



**SpareBank**  
GUDBRANDSDAL



# Green bond framework

February 2025

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## About SpareBank 1 Gudbrandsdal

**SpareBank 1 Gudbrandsdal** is a local bank with its heart in Gudbrandsdalen. It has 4 branches spread across 4 municipalities, with the main office and customer center located at Vinstra. The bank has about 100 employees and serving more than 30.000 retail customers and 3.000 small and medium-sized corporate customers. Assets under management is approximately NOK 18 billion (including funds transferred to SpareBank 1 Boligkreditt).

Since its establishment in 1860, the bank has operated with the aim of meeting the local community's needs for banking and financial services. It sees itself as an important contributor to ensuring that people want to live and reside in our market area. SpareBank 1 Gudbrandsdal's business idea is to be a profitable, independent entity and a local alternative to national financial groups.

The bank is involved in a number of projects and collaborates with organizations that actively promote innovation and growth of businesses both locally and regionally. For SpareBank 1 Gudbrandsdal, it is crucial to contribute to securing and creating value for customers and communities in our market area.



## The SpareBank 1 Alliance

**SpareBank 1 Gudbrandsdal** is part of the SpareBank 1 Alliance, which consists of several independent savings banks across the country. The SpareBank 1 Alliance was established in 1996, following the banking crisis in the early 1990s, with the purpose of ensuring each bank's independence, regional anchoring, profitability, and solidity by sharing development costs, achieving economies of scale, and building critical expertise.

Collectively, the SpareBank 1 Alliance is Norway's second-largest financial grouping, measured by management capital. It consists of 12 independent savings banks, of which eight local banks have established their own management company, SpareBank 1 SamSpar AS ("SamSpar"):



The collaboration within the Alliance is conducted partly through the two jointly owned companies which form the cornerstone of the collaboration and referred to as the Alliance Cooperation, SpareBank 1 Gruppen AS and SpareBank 1 Utvikling DA (along with its subsidiaries), as well as through a number of companies directly owned by the 12 banks.

One of the jointly owned companies outside the Alliance Cooperation is SpareBank 1 Boligkreditt AS ("SPABOL"), which has a separate Green Bond Framework under which approximately NOK 40 billion in green bonds have been issued. SpareBank 1 Gudbrandsdal has transferred a significant portion (about 40%) of its mortgage portfolio to SPABOL.

Within the SpareBank 1 Alliance and SamSpar, there are several joint initiatives related to sustainability:

- A sustainability forum has been established in the SpareBank 1 Alliance to formalize the structure for sustainability work within the alliance and ensure that sustainability is considered in prioritization and decision-making processes.
- SpareBank 1 Utvikling has established a team to build and deliver data products aimed at regulatory reporting needs within sustainability. The team's focus areas include regulatory reporting, delivery of ESG data, and addressing prioritized business needs within ESG. Deliveries include calculations for

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PCAF reporting, including factor calculations for customers with industry codes outside of agriculture and commercial real estate, building factor calculations for commercial buildings, and emission calculations for Norwegian farms.

- In SamSpar there is also a dedicated Sustainability Expert Council that serves as an advisory body for the board of SamSpar and for strategic councils. The Expert Council consists of a representative from each owner bank, and the main tasks of the council are to put strategic issues on the map early and follow projects in SamSpar and the SpareBank 1 Alliance, coordinate collaboration on sustainability in SamSpar banks, stay updated on the development of regulatory requirements, recommend relevant projects, contribute to steering groups and follow up on implementation and benefit realization, as well as contribute to the digitization and streamlining of systems, reporting, and work processes.

# Sustainability at SpareBank 1 Gudbrandsdal

**SpareBank 1 Gudbrandsdal** aim to create value that benefit the local community which it serves and contribute to further local growth and development through its capacity as a lender, facilitator, and provider of financial infrastructure, as well as an investor and employer. Sustainability has been a natural part of all aspects of the bank's business activities since the inception for more than 160 years ago.

In recent years, SpareBank 1 Gudbrandsdal has placed even greater emphasis on sustainability and the green transition by structuring and clarifying our internal efforts. The goal is to enhance the positive impact the bank can have on people, the environment and society, while also working purposefully to reduce any negative impact related to the bank's operation.

## Sustainability strategy

SpareBank 1 Gudbrandsdal's sustainability ambition		
Be a role model through future-oriented and sustainable choices		
Be a driving force for sustainable transition in the local communities being served		
Environment	Social	Governance
<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions by at least 30% by the end of 2026<sup>1</sup>, with a goal of net zero emissions by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to ensuring that the bank's employees and customers have expertise in sustainability and climate risk</li> <li>Aim to be a knowledge-based workplace that promote diversity, equality and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Prevent money laundering and terrorist financing, and combat fraud and cybercrime</li> <li>Be a good role model and set clear requirements for suppliers and partners regarding ethical business practices and human rights</li> </ul>

**SpareBank 1 Gudbrandsdal** has the ambition to:

- Contribute to training and focus on sustainability for all employees in the bank, making the staff aware of the impact they have on the climate and environment through their actions and work, as well as facilitating that employees make climate and environmentally friendly choices.
- Strengthen the collaboration within the SpareBank 1 Alliance and with other partners.
- Seek to influence our customers and potential new customers in a more sustainable direction through our products offering, the advice we offer, in our external communication, and the requirements we

<sup>1</sup> New target for 2030 is in process of being established and will be published during first half 2025.

make. We want to assist our customers to map and reduce greenhouse gas emissions as well as mitigate the physical climate risks they may be exposed to associated with residential and commercial buildings.

- Be transparent with the bank's stakeholders about the climate-related risks and opportunities for us as a bank. In line with the TCFD recommendations, our portfolios will be stress-tested in light of various relevant climate scenarios.

## Sustainability objectives

	Environment	Society engagement	Responsible operation
<b>SpareBank 1 Gudbrandsdal in general</b>	<ul style="list-style-type: none"> <li>• Take measures to reduce own emissions footprint</li> <li>• Involve employees in emission reductions</li> <li>• We shall have employees with good knowledge about sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Competence enhancement on sustainability</li> <li>• Diversity, equality and inclusion</li> <li>• Contribution to local environmental initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Prevent and uncover money-laundering and terror financing</li> <li>• Prevent fraud</li> <li>• Prevent cyber crime</li> </ul>
<b>For retail customers</b>	<ul style="list-style-type: none"> <li>• Advise the customer on avoiding climate related risks and reduce energy consumption</li> <li>• Offer our customers green products</li> <li>• Incentivize customers in the green transition</li> </ul>	<ul style="list-style-type: none"> <li>• Be the advisor on sustainability matters</li> <li>• Cooperate and share knowledge with other organizations and companies on sustainability topics</li> <li>• Cooperation Retail/Corporate/<u>Regnskapshus</u>/EM1</li> </ul>	<ul style="list-style-type: none"> <li>• Provide valuable advice on combating financial crime</li> </ul>
<b>For corporate customers</b>	<ul style="list-style-type: none"> <li>• Be the customer's advisor in taking more climate-friendly decisions</li> <li>• Offer the customer green products</li> <li>• Advise how customers can avoid climate and nature risks</li> <li>• Incentivize the green transition</li> </ul>	<ul style="list-style-type: none"> <li>• Be a valued advisor and discussion partner within sustainability for SME customers</li> <li>• Be present at relevant arenas for innovation and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Take corporate social responsibility by participating in seminars and conferences</li> </ul>





## Contributions and gifts to the local community


SpareBank 1 Gudbrandsdal's Board of Directors annually makes provisions of funds from the bank's retained earnings, which are allocated as gifts, project funds, and talent scholarships. The funds awarded, along with support from other institutions and the recipients own funds, should be applied to realize projects that benefit children, youth, and local communities.

Funds allocated to projects are intended for larger projects of long-lasting value, with an emphasis on sustainable elements. In some cases, significant amounts of support are granted.

## UN Sustainability Development Goals

SpareBank 1 Gudbrandsdal has identified four of the 17 UN Sustainable Development Goals (“UN SDGs”), a tool for assessing how one can contribute to a fair and more sustainable world, that are considered particularly relevant to the bank’s operations and where it can make an effective impact. These are number 5, 8, 11, and 13.

 <p><b>5 - Gender equality</b></p> <p>Gender equality helps contribute to stable and profitable businesses and societies. We have a strong focus on this in our own operations and through the companies we choose to collaborate with.</p>	 <p><b>8 - Decent work and economic growth</b></p> <p>Decent work and economic growth are prerequisites for sustainable development. Through our own investments and the investment opportunities we offer to our customers, we contribute to decent wages and working conditions worldwide.</p>	 <p><b>11 - Sustainable cities and communities</b></p> <p>For many years SpareBank 1 Gudbrandsdal has had a strong position in the local community in terms of community engagement. We want to stimulate growth, development and attractive local communities.</p>	 <p><b>13 - Climate action</b></p> <p>The financial industry has a significant responsibility to help stop climate change. By offering our customers financial incentives to choose environmentally friendly solutions, and at the same time imposing strict environmental requirements when granting loans, we help push the market in a greener direction.</p>
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**Our efforts to combat climate change**

- We recognize the necessity of working to help stop climate change, both through our own operations and by facilitating that customers and partners minimize their environmental impact.
- We shall contribute to efficient resource use and environmentally sound solutions in our daily operation. Therefore, we prepare an annual energy and climate account to document the bank’s consumption, recycling rate, and energy use according to the international standards of the GHG Protocol.
- We offer products designed to encourage our customers to make more environmentally conscious choices and opt for less environmentally harmful solutions when building and renovating buildings. Additionally, we offer corporate customers favorable financing for electric equipment and vehicles, as well as leasing of solar PV panels.
- Through our sustainability guide and partners for green growth we can offer our corporate customers knowledge about sustainable solutions and opportunities and thereby motivate businesses to undertake initiatives and projects that positively impact the climate as well as the local environment in Gudbrandsdalen.



## Sustainability governance

### Responsibilities

At SpareBank 1 Gudbrandsdal, sustainability governance is integrated into the organizational structure to ensure accountability and effective implementation. Responsibilities are clearly defined to align with sustainability goals and commitments:

- The Board of Directors oversees the bank's overall sustainability strategy, ensuring alignment with the UN SDGs, TCFD recommendations, and regulatory requirements. The Board of Directors evaluates progress and approves sustainability-related policies and frameworks.
- The Management implements the sustainability strategy, embedding climate and environmental considerations across operations, products, and services. The Management is responsible for promoting employee training and fostering a culture of sustainability within the bank.
- The Sustainability Manager advises on ESG risks, develops guidelines, and ensures compliance with sustainability policies in lending and investment decisions. The sustainability department collaborates with stakeholders to drive sustainable innovation and mitigate climate risks.
- The Relationship Managers have the responsibility to integrate sustainability criteria into customer interactions, offering responsible advice and promoting products that support sustainable practices.
- All employees shall participate in training and adopt environmentally friendly practices in daily operations, contributing to the bank's sustainability objectives.

This structure ensures that sustainability is a shared responsibility across all levels of the organization.

### Sustainability aspects in the credit assessment process

Most of SpareBank 1 Gudbrandsdal's corporate clients are small and medium-sized enterprises. Through long-term customer relationships characterized by responsible advice, financing, and lending, SpareBank 1 Gudbrandsdal is well-positioned to help them grow and create new sustainable products and markets. By giving the employees opportunities to enhance their expertise in sustainability related to their work, the bank can help clients to reduce their greenhouse gas emissions, avoid financial crime, and manage climate and sustainability risks.

SpareBank 1 Gudbrandsdal's credit assessment system includes an ESG module which includes several items for review, to help the customer advisors assess the relevant risks for existing and potential new customers:

- Risks related to severe environmental damage from extreme weather events such as floods, landslide or higher sea level, based on relevant government specific maps from NVE or similar;
- Verified implementation of management systems such as ISO, EMAS or Eco-lighthouse;
- Knowledge about industry specific measures and norms for risks of nature and eco-systems;

- Verified eco-labeling for the relevant industry, e.g. real estate/property management and agricultural;
- Assessment of relevant management, reporting to the bank and governance for the specific customer and industry;
- Sustainability related reputation risk for the company.

Furthermore, the bank will assess the following ESG related risks for the corporate customers:

- Lack of willingness or financial capacity to implement necessary environmental measures and comply with environmental regulations;
- Violations of human and labor rights;
- Businesses operating in areas experiencing water scarcity;
- Trade in animal and plant species that violate international rules on trade in endangered species or threaten populations of red-listed species;
- Development, testing, production, storage, or transport of controversial weapons or components exclusively intended for such weapons. Export/import of weapons, or components exclusively intended for use in weapons, to areas with systematic and gross violations of human rights, widespread corruption, or civil war. Fundraising for military equipment or activities;
- Production of tobacco or components explicitly intended for such products;
- Production of pornographic material;
- Extraction/production of cryptocurrency.

If the sustainability risk to be considered “high”, this must be documented and any decisions made to be taken at a higher authority level. Risk-reducing measures will be assessed and considered before a decision is made if a credit or other financial services is granted or declined. This is reflected in the policies and guidelines for relevant business areas.

## **Ethical guidelines & code of conduct**

SpareBank 1 Gudbrandsdal is dependent on the trust of customers, public authorities, and society at large. The bank’s employees are characterized by a high ethical standard and the behavior must comply with applicable laws, regulations, industry standards, internal guidelines, and norms applicable in society.

The ethical guidelines are designed to raise awareness and ensure compliance with the ethical standards of the bank and outline the main principles for how employees and representatives in the organization should act and the attitudes that should underpin decisions in given situations. They are not exhaustive, but must be viewed in conjunction with laws, regulations, and other guidelines, as well as the bank’s strategies.

## Sustainable procurement policies

On behalf of the SpareBank 1 Alliance, SpareBank 1 Utvikling has developed a specific procurement policy requiring all partners to document their awareness of their supply chain and the efforts made to reduce negative impacts on the environment, social conditions, and ethical business practices throughout their supply chain. SpareBank 1 Utvikling has received recognition for its work on sustainable procurement from the organization CDP (formerly the Carbon Disclosure Project), which in 2022 awarded them a top ranking in its sustainability assessment of international companies.

SpareBank 1 Gudbrandsdal also requires that its suppliers have sustainability guidelines and has developed a self-declaration form for use in local procurements not made through the central procurement agreement for the SpareBank 1 Alliance. To assess whether a supplier has a negative impact on the environment, social conditions, and/or engages in unethical business practices, suppliers are requested to confirm various aspects related to the environment, social conditions, and ethical operations, which also regulate human and labor rights. The self-declaration form aims to raise awareness among local suppliers and their subcontractors that SpareBank 1 Gudbrandsdal as an organization, has requirements regarding their operations related to ESG.

## Sustainability reporting

As part of SpareBank 1 Gudbrandsdal's quarterly internal risk reporting to the Board of Directors and management, it reports on the sustainability and climate risks. Such report includes information on the status of strategic work and measures to implement the strategy, regulatory changes, and any associated updates to policies and procedures, as well as any incidents or media coverage related to sustainability.



SpareBank 1 Gudbrandsdal will align its climate reporting with the recommendations from the Financial Stability Board and TCFD. The sustainability team and finance department at SpareBank 1 Gudbrandsdal are responsible for external reporting on sustainability. The bank reports annually on its sustainability efforts according to the Global Reporting Initiative ("GRI") reporting standard through its Annual Report. The information in the climate account is based on our consumption of energy, transportation, waste management, among other factors, which is then converted into tons of CO<sub>2</sub> equivalents as a description of our climate emissions. This includes the climate account for our own operations. SpareBank 1 Gudbrandsdal will adapt its reporting on climate risk based on the TCFD framework, as recommended under the Eco-lighthouse certification.

### ***Eco-lighthouse certification***

In the autumn of 2023, the bank was certified as an Eco-lighthouse. Through this certification, all levels at the bank have become more aware of the bank's role related to environment (E), social responsibility (S), and business governance (G). The requirements following the certification have helped structure and positively impacted SpareBank 1 Gudbrandsdal's efforts and focus on sustainability, both internally and towards customers, suppliers, and partners. Based on this SpareBank 1 Gudbrandsdal has adopted a comprehensive sustainability policy that clarifies the bank's ambitions and concrete goals for how it will transform itself and contribute so that the local communities also take sustainable and future-oriented actions.



The Eco-lighthouse certification provides smart tools to work concretely with sustainability in areas such as energy use, procurement, waste management, transportation and the working environment. The certification contributes to working holistically, systematically, and long-term with measures that will improve environmental performance, reduce greenhouse gas emissions, and make the bank an even better workplace. SpareBank 1 Gudbrandsdal reports emissions data to Eco-lighthouse in 1<sup>st</sup> quarter every year, and is being re-certified every 3<sup>rd</sup> year (next re-certification will be in 2026).

### ***CSRD***

SpareBank 1 Gudbrandsdal will start preparing in 2025 to report under the Corporate Social Reporting Directive (CSRD)<sup>2</sup> for the financial year 2026 in 2027. The preparation efforts are done in cooperation with one other SpareBank 1 bank under the SAMSPAR umbrella. The work will commence with conducting the double materiality analysis, which is planned to be completed in early 2025. This analysis will also be used to update our sustainability policy.

### ***PCAF***

In November 2024, SpareBank 1 Gudbrandsdal became a signatory to the Partnership for Carbon Accounting Financial (PCAF)<sup>3</sup> and will report in accordance with the PCAF standard.

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments.



SpareBank 1 Gudbrandsdal has measured the GHG emissions in the retail and corporate loans portfolio, but has yet to report on this and set reduction targets.

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<sup>2</sup> [NOU 2023: 15 - regjeringen.no](https://www.regjeringen.no)

<sup>3</sup> [Financial institutions taking action](https://www.pcaf.org/)





# SpareBank 1 Gudbrandsdal and Green Bonds

**SpareBank 1 Gudbrandsdal** aims to contribute to sustainable development by supporting projects that have a positive impact on the environment, such as projects related to energy efficiency, renewable energy, or similar initiatives. It is also important for the bank to offer Green Bonds for investors focusing on sustainability. The bank observes increasing customer interest and demands related to sustainability related to the products and services SpareBank 1 Gudbrandsdal offers. Green products are not yet offered to corporate customers, but it is important for the bank to also offer such products to corporate clients in an effort to contribute to the green transition. The most important aspect for SpareBank 1 Gudbrandsdal is to be a significant contributor to the society by also promoting the green transition and engaging our customers in this green transformation.

This Green Bond Framework (the “Framework”) is aligned with the guidelines of the International Capital Markets Association Green Bond Principles (the “ICMA GBPs”) updated version, updated in June 2022<sup>4</sup>. The Framework defines the criteria for which loans are eligible to be financed by Green Bonds, while it also outlines the process to evaluate, select, track and report on such lending activities. Each Green Bond issued will refer to this Green Bond Framework in their relevant transaction documentation. The terms and conditions contained in the underlying documentation for each issued Green Bond will specify the actual terms of the instrument.

SpareBank 1 Gudbrandsdal aim to always follow best market practices by adhering to relevant standards and guidelines in the green bond market. This Framework may over time be updated, however new versions of the Framework shall have no implications for the Green Bonds issued under this version of the Framework.

## 1. Use of proceeds

An amount equal to the net proceeds from Green Bonds issued under this Framework will be used to finance a portfolio of loans provided by SpareBank 1 Gudbrandsdal that comply with the criteria listed below (the “Green Loan Portfolio”). The net proceeds Green Bond can be used for both financing of new and/or refinancing of existing Green Loans.

The eligibility criteria for the Green Loan Portfolio have been mapped against the different categories included in the ICMA GBPs and ICMA’s Environmental Objectives<sup>5</sup>, and the relevant economic activities included in the EU Taxonomy Regulation<sup>6</sup> (the “EU Taxonomy”), as well as the UN Sustainable Development Goals (the “UN SDGs”).



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<sup>4</sup> [Green-Bond-Principles-June-2022-060623.pdf \(icmagroup.org\)](#)

<sup>5</sup> [Green-Project-Mapping-June-2021-100621.pdf \(icmagroup.org\)](#)

<sup>6</sup> [EU taxonomy for sustainable activities - European Commission \(europa.eu\)](#)

## 1.1 Eligibility criteria for the Green Loan Portfolio

ICMA GBP category	Green Loan criteria	EU Taxonomy activity	UN SDGs
<b>Green Buildings</b>  <i>Environmental Objective:</i> - Climate change mitigation	<p>Loans financing buildings which meet either of the criteria set out below:</p> <ul style="list-style-type: none"> <li>• <u>For buildings built in 2021 or later:</u> Primary energy demand ("PED")<sup>7</sup> is at least 10% lower than the threshold set for the nearly zero-energy building ("NZEB") requirements in national measures<sup>8</sup>; or               <ul style="list-style-type: none"> <li>- for public and commercial buildings: EPC A, or BREEAM-NOR/BREEAM In-Use "Excellent" or better.</li> </ul> </li> <li>• <u>For buildings built before 2021:</u> Energy Performance Certificate ("EPC") A or within top 15% of the national building stock in terms of primary energy demand, defined as buildings built according to Norwegian building codes of 2010 (TEK10)<sup>9</sup> or 2017 (TEK17)<sup>10</sup>. Buildings built prior to 2012 must obtain minimum EPC B; or               <ul style="list-style-type: none"> <li>- for public and commercial buildings: EPC A or B, or BREEAM-NOR/BREEAM In-Use "Excellent" or better.</li> </ul> </li> <li>• <u>For renovation of buildings:</u> Major building renovations leading to a reduction in primary energy demand of at least 30%<sup>11</sup>. For the full building to qualify after renovation, it should be expected to meet the criteria above; and               <ul style="list-style-type: none"> <li>- for public and commercial buildings: At least 70 % (by weight) of the non-hazardous construction and demolition waste generated is prepared for material recovery.</li> </ul> </li> </ul>	Acquisition and ownership of buildings  Renovation of buildings	  




<sup>7</sup> The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed in kWh/m<sup>2</sup> per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).

<sup>8</sup> [veiledning-om-beregning-av-primarenergibehov-og-nesten-nullenergibygge.pdf \(regjeringen.no\)](#)

<sup>9</sup> To ensure TEK10-alignment, we use a conservative 2-year time lag and include buildings built from 2012 and onwards.

<sup>10</sup> If a new national definition of "top 15%" is developed, the use of TEK10 and TEK17 will be terminated and replaced with this.

<sup>11</sup> The initial primary energy demand and the estimated improvement is based on an energy audit conducted by an independent expert. The 30% improvement results from an actual reduction in primary energy demand and be achieved through a succession of measures within a period of maximum of three years.

ICMA GBP category	Green Loan criteria	EU Taxonomy activity	UN SDGs
<b>Renewable Energy</b> <i>Environmental Objective:</i> - Climate change mitigation	Loans provided to finance companies <sup>12</sup> involved in, or projects and assets related to, development, installation, operation or maintenance of renewable energy projects which meets either of the criteria set out below: <ul style="list-style-type: none"> <li>Hydropower plants and installations, as well relating technologies, equipment and infrastructure, with: <ul style="list-style-type: none"> <li>a power density above 5W/m<sup>2</sup>; or</li> <li>life-cycle emissions below 100g CO<sub>2</sub>e/kWh; or</li> <li>run-of-river plants without artificial reservoirs.</li> </ul> </li> </ul>	Electricity generation from hydropower	
<b>Sustainable Agriculture</b> <i>Environmental Objective:</i> - Climate change mitigation	Loans provided to finance environmentally sustainable agriculture projects and assets which meets either of the criteria set out below: <ul style="list-style-type: none"> <li>Renewable energy for local power production: <ul style="list-style-type: none"> <li>solar PV installed on roof tops or on the ground<sup>13</sup>;</li> <li>bioenergy using locally sourced residues/bio-waste as feedstock.</li> </ul> </li> <li>Improved farming methods<sup>14</sup> which meaningfully contribute to achieve GHG emission reduction targets set out in "Landbrukets klimaplan 2021-2030"<sup>15</sup>.</li> </ul>	Electricity generation using solar PV technology  Electricity generation from bioenergy	
<b>Climate Change Adaptation</b> <i>Environmental Objective:</i> - Climate change adaptation	Loans provided to finance projects related to structural measures aiming at protection of people, ecosystems and infrastructure, which meets the criteria set out below: <ul style="list-style-type: none"> <li>Building of levees, dykes, dams, reservoirs, retention ponds, or change river course, to prevent river flooding and/or landslides, subject to conservation of habitats, eco-systems and nature.</li> </ul>	Flooding risk prevention and protection of infrastructure	

## 1.2 Exclusions

The Green Loan Portfolio will not include loans financing leisure homes, or loans linked to fossil energy extraction or generation, weapons and defense systems, potentially environmentally negative resource extraction, gambling, pornography or tobacco.

<sup>12</sup> ≥90% of their revenues from activities aligned with defined criteria

<sup>13</sup> Criteria: Non-cultivated and forest-free fields

<sup>14</sup> Including breeding of animals (such as "Helsegris" and "SPF pigs")

<sup>15</sup> [Landbrukets klimaplan 2021-2030](#)



## 2. Process for evaluation and selection of eligible Green Loans

Loans to be included in the Green Loan Portfolio must meet the Green Loan criteria defined in the Use of Proceeds section of this Framework.

### 2.1 Green Bond Committee

To ensure the transparency and accountability around the selection of Green Loans, SpareBank 1 Gudbrandsdal has established an internal Green Bond Committee which is responsible for this Framework and defining the Green Loan criteria set out in clause 1.1 above, selecting the loans to be included in the Green Loan Portfolio and keep a register of identified Green Loans, as well as future oversight and requirements for updates of the Framework.

The Green Bond Committee will consist of members from the Treasury and Business Support departments, and all decisions made will be made in consensus. To ensure traceability, all decisions made by the Green Bond Committee will be documented and filed.

### 2.2 Risk assessment

All lending activities by SpareBank 1 Gudbrandsdal above a certain threshold always undergo regular and applicable credit approval processes, and corporate customers are screened for environmental, social and governance (ESG) risks.

Before granting a credit to corporate customers, SpareBank 1 Gudbrandsdal considers the purpose of the credit, and whether the customer runs a responsible business. This includes assessing that the customer's products and services are produced in a sustainable way, the customer's potential pollution of the environment and that the customer respects basic human rights. Customers which are not adopting an acceptable sustainable business practice in the opinion of the Green Bond Committee will not be included in the Green Loan Portfolio (or excluded if already included).]

SpareBank 1 Gudbrandsdal also ensures that it conduct responsible lending practices by increasing the borrowers' awareness and practices related to topics such as the environment, ethics, social responsibility, business operations and corporate governance.

### 2.3 Removal of loans previously included

The Green Bond Committee holds the right to, at their own discretion, not include loans in the Green Loan Portfolio, or exclude any loans already included in the Green Loan Portfolio. In the event of loans already included in the Green Loan Portfolio no longer meeting the criteria in this Framework, in the opinion of the Green Bond Committee, such loans will be removed from the Green Loan Portfolio.

### 3. Management of proceeds

The net proceeds from Green Bonds being issued under this Framework will be allocated toward the Green Loan Portfolio, which will be assessed and updated at least annually and reported as per section 4 below.

SpareBank 1 Gudbrandsdal will apply the portfolio approach and allocate the proceeds from a Green Bond pro-rata across all the Green Loan categories listed in the table under section 1.1 above.

SpareBank 1 Gudbrandsdal will track the allocation of net proceeds from Green Bonds to the Green Loan Portfolio to ensure that the net proceeds from Green Bonds only finance our Green Loan Portfolio and that the value of the Green Loan Portfolio always exceeds the total nominal amount of Green Bonds outstanding.

If a Green Loan already funded by Green Bonds is repaid, or for other reasons loses its eligibility in line with the criteria in this Framework, it will be replaced by another qualifying Green Loan as soon as practically possible.

In the event there is net proceeds from a Green Bond awaiting allocation to the Green Loans Portfolio, such amount will be categorized and reported as “unallocated” and be managed according to the Treasury department’s regular liquidity management policy for short-term investments. To the best of our endeavors the exclusions specified under *1. Use of Proceeds* above will also apply for such temporary holdings of net proceeds.

### 4. Reporting

To enable investors and other stakeholders to follow our issuance of Green Bonds, and the development and estimated environmental impact of our Green Loan Portfolio, SpareBank 1 Gudbrandsdal will prepare a Green Bond Report.

The Green Bond Report will include an “Allocation Report” and an “Impact Report” and will be published annually.

#### 4.1 Allocation Report

The allocation report will include the following information:

- The size of the identified Green Loan Portfolio per category.
- The nominal amount of Green Bonds outstanding.
- The share of the Green Loan Portfolio currently financed by Green Bonds.
- The amount of net proceeds awaiting allocation (if any).

## 4.2 Impact Report

The impact report aims to disclose the aggregated environmental impact of the Green Loans financed by Green Bonds. Calculations will be made on a best intention basis and be aligned with the portfolio approach described in ICMA's "Handbook - Harmonized Framework for Impact Reporting" (June 2023)<sup>16</sup>, with full transparency of assumptions and calculation methods. SpareBank 1 Gudbrandsdal may rely on external parties to assist with impact calculation and analysis.

The impact assessment will be based on the metrics below:

- **Green Buildings:**
  - Area (m<sup>2</sup>) of buildings under each sub-category.
  - Estimated annual energy consumption (kWh/m<sup>2</sup>).
  - Estimated avoided GHG emissions (tCO<sub>2</sub>e/year) compared to baseline<sup>17</sup>.
- **Renewable Energy:**
  - Installed capacity for hydropower production (MW).
  - Estimated average annual energy production (MWh).
  - Estimated avoided GHG emissions (tCO<sub>2</sub>e/year) compared to baseline.
- **Sustainable Agriculture:**
  - Installed capacity for renewable energy projects (kW).
  - Description of characteristics for selected projects and assets meeting the criteria to contribute to GHG emission reductions.
  - Estimated avoided GHG emissions (tCO<sub>2</sub>e/year).
- **Climate Change Adaptation:**
  - Description of adaptation characteristics for selected projects and assets.

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<sup>16</sup> [Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf \(icmagroup.org\)](#)

<sup>17</sup> Multiplying energy use per square meter (kWh/m<sup>2</sup>) for a standard dwelling with the grid factor (grams of CO<sub>2</sub>/kWh) recommended in the NPSI Position Paper on Green Bonds Impact Reporting ([NPSI Position Paper on Green Bonds Impact Reporting 2024](#))

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# External Review

## Pre-issuance verification

SpareBank 1 Gudbrandsdal has engaged S&P Global Ratings (“S&P”) to assess the alignment of this Framework with the ICMA Green Bond Principles. S&P has confirmed such alignment by issuing their Second-Party Opinion (“SPO”).

The SPO will be publicly available on the bank’s website together with this Framework.

## Post-issuance verification

In connection with the issue of the Green Bond Report, a limited assurance report by an independent and qualified auditor appointed by SpareBank 1 Gudbrandsdal, will be attached to the Allocation Report, confirming that the net proceeds from Green Bonds issued under this Framework has been allocated towards the Green Loan Portfolio in accordance with the provisions in this Framework.

Furthermore, SpareBank 1 Gudbrandsdal may request external verification of the calculations in the Impact Report of the estimated positive environmental impact of Green Bonds issued under this Framework.

The Green Bond Report will be made publicly available on the bank’s website annually and by no later than 12 months after the issue of a Green Bond.





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