Hadeland) expects to allocate 70% of proceeds to green buildings projects, 10% to renewable energy, 18% to sustainable management of living natural resources and land use, and 2% to clean transportation.

SB1 Ringerike Hadeland expects 75% of proceeds to be allocated to refinancing existing projects, while 25% of proceeds will be directed to finance new projects.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and a consideration of environmental ambitions reflected in SB1 Ringerike Hadeland's Green Bond Framework, we assess the framework as Light green.

Green buildings	**Light green**
Buildings built in 2021 or later	
Buildings built before 2021	
Renovation of buildings	

Renewable energy	**Dark green**
Hydropower	
Solar photovoltaic (PV)	

Environmentally sustainable management of living natural resources and land use	**Medium green**
Renewable energy for local power generation	
Organic farming activities that are certified under the Debio certification scheme	
Improved farming methods	
Sustainable forestry	

Clean transportation	**Dark green**
Loans to finance electric vehicles (EVs) and charging infrastructure	

See Analysis Of Eligible Projects for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

SB1 Ringerike Hadeland is a financial institution that was founded in 1833 and has its head office in Hønefoss, Norway. It had assets of about Norwegian krone (NOK) 31.4 billion (about €2.706 billion) as of Dec. 31, 2024. The bank operates four offices covering six municipalities in the regions of Ringerike, Hadeland, and Nittedal. SB1 Ringerike Hadeland has 275 employees.

SB1 Ringerike Hadeland offers a range of financial products and services to retail customers and small and medium enterprises (SMEs) in its region. Retail loans--predominantly residential mortgages--account for 64% of the bank's loan portfolio, while corporate loans represent 36%. The real estate sector accounted for the largest share of the corporate loan book, at 26.9% in 2024. The bank is part of the SpareBank 1 Alliance and aims to promote sustainable development in Norwegian local communities.

Material Sustainability Factors

Climate transition risk

Banks are highly exposed to climate transition risks through their financing of economic activities that affect the environment. Their direct environmental impact is small compared with their financed emissions, which stem mainly from power consumption. Generally, policies and rules to reduce emissions could raise credit, legal, and reputational risks for banks. However, financing the climate transition also offers a growth avenue for banks through lending and other capital market activities. In Europe, climate and environmental regulations are relatively ambitious, and there is a strong push to integrate sustainability considerations into the regulation of banks and financial markets.

Physical climate risk

Banks finance a wide array of business sectors that are exposed to physical climate risks. Although climate change is a global issue, weather-related events are typically localized, so the magnitude of banks' exposure is linked to the geographic location of the activities and assets they finance. Similarly, banks' physical footprint--such as branches--may be exposed to physical risks that might disrupt their ability to service clients in the event of a natural catastrophe. Banks could help mitigate the effects of physical climate risks by financing adaptation projects and climate-resilient infrastructure, as well as by investing in solutions that support business continuity in exposed geographies. Key physical climate risks in Norway relate to an increase in extreme precipitation and flooding.

Biodiversity and resource use

Banks contribute to significant resource use and biodiversity impacts through the activities they fund or invest in. For example, the real estate sector--which is a major recipient of bank financing--is a large consumer of raw materials for new construction, such as steel and cement. Similarly, bank-financed agricultural activities can have a material impact on biodiversity. In addition, forestry activities financed by banks carry biodiversity risks if they are not managed correctly.

Access and affordability

The large impact of banks on society stems from their role in enabling access to financial services for individuals and businesses, and in ensuring the correct functioning of payment systems. Ensuring affordable access to financial services, especially for the

most vulnerable members of the population, remains a challenge for the banking industry. However, banks have many opportunities to support economic development through financial inclusion, including by using new technologies.

Issuer And Context Analysis

The project categories in the green bond framework address climate transition risk, one of the key sustainability factors for SB1 Ringerike Hadeland. Green buildings, renewable energy, and clean transportation can help society manage and decarbonize its energy consumption, reducing transition risks for the bank. The bank has identified agriculture as the most emissions-intensive sector in its loan portfolio, making projects under the environmentally sustainable management of living natural resources and land use category important in managing climate transition risk. At the same time, the funding of the eligible projects could potentially introduce risks related to physical climate, biodiversity, and resource use.

SB1 Ringerike Hadeland's has set a goal of climate neutrality by 2050, consistent with national and international commitments under the Paris Agreement. For its own operations, the bank aims to be climate neutral by 2030, reducing emissions in scopes 1 and 2, and relevant scope 3 categories by at least 50% from 2019 levels and compensating for the remainder. For its main emissions sources, it has estimated emissions based on guidance in Finans Norge and Partnership for Carbon Accounting Financials methodologies. SB1 Ringerike Hadeland reports that it has reduced scope 1 emissions by transitioning from fossil-fuel cars to EVs. It has also lowered scope 2 emissions since 2022 by purchasing guarantees of origin for electricity. The main remaining challenge is to further reduce electricity use in office buildings. The bank informs us that to reach its net-zero target for financed emissions, it will depend on stable regulatory frameworks that promote decarbonization in high-emission sectors and on continued technological and sectoral development toward a low-emission society. In 2025, the bank updated its double materiality assessment in accordance with the EU's Corporate Sustainability Reporting Directive. SB1 Ringerike Hadeland was certified by Eco-Lighthouse in 2024, a Norwegian environmental management standard recognized by the EU as compliant with the eco-management and audit scheme.

The bank conducts climate risk assessments for SME clients, which represent 36% of its loan portfolio, and analyzes physical climate risks for its real estate portfolio using data from Eiendomsverdi. The bank's credit risk assessment process is industry specific and includes a comprehensive review of clients' climate exposures, including transition and physical risks. For its real estate portfolio, the bank uses datasets from real estate database Eiendomsverdi for physical climate risks. To assess the expected development in physical climate risk in its core markets, the bank uses data from Norsk Klimaservicesenter. Companies with loans exceeding NOK5 million undergo a more comprehensive environmental, social, and governance (ESG) assessment.

SB1 Ringerike Hadeland assesses biodiversity risks for its corporate customers using its ESG model. The bank's corporate loan portfolio can potentially affect local biodiversity, in particular through loans to the agriculture and commercial building sectors. Financing renewable energy projects can also introduce biodiversity risks, but these are mitigated by NVE's relatively strict regulations. For example, NVE requires an environmental impact assessment (EIA) for all projects in the power production sector.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Green Bond principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

✓ Green Bond Principles, ICMA, 2025

✓ Use of proceeds

We assess all the framework's green project categories as having a green shade, and SB1 Ringerike Hadeland commits to allocating the net proceeds issued under the framework exclusively to eligible green projects. Please refer to the analysis of eligible projects section for more information on our analysis of the environmental benefits of the expected use of proceeds. SB1 Ringerike Hadeland commits to allocating an amount equal to the net proceeds to finance or refinance a portfolio of loans that are dedicated to projects that meet the criteria outlined in the framework. However, we note that the framework does not include a look-back period for refinancing eligible loans, as is recommended by the principles.

✓ Process for project evaluation and selection

The Green Bond Framework outlines the process for selecting and approving eligible projects. SB1 Ringerike Hadeland commits to establishing an internal green bond committee, consisting of members from the sustainability, credit management, and treasury departments. The committee will meet regularly and will be responsible for project evaluation and selection in line with the criteria described in the framework. The bank assesses its portfolio for physical climate risks by using data from Eiendomsverdi and NVE maps. Additional environmental and social risks are assessed as part of its ESG model in its credit assessment of corporate customers. The framework has a clear exclusion list, which outlines that green bonds will not be used to finance projects related to gambling, pornographic material, disputed weapons production and weapons and ammunition producers/suppliers without government approval, tobacco companies, production of narcotics (if not meant for medical purposes), or direct fossil fuel energy generation and nuclear energy generation.

✓ Management of proceeds

SB1 Ringerike Hadeland commits to tracking the net proceeds using the green registry and will manage the green bonds on a portfolio basis. The bank will allocate the net proceeds within 24 months after issuance. SB1 Ringerike Hadeland will also ensure that the value of eligible assets always exceeds the total nominal amount of outstanding green bonds. If financed loans in the green registry are repaid or if the financed activities no longer meet the criteria in the framework, the bank will replace them with other eligible loans. Unallocated proceeds will be managed in accordance with the bank's liquidity portfolio.

✓ Reporting

SB1 Ringerike Hadeland commits to yearly reporting of the allocation and impact of proceeds, through its annual report or a separate report, until full allocation. Reports will be available on the bank's website. The allocation report will include a summary of outstanding green bonds, a brief description of the projects, the amount of net proceeds that have been allocated to eligible projects, the balance of unallocated proceeds, and the proportion of proceeds used for financing and refinancing. It will also report on the aggregate environmental impact of green loans financed by green bonds. Where possible, the bank will measure the impact, and in other cases, the impact will be estimated. We view as positive that it will estimate the environmental impact using the International Capital Markets Association (ICMA)'s Harmonized Framework for Impact Reporting, and the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting. We also view as positive that SB1 Ringerike Hadeland intends to publish its methodology, and the assumptions and baselines used to determine the impact indicators.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and a consideration of environmental ambitions reflected in Sparebank 1 Ringerike Hadeland's Green Bond Framework, we assess the framework as Light green.

Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Green project categories

Green buildings

Assessment	Description
Light green	Loans to finance or refinance residential and commercial buildings in Norway that meet either of the following criteria: 1. Buildings built in 2021 or later: Energy performance certificate (EPC) A or a primary energy demand (PED) at least 10% lower than the threshold for nearly zero-energy buildings (NZEB) in Norway. 2. Buildings built before 2021: EPC A or within the top 15% most energy efficient buildings in Norway in terms of PED. 3. Major renovations leading to an improved energy efficiency of at least 30%. For the full building to qualify after the renovation, it must meet the criteria above for buildings built either before or after 2021. Buildings larger than 5,000 square meters must have a demonstrated life-cycle global warming potential and upon completion the buildings undergo testing for airtightness and thermal control. Loans to buildings with direct fossil fuel heating or buildings in the oil and gas value chain are not in the scope of this framework.

Analytical considerations

- The International Energy Agency (IEA) emphasizes that reaching net-zero emissions in buildings demands major energy efficiency strides and a fossil fuel phase-out. It says that all properties need to achieve high energy performance and should cut emissions from building materials and construction. Addressing physical climate risks is also key to strengthening climate resilience across all buildings.
- SB1 Ringerike Hadeland expects 75% of the proceeds under this category to finance existing buildings, 20% to finance new buildings, and 5% to fund renovation projects. 80% of the proceeds under this category are earmarked for residential buildings and the remaining 20% for commercial buildings. In our view, the issuer's ambition for its existing buildings to be in the top 15% of the national or regional building stock ensures that energy efficient buildings are financed. Such buildings

have low exposure to transition risk. However, it remains unclear whether physical risks will be assessed for every eligible building, leading us to cap the final shade at Light green.

- The Norwegian government has recently published the official definition for the top 15% of energy-efficient buildings and provided energy thresholds that need to be met for buildings to be considered in the top 15%. We consider the definition to be more robust than previous definitions, since this approach offers greater consistency than relying on building codes, which are subject to change. SB1 Ringerike Hadeland informs us that, to identify buildings that are within the top 15% of energy-efficient buildings in Norway, it will screen buildings using a database provided by Eiendomsverdi or screen for EPC A for buildings where an EPC is in place.
- In the transition to a low-carbon society, renovating and upgrading existing properties is important. Renovations that achieve at least a 30% reduction of primary energy consumption demonstrate a solid commitment to reducing energy intensity. We view positively that renovations will be financed, although the share of total proceeds is only 5%.
- SB1 Ringerike Hadeland informs us that 20% of financing is expected to go to newer buildings, including construction projects. In the Nordic context, building materials typically account for half of a building's life cycle emissions. SB1 Ringerike Hadeland's current framework lacks specific criteria to address embodied emissions associated with the financed projects, which is necessary for reaching darker shades of green for such projects.
- Given the fixed nature of buildings, improving their resilience to physical climate risk is key to the transition to a low carbon society. The framework does not have specific criteria related to mitigating physical climate risks for the financed assets. SB1 Ringerike Hadeland will screen for highly exposed assets using data from Eiendomsverdi and its ESG model for corporate lending. However, such data may not be used in the screening for eligible assets. In general, buildings are highly exposed to physical climate risks, and though building regulations currently consider such risks in Norway, there is no guarantee that they are properly addressed. An increase in precipitation, flooding, and landslides are key risks in Norway.
- We view positively that the framework excludes cabins.

Renewable energy

Assessment	Description
Dark green	Loans to finance or refinance the construction or operation of electricity generation activities that meet either of the following criteria: 1. Produce electricity from hydropower and meet either of the following criteria: a. The electricity generation facility is a run-of-river plant and does not have an artificial reservoir; b. The power density of the electricity generation facility is above five watts per square meter; c. The life-cycle greenhouse gas emissions from the generation of electricity from hydropower are lower than 50 grams of carbon dioxide equivalent (CO_2e) per kilowatt hour (kWh). 2. Produce electricity using solar photovoltaic technology. Loans to finance or refinance infrastructure (transmission or storage) related to the above sources of renewable energy are also in scope of this framework.

Analytical considerations

- Renewable energy projects such as hydroelectric and solar PV are key to limiting global warming to well below 2 C, provided their negative impacts on local environments, and physical risks, are sufficiently mitigated. According to the IEA, most of Norway's electricity supply comes from hydropower (88%), alongside an increasing contribution from wind (10%). As of 2022, renewables accounted for 98.5% of power generation, with the remainder from natural gas and waste.
- SB1 Ringerike Hadeland's loans to hydropower and solar PV projects are aligned with the Paris Agreement's modeled pathways, which imply that almost all electricity is supplied by zero- or low-carbon sources by 2050. In addition, SB1

Ringerike Hadeland requires customers to adhere to all applicable environmental laws, including Norwegian legislation related to EIAs, to address relevant environmental risks. The bank's ESG assessment, which includes physical and biodiversity risk considerations, is required for all loans that exceed NOK5 million. SB1 Ringerike Hadeland expects 80% of the proceeds within this project category to go mainly to existing hydropower facilities and 20% to solar PV. The bank expects 90% of the proceeds under this category to refinance projects. No projects will have exclusive direct connections to high-emitting sectors. As a result, we assess these projects as Dark green.

- Hydropower projects can produce emissions during construction and from water reservoirs. We view as positive that the framework includes thresholds for life-cycle emissions or power density for facilities that are not run-of-river and involve reservoirs. The criteria draw on the EU Taxonomy's guidelines for a significant contribution to mitigating climate change, but is more ambitious by requiring life cycle emissions to be below 50 g of CO_2e per kWh, versus 100 g of CO_2e per kWh in the EU Taxonomy.
- Hydropower can pose risks to biodiversity and ecosystems, such as by altering water flows and disrupting fish migration. In Norway, these issues are addressed during the licensing process, which involves relevant authorities and includes EIAs for new plants as well as regulations for waterway management. Local impacts can vary, and some older plants operating under outdated licenses may lack effective ecosystem preservation measures, such as provisions for fish migration. Run-of-river plants without artificial reservoirs, which are also included in this framework, generally have a smaller impact on local biodiversity. In our view, the NVE and local municipalities' criteria adequately manage the negative effects on biodiversity.
- SB1 Ringerike Hadeland informs us that, solar panels to be financed under this category are expected to be installed mainly on rooftops. If ground installations were to take place, they would be at a small scale, and the bank intends to lend to borrowers that follow applicable Norwegian law, which dictates that an EIA is carried out and biodiversity risks are considered.
- Given the ongoing and future impacts of a changing climate, which in the bank's region include extreme precipitation, flooding, landslides, and droughts, the resilience of hydropower assets is crucial. Such aspects are covered in the licensing process and regulation of such assets in Norway, while the bank also considers physical climate risk in its sector-specific credit assessment model for qualifying loans that exceed NOK5 million.

Environmentally sustainable management of living natural resources and land use

Assessment	Description
Medium green	Sustainable agriculture Loans to finance or refinance agricultural activities or projects that meet the following criteria: 1. Renewable energy for local power generation: a. Solar PV installed on roof tops or on the ground at the farm (any ground installations must be brownfield or non-cultivated and forest-free fields); b. Bioenergy using locally sourced residues/bio-waste as feedstock; and c. Wind power (onshore wind turbines installed at the farm) 2. Organic farming activities that are certified under the DEBIO certification scheme. 3. Improved farming methods that meaningfully contribute to achieving greenhouse gas emission reduction targets set out in Landbrukets klimaplan 2021-2030, with a documented effect demonstrated through, for example, the use of the Klimakalkulator. Fossil fuel machinery and the industrial production of meat are not in the scope of this framework. No farming activities that will lead to an increase in livestock herds will be financed under this framework. Sustainable forestry

	Loans to finance or refinance actions or assets related to afforestation, forest ownership, and management and rehabilitation and restoration of forests that are certified in accordance with the Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC).

Analytical considerations

- In 2023, agriculture made up about 9.6% of Norway's greenhouse gas emissions, mainly from livestock-related methane and nitrous oxide from fertilizers. Emissions from machinery were minor. Land use for animal feed adds significantly to global emissions, and animal-based foods generally have a higher carbon footprint than plant-based ones. Locally, agriculture also affects soil and water quality. Reducing emissions through sustainable farming and shifting toward plant-based, low-emissions proteins is key to a climate-resilient future.
- The bank expects 44% of proceeds in this category to go toward sustainable agriculture and 56% to sustainable forestry. Of the proceeds going toward sustainable agriculture, 50% will go to renewable energy for local power generation, 40% to organic farming activities, and 10% to improved farming methods. Our overall Medium green shade for the sustainable agriculture subcategory reflects the varying climate benefits of the underlying projects. We assess the proceeds allocated to renewable energy as Dark green, and the remaining proceeds for organic farming and improved farming methods as Light green due to the transitional aspects of decarbonizing the agricultural sector. We also assess the proceeds allocated to certified forests as Medium green.
- The bank expects the forestry operations in their entirety to be certified by the FSC or PEFC, which both have requirements to protect sensitive carbon- and biodiversity-rich areas and maintain carbon sinks throughout the forests. These certification schemes safeguard biodiversity and ecosystems such as watercourses and riparian zones (e.g., by establishing multilayered buffer zones along water, rivers, and streams), endangered species and endangered nature types, nationally and regionally important nature types, key habitats for species considered endangered on the Norwegian Red List, wetlands and swamp forests, and nesting sites of birds of prey, owls, and capercaillie leks. The framework includes considerations around physical climate risks, which are material for forestry projects given the risks associated with forest fires, but it does not have a strategy in place to address such risks.
- SB1 Ringerike Hadeland's criteria for its solar panel loans are defined as being installed on rooftops or on the ground at the farm, and any on the ground installations are to be built on brownfield or non-cultivated and forest-free fields. A strength of the framework is that it requires ground-based solar installations to not be constructed on cultivated and cleared areas to reduce the impacts on biodiversity. We view it as a positive that bioenergy will be produced using locally sourced waste-based feedstocks from farms, because this will allow for lower transport emissions and other benefits. The bank informs us that the waste will be from animal manure, agricultural waste and residues, and sewage sludge.
- The improved farming methods subcategory encompasses a range of initiatives aimed at enhancing on-farm environmental performance, such as methane-reducing feed additives, near infrared spectroscopy technology (which improves crop quality, productivity, and overall efficiency through supporting precision agriculture), and replacing fossil-fuel-powered machinery such as tractors with machinery running on electricity or hydrogen. We view as positive that the bank has excluded any financing of fossil fuel machinery in the framework and has included electric farming machinery.
- Environmental and social risks are evaluated through a mix of general and industry-specific risk factors, dependent on the placement of the customer. Moreover, companies with credit over NOK5 million will have a more comprehensive ESG assessment.

Clean transportation

Assessment	Description
Dark green	Loans to finance or refinance any electric transportation solutions/systems/processes (e.g., fully electric vehicles, light- and heavy-duty vehicles, and construction vehicles/machinery), and any related/supporting infrastructure.

Analytical considerations

- Electrification and supporting infrastructure play a key role in decarbonizing the transport sector to align with a low-carbon, climate-resilient future by 2050. However, there are also potential risks related to indirect emissions from a life cycle perspective (materials sourcing and manufacturing). According to the IEA, in Norway, the transport sector was responsible for 39% of national emissions in 2022, and this will need to decrease significantly if national targets are to be reached by 2030 and beyond.
- SB1 Ringerike Hadeland may finance light- and heavy-duty vehicles such as electric buses, electric trucks, electric construction equipment (such as excavators, dozers, and lifts), and related supporting infrastructure. The bank commits to finance vehicles that run exclusively on electricity. Life cycle savings from EVs depend on the energy mix of the grid that powers them. Norway is well positioned in this regard, since its electricity production is almost entirely from renewable sources, resulting in a low grid emission factor. For these reasons, we assess the project category as Dark green.
- Due to the rareness of fully-electric-powered heavy machinery, we view this element of the bank's framework criteria as a strength. Additionally, we view as positive that the bank will dedicate proceeds under this category to charging infrastructure.
- There are no requirements regarding life cycle emissions from the procurement process of financed assets and activities as this does not sit under the ownership of the bank. However, the production of batteries for EVs and the sourcing of raw materials can have substantial climate and environmental impacts along the value chain.
- Environmental and social risks are evaluated through a mix of general and industry-specific risk factors, dependent on the placement of the customer. Moreover, companies with credit over NOK5 million will have a more comprehensive ESG assessment.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Solar power plants	Energy efficient buildings	Hybrid road vehicles	Health care services	Conventional steel production	New oil exploration

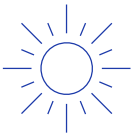
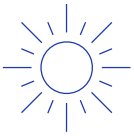
Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to ICMA's SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Green buildings	 **7. Affordable and clean energy**  **11. Sustainable cities and communities***  **13. Climate action**
Renewable energy	 **7. Affordable and clean energy***  **13. Climate action**
Environmentally sustainable management of living natural resources and land use	 **2. Zero hunger**  **15. Life on land***
Clean transportation	 **7. Affordable and clean energy**  **11. Sustainable cities and communities***  **13. Climate action**

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

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