

SpareBank
ØSTFOLD·AKERSHUS



Green Bond Investor Letter 2023

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Green Bond Investor Letter 2023

Introduction

We are a regional saving bank with a geographical market area encompassing southeastern Viken. Our headquarters are located in Moss, and as of the end of 2022, the bank, along with its subsidiaries, has 230 employees. We have offices in Vestby, Askim, Moss, Sarpsborg, Fredrikstad, Halden and Drøbak. SpareBank 1 Østfold Akershus is a part of the SpareBank 1-alliance that consists of 12 individual saving banks across the country.

Sustainability at SpareBank 1 Østfold Akershus

SpareBank 1 Østfold Akershus will contribute to a sustainable development of the region. We will actively contribute both through our daily operations and by engaging extra in challenges that society faces. As a bank, we are a significant contributor to sustainability efforts due to our substantial influence and impact on the direction of money flow and the assets we handle and manage. We strive for sustainability considerations to be pervasive throughout our business, but it's also essential to maintain a global perspective. We all share the responsibility to amplify the positive and reduce the negative impact we have on people, the environment, and society.

Sustainability should be integral to everything we do, and to ensure the whole and steady progress in this effort, we have a sustainability strategy. The purpose of the sustainability strategy is to outline how we work to contribute to sustainable development in the areas of economy, environment, climate, and social conditions. The strategy is intended to be used as a guiding document for decision-making and work within the bank. It should clarify the requirements and guidelines within climate and sustainability that form the basis for the bank's work.

For the current strategic period, the board has adopted four main focal points:

- Be a bank for the future – sustainability in core business
- Drive the transformation of local businesses and promote the green shift in the local economy
- Be a bank with a heart for the local community
- Prioritize sustainability within our own operations (emissions from our own activities as well as the supply chain)

A pervasive goal throughout our strategy is competence development. Competence in the field of sustainability must underlie all our employees to ensure that sustainability is a part of all our work.

The Framework

SpareBank 1 Østfold Akershus established a Green Bond Framework in collaboration with Skandinaviska Enskilda Banken AB (SEB) in 2022. The Green Bond Framework has been assessed by the independent third-party CICERO Shades of Green AS (CICERO).

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

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

- Residential buildings
- Commercial buildings
- Refurbishments

The Framework and the Second Opinion are available on your website.

Issue of Green Bonds

In June 2022 SpareBank 1 Østfold Akershus issued our first Green Bond tranche of 300 NOK million, with a tenor of 5 years.

Green Bond Reporting 2022

In accordance with the SpareBank 1 Østfold Akershus Green Bond Framework, this document provides:

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

SpareBank 1 Østfold Akershus has engaged an external specialist consultant in Multiconsult AS to operationalize the eligibility criteria used to outline the

Eligible Green Loan Portfolio. We have also been provided the impact calculations for eligible assets by Multiconsult AS.

Note that SpareBank 1 Østfold Akershus has an eligibility criterion for new buildings. However, data is not available to conclude whether the buildings built in 2021 or later are performing 20% better than the energy efficiency standards in the TEK 17 regulations. Therefore, this criterion is not included in neither the allocation report nor the impact report. Both reports are based on currently identifiable data and on a best effort basis. Efforts on improving data availability and quality are ongoing.

Green Bond Allocation Report

In accordance with the SpareBank 1 Østfold Akershus Green Bond Framework, this report provides the following information:

- The total amount of investments and expenditures in the Eligible Green Loan Portfolio
- The total amount of green funding outstanding
- The balance of unallocated proceeds

Portfolio date: May 30, 2023

Eligible Green Loan Portfolio	
Eligible Project Category	Amount (MNOK)
Residential buildings	1.280,5
Commercial buildings	408,6
Total	1.689,1

Green Funding			
Instrument (ISIN)	Issuance Date	Due Date	Amount (MNOK)
NO0012550120	16.06.2022	16.06.2027	300
Total			300

Percentage of Eligible Green Loan	17,8 %
Percentage of Net Proceeds of Green Funding Allocated to Eligible Green Loan	100 %
Eligible Green Loan Portfolio	1.389,1

- 1) Residential buildings, transferred to SB1 Boligkreditt, which qualifies for the Green Loan Portfolio are not included in the allocation report.
 2) SpareBank 1 Østfold Akershus are not required to report in accordance with the EU Taxonomy Climate Delegated Act for the fiscal year 2022, and such share of loans are not calculated.

Green Bond Impact Report

In accordance with the SpareBank 1 Østfold Akershus Green Bond Framework, this report provides:

- The environmental impact of the eligible assets financed in this framework

On assignment from SpareBank 1 Østfold Akershus, Multiconsult has assessed the environmental impact of the part of SpareBank 1 Østfold Akershus' findings and methods. Please see the attached report from Multiconsult for detailed explanation of findings and methods used.

Portfolio date: May 30, 2023.

Eligible Green Loan Portfolio	
Eligible Project Category	Amount (MNOK)
Residential buildings	1.280,5
Commercial buildings	408,6
Total	1.689,1

Eligibility for Green Bonds 2)	Impact	
	Annual Site Energy Savings (GWh)	Annual CO2 Emission Avoidance (tCO2)
100 %	6,7	745
100 %	2	223
Total	8,7	968

1) Of the 450 eligible dwellings in the portfolio, 346 objects are eligible through the EPC criterion and 104 objects are eligible through the refurbishment criterion. Please see the Multiconsult report for further details regarding criterias.

2) This is the share if the total portfolio costs that is Green Bond eligible.

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