



Grønt rammeverk

#totenbanken

www.totenbanken.no

1. About Totens Sparebank

Totens Sparebank (“the bank”) is an independent Norwegian savings bank, established in 1854. The bank is headquartered in Innlandet Fylke in Lena, with four additional offices spread though the region (Raufoss, Gjøvik, Hamar and Råholdt), 90 employees and assets under management of around NOK 24 billion.


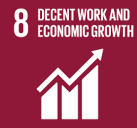


The bank is the third largest savings bank in the Eika Alliance (*Eika Alliansen*), a group of 50 independent, local Norwegian savings banks. Eika offers services such as insurance, asset management, credit and real estate agency, is a significant actor in the Norwegian banking market.

Totens Sparebank Boligkreditt (“TSBB”) is a wholly owned subsidiary of Totens Sparebank, established under the Norwegian Covered Bonds Legislation. TSBB’s purpose is to issue covered bonds backed by mortgages acquired from Totens Sparebank. This Green Bond Framework, including all potential future updates, can be applied by both Totens Sparebank and TSBB for issuing green bonds. Throughout this document, both organizations will collectively be referred to as “Totens Sparebank” (“the bank”)

Sustainability at Totens Sparebank

Historically, the savings banks have always promoted sustainability, supporting local development and future economic security. Today, sustainability goes beyond economic safety, recognising the impact humans have on our surrounding environment and each other. The financial industry has a special responsibility to ensure that value-creation and profitability doesn’t negatively impact our societies, climate or environment, or breach basic ethical principles. In this context, Toten Sparebank’s mission to support regional growth and development, and promote local job creation and prosperous communities, serves as the bank’s guiding star for corporate responsibility.

The world faces large environmental-, climate- and social- challenges which, despite being global in nature, often require local solutions. Totens Sparebank works to promote such solutions and sustainable development in our region. The UN’s 17 Sustainable Development Goals (SDGs) serves as guiding principles for desirable communal development, and Totens Sparebank has chosen 4 SDGs in areas where we have the opportunity to promote change and contribute to positive developments. The process of selecting the focus areas connected all of the bank’s stakeholder-groups (customers, employees, investors and the local community) to the work with sustainability.

			
<p>Totens Sparebank aims to achieve diversity and equality.</p> <p>As an employer the bank has a majority of female employees, but women are still under-represented in management positions and in decision making bodies. For society,</p>	<p>Economic growth is necessary to create the values needed for society to develop sustainably.</p> <p>Production equipment needs replacement, and both residential and commercial buildings are expected to fulfil increasingly demanding requirements for i.e.</p>	<p>The bank has a long tradition of donating to those who most needs the funding.</p> <p>With the aim to promote equal opportunities for all, especially the younger generations, large funds have been donated to culture- and sports-activities for kids and youths. It is a natural part</p>	<p>The bank shall promote our customers’ sustainable products and production.</p> <p>In the credit process, such qualities should be documented, evaluated and emphasized, particularly for corporate customers. The bank should be an attractive project partner, and</p>

<p>overall, to reach its shared potential, it is important that knowledge and experiences from the population as a whole is harvested and applied. Discrimination on the basis of ethnicity, religion, sexuality, functional ability, age or gender should not occur.</p>	<p>energy efficiency. New input factors need to be developed to replace the old and environmentally damaging ones.</p>	<p>of the bank's role to promote equality and limit exclusion through sponsorships, gifts, and other initiatives.</p>	<p>support initiatives that are both sustainable and profitable, something that should be reflected in the bank's product portfolio. In this way the bank secures the availability for sustainable products for all its customers.</p>
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In January 2021, Totens Sparebank launched our first sustainability strategy to guide our work, support our overall strategy and goals, and ensure that environmental, social and governance (“ESG”) considerations are incorporated into our daily operations. The strategy is updated annually, and is anchored in the bank’s Board. Our four chosen SDGs functions as the foundation for the strategy, identifying four core focus areas where the bank can exert influence and have a real impact:

- Sustainable credit
- Promotion of existing, and development of new, green and sustainable products
- Increase diversity and equality in own operations
- Sponsor community activities that reduce inequalities and exclusion of kids and youths

Sustainability for our customers

Climate change and environmental challenges pose large risks for society as a whole, and the bank expects these challenges to impact our business in both a short- and long-term perspective. This represents an obvious risk, but also an opportunity for change and conversion. To succeed, it is imperative to have solid environmental values in management, and that these are shared throughout the organization, through the involvement of all employees.

Credit is the bank’s most important business area, and also the area where it has the largest impact opportunity . In the corporate segment, the bank aims to contribute to its customers’ awareness of ESG-topics, with specific focus on climate risk, biodiversity and worker rights. The bank will put sustainability front and centre in both the credit-process and customer relations, increasing customer involvement and understanding of relevant sustainability topics where their businesses can have real impact. In cooperation with Eika, Totens Sparebank has been the driver to establish a model for small-medium enterprises, aiding them to draft a sustainability plan that makes sense for them and will add long-term value. The bank will also perform extensive sustainability mapping when granting new loans, building on the cooperation with Eika to develop systems for measuring and reporting on relevant ESG factors. The work to evaluate the sustainability of our current BM portfolio started in 2022 and will continue in 2023, targeting a 79% coverage by year-end.

Through clear communication and utilizing price-adjustments as leverage, the bank will promote the development of profitable, sustainable products and services, and increase the bank’s portfolio of such products. Projects receiving a low sustainability-score will still be eligible for financing, with the introduction of strict covenants and

deadlines for introduction of reliable transition-plans. In this way, we aim to convey loans where the objective is to finance sustainable choices. In 2022, Totens Sparebank launched new green products for both our private and corporate markets, targeting environmental- and energy-improvements. Through 2023 the bank aims to grow these products and expand on our sustainable offering. Today, the bank offers green mortgages, financing of renovation projects that lead to an increase in energy efficiency of min. 30%, or lifts the energy label of the building with two steps, reaching min. character D, green car loans, and green agricultural loans.

Sustainable investments and ownership

Totens Sparebank is an active owner of the companies we are invested in, and support inputs promoting ESG-related improvements. Going forward, ESG-analysis will form part of the basis for new investment-decisions. Totens Sparebank's investments are made within strict frames (Norwegian Covered Bonds, communes, banks and energy companies with high credit scores and international credit ratings), and exclusion-criteria are therefore not applied to our investment universe. For investments in equity instruments, specific ESG screenings are undertaken to avoid companies with high ESG-risk exposure.

The bank requires all funds offered to our customers to follow international sustainability principles for investments. An example is the green and sustainable funds offered by Eika Kapitalforvaltning, which applies their own rigorous ESG screening in addition to the guidance issued by the Norwegian Government Pensions Fund.

Sustainability in our operations and supply chains

In recent years, the bank has worked to identify and implement measures to reduce our own environmental impact. In 2022, we received our Eco Lighthouse certification, which contributed to heightened focus on resource use and waste reduction. The bank operates from modern, energy efficient offices, located close to public transportation. In 2023, the renovations of the main office will also be finalised, where new windows and adjusted ventilation systems will optimize energy usage even further. The Pandemic showed that the business could function with less travel and physical meetings. Now that we're almost back to pre-pandemic conditions, Totens Sparebank will try to limit travel, and promote sustainable transportation where possible. Online meetings have proven to be a viable option for both internal and external meetings, and the majority of our customers now receive all communications electronically.

Totens Sparebank aims to achieve diversity and equality. As an employer the bank has a majority of female employees, but women are still under-represented in management positions and in decision making bodies. Among the bank's customers there is a large financial difference between women and men. For society, overall, to reach its shared potential, it is important that knowledge and experiences from the population as a whole is harvested and applied. Discrimination on the basis of ethnicity, religion, sexuality, functional ability, age or gender should not occur.

The bank's mission is to contribute to growth and development in the region where it operates, and to be an active promotor of employment and prosperous communities. Part of this commitment is the yearly donation of approx. 10 million NOK to the local communities in the form of sponsorships and gifts on kids and youths. The bank has around 100 sponsorship-agreements with local clubs, teams and associations.

To contribute to the green transition, the bank will set clear expectations and demands for its suppliers and partners, and their suppliers and partners, to ensure compliance with ESG related norms, rules and regulation. Furthermore, the bank acknowledges the importance of ensuring that the products and services it buys is sourced from ethical suppliers. In cases where this cannot be ensured, the bank will engage with the suppliers to increase their sustainability focus. Following the introduction of the Norwegian Transparency Act ("Åpenhetsloven") in July 2022, which regulates public access to information regarding how enterprises address adverse impact on fundamental

human rights and decent working conditions in their supply chains, Totens Sparebank has started a thorough mapping of our suppliers, and will initiate risk-assessments and due-diligence processes for our value chain.

2. Green Bond Framework

Totens Sparebank aims to support sustainable development and growth in its region. The creation of this Green bond Framework (“Framework”) aligns the bank’s sustainability ambitions and its sustainable product portfolio with its financing solution. The framework is based on the 2021 version of Green Bond Principles published by the International Capital Markets Association.

USE OF PROCEEDS

The net proceeds of the Green Bonds issued by Totens Sparebank will be used to finance or re-finance Eligible Assets in the form of loans that have been evaluated and selected by Totens Sparebank in accordance with this Green Bond Framework.

Project Category	Description	Criteria
Green Buildings	New Green buildings (after 1.1.2021)	<ul style="list-style-type: none"> Buildings that are aligned with the Norwegian Nearly Zero Energy Building criteria minus 10%
	Existing green buildings that are among the top 15% in energy-efficiency in Norway ¹	<ul style="list-style-type: none"> Buildings that are in accordance with building code from 2010 (TEK10) or 2017 (TEK17), i.e. the building was completed in 2012 or later (2013 or later for hotels and restaurants). <p>OR</p> <ul style="list-style-type: none"> Buildings that have received an energy performance certificate with character A or B
	Renovation of buildings	<p>Cost of renovations leading to:</p> <ul style="list-style-type: none"> An improvement of primary energy demand (kWh/m²) per year by at least 30%, also ensuring the building reaches minimum EPC D <p>OR</p> <ul style="list-style-type: none"> An improvement in energy label with at least two steps, reaching minimum EPC D

¹ Toten Sparebank will monitor the development of this definition, and will consider updating the criteria in the framework if relevant once the Norwegian Government publish their own definition.

Project Category	Description	Criteria
Sustainable Agriculture	Agriculture - Loans to finance or refinance environmentally responsible agriculture	<p>Available for agricultural companies which have:</p> <ul style="list-style-type: none"> • Completed latest version of KSL internal review • Completed <i>Klimasmart landbruk's</i> online course on climate • Deliver a copy of invoice detailing expenditures to activities that reduce emissions and increase the sustainability of production. <p>Activities might include:</p> <ul style="list-style-type: none"> • Roof for slurry- / manure-pit • Storage for manure • trailers for manure-spreading • cropland ditches • Equipment for optimized fertilization to avoid oversupply of nitrogen and runoff <ul style="list-style-type: none"> ○ N-sensors, measuring and recording the need for nitrogen, enabling guided and precise application of manure ○ hose-spreader for targeted spreading of manure ○ GPS systems for tractors to enable guided soil treatment and fertilization, applying nutrients/chemicals only in spots where there is a recorded need • Equipment and retrofitting to enable transition from fossil to non-fossil fuels for heating • Equipment for handling/reducing agricultural plastic waste <ul style="list-style-type: none"> ○ Plastic compactors ○ Storage containers for plastic waste ○ Silage pits
Energy Efficiency	Energy efficiency in agriculture – loans to finance or refinance measures which replace the use of fossil energy and improve the energy efficiency of e.g. buildings	<p>May include, but is not restricted to:</p> <ul style="list-style-type: none"> • Replacing Diesel generators with electricity from the grid. • Installing central operational control systems in buildings • Loans to finance the procurement of electric machinery which traditionally runs on fossil fuels • The electrification of the production of oil and gas, as well as measures to improve the energy efficiency of such activities, is excluded.
	Measures to increase the energy efficiency of buildings	Installation, maintenance and repair of energy efficiency measures supported by ENOVA

Project Category	Description	Criteria
Renewable Energy	Loans to finance the project development, construction and maintenance of renewable energy production, including related equipment	<ul style="list-style-type: none"> • Solar Energy: i.e. installation of solar-cells or sun catchers • Geothermal heating • Wind-Power: onshore wind energy projects • Bioenergy using locally sourced waste as feedstock • Small-scale hydroelectric power projects using run-of-river infrastructure <ul style="list-style-type: none"> ○ < 25MW capacity
Clean Transportation	Loans to finance cars and vehicles with zero tailpipe emissions	Expenditures in connection with clean transportation <ul style="list-style-type: none"> • Battery electric vehicles • Charging infrastructure for electric vehicles

Exclusions

Net proceeds from Green Bonds issued under this framework will not finance assets related to the production, storing or transportation of fossil fuels, nuclear energy production, weapons or defence, potentially harmful resource extraction, gambling, tobacco or other drugs. Assets not in accordance with Totens Sparebank’s investment policy or that breach internationally recognised frameworks (such as the ten principles of the UN Global Compact) will also be excluded.

3. SELECTION AND EVALUATION OF ELIGIBLE PROJECTS

Totens Sparebank has designed and implemented a process to ensure that only projects aligned with the criteria set out above will be selected as Eligible Assets and Projects for its Green bond issuance. To oversee the selection process, a Green Bond Committee has been established with members from risk management, finance and sustainability. The finance representative is the chair of the committee and the sustainability representative holds a veto.

The Green Bond Committee follows the below process when selecting and evaluating projects for the Eligible Projects.

1. Relevant business units will propose potential projects and assets to be financed in accordance with the above criteria
2. The Green Bond Committee will assess the eligibility of proposals according to the criteria in above table and removes projects that do not meet the criteria. The committee will then decide on projects to be financed and submit final approval.
3. A limited assurance may be provided by the Third Party Audit provider once a year.

4. MANAGEMENT OF PROCEEDS

Totens Sparebank will establish a Green Bond Register for the purpose of monitoring the Eligible Assets and Projects and the allocation of the net proceeds from Green Bonds issued under this Framework.

Totens Sparebank will over the duration of the outstanding Green Bonds build up and maintain an aggregate amount of Asset and Projects in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds.

There may be periods when the total outstanding net proceeds of Green Bonds exceed the value of the Eligible Assets and Projects in the Green Bond Register. Any such portion will be held in accordance with Totens Sparebank's normal liquidity management policy.

The Green Bond Register will form the basis for the impact reporting.

5. REPORTING

Totens Sparebank will annually publish a report on the allocation and impact of Green Bonds issued under this framework. Where relevant Totens Sparebank will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations.

Allocation Report

The allocation report will, to the extent feasible, include the following components:

- The total amount of green bonds outstanding,

- The share of green proceeds which have not been allocated
- The allocation of proceeds per project category
- The relative share of new financing versus refinancing

Impact Report

Totens Sparebank will strive to report on the actual environmental impact of the investments financed by their Green Bonds. If/when actual impact for some reason is not observable, or unreasonably difficult to source, estimated impact will be reported.

The impact indicators may vary with investment category, as defined in this Green Bond Framework. The impact metrics selected may include the following:

Green buildings	<ul style="list-style-type: none"> • Shares of financed buildings with EPC label A and B • Shares of financed buildings built according to building code TEK10 and TEK17 • Number of renovated buildings financed • Annual energy reduced in MWh or GWh compared to the pre-investment situation (renovated buildings)
Sustainable Agriculture	<ul style="list-style-type: none"> • Number and type of measures that have been financed • Example of financed measures including their environmental benefits
Energy Efficiency	<ul style="list-style-type: none"> • Examples of projects financed • Number and type of energy efficiency measures that have been financed
Renewable Energy	<ul style="list-style-type: none"> • Installed Capacity (MW) • Annual electricity generation (MW)
Clean Transportation	<ul style="list-style-type: none"> • Estimated annual GHG emissions reduced/avoided in tonnes of CO2 equivalents

6. EXTERNAL REVIEW

Second Party Opinion

Totens Sparebank has engaged CICERO Shades of Green to act as an external verifier of this Green Bond Framework and the Eligible Assets and Projects. The Second Party Opinion is publicly available on Totens Sparebank's webpage.

Third-Party Review

Totens Sparebank may, on an annual basis, until maturity or until full allocation of proceeds, request a limited assurance report concerning the allocation of proceeds.