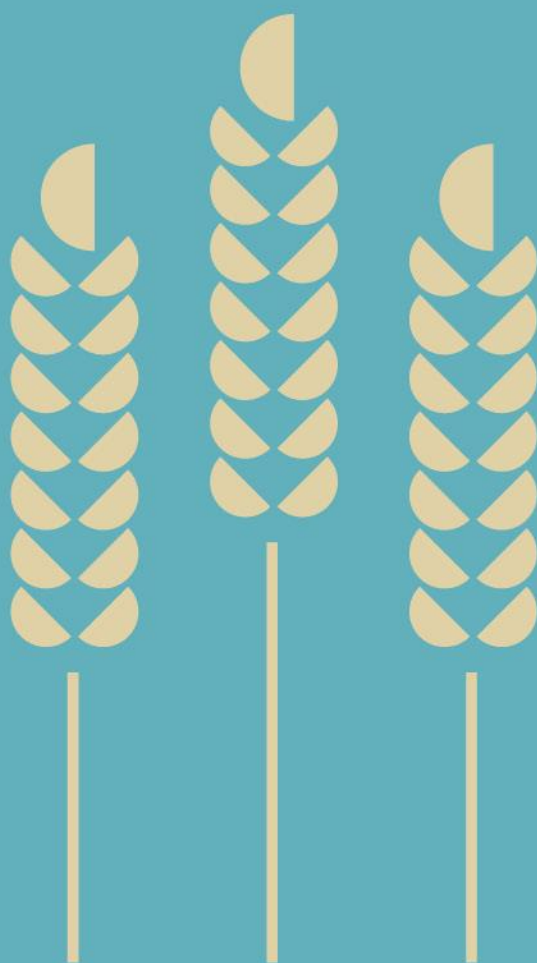


En alliansebank i **eika**.



# Green Bond Framework

June 2024





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# About Jæren Sparebank

**Jæren Sparebank is an independent savings bank with ambition to be the preferred local bank for people who live and work in the Jæren district.**

Jæren Sparebank, with head office at Bryne just south of Stavanger, was formally incorporated 1<sup>st</sup> of January 2015 as the result of the merger of Time Sparebank (since 1911) and Klepp Sparebank (since 1923). We are listed on the Oslo Stock Exchange and has 89 employees located at four offices at central locations in the municipalities of Klepp, Time, Hå and Gjesdal, where we offer our 32,000 customers face-to-face contact with our advisers.

Jæren Sparebank aim to be a forward leaning and competitive savings bank that creates value for our customers and owners and contributes to sustainable development in the local community. Our vision is condensed in the motto "*We build Jæren*", expressing a clear ambition and an eternal project.

To be able to provide our business customers a broad and competent service offering we concentrated our resources for the corporate loans department to the head office at Bryne. Jæren Sparebank is the leading agricultural bank in Jæren and has five advisers devoted to service the agriculture industry.

## **We are part of the Eika Alliance**



Jæren Sparebank is the third largest bank and an active promoter in the Eika Alliance, a nationwide collaboration between around 50 local savings banks, including Eika Gruppen AS and Eika Boligkreditt AS. Eika Gruppen AS was established to offer products and services, as well as economies of scale benefits, to the banks in the Eika Alliance.

Eika Boligkreditt AS, which is a credit company directly owned by 58 local banks in the Eika Alliance and OBOS, raises funds in the market by issuing covered bonds at very competitive terms, bonds which are secured by mortgage loans with low LTV which have been transferred from the ownership banks. Eika Boligkreditt has established a Green Bond Framework and issued several Green Bonds.

The alliance offers several benefits through various products in areas such as money placement, insurance, financing, payment processing and real estate brokerage. This means that Jæren Sparebank can offer product expertise, as well as ensuring that our customers benefit from high quality and competitive products and services.





# Sustainability at Jæren Sparebank

**Jæren Sparebank is focused on sustainability, growth and development of the local community where we have a strong presence, but also review the sustainability work we do in a regional, national and global perspective.**

**Jæren Sparebank is committed to sustainability**, which is about building a safe future for society, the environment and our customers. We see this as part of our corporate social responsibility. For over 150 years, we have driven development and welfare in our local community. Local banks were established to contribute to growth and economic development in their communities, and to give people the opportunity to save for a safer financial future. That was sustainability in practice at the time, and still is.

**We acknowledge that we face new and major challenges related to climate and the environment**, social conditions and economic management. Human behaviour impacts nature, the climate and each other in ways that no one could have imagined when this bank was founded. Therefore, sustainability of our time is much more, so we as a local bank have additional responsibility for a contributing to a sustainable economy which is not harming people and the nature around us.

**Although we at Jæren Sparebank are not experts on climate change or topics related to nature and biodiversity**, we know that our customers' projects, activities and behavior can adversely impact our local community - and the world around us. We work to become even better advisors for our customers, and together with the people and businesses in the local community, we want to contribute to an increased focus on sustainability where we can.

## Sustainability in our operations

**Jæren Sparebank shall always act responsible and contribute to a sustainable development**, both internally with regards to our own operations and our employees, as well as externally towards our customers, suppliers and other partners. One of the overall goals in the bank's strategy is to be a driving force for sustainable development, and in the strategy period for 2024 – 2026 one of the six overarching goals we have defined is that "*Sustainability must be a central and integrated part of managing our business*".

**Jæren Sparebank has identified the following themes as the most significant for the bank's sustainability work**, which is included in our sustainability reporting:

1. Responsible lending practices.
2. Responsible investment practices.
3. Requirements for suppliers.
4. Equality and diversity.
5. Climate and environment work internally.
6. Contribute to business development.
7. Contribution to the local community.
8. Fight financial crime.



**Jæren Sparebank has identified three of UN's sustainability targets** (the “UN Sustainable Development Goals – SDGs”) which we believe we are in position to positively influence through our core business:

**SDG 5** – Gender equality

**SDG 8** – Decent work and economic growth

**SDG 11** – Sustainable cities and communities



**In our Sustainability Strategy we have described how we can contribute** to achieve these SDG targets:

Our business conduct:	Customers, suppliers and partners:	Community and society:
<ul style="list-style-type: none"> <li>• We shall reduce the climate and environmental impact from our own operations.</li> <li>• We shall work actively, targeted and systematic to promote equality and prevent discrimination.</li> <li>• We shall ensure that all investments we do serve a sustainable and long-term value creation and contribute to a sustainable global financial system.</li> </ul>	<ul style="list-style-type: none"> <li>• We want to assist our customers in the transition to a more sustainable society by being a discussion partner by understanding opportunities [and alternatives].</li> <li>• We shall assess relevant ESG factors as an integral part of the credit assessment in connection with loan applications.</li> <li>• We want to offer our customers a selection of financial products which incentivize the customer to select sustainable choices.</li> <li>• We have clear expectations and requirements towards our suppliers and partners to ensure they contribute to a sustainable societal development.</li> <li>• We have an ambition to reduce emissions from activities related to lending (“financed emissions”), in collaboration with our customers.</li> </ul>	<ul style="list-style-type: none"> <li>• We take initiative to and support measures that facilitate entrepreneurship, innovation and creativity among companies in our primary market area.</li> <li>• We will create and contribute to set the agenda for value-adding meeting places for customers and the local environment.</li> <li>• We want to support local initiatives that facilitate meeting places in our local community.</li> <li>• We shall have “sustainability” on the agenda when we are the financial sponsor.</li> <li>• We work systematically to combat economic crime.</li> <li>• We must be an active contributor to avoid that children and young people feel left out, be a contributor to organized sports, as well as contribute to a safe local community for young people.</li> </ul>



**In order to reduce our own climate footprint in the day-to-day operation**, which also includes the products and services we acquire from our suppliers, we have put in place several measures, but plan to do even more.

**Jæren Sparebank has the following in place:**

- We have established an overall Sustainability Strategy.
- We have established guidelines for how we shall conduct a sustainable business and take corporate social responsibility.
- We offer green home mortgage loans, green car loans green, agricultural loans and to make investments in sustainable funds.
- We are Eco-Lighthouse certified from 2022.
- We purchase 100% environmentally friendly power for our electricity consumption, where the electricity supplier guarantees that the electricity we consume is produced from renewable energy sources.
- We use electronic communication whenever possible and paper print as little as possible.
- We have a waste sorting system in our buildings.
- We aim to purchase food for our cantinas from local producers.
- We focus on reduced travel and digital meetings.

**Furthermore, we are working to the following measures:**

- Offer a broader specter of green products.
- Increase the focus on reuse and circular economy.
- Bring sustainability more often into the customer dialogue, also in the retail banking market.
- Focus on equal pay for equal work.
- Seek universal design of our buildings.

### **Sustainability assessment in the credit approval process**

**Jæren Sparebank identifies, assesses, monitors and controls the overall risk in the loan portfolio.** As a part of the risk analysis for the individual customer credit engagement, we assess environmental, social and governance (ESG) matters related to the customer in general and the climate risk in particular, which is a result of how the customer is impacted by physical climate changes as well as the transition to a low-emission society.

**The risk assessment related to the climate and sustainability** in the credit approval process is only carried out for corporate and agricultural customers, since we consider this risk to be low for retail customers. Climate risk assessment is carried out by the customer adviser (the “Adviser”) in the credit risk analysis system (the “Credit Portal”). This assessment focus on *physical risk* and *transition risk* respectively:



- Physical climate risk consists of weather-related events such as storms and floods (acute risks), as well as more permanent changes such as increased sea levels, higher temperatures and changed precipitation conditions (chronic risks).
- Transition risk is linked to uncertainty about climate policy measures, their effect and the development of climate-relevant technology, where new information about these conditions can lead to sudden and large changes in the value of financial assets.

**The Adviser completes an assessment form for customers with credit engagements over defined thresholds.** Risks are assessed based on several questions in the Credit Portal, which will assist the customer adviser to uncover sustainability-related risks related. The overall assessment of the risk is completed by giving a score on a scale from 1-3 (high, medium, low).

**A more thorough risk assessment is required for customers belonging to industries considered to be highly exposed.** For a corporate customer which has not taken climate and sustainability risks seriously, we will consider asking such customer to commit to a plan for implementing the necessary measures to mitigate the risks.

**In 2023, we conducted an analysis to assess the bank's exposure to physical risk,** which is largely linked to reduced mortgage values for real estate assets that are exposed to the effects of climate change. We have recently expanded our physical climate risk assessment by introducing a new module in the Credit Portal, using data obtained from Eiendomsverdi<sup>1</sup> which provides better understanding and a risk classification of how the customer and Jæren Sparebank is exposed to the impact from changes in sea level, floods and landslides.

**It is more difficult to estimate the transition risk impact on the bank's loss provisions.** Nevertheless, we consider this risk in the bank's portfolio to be in general relatively low, which is justified by the fact that we have low exposure to industries where the transition risk is assessed to be the highest. For example, the bank has no direct exposure to the oil and gas industry, where transition risk is considered to be high.



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<sup>1</sup> [Eiendomsverdi AS](#)



## Green products offering

In the longer term, we want to launch more green products than we offer today, which are:

<b>Green home mortgage loans</b>	Loans at more favourable terms which finances an energy-efficient home, meaning being certified with energy label A or B by Enova. The loan can also be applied to fund upgrading of an older residential building to achieve a better energy standard.
<b>Green car loan</b>	Loans to finance the purchase of an environmentally friendly car, both for new and used electric vehicles (EVs).
<b>Green agricultural loan</b>	Loans to finance solar panels or other renewable energy sources to incentivize farmers to choose new and more environmentally friendly energy solutions, which contribute to sustainable and future-oriented development in agriculture (the requirement is that the investment triggers support from Innovation Norway's " <i>Fornybar energi i landbruket</i> " <sup>2</sup> or similar).
<b>Environmental insurance</b>	In the event of a sudden pollution incident, the costs associated with restoring nature to the way it was before the incident will not be covered by the ordinary corporate liability. Environmental insurance will be able to cover such costs, in addition to any environmental damage compensation that the farmer may be required to pay to the authorities.
<b>Responsible investments</b>	Through Eika Kapitalforvaltning AS (EKF) we offer savings products to our customers. EKF has for a long time followed NBIM's investment guidelines regarding responsible investments but has also expanded the exclusion list to include companies within the coal, tobacco and gambling industries. This means that our customers are assured that the products we supply meet strict requirements for social responsibility, sustainability, ethics and transparency.

## Equality and diversity

Jæren Sparebank practice a HR policy that is in line with the purpose of the Discrimination Act to promote equality, ensure equal opportunities and rights and to prevent discrimination on the grounds of ethnicity, national origin, skin colour, language, religion and outlook on life. For employees with reduced functional capacity, individual adaptation of the work is carried out.

**The topic "equality" is included in all our recruitment processes**, and measures have been put in place to ensure advancement opportunities for all, such as equal opportunity to apply for positions regardless of absences such as sick leave and educational or parental leave. We shall also ensure that employees can combine work with family life (e.g. with flexible work time and the possibility to work from home). We have established a dedicated group to work on this topic, consisting of a member of the labour union, an employee, the head of HR and a member of the executive management team. This group reports status in relation to equality and non-discrimination annually.



Jæren Sparebank has signed the "**Women in Finance Charter**", which was launched in June 2021 with the aim to contribute to increasing the proportion of women in leading positions and specialist functions in the financial industry in Norway.

<sup>2</sup> [Fornybar energi i landbruket | Innovasjon Norge](#)





## **Sustainability governance**

**The Board of Jæren Sparebank shall ensure that social responsibility and sustainability** become part of the bank's business strategy, organizational culture, values and operating practices in a way that supports the bank's long-term profitability and viability. The Board defines the bank's ESG premises and objectives, as well as establishing management mechanisms to handle these factors in the organization, by:

- Identifying the most important sustainability topics where the bank has an impact on the outside world as well as the bank's sustainability-related risks and opportunities (double materiality).
- Setting clear goals for how the bank should reduce negative impact on society and the environment, prioritize services and products that have a positive impact, and reduce sustainability-related risks and promote sustainability-related opportunities.
- Following up the implementation of the bank's measures and require regular reporting from the management on what results the bank can see from its own sustainability work.
- Ensuring that the bank reports externally in accordance with current regulations.

**Jæren Sparebank has organized its operative sustainability work** as follows:

- The board is responsible for adopting guidelines and strategy for the bank's sustainability work.
- The CEO is responsible for implementing the strategy.
- The CFO has the overall responsibility for the bank's sustainability work and reporting.
- The managers for the different business areas are responsible for ensuring that principles, goals and measures are known and followed up in their area of responsibility.
- The Sustainability Committee has the responsibility for preparing and following up the sustainability strategy.
- The Sustainability Officer is responsible for coordinating the sustainability work and is responsible for the preparation, implementation and follow-up of meetings in the Sustainability Committee.



# Jæren Sparebank and Green Bonds

**With this Green Bond Framework (the “Framework”) we want to promote our ambition of contributing to a sustainable development through the financing of assets which contribute to a low-carbon society.**

This Framework is aligned with the International Capital Markets Association’s Green Bond Principles, (“**ICMA GBPs**”) published in June 2022<sup>3</sup> and we aim in addition to always follow best market practices.

Aligned with the ICMA GBP, the Framework defines the criteria for which loans are eligible to be financed by Green Bonds, and 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.

This Framework may be updated over time, 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 that promote the transition towards low-carbon and climate-resilient development.

Only such loans that comply with criteria for each of the Green Loans categories listed below are deemed eligible to be financed by Green Bonds (“**Green Loan Portfolio**”). Green Bond proceeds can be used for both the financing of new as well as for refinancing of existing Eligible Green Loans.

We have mapped each Green Loan category against the different categories included in the ICMA GBPs and ICMA’s Environmental Objectives<sup>4</sup>, the UN Sustainable Development Goals (the “**UN SDGs**”), as well as the relevant economic activities included in the EU Taxonomy Regulation (the “**EU Taxonomy**”).

For the avoidance of doubt, Green Bonds will not be used to finance loans to customers linked to:

- Fossil energy extraction and/or generation.
- Potentially environmentally negative resource extraction.
- Production of, R&D within, weapons and defense systems.
- Gambling, pornography or tobacco.

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<sup>3</sup>[Green-Bond-Principles\\_June-2022-280622.pdf \(icmagroup.org\)](#)

<sup>4</sup>[Green-Project-Mapping-June-2021-100621.pdf \(icmagroup.org\)](#)





## Green Loan Portfolio:

ICMA GBPs category	UN SDG(s)	EU Taxonomy activity	Green Loan criteria
<p><b>Green Buildings</b></p> <p>Environmental objective:</p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Climate change adaptation</li> </ul>	 	<ul style="list-style-type: none"> <li>• Construction of new buildings</li> <li>• Acquisition and ownership of buildings</li> <li>• Renovation of buildings</li> </ul>	<p>Loans provided to finance ownership or renovation of buildings which meet either of the criteria set out below:</p> <p><b>Residential buildings<sup>5</sup>:</b></p> <ol style="list-style-type: none"> <li><b>Buildings built in 2021 or later:</b> <ul style="list-style-type: none"> <li>– Primary energy demand (“PED”)<sup>6</sup> is 10% lower than the threshold set for the nearly zero-energy building (“NZEB”) requirements in national measures<sup>7</sup></li> </ul> </li> <li><b>Buildings built before 2021:</b> <ul style="list-style-type: none"> <li>– Energy Performance Certificate (“EPC”) A, or</li> <li>– buildings within the top 15% of the national stock in terms of PED, defined as buildings built according to Norwegian building codes of 2010 (TEK10)<sup>8</sup> or 2017 (TEK17)<sup>9</sup></li> <li>– Buildings built prior to 2012 must obtain at least EPC B</li> </ul> </li> <li><b>Renovated buildings:</b> <ul style="list-style-type: none"> <li>– Major renovations leading to a reduction in primary energy demand of at least 30%<sup>10</sup>. For the full building to qualify after renovation, it should be expected to meet the criteria under #1 or #2 above</li> </ul> </li> </ol> <p><b>Commercial and public buildings:</b></p> <ol style="list-style-type: none"> <li><b>Buildings built in 2021 or later:</b> <ul style="list-style-type: none"> <li>– PED is 10% lower than the threshold set for NZEB requirements in national measures, or</li> <li>– BREEAM-NOR / BREEAM In-Use “Excellent” or better.</li> </ul> </li> <li><b>Buildings built before 2021:</b> <ul style="list-style-type: none"> <li>– EPC A or B, or alternatively, within the top 15% of the national stock in terms of PED (TEK10 or TEK17), or</li> <li>– BREEAM-NOR / BREEAM In-Use “Excellent” or better</li> </ul> </li> <li><b>Renovated buildings:</b> <ol style="list-style-type: none"> <li>Major renovations leading to a reduction in primary energy demand of at least 30%<sup>10</sup>. For the full building to qualify after renovation, it should be expected to meet the criteria under #1 or #2 above; and</li> <li>At least 70 % (by weight) of the non-hazardous construction and demolition waste generated is prepared for material recovery</li> </ol> </li> </ol>

<sup>5</sup> Excluding buildings for leisure (cabins or similar)

<sup>6</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>7</sup> [veiledning-om-beregning-av-primarenergi behov-og-nesten-nullenergi bygg.pdf \(regjeringen.no\)](https://www.regjeringen.no/no/veiledning-om-beregning-av-primarenergi behov-og-nesten-nullenergi bygg/pdf/regjeringen.no)

<sup>8</sup> To ensure TEK10-alignment, we use a conservative 2-year time lag and include buildings built from 2012 and onwards.

<sup>9</sup> If a new national definition of “top 15%” is developed, TEK10 and TEK17 will be replaced with this.



<sup>10</sup> The initial PED and estimated improvement is based on audit by independent expert. The improvement results from an actual reduction in PED and achieved through a succession of measures within a maximum of three years.



ICMA GBPs category	UN SDG(s)	EU Taxonomy activity	Green Loan criteria
<p><b>Sustainable Agriculture</b></p> <p>Environmental objective:</p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Pollution prevention and control</li> <li>• Biodiversity</li> <li>• Natural resource conservation</li> </ul>	   	<ul style="list-style-type: none"> <li>• Electricity generation from solar power</li> <li>• Electricity generation from wind power</li> <li>• Electricity generation from bioenergy</li> </ul>	<p>Loans provided to finance environmentally responsible agriculture projects and assets which meets either of the criteria set out below:</p> <ol style="list-style-type: none"> <li><b>1) Renewable energy projects and assets for local power production:</b> <ul style="list-style-type: none"> <li>– Solar power (installation of solar panels installed on roof tops or on the ground<sup>11</sup>)</li> <li>– Wind power (onshore wind turbines installed at the farm)</li> <li>– Bioenergy using locally sourced residues/bio-waste as feedstock</li> </ul> </li> <li><b>2) Energy efficiency &amp; pollution prevention and control projects:</b> <ul style="list-style-type: none"> <li>– Replacing diesel generators with electricity from the grid</li> <li>– Installing central operational control systems in buildings</li> <li>– Replace existing lightning with new LED lightning</li> <li>– Procurement of electric machinery traditionally running on fossil fuel</li> <li>– On-site energy efficiency solutions (e.g. waste heat recovery from non-fossil sources)</li> <li>– Equipment and retrofitting to enable transition from fossil to non-fossil fuels for heating purposes</li> </ul> </li> <li><b>3) Agriculture and farming activities:</b> <ul style="list-style-type: none"> <li>– Roof for slurry- / manure-pit to prevent run-off</li> <li>– Storage for dry manure, trailers for manure-spreading, hose-spreader for targeted manure-spreading</li> <li>– Ditches for drainage of rainwater</li> <li>– Equipment for optimized fertilization to avoid oversupply of nitrogen and run-off</li> <li>– N-sensors, measuring and recording nitrogen levels in soils, enabling guided and precise application of manure</li> <li>– GPS systems for tractors to enable guided soil treatment and fertilization, applying nutrients only in spots where there is a recorded need</li> <li>– Breeding of livestock with improved health status and energy consumption (less feed consumption)</li> </ul> </li> </ol>

<sup>11</sup> Criteria: Non-cultivated and forest-free fields



ICMA GBPs category	UN SDG(s)	EU Taxonomy activity	Green Loan criteria
<b>Renewable energy</b>  Environmental objective: <ul style="list-style-type: none"><li>• Climate change mitigation</li><li>• Climate change adaptation</li></ul>	  	<ul style="list-style-type: none"><li>• Transmission and distribution of electricity</li></ul>	Loans provided to finance companies involved in, or projects and assets related to development, installation operation maintenance of, energy infrastructure projects and related activities which meets the criteria set out below: <ul style="list-style-type: none"><li>• <b>Local power distribution networks:</b><ul style="list-style-type: none"><li>– The local distribution system is connected to the Norwegian and/or European power distribution system.</li><li>– Construction or expansion and operation of a direct connection<sup>12</sup> of low-carbon power generation is below the threshold of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis to a substation or network.</li></ul></li></ul>

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<sup>12</sup> “Direct line” means either an electricity line linking an isolated generation site with an isolated customer or an electricity line linking a producer and an electricity supply undertaking to supply directly their own premises, subsidiaries and customers (source: [Directive - 2019/944 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2019/944/oj))



## 2. Process for selection and evaluation of green loan portfolio

To ensure the transparency and accountability around the selection of Green Loans, Jæren Sparebank has established an internal Green Bond Committee (the “GBC”) which is responsible for this Framework and defining the Green Loan criteria included herein, selecting the loans to be included in the Green Loan Portfolio and keep a register of the Green Loan Portfolio, as well as future oversight and requirements for updates of the Framework. The GBC will consist of members from the Executive Management and Treasury department, and all decisions made will be made in consensus. To ensure traceability, all decisions made by the GBC will be documented and filed.

All lending activities in Jæren Sparebank must always undergo regular and applicable credit approval processes, where for corporate customers. We also focus on that their products and services are produced in a sustainable manner, that the customer respects basic human rights and to what extent the customer pollutes the environment. Jæren Sparebank also aim to ensure responsible lending through increasing companies' awareness and practices around topics such as the environment, ethics, social responsibility, labour and human rights, business operations, money-laundering and corruption, and corporate governance. Furthermore, we require our corporate customers to comply with all applicable laws, regulations, and practices as well as all with authorizations, consents, approvals, waivers, resolutions, licenses, permits, exemptions, or registrations related to the assets and projects we finance.

To be included in the Green Loan Portfolio each loan must meet the Green Loan criteria defined in the Use of Proceeds section of this Framework. The GBC holds the right to, at their 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 in the opinion of the GBC no longer meets the criteria in this Framework, such loan will be removed from the Green Loan Portfolio.

## 3. Management of proceeds

The net proceeds from issued Green Bonds will be allocated toward the financing and refinancing of our Green Loan Portfolio. The proceeds from a Green Bond may either be allocated pro-rata across all the categories included in the Green Loan Portfolio or be allocated in part or in full towards certain Green Loan categories listed under “1. Use of Proceeds” above.

Jæren Sparebank will track the allocation of net proceeds from Green Bonds to eligible Green Loans to ensure that net proceeds from Green Bonds only support the financing of Green Loans 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 redeemed, 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.

Any of the net proceeds from a Green Bonds awaiting allocation to the Green Loans Portfolio will be categorized and reported as “unallocated” and be held as cash or be managed according to the regular liquidity management policy of our Treasury department. We will use our best endeavors to ensure that the excluded industries listed under “1. Use of Proceeds” above also apply for the liquidity management of such temporary holdings of net proceeds.



## 4. Reporting

To enable investors and other stakeholders to follow our issuance of Green Bonds, and the developments and impact of our Green Loan Portfolio, a report (the “**Green Bond Report**”) will be published on our website.

The Green Bond Report, which will include an “**Allocation Report**” and an “**Impact Report**”, will be published annually until proceeds from a Green Bond are fully allocated.

### **Allocation Report**

The allocation report will include the following information:

- The aggregate size of the identified Green Loan Portfolio.
- 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).

### **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>13</sup>, with full transparency on assumptions and calculation methods. We may rely on external parties to assist with impact calculation and analysis.

The impact assessment will be based on the metrics below:

- **Green Buildings:**
  - Estimated annual energy consumption (kWh/m<sup>2</sup>) by the buildings that we finance.
  - Estimated avoided GHG emissions (tCO<sub>2</sub>e/year) compared to baseline<sup>14</sup>.
- **Sustainable agriculture:**
  - Installed renewable energy capacity being financed (kW) by the farmers that we finance.
  - Listing major and material energy efficiency activities that we finance with their respective environmental benefit.
  - Listing major and material agriculture and farming activities that we finance with their respective environmental benefit.
- **Renewable energy:**
  - Number of customers serviced and the distance (km) of high voltage power lines operated by the local power distribution network companies that we finance.

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<sup>13</sup> [Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf \(icmagroup.org\)](https://www.icmagroup.org/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf)

<sup>14</sup> Using the grid factor recommended in the Nordic Position Paper on Green Bonds Impact Reporting, clause 22, page 20 ([NPSI Position paper 2020 final.pdf \(kuntarahoitus.fi\)](https://www.kuntarahoitus.fi/NPSI_Position_paper_2020_final.pdf))





# External review

## Pre-issue verification

Jæren Sparebank 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 (the “**SPO**”).

The SPO will be publicly available on our website together with this Framework.

## Post-issue verification

We will prepare the Green Bond Report to be issued annually or until full allocation of proceeds under a Green Bond. In connection with this a limited assurance report will be provided by an independent auditor, appointed by Jæren Sparebank, confirming that an amount equal to the net proceeds from issued Green Bonds has been allocated towards Green Loans in accordance with this Framework.

Furthermore, Jæren Sparebank will provide calculations of the estimated positive environmental impact, and the assumptions used therein, related to the Green Loan Portfolio.

The Green Bond Report will be made publicly available on our website by no later than 12 months after an issue of a Green Bond.



En alliansebank i eika.

Jæren Sparebank  
Jernbanegata 6  
P.O. Box 325, N-4349 Bryne

Tel. +47 915 03290  
post@jaerensparebank.no  
www.jaerensparebank.no

Org. number  
NO 937 895 976

