

Green Finance Framework

March 2026



Introduction to Sparebanken Øst

Sparebanken Øst dates back to 1843 and today we are one of the largest non-affiliated and independent local savings banks in Norway. Our aim is to be a leading savings bank in Eastern Norway, providing financial services that enable people and small and medium-sized enterprises to build and utilise their financial resources in the best possible manner. We are headquartered in Drammen, approximately 40 kilometers west of Oslo, and have about 30 offices across Eastern Norway. We have a strong focus on developing the market area along the Drammen-Oslo axis and in the suburban regions of Oslo.

In our 182-year history, we have always seen the value of contributing to the development of the society around us. We wish to promote sustainable local communities together with their residents by creating financial security, predictability, and development. We believe we play an important role as a responsible contributor to both the local community and the broader society in general.

The bank operates across three main product areas: savings, credit and payment products. In addition, we distribute insurance, fund shares, interest hedging and currency transactions. To promote sustainable choices among our clients, we also provide green mortgages and green car loans at competitive prices.

Sustainability at Sparebanken Øst

Sparebanken Øst has helped build local communities since 1843, and we see the integration of sustainability into our activities as a natural progression of our role. As a regional savings bank, we believe we have a responsibility to be a positive driving force in society and support sustainable development, through both our actions and our products. To succeed in this mission, we believe business and sustainability must go hand in hand.

We have therefore integrated sustainability into our strategies, our relationships, dialogues with suppliers, and client products. As part of our business strategy, we aim to reduce greenhouse gas emissions in our own operations, portfolio and value chain, and to enhance our positive social impact by promoting diversity, inclusion and a good working environment. Diversity and inclusion are essential to us both in our own operations and in our community work. We believe that diversity is key to attract relevant expertise and that it contributes to improve the bank's performance. We acknowledge that sustainability is a complex field and will therefore strive to be open and transparent and work continuously to improve.

In 2024–2025, Sparebanken Øst carried out a double materiality assessment in line with the methodology in the European Sustainability Reporting Standards (ESRS). Although the legal CSRD requirements have been postponed for the bank's size category, the analysis has been conducted to ensure a structured understanding of both impacts on people and environment, and financially material sustainability risks and opportunities. The analysis is regularly reviewed to ensure that it continuously reflects the topics that are most important to our stakeholders. Based on the analysis, Sparebanken Øst aims to contribute to sustainable development primarily through:

- Managing climate and environmental portfolio risk
- Sustainable lending, products and financing
- Responsible client advice
- Prevention of financial crime and corruption
- Giving back to the community

Overall Goal: Net Zero Emissions by 2050

Net zero emissions mean reducing greenhouse gas emissions to as close to zero as possible, with any remaining emissions absorbed from the atmosphere, for example by oceans and forests. Although we as a financial institution have limited direct influence on emission levels, Sparebanken Øst can contribute indirectly through how the bank manages capital, assesses risk, and finances activities in the retail and corporate markets. Therefore, Sparebanken Øst has set a long-term goal of net zero emissions by 2050, for both its own emissions and those it finances.

In 2023, the Board adopted interim targets toward 2030 to support progress toward the long-term goal:

Sub-targets by 2030*

- 25% reduction in CO₂ emissions in the total portfolio
- 50% reduction in internal CO₂ emissions
- 50% increase in the share of green loans

**Measured against the base year 2019.*

The targets are based on the banking sector maintaining corresponding ambitions over time, and on the Norwegian authorities establishing and following up a credible and predictable plan for the transition to a low-emission society.

Sparebanken Øst commits to the following internal measures:

- Identify significant sustainability risks and opportunities among its customers, and incorporate relevant sustainability factors into the assessment of the bank's offerings, particularly within lending and risk management.
- Integrate the sustainability perspective into the bank's risk reporting in accordance with the bank's overall risk management framework.
- Report to stakeholders in an open and credible manner on how the bank works with sustainability.
- Be an attractive partner and financial advisor for customers who carry out sustainable projects and investments, within the bank's role and areas of expertise.
- Offer green products and solutions to customers where this is relevant and in demand.
- Lead by example through control of internal processes and operations, setting requirements for suppliers and partners, and acting with credibility.
- Be recognized as a bank that is clear and honest in its communication about sustainability and sustainability-related assessments.

We are a member of the Partnership for Carbon Accounting Financials (PCAF) and have started mapping financed emissions in our lending portfolio. We are disclosing carbon accounting for our scope 1 and 2 emissions, our scope 3 emissions associated with employee air and car travel as well as financed emissions related to lending to customers, as part of our annual sustainability report.

Managing climate and environmental portfolio risk

Sparebanken Øst supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and align our business and reporting with the TCFD framework. The bank has set a long-term target of achieving net-zero greenhouse gas emissions by 2050 across the bank's operations, value chain and lending portfolios. In 2023 the board set interim goals for 2030 (see below). Sparebanken Øst will assess sustainability risks among customers, integrate sustainability in risk reporting, act transparently, and lead by example.

We aim to integrate sustainability into all parts of our business areas and continue supporting and collaborating with customers. This supports our strategic ambitions of creating good customer experiences, ensuring long-term value creation, and delivering on financial goals.

Additionally, we will continue to build internal sustainability expertise, collaborate with local actors in our network to contribute to the necessary transition process, and the bank will also continue to contribute significantly to both environmental and social value creation in the region through our gift fund. Sustainability will also guide the selection of recipients for financial support.

ESG and Climate Module for Commercial Real Estate

A significant share of our loan portfolio is dedicated to real estate. Our work to identify and mitigate ESG-related risks in the corporate portfolio was further strengthened and systematised when we implemented the ESG and Climate Module in 2022. This module enables us to identify and score the ESG risks of our commercial real estate clients and ensures that ESG risk assessments are applied to new corporate clients, loan applications, refinancing and annual evaluations of clients within commercial real estate.

Through the Module, the customer receives a selection of material ESG questions. Based on the information provided by the client, and the bank's own additional assessment, clients are scored on several sustainability criteria. The criteria are weighted to give the bank an indication of how mature the client is in the face of sustainability challenges. Each client is given an ESG risk score of either low, moderate or high risk.

Climate risk assessments are an important part of the Module, and both physical and transition risks are considered. When identifying physical climate risk, we use danger zone maps from NVE (Norwegian Water Resources and Energy Directorate) 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, we assess 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. 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 Module. Where applicable, underlying assets in secured financing undergo an additional assessment of transition and physical climate risks.

Influencing our clients

At Sparebanken Øst, we primarily want to use positive influence to support sustainable transition. We have established a routine for corporate clients that receive a high ESG risk score following the ESG risk assessment. In such cases, client engagement should be escalated and approved by the relevant manager or Chief Credit Officer.

Over the coming years, we will continue to support and collaborate with our customers in a structured manner through information and knowledge sharing.

For certain companies or sectors, we may however find that the ESG risk or negative impact on the environment, society or humans is too high, or that our opportunities to make positive influence are limited. In such instances, we have the option of excluding companies or sectors from our portfolio. Sparebanken Øst

has already refrained from financing projects based on physical climate risk exposure. Currently, Sparebanken Øst has no direct exposure to carbon-intensive industries such as oil, gas or shipping, nor are we engaging 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
- Oil and gas extraction in the Arctic region

Sustainable lending, products and financing

We want to help our customers make sustainable choices through our products and services. To this effect, we offer 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 fully electric, hydrogen or otherwise zero-emission vehicles.

Sparebanken Øst will continue to develop the sustainable product offering to enhance our contribution to a sustainable transition.

Responsible advice

Sparebanken Øst is committed to providing good financial advice to our customers. It is therefore a prerequisite that our employees have the relevant level of competence across all positions in the bank.

To meet the requirements set by the authorities and the expectations our customers have of us, all our employees in client-facing positions must complete various authorisations through the Financial Industry Authorization Schemes (FinAut). For all new employees at the bank, there is mandatory training in anti-money laundering and terrorist financing.

We want to be a sparring partner for our customers on sustainability, especially for our corporate clients who are facing increasing expectations and regulatory requirements. The ESG and Climate Module is the starting point for our engagement with corporate clients on sustainability. We proactively bring up sustainability in client dialogue and use the ESG assessment to discuss material topics such as climate risk. Above all we want to inform our clients about ESG risks and opportunities, and we find that the Module is an effective tool to enhance our clients' awareness around these topics.

To ensure that our client-facing employees have the competence needed to engage with our clients on sustainability matters, we have organised several courses internally on the use of the ESG and Climate Module as well as how to collect the underlying data to assess transition and physical climate risks. We also provide several digital sustainability courses which all employees are expected to complete.

With regards to retail customers, our client advisors will offer green mortgages and green car loans if they determine that the asset is eligible, with the aim of promoting awareness and sustainable choices also within this segment. To further ensure that our advice contributes to the green transition, we will aim to make environmental and climate considerations a natural part of our dialogue with mortgage clients in line with the introduction of ESG assessments for mortgages.

Prevention of financial crime and corruption

As a financial institution, Sparebanken Øst has a major responsibility for uncovering and preventing financial crime. Financial crime, such as money laundering, corruption, terrorist financing and fraud, have negative consequences for our customers, society at large and the bank itself. We work systematically to prevent our services from being used for criminal activities. This includes our responsibility to know the identity of our customers, mapping ownership structures, obtaining information about how our customers' financial assets have been acquired and mapping how customers intend to use our services.

Regular training is carried out for all employees and the bank's board members. We have also introduced new processes and technical solutions to increase our employees' competence and improve our capacity to uncover and prevent financial crime.

Sparebanken Øst has adopted internal ethical guidelines, as well as "Rules for good behavior". These apply to everyone in the organisation, including the board. To ensure that our ethical guidelines are adhered to, and to follow up on unacceptable circumstances reported through our whistle-blowing channel, the bank has established an ethics committee. The ethics committee consists of a union representative, the Head of Legal, the Human Resources manager, the deputy managing director and the managing director.

Giving back to the community

Through charitable gifts, we help children and young people fulfill their dreams. We are concerned with equal opportunities and work for an inclusive society by creating local arenas for sports and cultural experiences. Sparebanken Øst was established by and for the local community and we hope to give something back by funding local associations and foundations, such as sports teams, bands, theater groups and more.

We have entered into long-term cooperation agreements with 40 local, non-profit sports associations, cultural organisations and humanitarian organisations, funding activities for children, youth and vulnerable groups, as well as the preservation of cultural-historical buildings, to name a few. Moreover, we support young people who want to pursue their talents and interests in sports and culture through our scholarship schemes. For many years, the bank has also been buying, conserving and managing buildings and historical material worth preserving and that may contribute to our social impact locally.

The UN Sustainable Development Goals

Sparebanken Øst supports the UN Global Compact ten principles within the areas of human rights, labour, environment and anti-corruption. In addition, we have identified the following four UN Sustainable Development Goals (SDGs) as the most relevant for our operations, and where we have the greatest possibility to promote positive impact.



Relevant UN SDG	Sparebanken Øst's contribution
#4. Quality education	<i>We strive to continuously raise our competence and to share our knowledge with our customers to enable them to make responsible financial decisions. In addition, we have initiated an educational program targeting 1500 10th graders at secondary school, where we promote financial awareness.</i>
#8. Decent work and economic growth	<i>The majority of our customers are small- and mid-size enterprises. As SMEs represent 70% of the value creation in the private sector, promoting sustainable growth in this segment is important. Integrating sustainability factors into our credit process is another important measure to ensure we promote sustainable growth.</i>
#13. Climate action	<i>Sparebanken Øst has always had a limited exposure to carbon-intensive sectors, and we also exclude certain sectors or sub-sectors from our financing. We map the environmental impact of our clients, and which measures they are taking to adapt to climate change. We strive to incentivize sustainable decision-making through for instance our green mortgages and green car loans.</i>
#16. Peace, justice, and strong institutions	<i>With strict ethical guidelines and internal processes, we seek to prevent all types of financial crimes, such as tax evasion, money laundering, fraud and corruption.</i>

Reporting Practices

Sparebanken Øst strives to follow relevant market standards for transparent and responsible sustainability reporting. The bank reports according to the Global Reporting Initiative (GRI) Standards and aligns its climate risk disclosures with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). These frameworks support our ambition to provide clear, comparable and useful information to investors, creditors, customers and other stakeholders.

Sparebanken Øst is not subject to the reporting requirements under CSRD. Nevertheless, the bank works systematically to strengthen transparency and the quality of its sustainability disclosures. This includes further developing climate-related data, improving risk assessments, and gradually integrating recognised frameworks such as the Global Reporting Initiative (GRI) Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) where relevant for the bank's activities. The objective is not fully aligned with European sustainability standards, but to ensure that the external reporting meets the expectations of investors, creditors, regulators and other relevant stakeholders.

As part of this work, the bank continues to identify practical measures to reduce emissions from its own operations and across areas where it has material influence within the lending portfolio. Sparebanken Øst places emphasis on building internal competence, integrating sustainability considerations into relevant processes and maintaining close dialogue with partners and stakeholders. This approach supports informed decision-making and ensures that sustainability remains a natural and well-anchored element of the bank's long-term development.

The Norwegian Transparency Act that came into force in 2022 requires us 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. We have carried out due diligence assessments of our suppliers to map whether the bank, through the supply chain, is exposed to violations of human and labor rights, negative environmental impact or economic crime such as bribery and corruption. We also conduct due diligence assessments of own operations. We have created a landing page on our website where our stakeholders can read about our work with the Transparency Act, due diligence assessments both by suppliers and own operations, and how we work internally with the topic of human rights.

Sparebanken Øst and Green Finance

As a local savings bank, our greatest possibility for positive impact is by having a close dialogue with our clients, supporting them in making sustainable choices. We wish to use the Green Finance market as part of our sustainability ambition, financing our lending towards sustainable activities.

This Green Finance Framework (the “Framework”) is aligned with the International Capital Market Association’s Green Bond Principles (“ICMA GBPs”), updated version published in June 2025, which defines the criteria for which environmentally friendly projects and assets in our loan portfolio can be financed by Green Bonds, and it also outlines the process to evaluate, select, track and report on such lending activities. Furthermore, the Framework is aligned with the Loan Market Association’s Green Loan Principles (“LMA GLP”), updated version published in March 2025, which defines the criteria for which environmentally friendly projects and assets in our loan portfolio can be financed by Green Loans. Green Bonds and Green Loans (or Green Loan Tranche(s) of a loan) being issued will collectively be referred to as “Green Finance Instruments”.

In addition to Sparebanken Øst, our wholly-owned subsidiary Sparebanken Øst Boligkreditt AS, may also issue Green Finance Instruments under this Framework. Also, assets in our other wholly-owned subsidiary AS Financiering, may be part of Green Finance Instruments issued by Sparebanken Øst.

Each Green Finance Instrument issued under this Framework will in their relevant transaction documentation refer to this Green Finance Framework. The terms and conditions contained in the underlying documentation for each Green Finance Instrument will specify the actual terms of the instrument.

This Framework may be updated in the future, however new versions shall have no implications for the Green Finance Instrument issued under this version of the Framework.

Alignment with Relevant Market Standards and Guidelines

With this Framework, our aim is to meet best market practices by adhering to relevant standards and guidelines in the green finance market. Each Green Loan category in the Use of Proceeds section below has therefore been mapped against the different green project categories of the ICMA GBPs/LMA GLPs and the relevant Environmental Objective¹, as well as the UN Sustainable Development Goals (“UN SDGs”) and the relevant environmental objective and economic activities included in the EU Taxonomy.

We acknowledge that metrics and thresholds in the EU Taxonomy may change over time. When deemed necessary by Sparebanken Øst, this Green Finance Framework may be updated to harmonise with changes in the EU Taxonomy.

1. Use of Proceeds

An amount equal to the net proceeds from Green Finance Instrument issued under this Framework will be used to finance a portfolio of loans that promote the transition towards low-carbon and climate-resilient development (“Green Loan Portfolio”).

Only such loans that comply with the Green Loan criteria of this Framework are deemed eligible to be financed by Green Finance Instruments. Net proceeds from Green Finance Instruments can be used for the financing of new loans as well as for refinancing purposes.

¹ [Green-Project-Mapping-June-2021-100621.pdf](#)

For the avoidance of doubt, Green Finance Instruments will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially negative resource extraction, gambling, pornography or tobacco, nor other activities in violation of the bank’s established sector guidance.

Green Loan Criteria

Green Finance Instruments issued under this Framework will finance and refinance loans related to Green Buildings and Clean Transportation, and the relevant Green Loan criteria are further described below.

Green Buildings

Loans financing the acquisition, ownership and renovation of residential, commercial, and public buildings meeting the following criteria:

Relevant references:	ICMA GBPs/LMA GLPs: Green Buildings ICMA GBP Environmental Objective: Climate change mitigation UN SDGs: 13 Climate Action EU Taxonomy Environmental Objective: Climate Change Mitigation	EU Taxonomy Activity:
Green Loan criteria:	Buildings built in 2021 or later: <ul style="list-style-type: none"> Buildings with an energy consumption that is 10% lower than Nearly-Zero Energy Buildings (NZEB); or Buildings with BREEAM -NOR or BREEAM In-Use certification Excellent or better. Buildings built before 2021: <ul style="list-style-type: none"> Buildings with Energy Performance Certificate A; or Buildings within the top 15% of the national or regional stock in terms of primary energy demand²; or Buildings with BREEAM- NOR or BREEAM-In-Use certification Excellent or better. 	Acquisition and ownership of buildings
	Renovated buildings: <ul style="list-style-type: none"> 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 renovation) be expected to meet the criteria above for buildings built either before or after 2021. 	Renovation of existing buildings
Exclusions:	<ul style="list-style-type: none"> Residential buildings used for leisure (cabins). Buildings with direct fossil fuel heating. Buildings for which physical risk are rated “high” according to Eiendomsverdi’s scoring methodology (1-6, where 5-6 are considered high risk). 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. 	

² Sparebanken Øst will apply Eiendomsverdi’s energy efficiency thresholds for residential buildings until firm and clear thresholds are published by relevant Norwegian authorities.

Clean Transportation

Loans financing the purchase of zero-emission vehicles.

Relevant references:	ICMA GBPs/LMA GLPs: Clean Transportation UN SDGs: 11 Sustainable Cities and Communities, 13 Climate Action EU Taxonomy Environmental Objective: Climate Change Mitigation	EU Taxonomy Activity:
Green Loan criteria:	Zero-emission vehicles: <ul style="list-style-type: none">Fully electric, or otherwise zero-emission, passenger vehicles (“EVs”) or light commercial vehicles (“ELCVs”).	Transport by motorbikes, passenger cars and light commercial vehicles

2. Process for Project Evaluation and Selection

To ensure the transparency and accountability around the selection of Green Loans, Sparebanken Øst has established an internal Green Finance Committee responsible for this Green Finance 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.

The Green Finance Committee consists of members from the Finance, Sustainability Officer, 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 this Green Finance Framework. Only such loans that meet these criteria are eligible to be financed with Green Finance Instruments. Relevant business units in Sparebanken Øst can nominate loans for inclusion in the Green Loan Portfolio, to be evaluated by the Green Finance Committee who will also keep a register of the portfolio of identified Green Loans.

The Green Finance Committee holds the right to exclude, at their own discretion, any Green Loans already funded by Green Finance Instruments. If a Green Loan already included in the Green Loan Portfolio no longer meets the criteria in this Framework, as evaluated by the Green Finance Committee, it will be removed from the Green Loan Portfolio.

To ensure traceability, all decisions made by the Green Finance Committee will be documented and filed.

The Green Finance Committee is also responsible for future oversight and potential updates of this Framework.

3. Management of Proceeds

An amount equal to the net proceeds from issued Green Finance Instruments will be tracked in an appropriate manner and allocated toward the financing and refinancing of our Green Loan Portfolio. The Finance department of Sparebanken Øst will endeavor to ensure that the value of the Green Loan Portfolio at all times exceeds the total nominal amount of Green Finance Instruments outstanding.

Net proceeds from Green Finance Instruments awaiting allocation to the Green Loans Portfolio will be managed according to the regular liquidity management policy of our Treasury department. The exclusions listed in the Use of Proceeds section of this Framework also apply for such temporary holdings of net proceeds.

4. Reporting

To enable investors and other stakeholders to follow our issuance of Green Finance Instruments, and the developments and impact of our Green Loan Portfolio, a Green Finance Report will be made available on our website. The Green Finance Report will include an Allocation Report and an Impact Report and will be published annually until full allocation.

Allocation Report

- The allocation report will include the following information.
- Size of the identified Green Loan Portfolio and each Green Loan category.
- Nominal amount of Green Finance Instruments outstanding.
- Share of the Green Loan Portfolio currently financed by Green Finance Instruments.
- Amount of net proceeds awaiting allocation (if any).
- 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.

Impact Report

The impact report aims to disclose the environmental impact of the Green Loans financed by Green Finance Instruments. 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 may rely on independent third parties to assist with impact calculation and analysis, and will, on a best effort basis, align our impact reporting with the portfolio approach described in “Handbook – Harmonized Framework for Impact Reporting” (April 2020).

The impact assessment may, where applicable, be based on the metrics listed below:

Green Buildings

- Estimated annual energy consumption (kWh/m²) based on the aggregated square meters included in the Green Loan Portfolio and annual avoided GHG emissions (tCO₂e) compared to baseline³.

Clean Transportation

- Estimated avoided GHG emissions compared to baseline (tCO₂e).

³ The baseline will apply the average energy consumption per square meter for dwellings in Norway and the recommended grid factor recommended by NPSI (NPSI Position Paper on Green Bonds Impact Reporting 2024).

External Review

Second-Party Opinion

Sparebanken Øst has obtained a pre-issuance Second-Party Opinion from S&P Global Ratings to confirm the transparency of this Green Finance Framework and its alignment with the ICMA Green Bond Principles and the LMA Green Loan Principles.

The Second-Party Opinion will be made available on our website, together with this Green Finance Framework.

Post Issuance Verification

S&P Global Ratings will, as independent auditor, provide an opinion confirming that an amount equal to net proceeds from issued Green Finance Instruments has been allocated in line with the criteria of this Green Finance Framework.

Sparebanken Øst may also appoint an independent consultant to provide a report attached to the Impact Report, verifying the calculations and results of the environmental benefits from the Green Loans Portfolio financed by Green Finance Instruments issued.