

Green Investor Presentation

2024

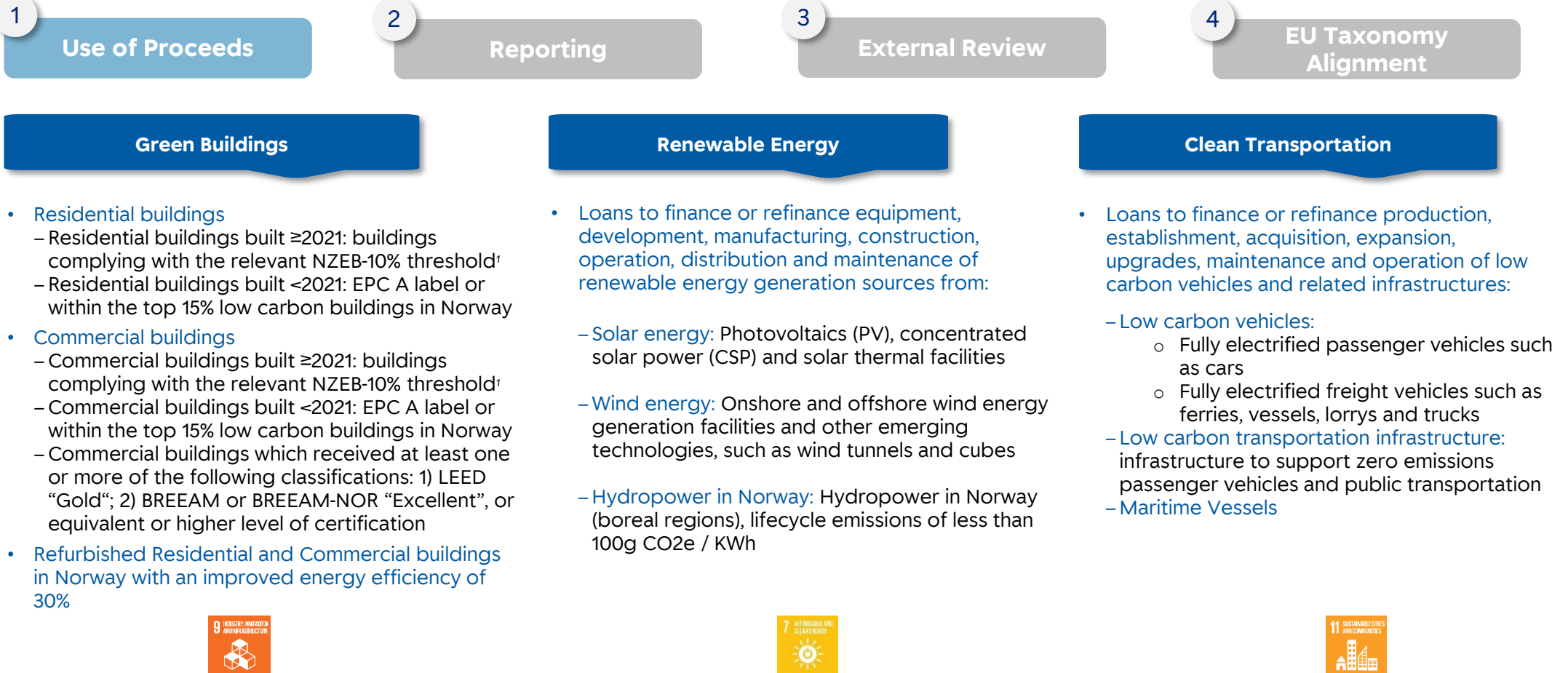
SMN Green Finance Framework

- Structured and aligned with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023
- Second Party Opinion and EU taxonomy assessment provided by Sustainalytics
- Eligible categories
 - Residential buildings
 - Commercial buildings
 - Renewable energy
 - Clean transportation
 - Environmentally Sustainable Management of Living Natural Resources and Land Use
 - Eco-efficient and Circular Economy adapted Products, Production Technologies and Processes
- Eligible assets as of 31 December 2023: EUR ~3 bn
- Outstanding green bonds as of 31 December 2023: EUR ~ 2.1 bn
- Green Finance Framework and related documents:
<https://www.sparebank1.no/en/smn/about-us/sustainability/green-bond-framework.html>

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Use of Proceeds: Eligible Assets (1/2)



¹ In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the ‘NZEB -10%’ criterion. In Norway, NZEB definitions were announced on 31 January 2023 (Norwegian only). Compliant buildings are assessed against the respective NZEB threshold published by the Norwegian Ministry, expressed as specific energy demand in kWh/m². At the time of writing all Norwegian buildings with EPC labels of A and some EPC B labels are compliant with NZEB-10%. TEK17 buildings eligible under the previous framework that were originated between 01/01/2021 - 31/01/2023 have been grandfathered in the portfolio as of 31/01/2023 following the publication of the official Norwegian NZEB definitions.

Use of Proceeds: Eligible Assets (2/2)

1

Use of Proceeds

2

Reporting

3

External Review

4

EU Taxonomy Alignment

Environmentally Sustainable Management of Living Natural Resources and Land Use

- Loans, credit and investments aiming at financing or refinancing environmentally sustainable fishery and aquaculture and environmentally sustainable forestry :

– Fisheries & Aquaculture:

- Marine Stewardship Council (MSC)
- Aquaculture Stewardship Council (ASC)
- Best Aquaculture Practices (BAP), minimum 2 stars
- Global G.A.P. Aquaculture Standard



– Forestry:

- Forest land certified in accordance with the Forest Stewardship Council (FSC) standards and/or
- the Programme for the Endorsement of Forest Certified (PEFC)



Eco-efficient and Circular Economy adapted Products, Production Technologies and Processes

Companies must benefit from selected sustainability certifications on products, services or processes:

- **Eco-Lighthouse:** Manufacture of plastic, operation of petrol stations, wholesalers of solid, liquid and gaseous fuels and related products are excluded.



Second Party Opinion



- “Sustainalytics is of the opinion that the SpareBank 1 SMN Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023.”
- “Sustainalytics believes that the Green Finance Framework is aligned with the overall sustainability ambitions of the Bank and that the Green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11”
- “Sustainalytics is of the opinion that out of 14 activities mapped in the EU Taxonomy, 12 are aligned with the applicable technical screening criteria for substantial contribution, whereas 2 activities are partially aligned. Eight activities align with the do no significant harm (DNSH) criteria of the EU Taxonomy, and six activities were assessed as partially aligned with the DNSH criteria. Sustainalytics is also of the opinion that the projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.”



Alignment with
 The Green Bond Principles

Reporting – Allocation (FY2024)

1

Use of Proceeds

2

Reporting

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External Review

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EU Taxonomy
Alignment

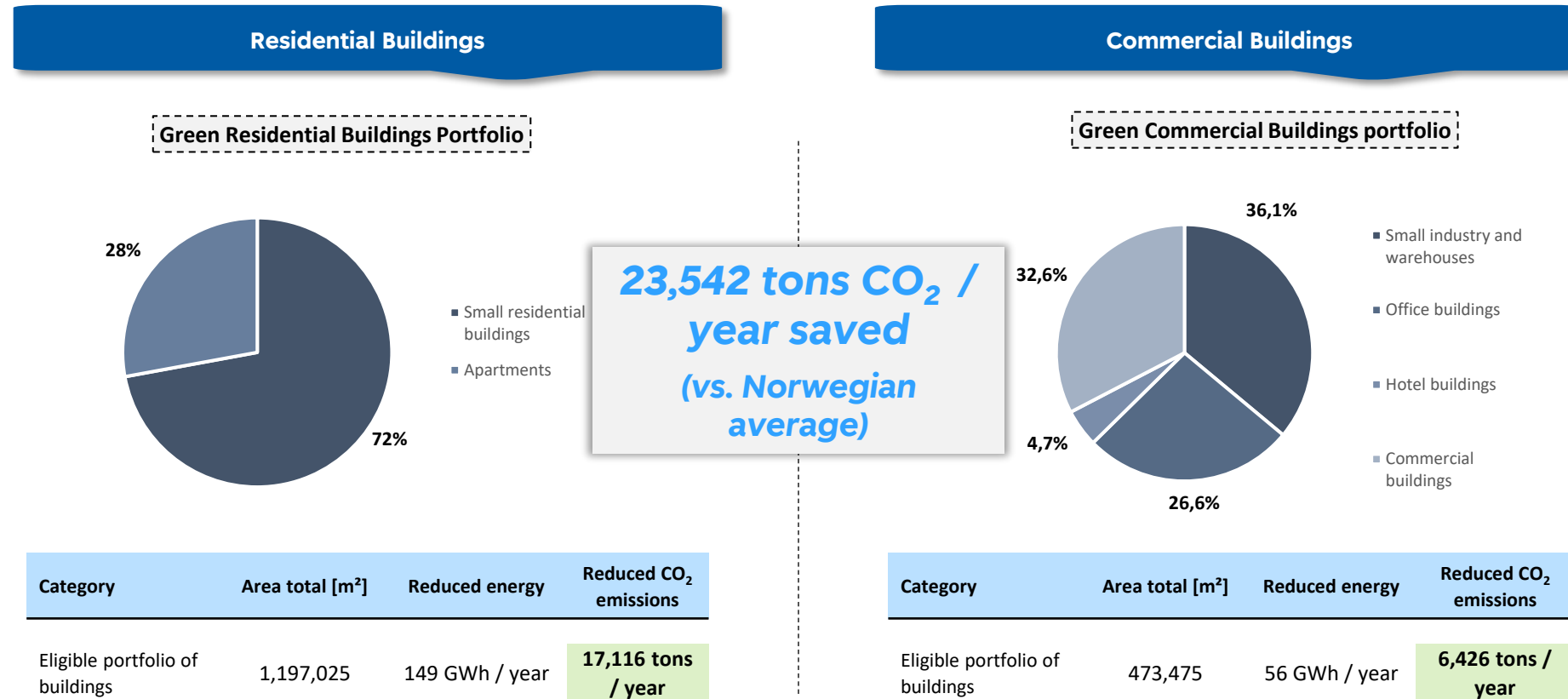
Eligible Green Loan Portfolio (FY24)	
	Amount (NOK m)
Green Residential Buildings	22,219
Green Commercial Buildings	4,579
Clean Transportation	2,897
Renewable Energy	51
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	7,032
Fisheries (MSC Certification)	3,747
Aquaculture (Global.G.A.P. and ASC Certification)	2,171
Eco-Lighthouse	1,114
Total	36,778

Percentage of Eligible Green Loan Portfolio allocated (usage)	65.4%
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	100%
Eligible Green Loan Portfolio - Unallocated (NOK m)	12,726
New loans added to the portfolio since December 2023 (NOK m)	10,946

Green Funding (Pro Forma FY24)			
Instrument (ISIN)	Issuance Date	Due Date	Amount (NOK m)*
XS2051032444	sep-19	sep-26	5,902
NO0010905474	nov-20	nov-26	1,809
NO0010905490	nov-20	nov-26	980
XS2303089897	feb-21	feb-28	5,902
CH1184694789	may-22	jun-27	2,195
NO0012629429	aug-22	aug-27	550
NO0012629411	aug-22	aug-27	500
NO0012629403	aug-22	aug-25	314
XS2536730448	sep-22	dec-25	5,902
Total			24.052

*NOK equivalent amount (Exchange rate as of 31st December 2024; EUR 1 = NOK 11.803; CHF 1 = NOK 12.541)

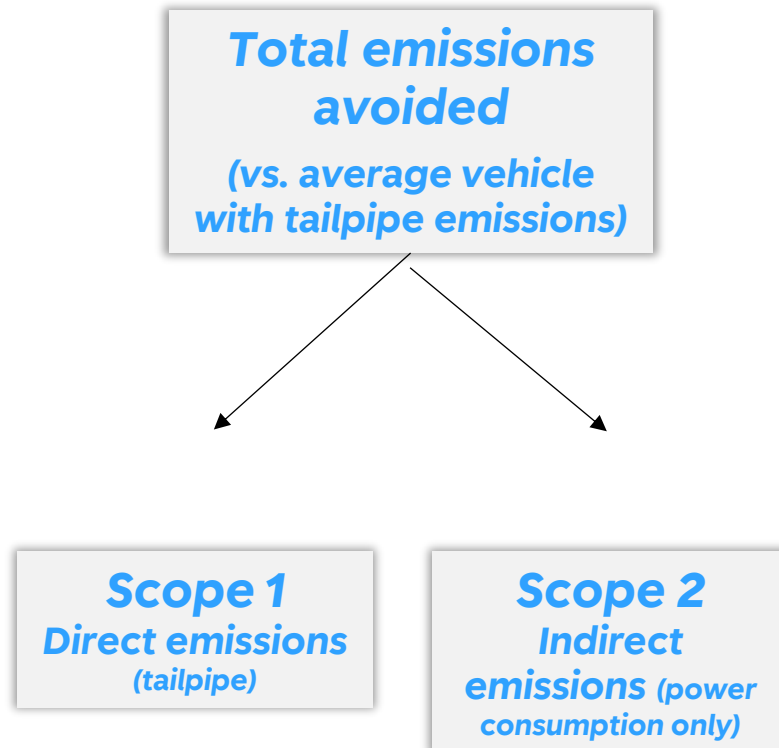
Reporting – Impact (FY24) (1/5)



Reporting – Impact (FY24) (2/5)



Clean Transportation



SMN portfolio of EV vehicles

Category	Number of vehicles	Sum km / year	Sum person km / year
Passenger vehicles	9,662	101.8 mill.	173.1 mill.

Impact assessment: Avoided emissions – Electric vehicles

Category	Sum person km / year
Total Direct emissions only (Scope 1)	9,910 tons CO ₂ /year
Total Indirect emissions EV's only (Scope 2)	-2,890 tons CO ₂ /year
Total Avoided emissions	7,020 tons CO ₂ /year

Reporting – Impact (FY24) (3/5)



Renewable Energy

Total emissions avoided
(vs. baseline)



The positive impact of the hydropower assets is 130 gCO₂/kWh compared to the baseline

SMN portfolio of run-of-river hydropower plants

Category	Capacity [MW]	No. plants	Estimated production [GWh / year]	Expected production [GWh / year]
Run-of-river hydropower plants	0.1-2.9	10	42.1	33.7

Impact assessment

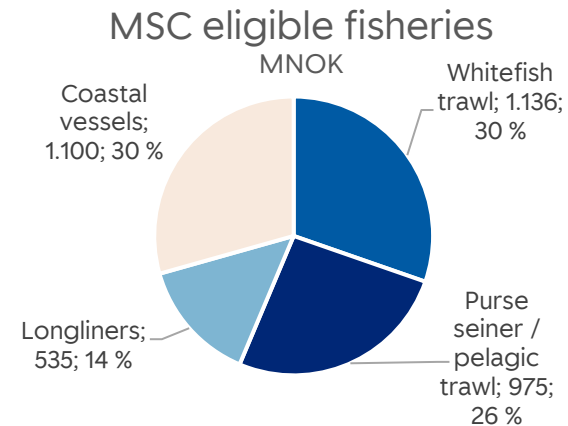
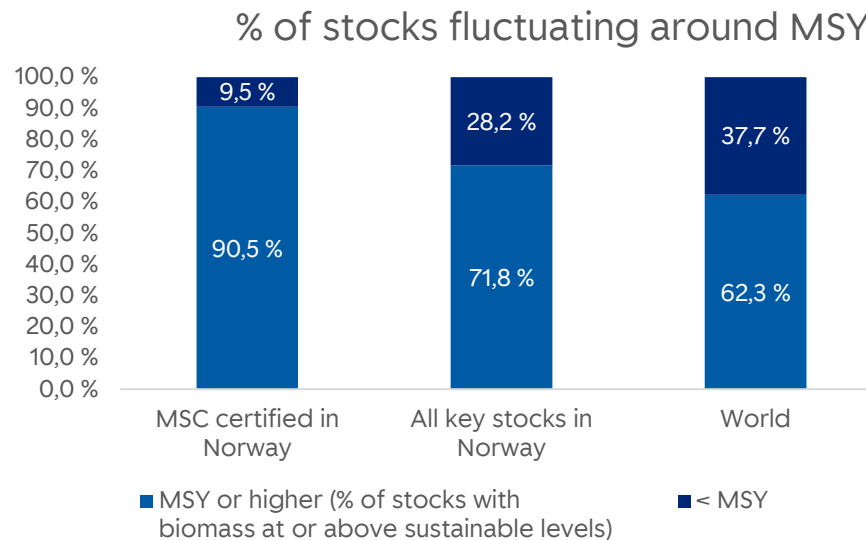
Category	Expected production (GWh / year)	Reduced CO ₂ -emissions compared to baseline (tons CO ₂ / year)
Eligible plants in portfolio	34.0	4,378

Reporting – Impact (FY23) (4/5)



Eco-efficient and/or circular economy adapted products, production technologies and processes

Fisheries



Indicator	Benefit MSC vs. Norway	Benefit MSC vs. World
% of fishery stocks with biomass at or above sustainable levels	+18.7% vs. non-MSC Norway	+28.2% vs. World

Reporting – Impact (FY23) (5/5)



Eco-efficient and/or circular economy adapted products, production technologies and processes

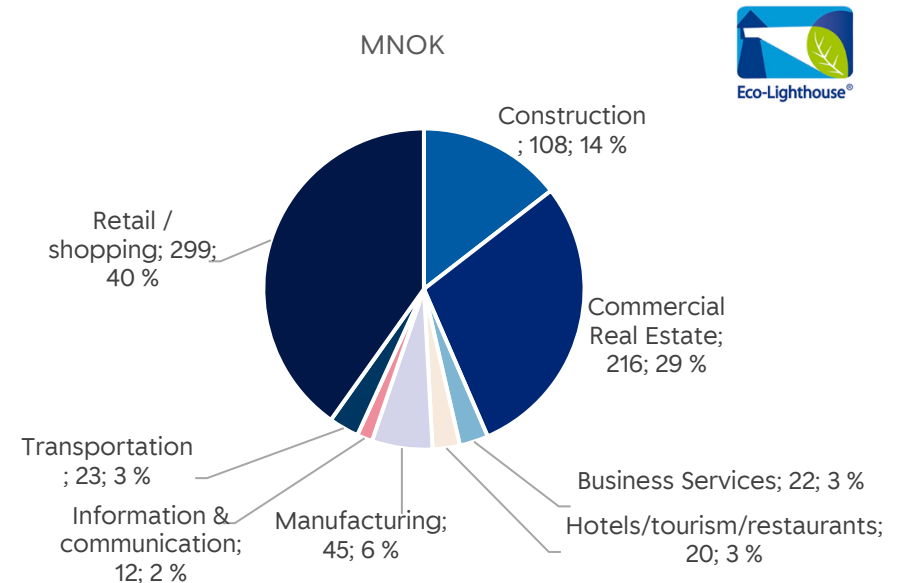
[Aquaculture \(see qualitative analysis Impact Report\)](#)



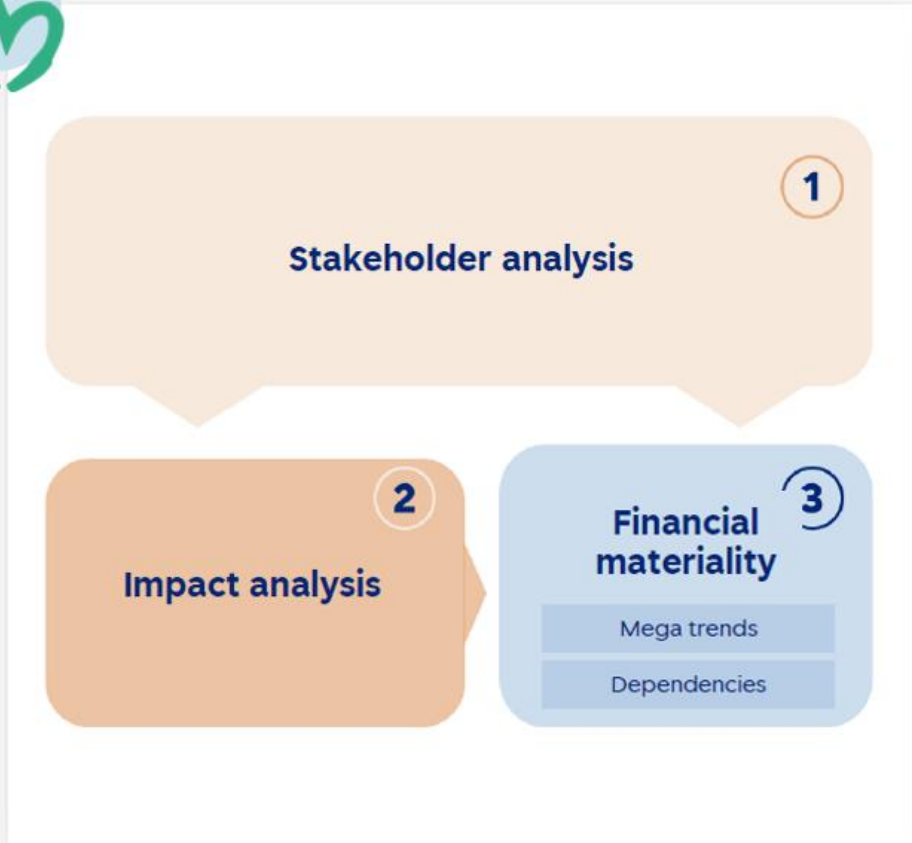
Farming of salmon is significantly lower in carbon impact compared to other on-land livestock.

Indicator	CO ₂ intensity avoided vs. chicken	CO ₂ intensity avoided vs. pork	CO ₂ intensity avoided vs. beef
CO ₂ intensity of protein avoided (g CO ₂ e per typical serving (40g))	0.28	0.7	5.32

[Eco-Lighthouse \(see qualitative analysis Impact Report\)](#)



Double materiality analysis



- **The updated double materiality analysis takes account of internal changes, changes in the surroundings and new regulatory requirements (CSRD)**
- Identifies significant impacts, risks and opportunities related to climate, environment and the community
- Provides insights for revision of the the group's strategic direction and adjustments to the business model
- Provides insights for prioritising measures designed to assist SMN in achieving its goals in the sustainability sphere

Science-based climate targets and reporting



- **SMN has adopted emissions targets under the Norwegian Climate Change Act**
- Minimum 55% emissions reduction by 2030 and 90-95% by 2050
- **SMN has committed to establishing science-based climate targets for its own operations and for financed emissions (Science Based Targets Initiative)**
- Emissions calculations for the loan portfolio
- Transition plans and emissions paths at industry level
- Credit strategy and credit process in the business lines
- Reporting under new expectations and requirements
- **Financed emissions make up the largest share of emissions in our value chain**
- High emissions will mean weaker competitive power in the years ahead
- SMN will assist customers' transition to a low emissions society
- Challenges: data quality, calculation methods and measurement uncertainty

Utslipp	2019	2022	2023	Endring	Endring
CO ₂ -ekvivalenter	Størrelse	Faste	Revideret	2019-2022	2022-2023
Scope 1 GHG-utslipp (tCO₂e)					
Total netto Scope 1 GHG-utslipp	-	-	-	0 %	0 %
Scope 2 GHG-utslipp (tCO₂e)					
Total netto i kjøpsrelatert	87	101	152	16 %	50 %
Total netto markedsbasert	2 250	2 052	2 207	9 %	7 %
Scope 3 GHG-utslipp (tCO₂e)					
Total netto oppstrøm Scope 3	22 255	20 578	18 818	-8 %	-15 %
Kjøpte varer og tjenester	15 814	16 119	14 737	-8 %	-6 %
Kapitalvarer	1 000	1 715	1 637	-8 %	-5 %
Transport og distribusjon	711	314	262	-16 %	-43 %
Avfall som følge av operasjoner	71	34	30	-24 %	-31 %
Forretningsreiser	3 659	7 336	7 151	-9 %	-42 %
Total netto nedstrøm Scope 3	-	9 689	1 023 452	8 %	-
Finansielle utslipp					
Jordbruk og skogbruk	-	517 847	803 430	17 %	-
Riske og finans	-	96 122	69 027	-28 %	-
Handel	-	17 584	91 531	22 %	-
Industri og bergverk	-	50 424	19 403	-23 %	-
Bygg, anlegg, kraft og varmeforsyning	-	14 463	28 499	10 %	-
Varehandel, hotell- og restaurantbransjen	-	24 880	167 436	9 %	-
Sjefat og offshore	-	16 223	4 651	-33 %	-
Landbruksmiddel	-	3 247	5 001	25 %	-
Forretningsmessig tjenesteyting	-	4 719	5 001	25 %	-
Transport og ansettelsesrelaterte virksomheter	-	68 644	75 806	10 %	-
Offisiell forvaltning	-	1	1	286 %	-
Øvrige sektorer	-	2 073	2 728	8 %	-
Lønnsutbetaling	-	15 566	19 113	23 %	-
I tillegg til de ovennevnte	-	24 009	21 730	-9 %	-
Totalt GHG-utslipp (tCO₂e)					
Totalt GHG-utslipp (i kjøpsrelatert)	-	579 689	1 023 452	7 %	-
Totalt GHG-utslipp (markedsbasert)	-	981 660	1 605 530	8 %	-
Stregforbruk (MWh)					
Nettoforbruk strøm	5 797	5 132	5 609	1 %	0 %
Nettoforbruk fjernvarme	-	678	943	39 %	-

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