

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

SpareBank 1 Østlandet

27 February 2024

VERIFICATION PARAMETERS

Type(s) of
instruments
contemplated

- Green Finance Instruments – Bonds, Loans and Deposits

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles (GLP) as administered by the Loan Market Association (LMA) (as of February 2023)
- EU Taxonomy Climate Delegated Act (as of June 2023)

Scope of verification

- SpareBank 1 Østlandet's Green Bond Framework (as of February 23, 2024)
- SpareBank 1 Østlandet's Eligibility Criteria (as of February 23, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

SpareBank 1 Østlandet ("the Issuer", or "the Bank") commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Green Finance Instruments by assessing four core elements to determine the sustainability quality of the instruments:

1. SpareBank 1 Østlandet's Green Bond Framework (as of February 23, 2024) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP), and the Loan Market Association's (LMA) Green Loan Principles (GLP).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. The alignment of the project categories with the EU Taxonomy on a best-efforts basis¹ – whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2023)².
4. Consistency of Green Finance Instruments with SpareBank 1 Østlandet's Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

¹ Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".

² Commission Delegated Regulation (EU) 2021/2139 of June 2021, [URL https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139)

SPAREBANK 1 ØSTLANDET OVERVIEW

SpareBank 1 Østlandet provides various financial products and services to individuals, businesses, the public sector, clubs, and societies. The company operates through Retail, Corporate, and Organisation Market and Capital Market segments. The Retail segment provides financial services comprising of savings, money transfer, insurance, accident prevention, financing, money transfer, capital, and investment management services. The Corporate segment offers financing for investments and operations, interest rate, and currency hedging, and investment-related services, as well as insurance services for property. The Organisation Market and Capital Market segment provides risk-based advisory solutions to high-net-worth individuals and corporates, as well as engages in foreign currency services. SpareBank 1 Østlandet was founded in 1845 and is headquartered in Hamar, Norway.



ESG risks associated with the Issuer Industry

SpareBank 1 Østlandet is classified in the Public and Regional Banks industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies³ in this industry are: business ethics, customer and product responsibility, labour standards and working conditions, sustainability impacts of lending and other financial services/products, and sustainability investment criteria.

This report focuses on the sustainability credentials of the issuance. Part IV of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

³ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁴
<p>Part I:</p> <p>Alignment with GBP/GLP</p>	<p>The Issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP/GLP.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The Green Finance Instruments will (re)finance eligible green asset categories which include: Green Buildings, Environmentally Sustainable Management of Living Natural Resources and Land Use, Renewable Energy, and Clean Transportation.</p> <p>Product and/or service-related use of proceeds categories⁵ individually contribute to one or more of the following SDGs:</p> <div data-bbox="572 1055 1040 1169" style="text-align: center;">  </div> <p>Other use of proceed categories⁶ improve the operational impacts of on SpareBank 1 Østlandet’s borrower(s) and mitigate potential negative externalities of its sector on one or more of the following SDGs:</p> <div data-bbox="691 1451 924 1568" style="text-align: center;">  </div> <p>The environmental and social risks associated with those use of proceeds categories are managed.</p>	<p>Positive</p>

⁴ The evaluation is based on SpareBank 1 Østlandet’s Green Bond Framework (February 2024 version), on the analysed Eligibility Criteria as received on February 23, 2024.

⁵ Green Buildings, Environmentally Sustainable Management of Living Natural Resources and Land Use, Renewable Energy, and Clean Transportation.

⁶ Green Buildings with certain criteria of renovation existing buildings, which leads to a reduction of primary energy demand of at least 30%, and Environmentally Sustainable Management of Living Natural Resources and Land Use with certain criteria for Sustainable Agriculture.

<p>Part III: Alignment with EU Taxonomy</p>	<p>The SpareBank 1 Østlandet’s project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2023), on a best-efforts basis.⁷ The nominated project categories are considered to be:</p> <ul style="list-style-type: none"> ▪ Aligned with the Climate Change Mitigation Criteria ▪ Aligned with the Do No Significant Harm Criteria, except for Activities 6.3⁸, 6.5⁸, 6.6⁸, and 7.2⁹ ▪ Aligned with the Minimum Safeguards requirements 	
<p>Part IV: Consistency of Green Finance Instruments with SpareBank 1 Østlandet’s Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. All of the project categories considered are in line with the sustainability objectives of the Issuer.</p>	<p>Consistent with the Issuer’s sustainability strategy</p>

⁷ Whilst the Final Delegated Act for Mitigation and Adaptation was published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis".



⁸ Do No Significant Harm to Pollution Prevention and Control is assessed as not aligned for Activities 6.3, 6.5 and 6.6.

⁹ Do No Significant Harm to Sustainable Use and Protection of Water and Marine Resources, and Pollution Prevention and Control are assessed as not aligned for Activity 7.2.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of SpareBank 1 Østlandet’s Green Bond Framework (as of February 23, 2024) with the ICMA Green Bond Principles and the LMA/APLMA/LSTA Green Loan Principles.

GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>		<p>The Use of Proceeds description provided by SpareBank 1 Østlandet’s Green Bond Framework is aligned with the Green Bond Principles and the Green Loan Principles.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described and quantified.</p> <p>Furthermore, the Issuer defines exclusion criteria for harmful projects categories, in line with best market practices.</p>
<p>2. Process for Project Evaluation and Selection</p>		<p>The Process for Project Evaluation and Selection description provided by SpareBank 1 Østlandet’s Green Bond Framework is aligned with the Green Bond Principles and the Green Loan Principles.</p> <p>The project selection process is defined and structured in a congruous manner and ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>SpareBank 1 Østlandet clearly defines responsibilities in the process for project</p>

		<p>evaluation and selection in a transparent way, involving various stakeholders in the process, which is in line with best market practice. Furthermore, the Issuer identifies alignment of their Green Bond framework and their green projects with the EU Taxonomy, in line with best market practice.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by SpareBank 1 Østlandet’s Green Bond Framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are moved to a sub portfolio and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by SpareBank 1 Østlandet’s Green Bond Framework is aligned with the Green Bond Principles and the Green Loan Principles.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer’s website. SpareBank 1 Østlandet explains that the level of expected reporting will be at the project category level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The Issuer discloses roles and responsibilities in the monitoring and reporting process, in line with best market practice. Regarding their impact reporting, SpareBank 1 Østlandet is transparent on the level of impact reporting and the information reported and further defines the</p>

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		duration, scope, and frequency of the impact reporting, in line with best market practice.
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PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENT TO THE UN SDGs¹⁰

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories finance by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.


1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a 3-point scale (see Annex 1 for methodology):



Each of the Green Finance Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green buildings</p> <p><i>Residential and commercial buildings built ≥2021 in Norway</i></p>	<p>Contribution</p>	

¹⁰ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

- Buildings complying with the relevant NZEB-10% threshold ¹¹

Residential and Commercial Buildings built <2021: EPC A label or within the top 15% low carbon buildings in Norway¹²

Green Buildings

Buildings which received at least one or more of the following classifications:

- LEED "Gold"
- BREEAM or BREEAM-NOR "Excellent" or equivalent, or higher level of certification¹³

Environmentally Sustainable Management of Living Natural Resources and Land Use

Sustainable Forestry:

Loans to finance or refinance environmentally responsible forest management:

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

Renewable Energy

Loans, credits and investments to finance and refinance the acquisition, development, operation and maintenance of renewable energy power plants, generation and transmission of energy from such renewable



¹¹ 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%. The full methodology and selection approach used for NZEB-10% compliant buildings will be published in a technical report from a specialised external consultant.

¹² Qualifying building codes and/or EPC labels will be determined with the support of a specialised external consultant and will take into account guidance from the Norwegian Ministry once published and may use model estimates from an external party for PED where EPCs are missing. The Norwegian residential and commercial buildings under building codes TEK10 and TEK17 and EPC label A or B are within the top 15% as of FY23 statistics (this criteria will be used in the absence of any publication regarding the top 15% criteria by the Norwegian Ministry).

¹³ The assessment is limited to certifications spelled out in the Framework.

sources, and manufacturing of related technologies and equipment:

- *Solar Power: Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities*
- *Wind Power: Onshore and Offshore wind energy generation and other emerging technologies, such as wind tunnels and cubes*
- *Hydropower¹⁴*
 - *Small-scale hydropower projects (less than 25MW), and large-scale projects (more than 25MW) with (i) life cycle emissions of less than 100g CO₂/kWh, (ii) power density greater than 5W/m² and (iii) the electricity generation facility is a run of river plant and does not have an artificial reservoir*
 - *The power density of the electricity generation facility is above 5W/m²*
 - *The lifecycle emissions from the generation of electricity from hydropower are lower than 100g CO₂e/Kw*

Renewable Energy

Transmission systems: Development of new, or improvement of existing, transmission systems (or other infrastructure) to facilitate the integration of electricity from renewable energy sources into the grid.

- *Transmission and distribution infrastructure in an electricity system that complies with at least one of the following criteria:*
 - *The system is the interconnected European system, and its subordinate systems,*



Contribution



¹⁴ The Issuer confirmed that the financed hydropower facilities are and will be below 1000 MW. For further reference, please visit the report prepared by an external consultant on the hydropower capacity that the Bank includes in the scope. Available at: https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/samfunn/Multiconsult_Report_Hydropower_SpareBank1Ostlandet_03_v01.pdf

- *More than 67 % of newly enabled generation assets comply with the 100gCO₂ e/kWh threshold (over a rolling 5-year period), or*
- *The grid's average emissions factor is less than 100gCO₂ e/kWh (over a rolling 5-year period)*
- *Direct connections, or expansion of existing direct connections of renewable energy sources.*

Clean Transportation

Loans, credit and investments to finance or refinance production, establishment, acquisition, expansion, upgrades, maintenance, and operation of low-carbon vehicles and related infrastructure¹⁵

- *Low carbon vehicles*
 - *Zero carbon vehicles: fully electric, hydrogen or otherwise zero-emission passenger and freight vehicles*
- *Core and/or auxiliary sustainable transport infrastructure*
 - *Infrastructure to support zero emissions passenger vehicles and public transportation, such as charging stations for electric vehicles, and urban and intercity transit infrastructure*



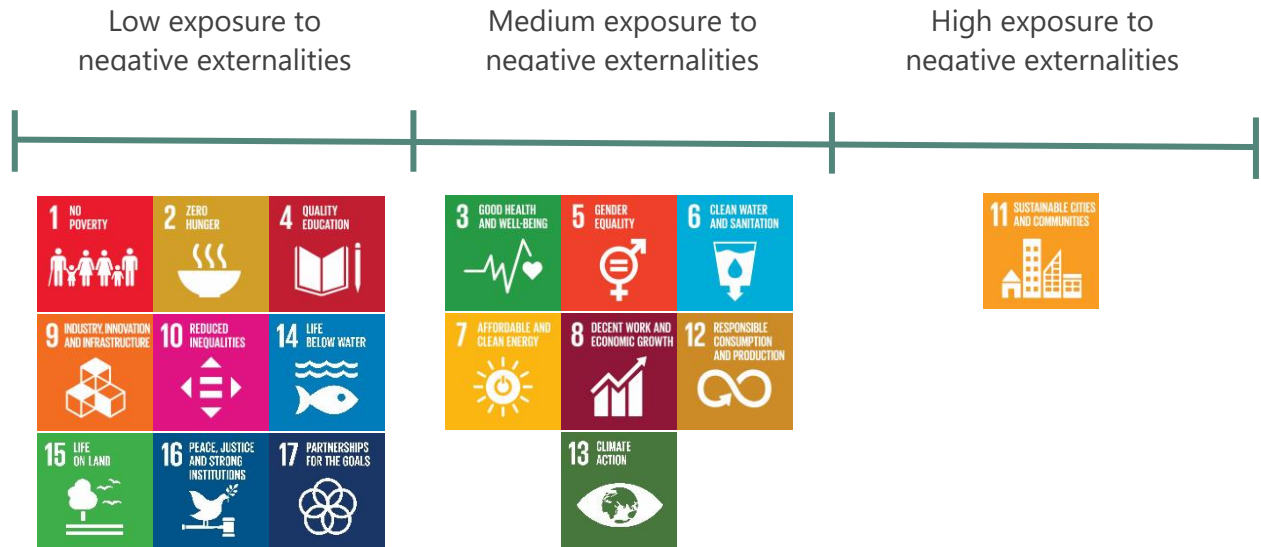
2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer’s clients.


According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities¹⁶ in the Real Estate (which SpareBank 1 Østlandet finances) are the following:

¹⁵ No transport activities that are dedicated for the transport of fossil fuels.

¹⁶ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3 of the SPO.



The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹⁷	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>Renovation of existing buildings¹⁸:</i></p> <ul style="list-style-type: none"> <i>The building renovation complies with the applicable requirements for major renovations.</i> <i>Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30%.</i> 	<p>✓ ¹⁹</p>	
<p>Environmentally Sustainable Management of Living Natural Resources and Land Use</p> <p><i>Sustainable Agriculture:²⁰</i></p> <ul style="list-style-type: none"> <i>Loans to finance or refinance agricultural projects/activities with a substantial positive climate impact that do not deplete existing carbon pools</i> 	<p>✓</p>	

¹⁷ Only the direction of change is displayed.

¹⁸ Qualifying buildings will be determined with the support of a specialized external consultant.

¹⁹ We note that the Issuer has aligned its selection criteria with the technical screening criteria for a substantial contribution to Climate Change Mitigation of the EU Taxonomy Delegated Act (June 2023). The selected criteria refer to the requirements of Activity 7.2 'Renovation of Existing Buildings'.

²⁰ Financing of fossil-fuel-based farm equipment, livestock and animal related food production activities are excluded.

All loans included in this category must meet the requirements set under the Bank's [Green Agriculture Loan, KSL-standards](#)²¹, as well as the farm measuring its record on climate performance as per the [Climate Calculator](#) for the Norwegian Agricultural industry (Landbrukets Klimakalkulator) and having a positive ESG due diligence assessment

²¹ The [KSL](#) (Quality System in Agriculture) is a quality assurance and internal control tool designed for Norwegian farmers. KSL allows farmers to easily check operations to comply with Norwegian laws, regulations and industry requirements. Using KSL allow farmers to send their raw materials with confidence via consignees, industry representatives, grocers and all the way to the consumer.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA

The table below evaluates the Eligibility Criteria against issuance-specific KPIs. The entirety of the assets are and will be located in Norway.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The projects financed under this Framework are and will be located in Norway. SpareBank 1 Østlandet has defined guidelines to identify risks and/or opportunities applicable to the assets underlying this specific transaction.

Sustainability is one of the Bank's main four strategic goals, and responsible lending is measured using an overarching key performance indicator (KPI) which is monitored by the Bank's Board of Directors. SpareBank 1 Østlandet has sector-specific guidelines where the eligible sectors for the Bank's investments are selected and evaluated through an ESG risk assessment. The investments covering new issuers and/or sectors, the Bank carries out this assessment against the guidelines prior to a transaction and reviews the investment portfolio on an annual basis.

The Bank assesses the ESG risk through a management process having the following steps of (i) engagement and mapping of customer's sustainability risk; (ii) setting requirements for customers for compliance with industry standards; (iii) setting energy efficiency requirements for customers; (iv) offering the right products; assess risk in connection with credit cases and follow-up; and (v) assessing risk in connection with problem exposures²². Furthermore, the Bank's reporting is based on the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD), the Global Reporting Initiatives (GRI) guidelines, the Eco-Lighthouse Index, the UNEP FI's Responsible Banking Reporting, and Task Force on Nature-related Financial Disclosures (TNFD).

For ESG screening, SpareBank 1 Østlandet introduced an ESG screening model in 2019, which was developed with industry experts, industry organizations, and special interest groups. The ESG screening model has assigned scores and is tailor-made for individual sectors and industries with specific requirements that are relevant to the respective sector, and it is used before loans are granted to customers to see if borrowers meet the Bank's corporate social responsibility and sustainability requirements. This ESG screening applies to all new loans over Norwegian Krone (NOK) 5 million - and over NOK 2 million for agriculture and forestry - and provides specialized industry-specific questions and analysis tools. In addition to this, the Bank's advisers are required to maintain a dialogue with customers concerning their approach to sustainability in their business. Finally, for the corporate market the Issuer has specific

²² As highlighted in the annual report, available at: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_Annual_Report_2022

sustainability guidelines - Guidelines for Corporate Social Responsibility and Sustainability for the Corporate Market - in place stating that if an ESG risk is identified, the Issuer will enter into a dialogue with the customer in an attempt to remedy the situation. Should this follow-up not result in improvements, the Issuer may consider ending the customer relationship.²³

ESG Guidelines into financing process for most sensitive sectors²⁴ financed under the Framework

As part of their risk assessment, environmental and social risks are required considerations for credit facilities and capital market transactions. The Bank’s approach to environmental risk management addresses both direct and indirect risks and covers sensitive activities across different sectors.

ESG Guidelines into financing process for Forestry and Agriculture

SpareBank 1 Østlandet confirms that the projects financed under this Framework are and will be located in Norway, where Equator Principles are adopted. The principles cover (almost) all of the most relevant client-related sustainable management aspects for crop cultivation, such as water resources; water contamination and eutrophication; soil erosion and fertility; atmospheric emissions; responsible use of pesticides, herbicides, and fertilizers; alternatives to pesticides; herbicides, and fertilizers; crop rotation; polyculture farming instead of monoculture farming (crop diversity); and crop residues and solid waste.

Moreover, according to its Nature and Agriculture guidelines²⁵:

- When loans are granted to agriculture and forestry customers, a climate action plan is required that also includes a plan for efficient resource utilization.
- Tailored environmental and sustainability questions are asked to clients regarding Forestry and Agriculture in the context of the ESG assessment.
- The Bank provides a list of expectations and guidance to all its forestry and agriculture customers.

Labour, Health and Safety



The Bank’s borrowers are obligated to comply with ILO core conventions, as well as the United Nations Declaration of Human Rights and Worker’s Rights. All assets financed will be located in Norway, where all core conventions of the International Labor Organization (ILO) conventions are ratified and the

²³ As highlighted in the Guidelines for Corporate Social Responsibility and Sustainability for the Corporate Market, available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Guidelines-sustainability-and-CSR-corporate-market.pdf>

²⁴ The categorization of a sector as ‘most sensitive’ follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.

²⁵ As highlighted in the General corporate social responsibility and sustainability guidelines (policy document) – nature and agriculture, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/General-guidelines-nature-agriculture-2020.pdf>

Transparency Act that requires companies to conduct human rights due diligence activities on their operations and their entire supply chain is in place. The Bank also monitors social and governance indicators within its ESG assessment process against its Guidelines for Corporate Social Responsibility and Sustainability assessment prior to any loan given to new and existing customers.²⁶ Therefore, high health and safety and labour standards are ensured by the relevant national legislation and the European Union's mandatory social standards.

Biodiversity

The financed activities feature the respect of biodiversity as an integral part of the planning process. The Bank's borrowers are obligated to obtain necessary licenses when required in order to mitigate the negative environmental impacts on biodiversity, surrounding areas, and cultural heritages. All assets financed for the project categories assessed under the KPIs will be in Norway. Thus, the environmental impacts on biodiversity and habitats have been reduced as it complies with the Norwegian Regulations on Environmental Impact Assessment (EIA) for plans pursuant to the Norwegian Planning and Building Act.²⁷ ²⁸ The present EIA provisions implement the EU Directive on Environmental Impact Assessment.



In line with the "Energy Act" and the "Water Resources Act", a license from the Norwegian Water Resources and Energy Directorate (NVE) for the construction of energy production facilities larger than 1MW is required, which shows that the necessary cautions and plans regarding the protection of biodiversity are taken into account. Furthermore, borrowers need to complete an EIA and demonstrate alignment with the EU Water Framework Directive (WFD). Minimum requirements include minimum water flows, functional fish migration pathways as well as safeguards for biodiversity and local ecosystems.

Furthermore, the Bank reports on nature risk, based on the framework from the TNFD.

Community dialogue



The Issuer has processes in place to ensure that community dialogue is an integral part of the planning process. Financed activities feature community dialogue as an integral part of the planning process. All assets financed will be

²⁶ The Guidelines are available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/General-CSR-guidelines-labour-human-rights.pdf>

²⁷ Regulations on Environmental Impact Assessments (EIA), Ministry of Climate and Environment & Ministry of Local Government and Regional Development, 2017, Available at: <https://lovdata.no/dokument/SF/forskrift/2017-06-21-854>

²⁸ The Planning and Building Act, Ministry of Local Government and Regional Development, 2008, Available at: <https://www.regjeringen.no/en/dokumenter/planning-building-act/id570450/>

in Norway, which is an Equator Principles Designated Country. Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. Thus, SpareBank 1 Østlandet and its borrowers are obligated to comply with the requirements on Grievance Mechanisms, and Stakeholder Engagement. Additionally, the Bank requires its borrowers to comply with the Norwegian Regulations on Environmental Impact Assessment (EIA) for plans pursuant to the Norwegian Planning and Building Act. The EIA provisions implement the EU Directive on Environmental Impact Assessment and include community dialogue as a core practice.

The Bank further has its own stakeholder engagement process, where continuous and regular community consultation sessions take place as part of regular materiality analysis and community dialogue takes an integral part in mapping out priority areas regarding the Bank's sustainability and social strategies²⁹. Furthermore, SpareBank 1 Østlandet has both internal and external whistleblowing channels for those who wish to provide feedback and complaints. The mechanisms are regulated via SpareBank 1 Østlandet's Code of Conduct³⁰ and the Procedure for External Whistleblowing of Censurable Conditions³¹

Inclusion



SpareBank 1 Østlandet complies with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES) and has guidelines in place systematically ensuring borrowers are not discriminated on the basis of age, ethnicity, disability, religion and sexual orientation or other factors that represent a breach of the principle of equal treatment in access to credit.³² Furthermore, national legislation provides protection against discrimination on the grounds of gender, pregnancy, leave in connection to childbirth or adoption, and care responsibilities in all areas of society.³³

²⁹ As highlighted in the Bank's Annual Report, 2022, Available at: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_Annual_Report_2022/#page=40&zoom=true

³⁰ SpareBank 1 Østlandet Code of Conduct, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Code-of-Conduct-SB1O-030321.pdf>

³¹ The Procedure for external whistleblowing of censurable conditions at SpareBank 1 Østlandet, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Procedure-for-external-whistleblowing-of-censurable-conditions.pdf>

³² The Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES), 2021, Available at: <https://nues.no/wp-content/uploads/2021/10/2021-10-14-The-Norwegian-Code-of-Practice-for-Corporate-Governance.pdf>

³³ The Equality and Anti-Discrimination Act and the Equality and Anti-Discrimination Ombud Act, Available at: <https://www.regjeringen.no/en/topics/equality-and-diversity/likestilling-og-inkluderings/gender-equality/id670481/#:~:text=The%20Equality%20and%20Anti%2DDiscrimination%20Act%20gives%20protection%20against%20discrimination,or%20adoption%2C%20and%20care%20responsibilities>

The Bank's Whistleblower Policy allows anonymous, written, and verbal reports in order to protect the borrowers.

Data protection and information security

SpareBank 1 Østlandet has policies and process in place to systematically ensure that data collection processes on borrowers meet the minimum requirements for data and information security, and data security in outsourced data processing³⁴. The Issuer is compliant with the EU's General Data Protection Regulation (GDPR) and the Norwegian Personal Data Act, which ensure privacy protection and provides customer data rights, protection measures, and privacy and data security principles.



Risk management processes have been established and updated by an appointed Data Protection Officer (reporting to the Board of Directors), to constantly identify and monitor risks, apply the processes designed to ensure compliance with internal requirements, as well as applicable acts and regulations, and map and manage the risks associated with information security, cyber security, and privacy. The Bank's information security and privacy requirements comply with international standards (ISO/IEC 27001) and with the applicable privacy legislation. Risk mitigation measures are registered, followed up, and reported via a dedicated measures database following the Global Reporting Initiative's (GRI) parameters. In addition, the Issuer carries out regular audits in relation to data protection, privacy, information and communication technology, outsourcing, and information and communication technology, and any potential breaches. Finally, the Bank has technical safety barriers and requires all employees to receive mandatory training in the area of privacy, data and information security³⁵.

Responsible treatment of customers with debt repayment problems



The Issuer has procedures in place to ensure that assets financed under this framework provide responsible treatment toward customers with debt problems. The Bank complies with the Financial Supervisory Authority of Norway's (FSA) requirements regarding governing credit risk management, internal controls, and oversight which includes requirements for dealing with customers with debt problems and has permission from FSA to use internal measurement methods or quantify credit risk (Internal Rating Based Approach) to ensure that the incentives are in place for the customers with debt problems.

³⁴ Privacy Policy, Available at : <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/samfunn/Privacy-policy-SB1O-2022.pdf>

³⁵ See the Bank's Annual Report, 2022, Available at: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_Annual_Report_2022/#page=84

SpareBank 1 Østlandet carries out its transaction processes in accordance with the Mortgage Market Regulation in Norway³⁶, which underlines the underwriting standards that the Bank conforms with. The Issuer has pre-emptive actions in place and implements a conservative loan-to-value (LTV) ratio (set by maximum of 85%, and offers flexibility to borrowers struggling with repayment (set to a maximum of 60% LTV, with a repayment minimum of 2.5% per annum when LTV is higher than 60%), and provides online educational trainings targeting customers with debt problems,³⁷ and offers flexibility to borrowers struggling with repayment. In terms of management of its exposure, SpareBank 1 Østlandet has a loss model. Loss estimates are calculated based on the 12-month and lifelong probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Bank groups its loans and commitments to customers into three stages (stage three being the one where the exposure of the Bank is higher): customers are moved from one stage to another based on their PD, as the Bank uses a combination of the absolute and relative PD as a determining factor. Once a customer reaches stage three, the loss provision must cover the expected losses over the useful life.

Furthermore, in compliance with the Norwegian Financial Agreements Act that regulates the rights and duties of involved parties, the Issuer provides internal and external debt counselling services where the advisors work directly with retail clients. The Bank advises meeting retail clients with financial problems with the possibility of an on-site or digital meeting, where they go through the client’s financial situation is gone through and a debt restructuring plan is made for the customer to be cured. In connection with external digital counselling, the Issuer provides guidance to clients having financial problems, through a specific page of its website.³⁸ For example, SpareBank 1 Østlandet provides clients with budget templates so that customers can plan their expenses and savings, receive advice on borrowing options, or request a voluntary credit freeze.

Sales practices



SpareBank 1 Østlandet’s Code of Conduct³⁹ specifies the core elements of customer services as providing a high level of integrity and fair treatment, and it applies rules for proper conduct and compliance with the operational limits set and the general rules on good business practices and international

³⁶ Norwegian Lending Regulation, Available at: <https://www.regjeringen.no/en/topics/the-economy/finansmarkedene/the-lending-regulation/id2950571/>

³⁷ “Sliter du økonomisk?”, SpareBank 1 Østlandet, Available at: <https://www.sparebank1.no/nb/ostlandet/privat/tips-og-rad/utfordringer-i-privatokonomien.html>

³⁸ On their website, Available at: <https://www.sparebank1.no/nb/ostlandet/privat/tips-og-rad/utfordringer-i-privatokonomien.html>

³⁹ SpareBank 1 Østlandet, Code of Conduct, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Code-of-Conduct-SB1O-030321.pdf>

standards. The Bank also monitors its sponsorship agreements and its purchases with regard to sustainability and corporate social responsibility.

Furthermore, the Bank has its own system and guidelines for following up improvement measures identified by the internal auditor, external auditor, or supervisory authorities. All improvement measures identified through internal reviews such as risk assessments, compliance reviews or their equivalent are followed up the same way, as well as adverse incidents and customer complaints. The Issuer provides training on responsible sales practices and ethical marketing for its employees and training modules are carried out to ensure the implementation of responsible marketing and adequate product offers.

Responsible marketing



The Issuer is committed to being transparent in its marketing activities. SpareBank 1 Østlandet has a Marketing Policy⁴⁰ in place providing transparency regarding product risks in an effort to avoid “greenwashing”, and provision of complete and understandable information in order to ensure that customers’ interests and investor protection are safeguarded when customers and investors are being sold products and services. Furthermore, the Policy sets a commitment towards not targeting vulnerable groups with offers of products that could increase their vulnerability such as credit cards or consumer loans to those with high levels of unsecured debt. Moreover, products and services must be marketed in a way that informs customers of both their advantages/possibilities and disadvantages/limitations.

Specific training modules are provided for the marketing department employees, to ensure a behavior in line with the Bank’s ethical standards.⁴¹

Exclusion criteria

SpareBank 1 Østlandet policies and guidelines exclude companies that are active in the following⁴²:

- Fossil energy – coal, oil or gas, nuclear power, mining;
- Using timber obtained from parties that fell illegally, sell illegally felled timber or engage in deforestation and/or the destruction of tropical rainforests, remove primary forest or protected forests;

⁴⁰ Marketing Policy, SpareBank 1 Østlandet, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/samfunn/Marketing-policy-SpareBank-1-Ostlandet.pdf>

⁴¹ See the Bank’s Annual Report, 2022, Available at: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_Annual_Report_2022/#page=88

⁴² As stated in the Bank’s Annual Report, 2022, Available at: https://www.digiblad.no/sparebank-ostlandet/SB1_ostlandet_Annual_Report_2022/#page=64

- Large-scale dam projects;
- Enterprises that conduct lobbying aimed at weakening the necessary transition to a low-emission society in line with Norway's goals in the Climate Change Act and the world's goals in the Paris Agreement;
- Enterprises that are in some way involved in the development, testing, production, storage or transportation of, or components intended exclusively for, controversial weapons, including cluster, nuclear, chemical and biological munitions, as well as anti-personnel mines;
- The production of tobacco products or components explicitly intended for such products;
- The production of pornographic material.

The Bank has specific guidelines and policies for anti-money laundering and anti-corruption, and a low tolerance for compliance risk and zero tolerance for deliberate breaches of the related regulations.

PART III: ALIGNMENT OF THE ELIGIBILITY CRITERIA WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of SpareBank 1 Østlandet's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Climate Change Mitigation and Do Not Significant Harm Criteria (DNSH), Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act⁴³ (June 2023), based on information provided by SpareBank 1 Østlandet. Where SpareBank 1 Østlandet's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

SpareBank 1 Østlandet's project selection criteria overlap with the following economic activities in the EU Taxonomy:

- 4.1 Electricity Generation Using Solar Photovoltaic Technology
- 4.2 Electricity Generation Using Concentrated Solar Power (CSP) Technology
- 4.3 Electricity Generation from Wind Power
- 4.5 Electricity Generation from Hydropower
- 4.6 Electricity Generation from Geothermal Energy
- 4.9 Transmission and Distribution of Electricity
- 6.3 Urban and Suburban Transport, Road Passenger Transport
- 6.5 Transport by Motorbikes, Passenger Cars and Light Commercial Vehicles
- 6.6 Freight Transport Services by Road
- 6.15 Infrastructure Enabling Low-Carbon Road Transport and Public Transport
- 7.2 Renovation of Existing Buildings
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.7 Acquisition and Ownership of Buildings




All projects financed under the Green Bond Framework are and will be located in Norway.

Note: In order to avoid repetition, the evaluation of the alignment of SpareBank 1 Østlandet's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section N.2. Similarly, the evaluation of the alignment to the DNSH to Sustainable Use and Protection of Water and Marine Resources is given in Section O.2, and DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section P.3.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

⁴³Commission Delegated Regulation (EU) 2020/852, URL https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

a) 4.1 – Electricity generation using solar photovoltaic (PV) technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity generates electricity using solar PV technology. SpareBank 1 Østlandet requires from its borrowers under renewable energy lending process a formal documentation covering technical aspects including any potential concern for ESG related controversies (i.e., EIA). Furthermore, the Bank complies with the Norwegian Regulations on Environmental Impact Assessment for plans pursuant to the Norwegian Planning and Building Act.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
<p>SpareBank 1 Østlandet's borrowers are obligated by all national regulatory requirements applicable to all loans originated in terms of assessing and, where feasible, using equipment and components of high durability and recyclability that are easy to dismantle and refurbish.</p> <p>The Ministry of Climate and Environment established legislation for managing waste of electrical and electronic equipment (WEEE) in 2004 and implemented the regulations on recycling and treatment of waste (Waste Regulations).⁴⁵ Ensuring durability, recycling, and dismantling of solar panels are regulated by national legislation, which the eligible assets are subject to. Furthermore, large solar PV projects for land leases contain specific hand-back conditions to evaluate the decommissioning and dismantling of the project installations at the end of the lease term.</p> <p>The Bank has an ESG due diligence process and questionnaire in place for borrowers to ensure certain sector-specific requirements are fulfilled before financing the projects.</p>	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

⁴⁴ This column is based on input provided by the Issuer.

⁴⁵ Forskrift om gjenvinning og behandling av avfall (avfallsforskriften), 2004, Ministry of Climate and Environment of Norway, Available at <https://lovdata.no/dokument/SF/forskrift/2004-06-01-930>




6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
<p>See p) Additionally, SpareBank 1 Østlandet’s borrowers comply with the biodiversity and ecosystem provisions concerning erection, demolition, alteration, including alteration of the exterior of a building, alterations in use and other projects related to buildings, structures and installations, as well as physical alteration of the land and the establishment and alteration of property, which are set in the Norwegian Regulations on Environmental Impact Assessment (EIA) for plans pursuant to the Norwegian Planning and Building Act. The present EIA provisions implement the EU Directive on Environmental Impact Assessment.</p>	✓

b) 4.2 – Electricity generation using concentrated solar power (CSP) technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁶	ALIGNMENT WITH THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity generates electricity using CSP technology. SpareBank 1 Østlandet requires formal documentation from its borrowers under the renewable energy lending process, covering technical aspects including any potential concern for ESG-related controversies.</p>	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>See n)</p>	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>See o)</p>	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
<p>See a)4</p>	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
<p>See p)</p>	✓

⁴⁶ This column is based on input provided by the Issuer.

c) 4.3 – Electricity generation from wind power

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁷	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity generates electricity from wind power. SpareBank 1 Østlandet requires from its borrowers under the renewable energy lending process, a formal documentation covering technical aspects including any potential concern for ESG-related controversies.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>See n)</p>	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>SpareBank 1 Østlandet wind power customers are obligated by all national regulatory requirements applicable to all loans originated. Regarding both on-shore and off-shore wind power facilities, an Environmental Impact Assessment (EIA) is being conducted at the planning stage of the projects. The EIA includes water considerations, as per conformity with European legislation including the EU Directive 2008/56/EC's requirements on the development and implementation of marine strategies and the Directive Descriptor 11 related to Noise/Energy, laid down in Annex I has been translated by Norwegian law⁴⁸. For offshore wind power specifically, the borrowers are required to comply with the Norwegian Offshore Energy Regulations/Act (06/2020), which puts environmental considerations and requirements for offshore wind farms as part of project-specific impact assessments.⁴⁹</p> <p>Furthermore, SpareBank 1 Østlandet's borrowers comply with the Norwegian Water Regulation (Vannforskriften) and the EU Water Framework Directive (WFD) which entered into force in Norway in 2008. The Directive's main objective is to ensure a good status of surface and groundwater (See section o).</p>	

⁴⁷ This column is based on input provided by the Issuer.

⁴⁸ Norway has developed the basis for an integrated marine environmental policy based on the ecosystem approach. The Offshore Energy Regulations/Act (06/2020) provides a detailed overview of the environmental considerations and requirements for offshore wind farms as part of project-specific impact assessments. Available at <https://www.regjeringen.no/contentassets/aaac5c76aec242f09112ffdceabd6c64/royal-decree-offshore-energy-regulation-june-2020.pdf>

⁴⁹ For a detailed overview of the specific requirements for offshore wind farms, please visit the pages 27 and 28 of the Royal Decree on Offshore Energy Regulations/Act 06/2020, Available at: <https://www.regjeringen.no/contentassets/aaac5c76aec242f09112ffdceabd6c64/royal-decree-offshore-energy-regulation-june-2020.pdf>

The Bank has an ESG due diligence process and questionnaire in place for borrowers to ensure certain sector-specific requirements are fulfilled before financing the projects.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
See a)4	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓

d) 4.5 – Electricity generation from hydropower

PROJECT CHARACTERISTICS AND SELECTION PROCESSES⁵⁰	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The electricity generation facility is either: i. a run-of-river plant and does not have an artificial reservoir; ii. the power density of the electricity generation is above 5W/m²; or iii. the life-cycle GHG emission from power generation is lower than 100g CO₂e/kWh. The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or alternatively using ISO 14067:2018, ISO 14064- 1:2018, or the GHG Reservoir (G-res) Tool. The hydropower portfolio is assessed by an independent third party, namely Multiconsult.</p> <p>Multiconsult has investigated SpareBank 1 Østlandet's portfolio and confirmed that the assets, both planned and in operation, are well below a threshold of 100g CO₂e/kWh, and any material change in GHG emission in relation to construction and operation is not foreseen.</p>	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
The Bank's borrowers are obligated to comply with the provisions of Directive 2000/60/EC and with all the requirements laid down in Article 4 of the Directive. The Ministry of Climate and Environment (KLD) confirmed that Norway has transposed the EU Water Framework Directive (2000/60/EC) in	✓

⁵⁰ This column is based on input provided by the Issuer.

Norwegian law⁵¹, including several legal measures to ensure compliance with Article 4 of the WFD⁵², for example, regulate and control the action and behavior of the companies and other entities which operate hydropower plants, so that their actions and behavior do not impede the Article 4 WFD environmental objectives. This includes, but is not limited to, measures to ensure downstream and upstream fish migration, minimum ecological flow, and protect or enhance habitats, concerning urban waste-water treatment⁵³ and nitrate pollution from agricultural sources⁵⁴. As further regulated in Norway, the effectiveness of those measures is monitored in the context of the authorization or permit setting out the conditions aimed at achieving good status or potential of the affected water body.

The Bank has an ESG due diligence process and questionnaire in place for borrowers to ensure certain sector-specific requirements are fulfilled before financing the projects.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

N/A: there is no EU Taxonomy criteria for the category

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

N/A: there is no EU Taxonomy criteria for the category

6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

See p)



e) 4.6 – Electricity generation from geothermal energy

PROJECT CHARACTERISTICS AND SELECTION PROCESSES⁵⁵

ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA

1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION

The activity generates electricity from geothermal energy. The life-cycle GHG emission from power generation is lower than 100g CO₂e/kWh and is calculated using Recommendation 2013/179/EU, or alternatively using ISO



⁵¹ The Water Regulations, 2006, the Ministry of Environment of Norway, Available at: <https://www.vannportalen.no/regelverk-og-foringer/vannforskriften/>

⁵² The approach to water management in the WFD is ecosystem-based by dividing Norway into River Basin Districts (RBDs). For each RBD, a River Basin Management Plan (RBMP) and Programme of Measures (POM) are elaborated, identifying the specific environmental objectives for each water body pursuant to Article 4 of the WFD and the measures aiming to achieve the specific environmental objectives.

⁵³ Council Directive 91/271/EEC concerning urban waste-water treatment.

⁵⁴ Council Directive 91/676/EEC concerning nitrate pollution from agricultural sources.

⁵⁵ This column is based on input provided by the Issuer.

14067:2018, ISO 14064- 1:2018, or the G-res tool. Quantified life-cycle GHG emissions will be verified by an independent third party. It is worth noting that the Bank does not have any geothermal facilities in the portfolio as of today.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See o)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
The Bank’s borrowers are obligated to comply with the provisions of Directive 2004/107/EC and with all the requirements laid down in Directive 2008/50/EC in order to ensure that adequate abatement systems are in place for the operation of high-enthalpy geothermal energy systems to reduce emissions levels and avoid hampering the achievement of air quality limit values. Norway has national regulations that are transposed from the aforementioned directives. ⁵⁶ In that regard, borrowers are subject to comply with (i) “Regulations relating to the limitation of pollution (Pollution Regulations)” in place as transposed from Directive 2004/107/EC ⁵⁷ , (ii) the Norwegian 4 th subsidiary directive on heavy metals and polycyclic hydrocarbons (PAHs) that oversees the particular rules related to arsenic, cadmium, mercury, nickel and PAHs ⁵⁸ , and (iii) the Air Quality Directive of Norway in compliance with Directive 2008/50/EC that presents provisions for local air quality. ⁵⁹	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓





⁵⁶ For further detailed information regarding the EU Taxonomy criteria mapping from the national transposition perspective, and the particular transposed laws of Norway, please visit the mapping chart published by the Norwegian Government, Available at: <https://www.regjeringen.no/contentassets/296636deece419590fe6b5668fe196f/departementenes-kartlegging-av-henvisninger-til-eu-regelverk-i-det-forste-kriteriesettet.pdf>

⁵⁷ Norwegian Regulations relating to the limitation of pollution (Pollution Regulations), (Forskrift om begrensning av forurensning (forurensningsforskriften), Available at: https://lovdata.no/dokument/SF/forskrift/2004-06-01-931/KAPITTEL_3#shareModal


⁵⁸ 4th subsidiary directive on heavy metals and PAH, Ministry of Environment of Norway, Available at: <https://www.regjeringen.no/no/sub/eos-notatbasen/notatene/2004/nov/4.-datterdirektiv-om-tungmetaller-og-pah/id2430518/>

⁵⁹ The Air Quality Directive, Ministry of Environment of Norway, Available at: <https://www.regjeringen.no/no/sub/eos-notatbasen/notatene/2005/okt/luftkvalitetsdirektivet/id2432778/>

f) 4.9 – Transmission and distribution of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁰	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>SpareBank 1 Østlandet complies with the requirements set out in the Taxonomy. The activity finances electricity transmission and distribution projects aimed at maintaining and/or enhancing the networks to ensure a safe and reliable use of electricity. The Issuer will finance projects where:</p> <ul style="list-style-type: none"> ▪ The system is the interconnected European system, and its subordinate systems. ▪ More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis over a rolling five-year period. ▪ The average system grid emissions factor is below the threshold value of 100 gCO₂e/kWh measured on a life cycle basis over a rolling five-year period. ▪ Construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO₂e/kWh measured on a life cycle basis to a substation or network. 	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
See a)4.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
The activities SpareBank 1 Østlandet finances (both underground and high overground voltage lines) do not use Polychlorinated Biphenyls (PCBs). In	 except for overground

⁶⁰ This column is based on input provided by the Issuer.

<p>Norway, the use of PCBs is prohibited by the Government, and the borrowers are required to comply with the law.⁶¹</p> <p>The Taxonomy requires high overground voltage line projects to comply with (i) the 1998 Guidelines of International Commission on Non-Ionizing Radiation Protection (ICNIRP) for outside of the EU and (ii) the Council Recommendation of 12 July 1999 on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) (1999/519/EC) for the projects within the EU, to limit the impact of electromagnetic radiation on human health. In that regard, the Bank’s borrowers are obligated to comply with the Norwegian Regulations on Radiation Protection and Use of Radiation, which incorporates the ICNIRP Guidelines as national legal requirements.^{62 63} However, Norway does not comply with the 1999/19/EC recommendations as outlined in the Taxonomy, as the recommendations are not legally binding for Norway. The limit value for magnetic fields from the power grid in Norway is 200 microtesla (µT) for the population. When no national guidelines or limit values regarding optical radiation and electromagnetic field exist, the last updated version of Guidelines on limited exposure to non-ionising radiation from the International Commission on Non-Ionizing Radiation Protection will be applicable which provides guidance with respect to exposure limitation, taking into account the prevailing practical circumstances. Furthermore, SpareBank 1 Østlandet does not obligate its borrowers to be in compliance with the IFC General Environmental, Health, and Safety Guidelines for financings concerning high overground voltage lines. Instead, the Issuer finances projects that follow the Norwegian Environmental, Health, and Safety (EHS) national laws.</p> <p>Considering there is limited or no visibility regarding the compatibility of the Norwegian laws with the IFC requirements, and Norway’s nonconformity with the 1999/19/EC recommendations; the assessment is concluded that SpareBank 1 Østlandet complies with DNSH to Pollution criteria, except for overground high-voltage lines.</p>	<p>high-voltage lines</p>
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See p)</p>	

⁶¹ Regulations on restrictions on the use of chemicals and other products hazardous to health and the environment (the product regulations), Lovdata, Available at: https://lovdata.no/dokument/SF/forskrift/2004-06-01-922/KAPITTEL_2#%C2%A72-4

⁶² The Norwegian Regulations on Radiation Protection and Use of Radiation, Available at: <https://dsa.no/regelverk/Regulations%20on%20Radiation%20Protection%20and%20Use%20of%20Radiation%20-%202020.pdf>

⁶³ Comparison of European policies of low frequency (power frequency for high-voltage power lines) electric and magnetic fields, Bundesamt für Strahlenschutz, Available at: https://www.bfs.de/EN/topics/emf/expansion-grid/protection/limit-values-europes/limit-values-europe_node.html

g) 6.3 – Urban and suburban transport, road passenger transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
SpareBank 1 Østlandet finances fully electric urban and suburban passenger transport vehicles that comply with zero direct (tailpipe) CO ₂ emissions.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
<p>SpareBank 1 Østlandet finances vehicles from car-producers that are obliged to follow the following regulations:</p> <ul style="list-style-type: none"> ▪ the EU's End of Life (ELV) Directive (EU Directive 2000/53/EC), prohibiting the use of lead, mercury, hexavalent chromium, and cadmium, ▪ the Norwegian regulations on recycling and treatment of waste (Waste Regulations),⁶⁵ ▪ Waste Framework Directive (2008/98) ▪ Battery and Accumulators Directive (2006/66) <p>As part of the European Economic Area (EEA), Norway complies with EU regulation 2016/1628 including of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles with regard to their reusability, recyclability and recoverability.</p> <p>The Bank has an ESG due diligence process and questionnaire in place for borrowers to ensure certain sector-specific requirements are fulfilled before financing the projects.</p>	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
SpareBank 1 Østlandet customers are obligated by national laws and regulations for the projects financed. As part of the EEA, Norwegian emission	○

⁶⁴ This column is based on input provided by the Issuer.

⁶⁵ See a)4 under Part III of this SPO for further reference.

<p>regulations are aligned to EC No. 715/2007. Additionally, the Bank (re)finances the vehicles that comply with the emissions thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC. For road vehicles of categories M and N, Regulation (EU) 2020/740 which mandates all manufacturers, tire suppliers and distributors to equip their vehicles sold and imported to the EU is implemented in Norway and can be verified from the European Product Registry for Energy Labelling (EPREL). While noting the implementation of EPREL in Norway, relevant regulations do not stipulate tire’s compliance with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes. Considering the eligible projects are located in Norway where vehicle owners typically change tires during winter, the Issuer’s visibility on the type of winter tires that may be chosen by the vehicle owners cannot be guaranteed.</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	

h) 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁶	ALIGNMENT WITH THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
<p>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION</p>	
<p>SpareBank 1 Østlandet finances fully electric urban and suburban passenger transport vehicles that comply with zero direct (tailpipe) CO₂ emissions.</p>	<p>✓</p>
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See n)</p>	<p>✓</p>
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See g)4</p> <p>Additionally, as part of the European Economic Area (EEA), Norway complies with Directive 2005/64/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles with regard to their reusability,</p>	<p>✓</p>

⁶⁶ This column is based on input provided by the Issuer.

recyclability, and recoverability. In that regard, the Bank’s borrowers are obligated to ensure that the vehicles are (i) reusable or recyclable to a minimum of 85% by weight, and (ii) reusable or recoverable to a minimum of 95% by weight.

5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

See g)5



6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

N/A: there is no EU Taxonomy criteria for the category

i) 6.6 – Freight transport services by road

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁷	ALIGNMENT WITH THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
SpareBank 1 Østlandet finances fully electric freight transport vehicles that comply with zero direct (tailpipe) CO ₂ emissions.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
See g)4 Additionally, as part of the European Economic Area (EEA), Norway complies with Directive 2005/64/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles with regard to their reusability, recyclability, and recoverability. In that regard, the Bank’s borrowers are obligated to ensure that the vehicles are (i) reusable or recyclable to a minimum of 85% by weight, and (ii) reusable or recoverable to a minimum of 95% by weight.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See g)5	○

⁶⁷ This column is based on input provided by the Issuer.

6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

N/A: there is no EU Taxonomy criteria for the category



j) 6.15 – Infrastructure enabling low-carbon road transport and public transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁶⁸	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
SpareBank 1 Østlandet finances infrastructure dedicated to the operation of vehicles with zero direct (tailpipe) CO ₂ emissions, such as charging stations for electric vehicles.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See o)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
SpareBank 1 Østlandet's borrowers are required to comply with the Norwegian regulations on recycling and treatment of waste (Waste Regulations), ⁶⁹ to ensure at least 70% (by weight) of the non-hazardous waste generated in the construction, renovation, or demolition sites is prepared for reuse, recycling, and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy. The Norwegian Waste Regulations are in line with the EU Waste Framework Directive and the EU Construction and Demolition Waste Management Protocol. ⁷⁰ In line with the Regulations, the Bank's borrowers are required to prepare and submit the waste plans before new construction, renovation, or demolition starts, and include a waste plan to limit waste generation during construction and demolition and to identify and remove hazardous waste separately.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	




⁶⁸ This column is based on input provided by the Issuer.

⁶⁹ Forskrift om gjenvinning og behandling av avfall (avfallsforskriften), 2004, Ministry of Climate and Environment of Norway, Available at <https://lovdata.no/dokument/SF/forskrift/2004-06-01-930>

⁷⁰ For further information regarding the transposition of the Directives into Norwegian laws, please visit <https://www.regjeringen.no/contentassets/296636deecf419590fe6b5668fe196f/departementenes-kartlegging-av-henvisninger-til-eu-regelverk-i-det-forste-kriteriesettet.pdf>

<p>The Issuer’s borrowers are obligated to comply with Directive 2002/49/EC and mitigate noise and vibrations from the use of infrastructure by introducing open trenches, wall barriers, or other measures. The Bank’s borrowers ensure that measures are taken to reduce noise, dust, and pollutant emissions during construction and maintenance works. The projects where measures are not taken are excluded from financing under this Framework.</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See p)</p>	

k) 7.2 – Renovation of existing buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁷¹	ALIGNMENT WITH THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
<p>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION</p>	
<p>SpareBank 1 Østlandet finances building renovations that lead to a reduction of primary energy demand (PED) of at least 30%. Qualifying buildings will be assessed with the support of a specialized external consultant “Multiconsult”. Initial (primary) energy demand and the estimated improvement are based on an energy audit and/or an EPC Certificate. The Issuer finances renovation projects only where the 30% improvement results from an actual reduction in PED and can be achieved within a maximum of three years.</p>	
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See n)</p>	
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>SpareBank 1 Østlandet’s borrowers comply with the Norwegian Planning and Building Act of 2008 and the Pollution Act of 1981, where requirements regarding the usage of water resources during the construction/renovation of buildings are listed.⁷² Additionally, the Issuer will identify and address the risks of environmental degradation related to the maintenance of water quality and the prevention of water scarcity in accordance with Annex B of the Delegated Regulation on EU Taxonomy (See o).</p> <p>The Taxonomy requires eligible projects to have:</p>	

⁷¹ This column is based on input provided by the Issuer.

⁷² Norwegian Regulations on Technical Requirements for Construction Works, July 2017, <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works--technical-regulations.pdf>

- wash hand basin taps and kitchen taps have a maximum water flow of 6 liters/min;
- showers have a maximum water flow of 8 liters/min;
- WCs, including suites, bowls, and flushing cisterns, have a full flush volume of a maximum of 6 liters and a maximum average flush volume of 3,5 liters;
- urinals use a maximum of 2 liters/bowl/hour. Flushing urinals have a maximum full flush volume of 1 liter

While noting the implementation of the Norwegian Planning and Building Act of 2008, as well as the Pollution Act of 1981, these requirements are not included in Norwegian building regulations (TEK). Furthermore, SpareBank 1 Østlandet has limited data visibility over the above technical requirements of the EU Taxonomy, Therefore, the Bank’s alignment with this criteria cannot be confirmed.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

SpareBank 1 Østlandet’s borrowers are required to comply with the Norwegian regulations on recycling and treatment of waste (Waste Regulations),⁷³ the Norwegian Planning and Building Act of 2008 and the Pollution Act of 1981, and the Building Regulation (TEK17) to ensure at least 70% (by weight) of the non-hazardous waste generated in the construction, renovation or demolition sites is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy. The regulations⁷⁴ comply with the requirements listed in the EU Waste Framework Directive and the EU Construction and Demolition Waste Management.⁷⁵ In line with TEK17 Regulation, the borrowers are required to prepare and submit the waste plans before new construction, renovation, or demolition starts, and include a waste plan to limit waste generation during construction and demolition and to identify and remove hazardous waste separately.⁷⁶



5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA

⁷³ See a)4 under Part III of this SPO for further reference.

⁷⁴ Norwegian Regulations on Technical Requirements for Construction Works, July 2017, <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works--technical-regulations.pdf>

⁷⁵ For further information regarding the transposition of the Directives into Norwegian laws, please visit <https://www.regjeringen.no/contentassets/296636dececf419590fe6b5668fe196f/departementenes-kartlegging-av-henvisninger-til-eu-regelverk-i-det-forste-kriteriesettet.pdf>

⁷⁶ In line with TEK 17, A minimum of 70 percent by weight of the waste generated in measures pursuant to Section 9-6, first paragraph, must be sorted into clean waste types, and all waste must be delivered to approved waste reception, re-use or directly for recycling. Building Technical Regulations (TEK 17) with Guidance, Direktoratet for Byggvalideet, Available at: <https://www.dibk.no/regelverk/byggteknisk-forskrift-tek17/9/9-8>

SpareBank 1 Østlandet's borrowers are obligated to comply with all applicable national regulations. Through the European Economic Area (EEA) Agreement, Norway adheres to a large part of the EU legislation in the context of Taxonomy A, including:

- the Norwegian Building codes lay ow avoidance of materials containing dangerous materials (including mercury, which is listed on the Norwegian authorities' priority list), and Regulation (EU) 2019/1021 has been adopted into Norwegian regulation (Produktforskriften §4-1), which restricts the use of Persistent organic pollutants,^{77 78}
- Regulation (EU) 2017/852 has been adopted into Norwegian law (Produktforskriften §2-4:) forbidding to produce, import, export, sell or use mercury and mercury compounds,⁷⁹
- Regulation (EU) 1005/2009 and 2011/65/EU have been adopted into Norwegian law (Produktforskriften) forbidding to produce, import, export, sell or use substances that deplete the ozone layer,⁸⁰
- Regulation (EC) 1907/2006 Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) has been transposed into Norwegian law,⁸¹

It is worth noting that under this activity, SpareBank 1 Østlandet will finance mortgages, and does not include constructions in the scope of financing. Furthermore, the Issuer's borrowers comply with the Norwegian Planning and Building Act of 2008 and the Pollution Act of 1981, where requirements regarding dust and pollutant emissions, air quality, ventilation, sound, and vibration control the usage of water resources during construction/renovation of buildings are in place.⁸² However, while noting the implementation of the Norwegian Building Code (TEK17) that covers requiring chosen construction products to have limited or no context of substances posing a health or environmental risk, it does not safeguard or set thresholds for formaldehyde

⁷⁷ Miljostatus, Environmental Toxins and Other Priority Substances, Available at: <https://miljostatus.miljodirektoratet.no/tema/miljogifter/prioriterte-miljogifter/>

⁷⁸ Norwegian Regulations on restriction on the use of chemicals and other products hazardous to health and the environment, Lovdata, 2008, Available at: https://lovdata.no/dokument/SF/forskrift/2004-06-01-922/KAPITTEL_6#%C2%A74-1

⁷⁹ Ibid.

⁸⁰ Further information regarding Regulation (EU)1005/2009 can be found under Produktforskriften §6-2, and Regulation2011/65/EU under Produktforskriften §2a-3. Please see Norwegian Regulations on restriction on the use of chemicals and other products hazardous to health and the environment, Lovdata, 2008, Available at: https://lovdata.no/dokument/SF/forskrift/2004-06-01-922/KAPITTEL_6#%C2%A74-1 ; and Regulations relating to amendments to the Regulations relating to restrictions on the use of chemicals and other products hazardous to health and the environment (Produktforskriften), Lovdata, Available at: <https://lovdata.no/dokument/LTI/forskrift/2013-06-26-791>

⁸¹ Forskrift om endringer i forskrift om registrering, vurdering, godkjenning og begrensning av kjemikalier (REACH), 2015, Lovdata, Available at: <https://lovdata.no/dokument/LTI/forskrift/2015-12-15-1603>

⁸² Norwegian Regulations on Technical Requirements for Construction Works, July 2017, <https://dibk.no/globalassets/byggeregler/regulation-on-technical-requirements-for-construction-works--technical-regulations.pdf>

other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component. Due to absence of legal threshold on this matter, the Issuer cannot guarantee that its borrowers' building components and materials used in the building renovation that may come into contact with occupiers emit less than 0.06 mg of formaldehyde per m³ of material or component. Therefore, the assessment as concluded as the Bank's alignment with this criteria cannot be confirmed.

6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA

See p)




- l) 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁸³	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
SpareBank 1 Østlandet finances installation, maintenance or repair of charging stations for electric vehicles.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

⁸³ This column is based on input provided by the Issuer.

m) 7.7 – Acquisition and ownership of buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁸⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>For buildings built before 31 December 2020, the buildings are required to have an EPC A label or are within the top 15% low carbon buildings in Norway. Qualifying building codes and EPCs will be determined with the support of a specialized external consultant "Multiconsult", by using national EPC registry data.</p> <p>In terms of ESG due diligence for such buildings, the Bank has access to information provided privately by the project parties and project commitments, as well as publicly available information. Such certifications may include EPC labels, Environmental Impact Assessment (EIA), or such monitoring is covered as per the building code.</p> <p>For buildings built after 31 December 2020, the PED is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council, which were announced on 31 January 2023 in Norway. Green buildings consultant Multiconsult has been used to derive a practical method to select compliant buildings.</p> <p>The assessment for large non-residential buildings and buildings built after 31 December 2020 that are larger than 5000 m² is concluded as not aligned with the criteria since the Issuer currently has limited data visibility on whether the buildings are efficiently operated through energy performance monitoring and assessment, or whether all the buildings undergo testing for the life-cycle Global Warming Potential (GWP), air-tightness and thermal integrity as of now.^{85 86} This is mainly due to EU Directive 2018/844 not being transposed into Norwegian law.</p>	<p style="text-align: center;"></p> <p>except for large buildings^{85 86}</p>

⁸⁴ This column is based on input provided by the Issuer.

⁸⁵ Large non-residential buildings are defined as per the EU Taxonomy criteria as non-residential buildings with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW.

⁸⁶ Buildings built from 2021 that are >5000 m² are defined as per EU Taxonomy criteria as large, where for such buildings:

- (i) Upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.
- (ii) the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.

2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See n)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

n) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁸⁷	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>SpareBank 1 Østlandet utilizes the Task Force for Climate-related Financial Disclosure’s guidelines as a methodological guideline to identify, manage, and report physical climate risks. As part of the Issuer’s periodic monitoring, a physical climate risk and vulnerability assessment has been carried out for all group activities that SpareBank 1 Østlandet finances. Furthermore, the assessment of physical risk is part of the Bank’s ESG score model for corporate clients prior to loan approval and is reviewed through ESG Due Diligence Questionnaires. The Questionnaire and Online ESG Model also include an online map from the Norwegian Water Resources and Energy Directorate (NVE) that includes these physical risks, and that supports the borrowers when answering this question.</p> <p>The increased number of storm surges, flooding, landslide risks soils, landslide risks quick clay, avalanche risk mountains, and avalanche risk now are identified as the most relevant physical climate risk indicators by SpareBank 1 Østlandet.⁸⁸ Physical risk is screened for the Bank’s overall loan portfolio where SpareBank 1 Østlandet is the lender. Physical climate risk is assessed for relevant green building assets as part of the Planning and Building Act of 2008. As per this Act, if risk is identified in the screening phase of a building, county-</p>	✓

⁸⁷ Ibid.


⁸⁸ For details on the sector-level climate-risk assessment results, please visit SpareBank 1 Østlandet Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

level climate scenarios are to be used that are based on both low (RCP4.5) and high (RCP8.5) emission scenarios developed by IPCC, with assessments covering at least a milestone year of 2050. Additionally, the Issuer uses tools and data of the Network for Greening the Financial System (NGFS) when applying climate risk analyses and scenario analyses.⁸⁹

The expected lifespan of the assets is identified on a sector level and taken into account during the assessment process. The result of the assessment shows that there are no projects subject to high material risks and the impacts on SpareBank 1 Østlandet’s financial position are limited.⁹⁰

SpareBank 1 Østlandet’s risk assessment has not identified any urgent risk or imminent adaptation solutions that are required in the short term in its portfolio. The Bank commits to incorporating adaptation solutions, when they are applicable, and formally documented as needed. Furthermore, SpareBank 1 Østlandet carries out climate risk and vulnerability assessments systematically to all relevant current and future assets on an annual basis and externally communicates as part of its annual reporting.

o) Generic Criteria for DNSH to Sustainable Use and Protection of Water and Marine Resources

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁹¹	ALIGNMENT WITH EU TAXONOMY
3. SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
<p>SpareBank 1 Østlandet’s borrowers are obligated to comply with all applicable national regulations and through the European Economic Area (EEA) Agreement, Norway adheres to a large part of the EU legislation.</p> <p>To preserve Water and Marine Resources, the EU Water Framework Directive (2000/60/EC) has been transposed into Norwegian national law by way of the Water Regulation and came into force in Norway in 2009. The Drinking Water Directive 98/83/EC (and successor) have also been transposed as well as the Council Directive 91/271/EEC concerning urban waste-water treatment.</p> <p>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving</p>	

⁸⁹ For more information on the Network for Greening the Financial System, please visit: <https://www.ngfs.net/ngfs-scenarios-portal/>


⁹⁰ For details on the sector-level climate-risk assessment results, please visit SpareBank 1 Østlandet Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

⁹¹ This column is based on input provided by the Issuer.

good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan.

Environmental Impact Assessments are conducted at the planning stage of green projects including water considerations, as per conformity with European legislation. Moreover, SpareBank 1 Østlandet’s borrowers are required to comply with the Norwegian Regulations on Environmental Impact Assessment for plans pursuant to the Norwegian Planning and Building Act and all national regulatory requirements applicable to all loans originated.

p) Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems


PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁹²	ALIGNMENT WITH EU TAXONOMY
6. BIODIVERSITY AND ECOSYSTEMS – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
<p>SpareBank 1 Østlandet’s borrowers are obligated to comply with the Norwegian Regulations on Environmental Impact Assessment for plans pursuant to the Norwegian Planning and Building Act. Environmental Impact Assessments are required for all public and private projects that are likely to have significant effects on the environment and are conducted based on the EU EIA Directive 2011/92/EU. Mitigation of negative environmental impacts as well as impacts on biodiversity, surrounding areas, and cultural heritages are important elements in attaining necessary licenses from NVE Companies need to complete an EIA and to demonstrate alignment with the EU Water Framework Directive (WFD).</p> <p>The Bank’s borrowers furthermore follow the Directorate for Nature Management (DN) which is regulated under the Ministry of the Environment of Norway, overseeing the areas in the field of biodiversity, land use planning and management, wildlife, and outdoor recreation. The implementation of DN increases the systemic capacity of EIAs as DN puts recommendations on the relevance and quality of such impact assessments. This further includes establishing samples for assessing the impacts of large-scale infrastructure developments in sectors such as Real Estate, Transportation, Hydropower and Wind Power and Mining sectors.</p> <p>Additionally, it is worth noting that SpareBank 1 Østlandet’s Corporate Division assists its borrowers regarding sustainability issues and plans through</p>	

⁹² Ibid.

sustainability analyses covering questions on nature, biodiversity, animal welfare, and forest conservation.

Minimum Safeguards

The alignment of the project characteristics and selection processes in place with the EU Taxonomy Minimum Safeguards as described in Article 18 of the Taxonomy Regulation⁹³ have been assessed. The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁹⁴	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT
<p>SpareBank 1 Østlandet is governed by national legislation, including the Transparency Act that requires Norwegian companies to conduct human rights due diligence activities on their operations and the entire supply chain. The Bank adopted its commitment to Human Rights Due Diligence into the Bank’s policies and procedures which have been laid out in its General Corporate Social Responsibility (CSR) and Sustainability Guidelines – labor and human rights⁹⁵, Guidelines for Sustainability in Procurement,⁹⁶ and the ESG scoring module (screening per questionnaire). Moreover, the Bank is a signatory to the UN Global Compact, the United Nations Environment Programme Finance Initiative Principles (UNEP FI) and respects the UN Guiding Principles for Business and Human Rights (UNGP), the Principles for Responsible Banking, as well as the OECD Guidelines.</p> <p>SpareBank 1 Østlandet commits to take steps to identify, address, prevent and limit violations of human rights or decent working conditions for its supply value chain – whether potential or actual impacts. In line with the OECD Guidelines as well as the Transparency Act, SpareBank 1 Østlandet identifies the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that analyses the scope, the scale of exposure, the context, and relevance as well as the scale and intensity of impact. The impact analysis also includes the Bank’s supply chains. In that regard, the Bank utilizes an ESG scoring model (ESG Due Diligence Questionnaire) which is tailor-made for individual sectors and industries with specific due diligence questions that are relevant to the respective sector. The due diligence is applied for all new engagements over</p>	

⁹³ Commission Delegated Regulation (EU) 2020/852, [URL https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en](https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en)

⁹⁴ This column is based on input provided by the Issuer.

⁹⁵ General Corporate Social Responsibility and Sustainability Guidelines – labor and human rights, SpareBank 1 Østlandet, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/General-CSR-guidelines-labour-human-rights.pdf>

⁹⁶ Guidelines for Sustainability in Procurement, SpareBank 1 Østlandet, Available at: https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Guidelines_sustainability_in_procurement.pdf

NOK 5 million. The detailed questions cover elements of 'Environment' (physical risk and transition risk), 'Social', and 'Governance', and focus particularly on (i) industries and types of activities the Bank commits not to finance, (ii) risks of breaches of the working environment and labour rights, (iii) breaches of human rights, and (iv) risk of statutory non-compliance including economic crime and money laundering.⁹⁷ The qualification indicators include (i) compliance with laws and regulations, (ii) compliance with SpareBank 1 Østlandet's General CSR and Sustainability Guidelines, Guidelines for Sustainability in Procurement, (iii) acceptable score in the Issuer's ESG scoring module, and (iv) eligibility under the Framework. In case any risk is identified and cannot be managed within the scope of the financed activities, the Bank applies a follow-up/incentive/reject procedure that leads to the withdrawal of a new loan as part of its Guidelines.

Following the identification of impacts, the Bank sets out relevant actions and follow-up procedures to mitigate the impacts. It includes the procedure of engagements in the corporate market, defined by a number of criteria such as increased Anti Money Laundering (AML) risk, high and increasing Probability of Default (PD), and project financing in sectors with heightened risk. SpareBank 1 Østlandet will require implementing the appropriate policies, and processes such as risk assessments, and providing or cooperating with efforts to provide remedy for any violations in order to prevent potential risks.⁹⁸ In case of a breach of human rights associated with a loan, SpareBank 1 Østlandet initiates a dialogue with the borrower to agree on mitigation measures for the impacts. More specifically, suppliers with high-risk classification are followed up by the Bank's purchasing department and are excluded based on the score, and fund providers with low grades will not be recommended to the Bank's customers.

SpareBank 1 Østlandet tracks the implementation of the prevention and mitigation measures annually in compliance with the Transparency Act and discloses detailed statements on due diligence in its annual reports.⁹⁹ The due diligence is further communicated with borrowers and suppliers via the Bank's ESG scoring model. SpareBank 1 Østlandet's further grievance mechanism includes both internal and external notification channels (warning systems) in place, for both employees, customers, and the public in the event of conditions that may be perceived as a breach of legislation, in which the results are reported annually in the Bank's annual report.

⁹⁷ For further detail information on the due diligence assessments and credit ratings, please visit page 64 of the Issuer's Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

⁹⁸ For further details on the Bank's loss model and anti-money laundering policies, please refer to pages 64, 67, 82, and 137 of its Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

⁹⁹ SpareBank 1 Østlandet, Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

PART IV: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH SPAREBANK 1 ØSTLANDET’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer aims to contribute to a sustainable future, the transformation to a sustainable zero-emission society by 2050 as its overarching target with a goal of being a driving force for sustainable transition as its strategy between 2022 and 2025. The Bank focuses on (i) sustainable requirements for suppliers of financial services, (ii) ethical marketing of products and services, (iii) responsible lending, (iv) ethics and corruption, and (v) combating economic crime. These sustainability pillars have been defined through the materiality analysis in line with the new requirements of the Corporate Sustainability Reporting Directive (CSRD) on double materiality and using market practices such as the Global Reporting Initiative’s (GRI) indicators.¹⁰⁰</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer has set the following goals in 2022:</p> <ul style="list-style-type: none"> ▪ Reaching at least 25% of customer investments in funds with a clear ESG profile. ▪ Establishing the Bank’s sustainability profile as the “most sustainable” viewed by the customers. ▪ Reaching the green share of total lending of 16.9% ▪ Ensuring all employees avoid impartiality problems and conflicts of interest in processing credit applications. ▪ Ensuring all employees undergo training in money laundering, terrorist financing, and sanctions on an annual basis. <p>The goals are public and available in Sparebank 1 Østlandet’s Annual Report 2022. The progress against the established goals is monitored on an annual basis. In that</p>

¹⁰⁰ Sparebank 1 Østlandet, Annual Report 2022, page 37, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

	<p>regard, the Issuer reported that the vast majority of the goals are already achieved for 2022.¹⁰¹</p>
<p>Action plan</p>	<p>To achieve the green share of total lending of 16.9% target under the “Responsible Lending” pillar by 2025, SpareBank 1 Østlandet has established roadmaps and sub-targets regarding the loan portfolios. This includes (i) establishing emission targets in line with science-based climate targets, (ii) reaching a green share of 20% of total mortgages under the Retail Division (iii) establishing a green share of 40% of commercial buildings under the Corporate Division, (iv) establishing a green share of 1% of agricultural portfolio, 100% forestry portfolio, and 100% renewable energy portfolio, (v) reaching the share of green car loans of 25% and (vi) encouraging customers for personal savings with the aim of increasing the current value of 30% (as of 2022) of customer with short-term savings to 32.5%.¹⁰²</p> <p>Furthermore, it is worth noting that SpareBank 1 Østlandet has a “Sustainability Strategy 2022-2025” document in place, where further interim and short-term action plans and sub-targets are available for all the pillars.¹⁰³</p>
<p>Climate Transition Strategy</p>	<p>The Bank published its “Guidelines and action plan for climate and climate risk” on its website in December 2019, a report that provides an overview of SpareBank 1 Østlandet’s climate targets and actions with respect to its operation as well as portfolio. The Issuer, for the Corporate Division’s credit portfolio, has set a goal to reduce total emissions (including scopes 1, 2, and 3) by 42% by 2030, with a baseline year of 2020. This corresponds to an annual reduction of 4.2% of the 2020 level and is reported to be in line with the level of ambition of the SBTi to reduce emissions to 1.5°C in its Annual Report.¹⁰⁴</p>

¹⁰¹ For detailed information on the goals, initiatives and progress, please visit page 38 of Sparebank 1 Østlandet, Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

¹⁰² Please visit page 61 of Sparebank 1 Østlandet, Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

¹⁰³ SpareBank 1 Østlandet, Sustainability Strategy 2022-2025, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Sustainability-strategy-2022-2025-SB1O-web.pdf>

¹⁰⁴ Please refer to pages 233-235, of Sparebank 1 Østlandet, Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

	<p>The Bank reports on its own operations in relation to both direct and indirect emissions. Within indirect emissions (Scope 3) the Issuer also reports estimated greenhouse gas emissions from the Bank’s customers (loans). Since SpareBank 1 Østlandet is part of the UN Collective Commitment on Climate Action (CCCA) and in compliance with the four guidelines issued in UNEP FI’s Guidelines for Climate Target Setting for Banks, the Bank further uses science-based decarbonization scenarios aligned with the Paris Agreement, and regularly reviews targets to ensure consistency with current climate science.¹⁰⁵</p>
<p>Top three areas of breaches of international norms and ESG controversies in the industry¹⁰⁶</p>	<p>Sexual harassment in the workplace, financial market irregularities, and embezzlement.</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p>Sustainability Reporting</p>	<p>The Issuer reports on its ESG performance, initiatives, and progress against its sustainability targets on an annual basis. The report is prepared according to the Global Reporting Initiatives (GRI) guidelines, Eco-Lighthouse Index, the UNEP FI’s Responsible Banking Reporting, Task Force on Nature-related Financial Disclosures (TNFD) and the Task Force on Climate-Related Financial Disclosures (TCFD).¹⁰⁷</p>
<p>Industry associations, Collective commitments</p>	<p>The Issuer is a signatory to the United Nations Global Compact, the UNEP FI Principles for Responsible Banking, the Net-Zero Banking Alliance, the Collective Commitment to Climate Action, and the European Climate Pact.¹⁰⁸</p>

¹⁰⁵ The Guidelines include, (i) setting and publicly disclosing long-term targets for achieving the Paris Agreement; (ii) establishing a baseline for portfolio emissions with annual measurements; (iii) using science-based decarbonization scenarios aligned with the Paris Agreement; and (iv) regularly reviewing targets to ensure consistency with current climate science.

¹⁰⁶ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Public & Regional Banks industry are displayed above. Please note that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

¹⁰⁷ Sparebank 1 Østlandet, Annual Report 2022, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-SPOL-Annual-Report-2022.pdf>

¹⁰⁸ Commitments to Global Initiatives, Sparebank 1 Østlandet, Available at: <https://www.sparebank1.no/en/ostlandet/about-us/sustainability/support-to-global-initiatives.html>

<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>The previous version of the Green Bond Framework¹⁰⁹ was published in 2021 and externally verified by a third party. As of September 2023, the Issuer has allocated (i) Norwegian Krone (NOK) 13.079 million (m) to Residential Buildings, (ii) NOK9.794m to residential buildings transferred to SpareBank 1 Boligkreditt, (iii) NOK6.866m to commercial buildings, (iv) NOK70m to agriculture, (v) NOK890m to forestry, (vi) NOK1.072m to renewable energy, and (vii) NOK1.459m to clean transportation.¹¹⁰</p>
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Rationale for issuance

To align its funding strategy with its sustainability objectives, Sparebank 1 Østlandet renewed its Green Bond Framework in 2023 to be able to issue Green Finance Instruments. The Issuer utilizes Green Finance Instruments as a tool for channeling its eligible investments to enable the climate transition and help its customers' transition by offering financial products that contribute sustainable activities, solutions, and investments. By issuing Green Finance Instruments, the Bank aims to provide additional transparency around the funded projects and assets with environmental benefits.

Opinion: *The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. All of the of the project categories financed are in line with the sustainability objectives of the Issuer.*

¹⁰⁹ Sparebank 1 Østlandet, Green Bond Framework 2021, Available at: https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/Rapporter2021/SpareBank1-Ostlandet-Green-Bond-Framework_vF.pdf

¹¹⁰ For detailed information on the allocation, please refer to Sparebank 1 Østlandet Q3 2023 Allocation Report, Available at: <https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/SPOL-AllocationReport-3Q-2023.pdf>

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Bond Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

The evaluation shows if SpareBank 1 Østlandet's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided on a confidential basis by SpareBank 1 Østlandet (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

SpareBank 1 Østlandet commissioned ISS-Corporate to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles and Green Loan Principles and to assess the sustainability credentials of its Green Finance Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- ICMA Green Bond Principles (as of June 2021 with June 2022 Appendix)
- LMA Green Bond Principles (as of February 2023)
- Guidance on Bonds to Finance the Sustainable Blue Economy, as administered by ICMA (as of September 2023)
- EU Taxonomy Climate Delegated Act (as of June 2023)

ISSUER'S RESPONSIBILITY

SpareBank 1 Østlandet's responsibility was to provide information and documentation on:

- Framework
- Asset pool / Selection criteria
- Documentation of ESG risks management at the framework level
- Documentation on the alignment of the project categories with the EU Climate Delegated Act

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Finance Instruments to be issued by SpareBank 1 Østlandet has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles and LMA Green Loan Principles.

The engagement with SpareBank 1 Østlandet took place from January to February 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

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