



# GREEN & SOCIAL BOND FRAMEWORK

DECEMBER 2025



**Aurskog**  
SPAREBANK

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# About Aurskog Sparebank

## Some Facts

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Aurskog Sparebank was established in 1846 and is an independent savings bank. Our headquarter is in Aurskog in the municipality Aurskog-Høland in Akershus county, approximately 50 kilometers east of Oslo. We have branch offices in Bjørkelangen, Årnes, Jessheim, Sørumsand, Askim, Gjøvik, Nannestad and Lillestrøm.

We have 80 employees who together form a strong and dedicated team, consistently delivering excellent customer service every day. The market area we serve is defined to be Romerike district and adjacent areas, as well as the Follo district, municipality of Indre Østfold and Gjøvik district. Our customers include retail market, agriculture and small and medium-sized businesses mostly operating in sectors such as construction and real estate. Assets under management are approximately NOK 23,5 billion (including funds transferred to Eika Boligkreditt AS). We are listed on the Oslo Stock Exchange.

## Our Mission

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Our mission statement is ***“We create value together”*** with core values being ***closeness, trust, and decisiveness.***

Aurskog Sparebank helps finance home ownership and local businesses, provides sound advice on the placement of surplus liquidity, and ensures that customers have the right insurance coverage. With us, customers will meet skilled advisors and local employees who know them and their community providing good, personal advice. We want to be the best place to work, for employees that want to grow and improve themselves.

Aurskog Sparebank contributes to local growth and development, making our communities good and safe places to live. Supporting the local community through donations and sponsorships for charitable purposes, and contributing positively to increased activity and value creation, is also a fundamental part of the bank's strategy. We aim to be a bank our customers can trust – both today and in the future.

## Part of the Eika Alliance

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The Eika Alliance consists of around 50 local savings banks, Eika Gruppen, and Eika Boligkreditt, which makes the Eika Alliance one of the largest players in the Norwegian banking market. Aurskog Sparebank is a shareholder in Eika Gruppen AS (3.26 %) and Eika Boligkreditt AS (2.57 %).



Eika Gruppen was established to offer products and services, as well as economies of scale benefits, to the banks. Access to good solutions for IT and infrastructure, competence development (including sustainability topics and business policy), in addition to offering products in areas such as money placements, insurance, financing, payment processing and real estate brokerage.

Eika Boligkreditt AS (EBK) provides mortgage loans to the banks' customers according to defined criteria. EBK is licensed as a credit institution and finances its lending activities by issuing internationally rated covered bonds ("OMFs"), which enable Aurskog Sparebank access to favorable financing and thus helping the bank to maintain its competitiveness.





# Sustainability at Aurskog Sparebank

How society will achieve the goal of a net zero emission by 2050 is a complex challenge with no simple answers. All sectors and companies must contribute and act to achieve the goal. The financial sector has a particular responsibility to ensure that value creation and profitability do not come at the expense of people, the climate, or the environment, and is aligned with fundamental ethical principles. The financial sector also plays a key role in the transition to a low-emission society by providing expertise and redirecting capital toward more sustainable solutions, thereby supporting customers in their own transition efforts.

In the coming years, there will be more regulatory standards for what can be classified as green activities, both through the EU taxonomy as well as regulations for sustainable finance in Norway. We expect that regulatory requirements will help guide the direction for the sustainability work of banks, businesses, and society. We will closely follow the regulatory developments and align our work with the requirements that emerge. Additionally, we will monitor key players in our industry to learn and contribute to the learning of others, including through participation in relevant expert committees and reference groups.

The savings bank model is built on ensuring financial security, development, and vibrant local communities. Aurskog Sparebank's focus is on promoting sustainable development in the local communities we are part of. By leveraging its knowledge and resources, Aurskog Sparebank aims to contribute to local sustainable growth while acting responsibly and in accordance with internationally recognized principles for corporate social responsibility and sustainability.

Aurskog Sparebank's sustainability efforts are primarily linked to its core business areas, and the key impact and risk areas are identified through its materiality assessment. Responsible lending, sustainable products offering, and making monetary contributions to local communities in our market area are areas where Aurskog Sparebank has significant influence by setting requirements and directing capital toward more sustainable activities and solutions.

Aurskog Sparebank aims to be a valuable advisor and a positive contributor to customers' transitions and green investments, as well as be a contributor to make sustainable local communities through providing credit at attractive terms to the younger population in our market area who struggle to achieve homeownership.

Strong sustainability knowledge among our employees across all areas of the bank's operations is essential for the success of our sustainability work. To provide sound advice to customers and make well-informed decisions, particularly regarding climate risk, we must educate our staff and continuously strengthen our internal competence in line with expectations and requirements from authorities, investors, and society.

Aurskog Sparebank supports strong local communities and wants to ensure good living conditions for children and youth. By promoting home ownership to young people through offering discounted mortgage loans, we can contribute to reducing social disparities for those in the local community with less financial capacity to access house ownership.

## Sustainability Strategy

The purpose of the bank's sustainability strategy is to provide direction for its sustainability efforts. This strategy is essential to ensure that the bank contributes to local growth, development, and resilient communities – both now and in the future. The bank's long-term sustainability goals are intended to safeguard its future viability, profitability, and financial strength.

### Double materiality assessment

In the spring of 2024, Aurskog Sparebank conducted its first double materiality assessment (DMA). With DMA, addressing the bank's impact on environmental and social factors (the "inside-out" perspective) and how sustainability topics impacts the bank (the "outside-in" perspective) financial materiality, both the bank's impact and risk are evaluated. The main parts of the analysis were carried out by the sustainability team with support from several internal resources. The DMA will be updated at least annually.

Resulting from the DMA, five areas are defined as particularly significant for the bank's operations:

- Climate change: financed emissions and green loans
- Own workers, consumers, and end-users: AML and economic crime
- Own workers, consumers, and end-users: IT security and privacy
- Own workers: working conditions and equal treatment
- Business conduct: financial solidity and capital requirements

### UN Sustainable Development Goals

As a bank, we have an impact on most of the United Nations' 17 Sustainable Development Goals (SDGs). We have selected four of these goals as our strategic priorities: Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth, and Goal 11 – Sustainable Cities and Communities.

Within each of our prioritized goals, the bank will work to enhance its positive impact or reduce any negative impact. We are committed to addressing sustainability topics both internally and in collaboration with our customers and the wider community to achieve meaningful results. Collaboration is essential to realizing the outcomes of society's sustainability efforts.



## Goals and ambitions

Sustainability will continue to be a central theme in Aurskog Sparebank's strategy processes in the coming years. We have set ambitions for its sustainability work at an overarching level, supported by several specific medium-term goals within the various business areas. We will also continue to work on the findings from the double materiality assessment and conduct internal work sessions to continuously seek to make improvement in our sustainability efforts and set more specific and quantitative goals. A challenge is having sufficient access to data to set a clear direction and quantitative sustainability goals.

Aurskog Sparebank's overarching goal is achieving net zero emissions from own operations and from the bank's credit portfolio by 2050. To achieve this, it is crucial to shift a larger portion of the bank's loans towards more sustainable activities in the coming years by finding good solutions together with, and offer attractive financing products to, the private and corporate customers, including agriculture. We have prepared the following set of goals and ambitions for our sustainability efforts related to the environment:

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|---|
| <ul style="list-style-type: none"> <li>▪ <i>Responsible lending is a key where the main goal is to shift a larger portion of the bank's loans towards more sustainable activities by 2050</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>We will work towards a more sustainable credit portfolio by asking sustainability questions to the customers and making the right risk assessments</i></li> </ul>   |
| <ul style="list-style-type: none"> <li>○ <i>We will be a sparring partner and good advisor for our customers and contribute to increased awareness of sustainability and climate risk</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>We will work to increase the portfolio of customers with sustainable products</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>The growth rate of green residential mortgages should exceed the growth rate of mortgages for properties with lower energy performance ratings</i></li> </ul>   |
| <ul style="list-style-type: none"> <li>○ <i>Target of achieving a green loans share of 13 % of the bank's total lending (including loans to the corporate market) and 15 % of our total residential mortgage portfolio by the end of 2030</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>Through good customer advice to customers with older homes, we can help increase the proportion of green renovation loans for customers who want to make environmentally friendly and/or energy-saving measures in their homes</i></li> </ul>                 |
| <ul style="list-style-type: none"> <li>○ <i>We will work to get more customers to register the energy label on their homes and commercial buildings</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>We will work to increase the proportion of green business loans and green agricultural loans for environmentally friendly and/or energy-saving measures</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>○ <i>We will work to increase the proportion of green deposits by making it more visible to corporate customers that it contributes to green activities</i></li> </ul>   |
| <ul style="list-style-type: none"> <li>○ <i>We will establish baseline data for financed emissions across the residential, agricultural, and commercial building sectors by the end of 2025</i></li> </ul>  |
| <ul style="list-style-type: none"> <li>▪ <i>We will work to further reduce the bank's direct CO2 emissions from our own operations</i></li> </ul>   |
| <ul style="list-style-type: none"> <li>▪ <i>We will make certain that our employees have good competence in the field of sustainability and be familiar with the most important challenges and opportunities related to this, as well as the possible impact on the bank and the customers</i></li> </ul> |



## Sustainability Governance

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Aurskog Sparebank's Board of Directors has overall responsibility for sustainability. The Board approves the bank's sustainability strategy, which is revised annually and embedded in the bank's overall strategy. Sustainability topics are included in both the quarterly compliance report and the risk report reviewed by the Board. The Board annually approves the bank's sustainability report.

Aurskog Sparebank has a dedicated Sustainability Manager who has overall responsibility for the bank's sustainability work. The status of this work is a regular agenda item in Board meetings and in management meetings. The Sustainability Manager also participates in external expert committees and reference groups where it is relevant for Aurskog Sparebank to contribute.

The responsibility for delivering on the sustainability goals is assigned to the relevant subject matter experts. Additionally, Aurskog Sparebank has a group of sustainability ambassadors who work with the Sustainability Manager on various projects and internal tasks.

## Sustainability in the Credit Process

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Credit is one of the bank's core business areas and is an important part of the bank's social responsibility. The importance of sustainability and climate risk as part of credit assessment has been strengthened in recent years. This applies to credit assessments in both the corporate and personal markets, as well as agriculture. Climate risk is a result of how the bank's customers are affected by physical risks due to climate change and transition risks when adapting to a low-emission society, including changes in government expectations and societal attitudes.

In all new credit cases on the retail market the bank assesses risk related to physical climate risk regarding the housing being financed and transition risk connected to the customers' employer. For loans provided to corporate customers, the bank's credit policy regulates which industry groups and sectors the bank will offer financing to. Generally, customers with significant operations in oil, shipping, fisheries, pub and restaurant operations, or hotel operations will not be offered financing. The bank will also not finance customers in ethically problematic industries, such as pornography or tobacco.

Climate and sustainability risks can be significant for several industry sectors and for different types of collateral. Assessments of climate and sustainability risks are an integral part of the bank's credit assessment and risk management for customers. In all new credit cases on both the corporate and agricultural market, a set of sustainability questions must be reviewed together with the customer to assess the customer's exposure to physical and transition risk, as well as transition plans if the customer expects that operations will need to change due to increased climate risk. According to Aurskog Sparebank's credit policy, the bank shall refrain from financing a project or customer that lacks a concrete plan to adapt the business in accordance with either physical risk or transition risk, or if the customer's responses to the sustainability questions are contrary to the bank's sustainability vision.

## Sustainable Products Offering

Aurskog Sparebank aims to finance housing and local businesses, thereby contributing to growth and development in the local communities the bank is part of.

Responsible lending and sustainable products are areas where the bank has a particularly significant influence by setting requirements and directing capital towards more sustainable activities. Aurskog Sparebank aims to be a sparring partner and a positive contributor to customers' transition.

Aurskog Sparebank offers the following green and social products:

<b>Green mortgage loans</b>	<ul style="list-style-type: none"> <li>Green mortgage loans are offered to those who own (or plan to buy) an energy efficient home with energy rating A or B</li> </ul>
<b>Green renovation loans for retail customers</b>	<ul style="list-style-type: none"> <li>Loans for environmentally friendly and/or energy-saving measures in new and existing homes</li> <li>Loans for measures that may qualify for support from Enova</li> </ul>
<b>Green commercial loans</b>	<ul style="list-style-type: none"> <li>For commercial properties and apartment rental buildings with an energy rating of A or B, or BREEAM-NOR certification of min. "Excellent"</li> <li>Buildings renovation achieving at least a 30% improvement in energy efficiency and at least two steps improvement in energy rating to min. D (documented with an energy certificate)</li> <li>Finance energy efficiency measures or investment in new environmentally friendly technology (e.g. production of renewable energy, heat pumps, additional insulation, window replacement, or structural improvement of the building)</li> <li>Finance measures that reduce, or help the company avoid greenhouse gas emissions, or that have other positive environmental impacts, such as measures against pollution</li> </ul>
<b>Green agriculture loan</b>	<ul style="list-style-type: none"> <li>Financing small and large investments in housing, farm buildings, and machinery</li> <li>Financing investments in renewable energy and energy efficiency projects</li> <li>Financing measures that support the goals of the "Landbrukets klimaplan 2021-2030"</li> </ul>
<b>Green auto loans (through Eika)</b>	<ul style="list-style-type: none"> <li>Green auto loans are offered to those who choose to buy an emission-free car, supporting choice of an environmentally friendly car</li> </ul>
<b>Green deposits</b>	<ul style="list-style-type: none"> <li>Green deposits are applied to finance green mortgage loans</li> </ul>
<b>Green mutual funds (through Eika/Odin)</b>	<ul style="list-style-type: none"> <li>Funds where money is invested in companies that promote sustainability, social responsibility and human rights.</li> </ul>
<b>Youth mortgage loans</b>	<ul style="list-style-type: none"> <li>Youth buying a home can borrow up to 100% of the purchase price with additional collateral, or up to 90% without it.</li> </ul>

## Sustainability in Our Operations

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### Sustainability Reporting

Aurskog Sparebank is working to map as many of its greenhouse gas emissions as possible and has prepared emissions accounts for its scope 1, 2 and 3 emissions. Emissions from Aurskog Sparebank's own operations related to energy, waste, business travel, and emissions associated with employees commuting to and from work only account for only a small share of the bank's total greenhouse gas emissions. The bank's emissions are mainly related to financed emissions, where most of the scope 3 emissions are related to financing the agricultural sector.

Although emissions from our own operations are relatively small, the bank has taken many measures in recent years, such as using less energy in offices, reducing waste, printing less paper, and providing incentives to employees who drive electric cars. Statistics from *Miljøfyrtårn* show that Aurskog Sparebank in recent years had lower emissions than other comparable banks.

Data quality and availability have improved over time, which enables reporting on a larger share of the bank's indirect scope 3 emissions. The bank is working closely with Eika to establish better data foundations and to develop data handling and reporting solutions. This will be essential for us to continue setting strong interim targets toward achieving the longer-term emission reduction goal.

#### *Miljøfyrtårn (Eco-lighthouse)*

Aurskog Sparebank annually report its own direct (scope 1) and indirect (scope 2 and 3) greenhouse gas emissions to Miljøfyrtårn through their portal. Through the reporting, the bank's footprint for the previous year is calculated.

The main points from the reporting to Miljøfyrtårn, along with the footprint, are reported in the sustainability report published annually.

#### **TCFD**

There are several established standards for reporting on climate risk, including GRI and TCFD (Task Force on Climate-Related Financial Disclosures), where TCFD has become a well-established and recognized framework for reporting on climate risks. Aurskog Sparebank has chosen to report on climate risk according to the principles of TCFD. The report is part of the sustainability report.

#### **The Transparency Act**

Aurskog Sparebank complies with the Transparency Act (Norwegian: "Åpenhetsloven") and publishes due diligence assessments as part of the Annual Report.

In accordance with the Transparency Act, the bank must conduct an internal due diligence assessment related to significant risk of negative impacts on human rights or decent working conditions. Aurskog Sparebank considers the greatest risk of negative impact on fundamental human rights and decent working conditions is with business partners and in the supply chain. Hence, Aurskog Sparebank has also collected self-declarations and ESG questionnaires from the most significant suppliers and partners to the bank.



## Corporate Governance and Internal Operations

Aurskog Sparebank's business activities rely on the trust of customers, owners, investors, authorities, and society at large. The bank is characterized by high ethical standards, as well as sound corporate governance and management. It complies with all applicable laws and regulations, and its employees demonstrate behavior that is perceived as trustworthy, honest, and fair.

Aurskog Sparebank processes large volumes of personal data. Maintaining customer and public trust requires that such data is handled responsibly. In the materiality assessment, IT security and data privacy are identified as areas where the bank has significant influence.

Within the financial sector in our market area Aurskog Sparebank aims to be the best employer for people who seek personal and professional development. The bank's employees should be engaged, competent and experience a healthy work-life balance. The bank strives to maintain a safe and supportive working environment built on mutual respect and care.

Equality and diversity are important values at Aurskog Sparebank. The management continuously works to promote equality and diversity, both internally and in interactions with partners and customers. The goal is to achieve full equality wherever practically possible.

## Combating Financial Crime

The fight against financial crime, including money laundering from criminal activities and the financing of terrorism, is part of the financial sector's societal responsibility. Banks must ensure that the industry is not exploited for illegal purposes through its products and services. As the scope of financial crime continues to grow and become more complex, this work is both demanding and critically important.

Aurskog Sparebank collaborates closely with other banks, local police, and financial crime authorities. In the materiality assessment, financial crime is identified as an area where the bank has significant influence. Employees at Aurskog Sparebank actively work to detect, prevent, and report transactions related to money laundering, terrorist financing, fraud, and proceeds from criminal activities.







# Aurskog Sparebank and Sustainable Finance

With this Green & Social Bond Framework (the “Framework”) which enable us to issue Green Bonds and Social Bonds, or the combination of such (“Sustainability Bonds”), Aurskog Sparebank wants to promote our ambition of contributing to a sustainable development in our region through our responsible business practices and the green and social products offering to our customers.

The Framework defines the criteria for which loans are eligible to be financed by Green Bonds and Social Bonds, or Sustainability Bonds as the case may be, and it also outlines the process to evaluate, select, track and report on such lending activities.

The Framework is aligned with the latest version of the ICMA Green Bond Principles (June 2025) and the ICMA Social Bond Principles (June 2023) as well as the ICMA Sustainability Bond Guidelines (June 2021), which provide voluntary guidelines to ensure transparency, integrity, and best practices in the green finance market. Aurskog Sparebank also intend to align the Green Loan criteria specifically with the substantial contribution criteria in the EU Taxonomy Regulation (“EU Taxonomy”) where applicable and otherwise follow other relevant standards to meet best market practices in the green and social finance market and the expectations of sustainable investors.

The relevant transaction documentation for any Green Bond, Social Bond and Sustainability Bond issued under this Framework will refer to this Framework as well as specify the actual terms of the instrument. This Framework may over time be updated, however new versions of the Framework shall have no implications for bonds issued under this or earlier version(s) of the Framework. Any updates of the Framework will be independently reviewed by a qualified provider of second-party opinions.

## 1. Use of Proceeds

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An amount equal to the net proceeds from Green Bonds issued under this Framework will be used to finance and/or refinance a portfolio of loans provided by Aurskog Sparebank which comply with the criteria listed below (“Green Loans”). Similarly, net proceeds from Social Bonds will be used to finance and/or refinance a portfolio of complying with the criteria for social loans (“Social Loans”) and net proceeds from Sustainability Bonds will finance and/or refinance Social Loans which comply with the Green Loan criteria (“Sustainability Loans”).

The eligibility criteria for the Green Loans have been mapped against the different asset categories included in the ICMA GBPs, the ICMA’s Green Project Mapping to environmental objectives<sup>1</sup> and the relevant economic activities included in the EU Taxonomy.

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<sup>1</sup> [green-project-mapping-june-2021-100621.pdf](#)



## Green Loan Portfolio

ICMA GBP Category	ICMA GBP Environmental Objective	EU Taxonomy Activity	Criteria for loans to be included:
<b>Green Buildings (residential, commercial and public)</b>	Climate Change Mitigation	Acquisition and ownership of buildings	<p><u>Buildings built in 2021 or later:</u></p> <ul style="list-style-type: none"> <li>Primary energy demand ("PED")<sup>2</sup> is 10% lower than the threshold set for nearly zero-energy building ("NZEB") requirements in Norway; or</li> <li>For commercial and public buildings, Energy Performance Certificate ("EPC") A, or BREEAM-NOR/BREEAM In-use certificate notation "Excellent" or better.</li> </ul> <p><u>Buildings built before 2021:</u></p> <ul style="list-style-type: none"> <li>Buildings with EPC A, or within the top 15% of the Norwegian building stock in terms of primary energy demand; or</li> <li>For commercial and public buildings, EPC A or B or BREEAM-NOR/BREEAM In-use certificate notation "Excellent" or better.</li> </ul>
		Rehabilitation of buildings	Major renovations leading to a reduction in primary energy demand <sup>3</sup> of at least 30% <sup>4</sup> ; or achieved improvement in energy rating of at least two steps, with a new energy class of D or better.
		Installation, maintenance and repair of energy efficiency equipment	<p>Individual measures (or loans to corporates which business offering is to provide):</p> <ul style="list-style-type: none"> <li>Addition of insulation to existing building envelop components, such as external walls (including wall, roofs, lofts, ground floors and basements, and related products for the application of the insulation to the building);</li> <li>Replacing windows with energy-efficient windows;</li> <li>Replacing doors with energy efficient doors;</li> <li>Installation and replacement of energy efficient light sources;</li> <li>Installation, replacement, maintenance and repair of heating, ventilation and air-</li> </ul>


<sup>2</sup> Meaning the calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed in kWh/m2 per year.

<sup>3</sup> The initial primary energy demand and the estimated improvement is based on an energy audit conducted by an independent expert where the 30% improvement results from an actual reduction in primary energy demand and may be achieved through a succession of measures within a period of maximum of three years.

<sup>4</sup> For the full building to qualify as a Green Building after renovation, the criteria for buildings built before or after 2021 should be met.

			conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies; <ul style="list-style-type: none"> <li>Installation of low water and energy using kitchen and sanitary water fittings.</li> </ul>
<b>Renewable Energy</b>	Climate Change Mitigation	Electricity generation from hydropower	<ul style="list-style-type: none"> <li>Power plant is run-of-river without artificial reservoir; or</li> <li>Power density is above 5W/m<sup>2</sup>; or</li> <li>Lifecycle emissions are below 100g CO<sub>2</sub>e/kWh.</li> </ul>
<b>Sustainable Agriculture</b>	Climate Change Mitigation	N/A	<ul style="list-style-type: none"> <li>Energy efficient or low-emission barns</li> <li>Farm-based woodchip heating facilities</li> <li>Seed drills contributing to reduced soil cultivation</li> </ul>

## Social Loan Portfolio

ICMA SBP Category	UN SDG Mapping	Target Population	Criteria for loans to be included:
<b>Affordable Housing</b>		Youth acquiring a home  <u>Objective:</u> Improve access to affordable home mortgage loans for young retail customers with little equity	<ul style="list-style-type: none"> <li>Borrower age is between 18 and 29</li> <li>Loan-to-value is 80% or higher<sup>5</sup></li> <li>The Loan is applied to acquire a home in the local communities<sup>6</sup></li> </ul>

### Exclusions:

- Proceeds from issuing Green Bonds and Social Bonds will not be used to finance loans to companies linked to fossil energy extraction or generation, potentially environmentally negative resource extraction, development and production of controversial weapons and defense systems, gambling, tobacco or pornography, or violating international human rights.
- Green Loan Portfolio and Social Loan Portfolio will not include loans to finance leisure homes.
- Green Loan Portfolio will not include loans to finance barns for live-stock production.
- Social Loan Portfolio will include neither loans to finance youth borrowers with registered home address not matching the address of the acquired dwelling, nor youth borrowers owning several dwellings.

<sup>5</sup> Youth incurring a home mortgage loan with high loan-to-value are assumed to hold little equity and benefit more of the youth loan discount.

<sup>6</sup> Means communities in the following areas: Romerike district, Follo district, municipality of Indre Østfold and Gjøvik district.

## 2. Process of selection and evaluation of Green and Social Loans

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Aurskog Sparebank's Committee for Balance Management, together with the Sustainability manager, is responsible for overseeing the implementation of this Framework and ensuring that all activities under this Framework comply with the respective Green Loan and Social Loan criteria.

The Committee for Balance Management, with representation from the Sustainability manager, will also ensure that the selection of Green, Social and Sustainability Loans aligns with and support the bank's sustainability strategy and objectives.

Key responsibilities of the Committee for Balance Management include:

- Evaluating and selecting eligible Green Loans and Social Loans in accordance with the Green Loan and Social Loan criteria respectively, outlined in the Use of Proceeds section above.
- Monitoring and maintaining the Green Loan and Social Loan Portfolios to ensure ongoing compliance with this Framework.
- Managing updates to the Framework, including potential expansion of eligible Green Loan and Social Loan categories, while ensuring alignment with market standards.
- Removing loans from the respective portfolios if they no longer meet the Green Loan or Social Loan criteria.

A register of eligible Green, Social and Sustainability Loans is maintained to document all eligible loans, ensuring transparency and accuracy. The Committee for Balance Management monitors this register.

All eligible Green, Social and Sustainability Loans are originated in accordance with the bank's prevailing credit policy, ensuring robust credit and sustainability risk management.



### 3. Management of Proceeds

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Net proceeds from Green Bonds issued under this Framework will be allocated to the financing or refinancing a share of eligible Green Loans included in the Green Loan Portfolio and net proceeds from Social Bonds issued under this Framework will be allocated to the financing or refinancing a share of eligible Social Loans included in the Social Loan Portfolio. Similarly, net proceeds from any Sustainability Bonds issued under this Framework will be allocated to the financing or refinancing a share of Social Loans which also meet the criteria for Green Loans.

Green Bonds issued by Aurskog Sparebank, will be managed on a portfolio basis where proceeds from a Green Bond will be allocated pro-rata across all the Green Loan categories listed in the table under Use of Proceeds above.

Aurskog Sparebank will keep a register of all eligible Green, Social and Sustainability Loans and track the allocation of net proceeds from Green, Social and Sustainability Bonds issued, ensuring transparency and accuracy. The Green Loan, Social Loan and Sustainability Loan Portfolios will be monitored to ensure the total value of each portfolio of eligible Green, Social and Sustainability Loans always exceed the total respective nominal amount of Green, Social and Sustainability Bonds outstanding.

Each of the Green Loan, Social Loan and Sustainability Loan Portfolios will be periodically reviewed by the Committee for Balanced Management together with the Sustainability manager, which is also responsible for maintaining alignment with the respective Eligibility Criteria.

If a Green, Social or Sustainability Loan funded by Green, Social or Sustainability Bonds is repaid, or for other reasons loses its eligibility in line with the criteria in this Framework, it will be replaced by another qualifying Green, Social or Sustainability Loan as soon as practically possible.

Any unallocated proceeds from a Green, Social or Sustainability Bond will be temporarily held in an ordinary bank account or invested in short-term money market instruments in accordance with Aurskog Sparebank's regular liquidity management policy and will, to the extent possible, exclude industries and activities not aligned with the bank's sustainability goals and industries specifically excluded under this Framework.

## 4. Reporting

### Green & Social Bond Report

To provide transparency to investors and stakeholders, Aurskog Sparebank will publish a Green & Social Bond Report on its website annually. The report will include both an Allocation Report and an Impact Report.

Reporting will continue annually as long as Green Bonds and/or Social Bonds issued under this Framework remain outstanding.

#### Allocation Report

The Allocation Report will include the following information:

- The total size of the eligible Green Loan Portfolio per category and relevant sub-categories, the total size of the eligible Social Loan Portfolio as well as the Sustainability Loan Portfolio.
- The outstanding nominal amount of Green, Social and Sustainability Bonds.
- The share of the Green Loan Portfolio which is financed by Green Bonds, the share of the Social Loan Portfolio financed by Social Bonds and Sustainability Loan Portfolio financed by Sustainability Bonds.
- The amount of unallocated Green, Social or Sustainability Bond proceeds, if any.

#### Impact Report

The Impact Report aims to disclose the aggregated environmental impact of the Green, Social and Sustainability Loans financed under this Framework.

For the Green Loan Portfolio the impact assessment will be based on best-effort calculations and aligned with the ICMA's "Handbook – Harmonized Framework for Impact Reporting" (latest applicable version), ensuring full transparency in the assumptions and methodologies used.

Key impact metrics for the **Green Loan Portfolio** include:

ICMA GBP Category	EU Taxonomy Activity	Impact report description	Metric
<b>Green Buildings</b>	Acquisition and ownership of buildings	Estimated avoided CO2 emissions, based on the aggregated square meters included in the Green Loan Portfolio and the estimated energy consumption (kWh/m2) compared to baseline <sup>7</sup>	Tonnes CO2 per year
	Rehabilitation of buildings	Volume of loans included in the Green Loan Portfolio and development from year to year	NOK millions

<sup>7</sup> 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).

<b>Green Buildings</b> (cont.)	Installation, maintenance and repair of energy efficiency equipment	Volume of loans included in the Green Loan Portfolio and development from year to year	NOK millions
<b>Renewable Energy</b>	Electricity generation from hydropower	Estimated avoided CO2 emissions compared to baseline based on the installed capacity financed and the estimated normalized annual production	Tonnes CO2 per year
<b>Sustainable Agriculture</b>	N/A	Volume of loans per category included in the Green Loan Portfolio and listing of the respective activities' environmental contribution	NOK millions

Key impact metrics for the **Social Loan Portfolio** include:

ICMA SBP Category	Target Population	Impact report description	Metric
<b>Affordable Housing</b>	Youth acquiring a home	Number of youth mortgage loans provided	#
		Amount of youth mortgage loans provided	NOK million

Key impact metrics for the **Sustainability Loan Portfolio** include:

ICMA GBP & SBP Category	EU Taxonomy Activity / Target Population	Impact report description	Metric
<b>Green Buildings</b>	Acquisition and ownership of buildings	Estimated avoided CO2 emissions	Tonnes CO2 per year
	Rehabilitation of buildings	Volume of loans and development from year to year	NOK million
<b>Affordable Housing</b>	Youth acquiring a home	Number of youth mortgage loans provided	#
		Amount of youth mortgage loans provided	NOK million

# External review

## **Pre-issue verification**

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To confirm the transparency of this Green & Social Bond Framework and its alignment with the ICMA Green Bond Principles and Social Bond Principles, Aurskog Sparebank has obtained a pre-issuance verification in form of a Second-Party Opinion (“SPO”) from S&P Global Ratings.

## **Post-issue verification**

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In connection with issuing of the Green Bond Report, Aurskog Sparebank will obtain a limited assurance report from an independent auditor and be attached to the Allocation Report, confirming the amount of proceeds from Green and Social Bonds issued have been allocated to the Green Loans Portfolio and Social Loan Portfolio respectively in accordance with the provisions in this Framework.

Aurskog Sparebank may also appoint independent consultant to provide a report attached to the Impact Report, verifying the calculations and results of the environmental benefits related to the Green Loans Portfolio financed by Green Bonds issued and social impacts related to the Social Loan Portfolio financed by Social Bonds.



# Aurskog

## SPAREBANK

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**Sørumsand**  
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**Gjøvik**  
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