



**SpareBank**  
RINGERIKE HADELAND

## Green Bond Investor Letter 2022

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## Green Bond Investor Letter 2022

### Introduction

Sparebank 1 Ringerike Hadeland is a part of the Sparebank 1-alliance that consists of 13 individual saving banks across the country. We have four offices in the Ringerike-, Hadeland-, and Nittedal region in the southern part of Norway, and a history dating over 180 years back. We have 69 000 clients and a loan portfolio of NOK 38 billion outstanding, including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

It is important for us to contribute to our local community, and we engage actively in initiatives aimed at developing our region. We understand local differences and provide a wide range of financial services including loans, deposits, advisory, insurance and pension for both private and corporate clients. We strive to contribute to a sustainable development of the local community and region.

### Sustainability at SpareBank 1 Ringerike Hadeland

We take pride in being a local and community-based contributor. Our focus on sustainability therefore includes both environmental and social aspects. We contribute within culture, youth sports and local infrastructure to develop and build the region where we are present. We want to create opportunities for our region and the people who live here.

Sustainability is at the very core of everything we do. We want to contribute to sustainable development together with our customers. With our long history and local presence, we aim to contribute to all aspects of the ESG term; Environmental, Social and Governance.

In 2022 we adopted targets for our sustainability work on climate and the environment, green transition, equality and diversity, and the fight against economic crime. A full-time chief adviser on sustainability was appointed to further strengthen and develop our efforts. We offered financing products linked to the Green Bond Framework for both the retail and business customers and worked to improve data availability and quality on green assets.

Going forward from 2022, we will refine and adjust our ESG-strategy and goals and develop appropriate key indicators to measure the status and progress. The work on improving data availability and quality on green assets will be ongoing. We will also invest in an organization wide program on improving the competence and understanding of ESG, tailored to advisers in the various departments. Please find more information about our work in 2022 and going forward, in our sustainability report for 2022 available at our website ([Sustainability Report 2022](#)).

The bank's sustainability work is based on the principles of the UN sustainability goals, the UN Global Compact's ten principles for responsible business and the UN's principles for sustainability banking (UNEP FI). In addition, the work builds on the bank's traditions, current business strategy and on the

recommendations from the trade association Finance Norway in "Road map for green competitiveness in the financial sector".

## The framework

SpareBank 1 Ringerike Hadeland established a Green Bond Framework in collaboration with Skandinaviska Enskilda Banken AB (SEB) in 2021. 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 Ringerike Hadeland's 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:

- Renewable Energy
  - Hydropower
  - Bioenergy
  - Infrastructure
- Green Buildings
  - Residential buildings
  - Commercial buildings
  - Refurbishments
- Environmentally Sustainable Management of Living Natural Resources and Land Use
  - Agriculture
  - Forestry and reforestation

The Framework and the Second Opinion are available on our web page ([Green Bond Framework, Cicero Second Opinion](#)).

## Issue of green bonds

In February 2022 SpareBank 1 Ringerike Hadeland issued our first Green Bonds tranche of 500 NOK million, with a tenor of 5 years. The bank issued a second Green Bond tranche of 200 NOK million in November 2022, with a tenor of 5 years and 9 months.

## Green Bond Reporting 2022

In accordance with the Sparebank 1 Ringerike Hadeland 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 Ringerike Hadeland 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 Ringerike Hadeland 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 TEK17 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.*

### Allocation report

Eligible Green Loan Portfolio		Green Funding					
Eligible Project Category	Amount (MNOK)	Instrument (ISIN)	Rank	Currency	Issuance Date	Due Date	Amount (MNOK)
Residential Buildings in Norway	644	NO0012447202	Senior Preferred	NOK	23.02.2022	23.02.2027	500
Renewable Energy	50	NO0012757683	Senior Preferred	NOK	22.11.2022	22.08.2028	200
Sustainable Forestry	197						
<b>Total</b>	<b>891</b>	<b>Total</b>					<b>700</b>

1) Residential buildings, transferred to SB1 Boligkreditt, which qualifies for the Green Loan Portfolio are not included in the allocation report. These loans are funded through Green Covered Bonds issued by SB1 Boligkreditt.

2) This is based on currently identifiable data and on a best effort basis. Efforts on improving data availability and quality are ongoing.

3) Sparebank 1 Ringerike Hadeland was not required to report on taxonomy information for fiscal year 2022, and as such share of loans that are aligned with the EU Taxonomy Climate Delegated Act is not calculated.

### Impact report

On assignment from SpareBank 1 Ringerike Hadeland, Multiconsult AS has assessed the environmental impact of the part of SpareBank 1 Ringerike Hadeland's loan portfolio eligible for green bonds in the categories (1) energy efficient residential buildings, (2) renewable energy and (3) forestry.

This impact report is based on Multiconsult AS' findings and methods. Please see the attached report from Multiconsult AS for detailed explanation of findings and methods used.

Portfolio based green bond report according to the Harmonized Framework for Impact Reporting.

Eligible Green Loan Portfolio		Impact		
Eligible Project Category	Amount (MNOK)	Eligibility for Green Bonds <sup>2)</sup>	Annual Site Energy Savings (MWh) <sup>3)</sup>	Annual CO2 Emission
Residential Buildings in Norway <sup>1)</sup>	644	100 %	3.715	410
Renewable Energy	50	100 %	65.000	8.450
Sustainable Forestry	197	100 %		61.360
<b>Total</b>	<b>891</b>		<b>68.715</b>	<b>70.220</b>

1) Of the 276 eligible dwellings in the portfolio, 244 objects are eligible through the EPC criterion and 32 objects are eligible through the refurbishment criterion. Please see the Multiconsult report for details on the criterias.

2) This is the share of the total portfolio cost that is Green Bond eligible.

3) Impact indicator: Residential Buildings in Norway: Site energy savings calculated using the difference between the top 12 % of buildings and the national building stock benchmarks. Renewable energy: Expected produced power.

**Please see the Multiconsult report for extensive impact assessments.**

Appendix 1: Impact Assessment Report\_SpareBank 1 Ringerike Hadeland\_2023 as carried out by Multiconsult AS.

**Please contact us if you have any questions**

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