Sparebanken Øst
Green Bond Second Opinion

4 January 2023

Executive Summary

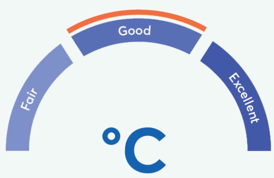
Sparebanken Øst dates back to 1843 and is today one of the larger non-affiliated and independent local savings banks in Norway. The bank is headquartered in Drammen, west of Oslo, and has about 30 offices across Eastern Norway. The bank operates across three main product areas: savings, credit and payment products. The bank has no direct exposure to carbon-intensive industries such as oil, gas, or shipping.

Green bond net proceeds can be used for the financing of new loans as well as for refinancing purposes. The proceeds from the green bonds will cover green loans for buildings and zero emission vehicles. More than 90% of the eligible green portfolio consists of buildings. In addition to Sparebanken Øst, the wholly-owned subsidiariy Sparebanken Øst Boligkreditt AS may also issue green bonds under the framework. Assets in the other wholly-owned subsidiary AS Financiering, may be part of green bonds issues by Sparebanken Øst. Green bonds will not be used to finance investments linked to fossil energy generation, and other activities considered harmful, nor other activities in violation of the bank's established sector guidance (i.e., excluding coal extraction or energy production based on coal, controversial weapons, tobacco, pornography, oil sand/tar sand, shale oil and gas, and oil and gas extraction in the Arctic region).

SHADES OF GREEN

°CICERO Light Green

GOVERNANCE ASSESSMENT



GREEN BOND PRINCIPLES

Based on this review, this framework is found to be aligned with the principles.

We rate the framework **CICERO Light Green** and give it a governance score of **Good**. While loans to zero emission vehicles is Dark Green, the criteria for green buildings are weaker and allows for loans to existing buildings with energy efficiency not better than required by regulations. Sparebanken Øst has as an ambition to achieve net-zero greenhouse gas emissions by 2050 across the bank's operations, value chain and portfolios. According to the bank, the main focus will be on reducing own and financed emissions, before relying on offsets. We note that this is an ambitious goal. However, no shorter-term quantified targets are set and financed emissions are not yet reported, so progress towards the net zero target may be difficult to assess. We find it positive that Sparebanken Øst has implemented an ESG and climate module with the aim of identifying and scoring the environmental, social and governance (ESG) risks of the commercial real estate clients, hereunder transition and physical climate risks – and engages with its clients on adaptive measures. However, we note that it does not cover embodied (life cycle related) emissions from materials and there is no screening for public transport solutions associated with buildings.

Strengths

The framework includes renovations of existing buildings, a critical driver for transitioning to a low carbon future. We welcome that for the full building to qualify for green finance, it needs to meet, post-renovation, the criteria for existing buildings; otherwise only the renovation costs will be eligible. From a climate perspective, a key issue for the real estate sector is to drastically improve the energy efficiency of the existing building stock. **We welcome that the framework, in addition to buildings, includes clean transportation, which is a major source of greenhouse gases in Norway.** Only loans to fully electric vehicles will be eligible for green bond proceeds.

The issuer has already decided to contract an external consultant to prepare the allocation and impact reporting. This should contribute to the quality of the reporting, while there are associated pitfalls with the planned approach to impact calculations (see below).

Pitfalls

In reducing buildings' carbon footprint, one needs to address a number of issues, mainly energy use, buildings materials and public transport access. Some of the green building eligibility criteria require energy efficiency better than applicable regulations, for example for new buildings and buildings built before 2012, but the framework also allows for financing buildings built between 2012 and 2020 only in line with regulations. For the energy label criteria, there is a potential issue for older buildings with old labels. Also, we also note the uncertainty around the top 15% of the national and regional building stock, which is yet to be determined officially. For new construction, the climate footprint of materials used is another issue which we encourage Sparebanken Øst to consider.

While the BREEAM-NOR certification schemes are robust, it does not guarantee a low climate impact building nor a very energy efficient building. The point-based system may allow for less ambitious buildings to meet the Excellent certification level.

Climate change is expected to affect all sectors and the sectors represented in the bank's portfolio are likely to be impacted by climate-related hazards, such as flooding. Sparebanken Øst has implemented an ESG and climate module with the aim of identifying and scoring the environmental, social and governance (ESG) risks of the commercial real estate clients, hereunder transition and physical climate risks. In order to address climate risk more systematically across its entire portfolio, Sparebanken Øst could report according to TCFD recommendations. They state that they are currently planning this.

The approach taken for reporting on impact from green buildings risk overestimating impacts. While the approach taken is common, the methodological choice to use the energy performance of the average building stock in Norway as a baseline to calculate energy savings and associated emission reductions is questionable.

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1 Sparebanken Øst's environmental management and green bond framework

Company description

Sparebanken Øst dates back to 1843 and is today one of the larger non-affiliated and independent local savings banks in Norway. The bank is headquartered in Drammen, approximately 40 kilometres west of Oslo, and have about 30 offices across Eastern Norway with a strong focus on developing the market area along the Drammen-Oslo axis and in the suburban regions of Oslo.

The bank operates across three main product areas: savings, credit and payment products. In addition, it distributes insurance, fund shares, interest hedging and currency transactions. The bank has no direct exposure to carbon-intensive industries such as oil, gas, or shipping, but has a limited exposure to other less carbon-intensive sectors over time, such as construction. Its largest clients within industry/utilities is the local electricity distributor with other clients in this category being sawmills and fertilizer production. It now excludes certain sectors or sub-sectors from financing, such as oil sand/tar sand, shale oil and gas, as well as oil and gas extraction in the Arctic region. To promote sustainable choices among their clients, the bank provides green mortgages and green car loans at competitive prices.

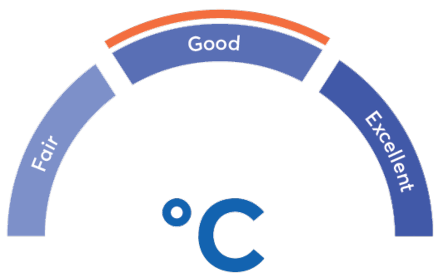
Governance assessment

Sparebanken Øst has as an ambition to achieve net-zero greenhouse gas emissions by 2050 across the bank's operations, value chain and portfolios. According to the bank, the main focus will be on reducing own and financed emissions, before relying on offsets. We note that this is an ambitious goal. However, no shorter-term quantified targets are set, so progress towards the net zero target may be difficult to assess.

Sparebanken Øst has implemented an ESG and climate module with the aim of identifying and scoring the environmental, social and governance (ESG) risks of the commercial real estate clients, hereunder transition and physical climate risks. The assessments were completed in 2022. This is positive, but we note that it does not cover embodied (life cycle related) emissions from materials. There is also no screening for public transport solutions associated with buildings. Sparebanken Øst states that it strives to meet best market practice by adhering to relevant standards and guidelines. The bank reports according to the Global Reporting Initiative ("GRI") standards and is currently working on including the recommendations from the Taskforce on Climate-related Financial Disclosures ("TCFD") into their climate risk reporting. There is no decided end date for this work. Sparebanken Øst is working to measure financed emissions by using the PCAF methdology[1]

The Norwegian Transparency Act came into force in 2022. Sparebanken Øst is covered by the law, which requires them to carry out due diligence assessments related to the risk of negative consequences for basic human rights and decent working conditions in the supply chain.

The overall assessment of Sparebanken Øst's governance structure and processes gives it a rating of **Good**.



[1] https://carbonaccountingfinancials.com

Sector risk exposure

Financial institutions are vital for achieving the Paris Agreement target but need to further improve climate risk management and align their strategies to support climate transition.

Physical climate risks. Through their lending portfolio, banks are indirectly exposed to a wide range of economic sectors and therefore a broad range of physical climate risks. More intense storms, flooding, sea level rise, droughts, fires, and heat stress are expected to increase losses from physical property damage and create operational and supply chain disruptions that may impact client creditworthiness and loan valuations.

Transition risks. Similarly, exposure to transition risks is likely to be wide-ranging due to banks' portfolio exposure to multiple sectors and clients' exposure to changing regulations, technologies, and market conditions. Growing supervisory expectations for greater disclosure and oversight of climate financial risks and civil society focus on the finance sector's contribution to climate change create regulatory, liability, and reputational risks. Banks may also be exposed to systemic risks from mispricing of climate-exposed assets.

Environmental risks. As with climate change, nature and biodiversity loss can create physical risks due to loss of critical ecosystem services, e.g., soil stabilization, climate regulation, pollination, water purification, etc., which can contribute to operational and supply chain disruptions (e.g., via landslides, reduced crop yields), while also reducing resilience to physical climate risks. Transition-related environmental risks arise from government measures, technological changes, litigation, and consumer preferences that may change as a result of efforts to reduce or reverse nature loss. As with climate risk, nature risks contribute to systemic risk and financial system instability.

Environmental strategies and policies

Sparebanken Øst has as a main goal to achieve net-zero greenhouse gas emissions by 2050 across the bank's operations, value chain and portfolios. The main effort will be directed towards reducing emissions, but likely some residual emissions will have to be compensated for by offsets. No shorter-term quantified targets are set. Sparebanken Øst supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and works to align the business and reporting with the TCFD framework. No end date has been set at this stage.

Sparebanken Øst is a member of the Partnership for Carbon Accounting Financials (PCAF)[2] and has begun work to map financed emissions in their lending portfolio. Starting from 2021, the bank discloses carbon accounting for its scope 1 and 2 emissions, as well as scope 3 emissions associated with employee air and car travel, as part of the annual sustainability report. Sparebanken Øst reports according to the GRI standard (Global Reporting Initiative). For 2021, scope 1 emissions amounted to 12.3 tCO_2e, mostly from own diesel cars. Scope 2 emissions was 6.7 tCO_2e due to district heating, while scope 3 emissions was 9 tCO_2e mostly from use of employees' cars.

Sparebanken Øst has significant exposure to residential real estate through residential mortgages. During 2023, it intends to take steps to implement ESG risk assessments in relation to applications for new mortgages, refinancing and other evaluations of mortgage clients.

[2] https://carbonaccountingfinancials.com

The work to identify and mitigate ESG-related risks in the corporate portfolio was further strengthened and systematised in 2022 when a new technical solution, the ESG and climate module, was implemented, with the aim of identifying and scoring the environmental, social and governance (ESG) risks of the commercial real estate clients, hereunder transition and physical climate risks. We note that it does not cover embodied (life cycle related) emissions from materials. There is also no screening for public transport solutions associated with buildings.

When identifying physical climate risk, Sparebanken Øst uses danger zone maps from NVE (Norwegian Directorate of Water Resources and Energy) to determine if a property is located in an area exposed to risk factors such as avalanche, quicksand, floods, sea level rise or other. Subsequently, relevant mitigating actions taken in the area as well as other factors that may serve to reduce or eliminate the physical risk factors to an adequate level are assessed together with the client. The willingness of the client to implement adaptive measures influences pricing. If no mitigating measures are taken, the property should in principle not be financed. Sparebanken Øst has declined client engagements based on physical climate risk.

Transition risk is evaluated by obtaining the Energy Performance Certificates (EPC labels) of the relevant buildings, in addition to the information obtained through the client questionnaire in the ESG and climate module. According to the issuer, the introduction of the ESG and climate module ensures that ESG risk assessments are applied to new corporate clients, loan applications, refinancing and annual evaluations of clients within commercial real estate. Throughout 2022, Sparebanken Øst has also worked to apply the module and assess the ESG risk of existing corporate clients.

For certain companies or sectors the ESG risk or negative impact on the environment, society or humans is substantial, and the opportunities to exert positive influence by the bank are limited. In such instances, the bank has the option of excluding companies or sectors from the portfolio. Currently, the bank is not engaged in financing or investments within the following activities: Coal extraction or energy production based on coal, controversial weapons, tobacco, pornography, oil sand/tar sand, shale oil and gas, and oil and gas extraction in the Arctic region. Sparebanken Øst has no direct exposure to carbon-intensive industries such as oil, gas or shipping. The exclusion policy may be extended to cover additional activities and exclusion criteria may be further concretised in the future.

Sparebanken Øst offers green mortgages and green car loans to retail customers. Green mortgages can be offered to properties where one of the following criteria are met: EPC label A or B; BREEAM-NOR certification Very Good or better; or Nordic Swan Ecolabel certification. Green car loans are applicable to electric vehicles and hybrid cars.

Green bond framework

Based on this review, this framework is found to be aligned with the Green Bond Principles. For details on the issuer's framework, please refer to the green bond framework dated January 2023.

Use of proceeds

For a description of the framework's use of proceeds criteria, and an assessment of the categories' environmental impacts and risks, please refer to section 2.

Selection

To ensure the transparency and accountability around the selection of green loans, Sparebanken Øst has established an internal Green Bond Committee (GBC) responsible for this green bond framework and the green loan criteria included herein. The committee will be responsible for the evaluation and selection of loans for inclusions in the green loan portfolio. Historically, the bank has not seen controversies in relation to real estate development projects. If controversies should arise in the future, this will be included in the bank's assessment on a case-by-case basis.

The GBC consists of members from the finance, sustainability, risk and credit departments as well as the client area. Other internal representatives with specific expertise may be invited from time to time when deemed necessary. All decisions will be made in consensus, and the Head of Sustainability holds a veto.

All lending activities in Sparebanken Øst must go through the regular and applicable credit approval processes. In addition, for a loan to qualify as a green loan, the loan must meet the green loan criteria of the green bond framework. Only such loans that meet these criteria are eligible to be financed with green bonds. Relevant business units in Sparebanken Øst can nominate loans for inclusion in the green loan portfolio, to be evaluated by the GBC who will also keep a register of the portfolio of identified green loans.

The GBC holds the right to exclude, at their own discretion, any green loans already funded by green bonds. If a green loan already included in the green loan portfolio no longer meets the criteria in the framework, as evaluated by the GBC, it will be removed from the green loan portfolio.

To ensure traceability, all decisions made by the GBC will be documented and filed. The GBC is also in charge of potential future oversight and updates of the framework.

Management of proceeds

An amount equal to the net proceeds from issued green bonds will be allocated toward the financing and refinancing of the green loan portfolio. The Finance department of Sparebanken Øst will endeavour to ensure that the value of the green loan portfolio at all times exceeds the total nominal amount of green bonds outstanding. Net proceeds from green bonds awaiting allocation to the green loans portfolio will be managed according to the regular liquidity management policy of the Finance department. The exclusions listed in the framework also apply for such temporary holdings of net proceeds.

Reporting

A green bond report will be made available on Sparebanken Øst's website: https://www.oest.no. The GBC will be responsible for the reporting, and the first report is expected to be published together with the annual report for financial year 2023.The green bond report will include an allocation report and an impact report and will be published annually as long as there are green bonds outstanding or until full allocation.

The allocation report will include the following information: Size of the identified green loan portfolio and each green loan category, nominal amount of green bonds outstanding, share of the green loan portfolio currently financed by green bonds, amount of net proceeds awaiting allocation (if any), and information on possible changes/developments in the EU Taxonomy regulation and delegated acts criteria or Norwegian laws and regulations that may be of relevance for our green loan criteria. The reporting will be on a portfolio basis. If relevant, there would be separate reporting for senior bonds and covered bonds.

The impact report aims to disclose the environmental impact of the green loans financed by green bonds. Impact reporting will be aggregated for each green loan category and, depending on data availability, calculations will be made on a best intention basis. Sparebanken Øst will, on a best effort basis, align the impact reporting with the portfolio approach described in "Handbook – Harmonized Framework for Impact Reporting" (April 2020)[3].

[3] https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf

The impact assessment may, where applicable, be based on estimated annual energy consumption (kWh/m^2) and annual GHG emissions (tCO_2e) compared to baseline for the green building category, and estimated GHG emissions compared to baseline (tCO_2e) for the clean transportation category. Sparebanken Øst will contract Multiconsult to prepare the impact report. With regards to grid factor, Multiconsult uses both Norwegian and European mix in their impact assessments. Concerning baselines, the portfolio will be compared to the average for Norwegian residential buildings. Multiconsult will consider energy performance for each object, normally building year and EPC label. As such, two baselines are relevant, either "Byggteknisk forskrift" or energy label. The methodology used will be made public.

An independent auditor appointed by Sparebanken Øst will provide a limited assurance report confirming that an amount equal to net proceeds from issued green bonds has been allocated in line with the criteria of the green bond framework.

2 Assessment of Sparebanken Øst's green bond framework

The eligible projects under Sparebanken Øst's green bond framework are shaded based on their environmental impacts and risks, based on the "Shades of Green" methodology.

Shading of eligible projects under Sparebanken Øst's green bond framework

- Only such loans that comply with the green loan criteria in the table below are deemed eligible to be financed by green bonds.
- Green bond net proceeds can be used for the financing of new loans as well as for refinancing purposes. Green bonds will refinance the existing green portfolio. More than 90% of the eligible green portfolio consists of buildings.
- Green bonds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction, gambling, pornography, or tobacco, nor other activities in violation of the bank's established sector guidance (i.e., excluding coal extraction or energy production based on coal, controversial weapons, tobacco, pornography, oil sand/tar sand, shale oil and gas, and oil and gas extraction in the Arctic region).

Category	Eligible project types	Green Shading and considerations
Green buildings	Buildings built in 2021 or later: • Buildings with an energy consumption that is 10% lower than national minimum requirements (TEK17); or • Buildings with BREEAM-NOR Excellent.[4] Buildings built before 2021: • Buildings with Energy Performance Certificate (EPC) A; or	**Light Green** ✓ In a 2050 perspective, it is necessary to reduce both energy use associated with buildings and embodied emissions from materials. For new construction, considering both is crucial; for existing buildings, energy performance is more important. While some of the financed buildings will be more energy efficient than applicable regulations, the Light Green shading reflects that the framework allows for buildings built between 2012-2020 without additional energy efficiency requirements.

[4] It is the ambition of Sparebanken Øst that green loans to buildings larger than 5000 m^2, financed under the framework, in addition fulfill the following Taxonomy criteria: (i) upon completion having undergone testing for airtightness and thermal integrity (unless robust and traceable quality control processes are in place during construction), and (ii) calculation of the Global Warming Potential for each stage of the life cycle.

- Buildings within the top 15% of the national or regional stock in terms of primary energy demand, defined as buildings built according to Norwegian building codes of 2010 (TEK10) or 2017 (TEK17)[5]; or
- Buildings built before 2012 with Energy Performance Certificate B; or
- Buildings with BREEAM-NOR Excellent.[6]

Renovated buildings:

- Costs related to renovations leading to a reduction in primary energy demand of at least 30%.
- For the full building to qualify, it should after renovations be expected to meet the criteria above for buildings built either before or after 2021.

✓ For new construction, the issuer states that the TEK17 criteria has been chosen because the Nearly Zero Energy Building level ("NZEB") is not yet defined in Norway. When a NZEB definition is in place, the issuer will consider whether to update the green bond framework directly or in relation to the next update of the framework as a whole. Having an energy efficiency 10% better than regulation is only moderately ambitious.

✓ Buildings that only seek to address energy use (i.e., 10% better than current regulation) but without considerations of embodied emissions may be a concern. Energy use and building materials are the two main sources of emissions from new construction.

✓ BREEAM-NOR Excellent is a solid criterion. However, being a point-based system covering many environmental aspects, the energy performance under BREEAM varies and the certification does not guarantee a low climate impact.

✓ The issuer states that the first issuance is expected to finance exclusively buildings built before 2021.

✓ The issuer informs us that the following buildings are excluded:
  - Residential buildings used for leisure (cabins).
  - Commercial buildings used for the exploration, extraction, refining and distribution of fossil fuels as well as other industry-specific buildings of emission-intensive industries.
  - Shopping malls and associated parking lots.

✓ The definition of the top 15% used under the framework means that all buildings built in line with regulation between 2012 and 2020 are eligible without any additional criteria.

✓ From a climate risk perspective, these newer buildings carry lower transition risks because they are more energy efficient than older buildings. The energy

[5] To ensure TEK10 alignment, the issuer states that they will use a conservative 2-year time lag and include buildings built from 2012 and onwards.

[6] Where green loans financed under the framework are for large, 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, it is the ambition of Sparebanken Øst that the building is efficiently operated through energy performance monitoring and assessment in accordance with the Taxonomy.

		label B for buildings built before 2012 contributes to avoiding the worst performing assets, although older labels may be an issue. ✓ We note that the top 15% of the national or regional stock is currently not defined officially, the definition used under the framework is based on a report by consultancy Multiconsult. ✓ In a 2050 low carbon perspective, building energy performance needs to improve significantly. Transport solutions, access to renewable energy for heating and electricity are also important. ✓ The eligibility criteria for major renovations, a 30% reduction in energy consumption, is positive. From a lifecycle perspective, it is generally much better to renovate existing buildings than build new. However, IPCC recommends 50% energy efficiency improvement in deep renovations. According to IEA, efficiency of building envelopes needs to improve by 30% by 2025 followed by continued decarbonization to near zero by 2050 to be aligned with the Paris target. ✓ The issuer has assessed the physical climate risks of its commercial real estate portfolio and enters into dialogue with such corporate clients over adaptive measures. Private mortgages are currently not covered by this risk assessment, but the issuer plans to extend this analysis also to these loans.
Zero-emission vehicles	Fully electric, hydrogen or otherwise zero-emission vehicles for the transportation of passengers or freight.	**Dark Green** ✓ Zero tailpipe GHG emission transport is a key component in the green transition to a low carbon future. ✓ The issuer informs us that hybrid vehicles are excluded, as is transportation of fossil fuels.

Table 1. Eligible project categories

3 Terms and methodology

This note provides CICERO Shades of Green's second opinion of the client's framework dated January 2023**.** This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Shades of Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

'Shades of Green' methodology

CICERO Shades of Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

Shading	Examples
°C **Dark Green** is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	Solar power plants
°C **Medium Green** is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	Energy efficient buildings
°C **Light Green** is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	Hybrid road vehicles

The "Shades of Green" methodology considers the strengths, weaknesses and pitfalls of the project categories and their criteria. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised, including potential macro-level impacts of investment projects.

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Shades of Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

Assessment of alignment with Green Bond Principles

CICERO Shades of Green assesses alignment with the International Capital Markets' Association's (ICMA) Green Bond Principles. We review whether the framework is in line with the four core components of the GBP (use of proceeds, selection, management of proceeds and reporting). We assess whether project categories have clear environmental benefits with defined eligibility criteria. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed. The selection process is a key governance factor to consider in CICERO Shads of Green's assessment. CICERO Shades of Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Shades of Green places on the selection process. CICERO Shades of Green assesses whether net proceeds or an equivalent amount are tracked by the issuer in an appropriate manner and provides transparency on the intended types of temporary placement for unallocated proceeds. Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs.

Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Sparebanken Øst_DNB_Green Bond Framework_2023-01-04	Sparebanken Øst's Green bond framework dated January 2023
2	Sparebanken-Ost-Baerekraftsrapport-2021	Sparebanken Øst's Sustainability report 2021
3	Arsrapport-2021-Sparebanken-Ost	Sparebanken Øst's Annual report 2021
4	ESG-Policy-Sparebanken-Ost	Sparebanken Øst's ESG policy dated June 2021

Appendix 2:
About CICERO Shades of Green

CICERO Shades of Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Shades of Green.

CICERO Shades of Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Shades of Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Shades of Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Shades of Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.

Environmental Finance
Bond Awards 2022
Winner
External assessment provider of the year

- **2021 Largest External Reviewer,** Climate Bonds Initiative Awards
- **2020 External Assessment Provider Of The Year,** Environmental Finance Green Bond Awards
- **2020 Largest External Review Provider In Number Of Deals,** Climate Bonds Initiative Awards
- **2019 External Assessment Provider Of The Year,** Environmental Finance Green Bond Awards
- **2019 Largest Green Bond SPO Provider,** Climate Bonds Initiative Awards
- **2018 External Assessment Provider Of The Year,** Environmental Finance Green Bond Awards
- **2018 Largest External Reviewer,** Climate Bonds Initiative Awards
- **2017 Best External Assessment Provider,** Environmental Finance Green Bond Awards
- **2016 Most Second Opinions,** Climate Bonds Initiative Awards