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## About Tinde Sparebank

Tinde Sparebank (“Tinde Sparebank” or “the Bank”) is a local savings bank located on the western coast of Norway, with branches in Kristiansund, Surnadal, Elnesvågen, Eidsvåg, Molde, Sunndal, Vestnes, Åndalsnes and Ålesund. In December 2024, Romsdal Sparebank and Sunndal Sparebank decided to merge the two banks. The name of the new bank is Tinde Sparebank. A merger of the two largest Eikabanks in Møre og Romsdal will create a larger and more powerful bank for the customers and local communities, with increased competitiveness, reduced vulnerability and greater leverage towards small and medium-sized enterprises in the region. The Bank's ambition is to contribute to growth and development in the county, also through sponsorships and donations.

The Bank's main activity is to advise on and sell financial services to private customers throughout the country and to businesses and agriculture in mainly Møre and Romsdal. A key element to Tinde Sparebank's business model is by being a member of the Eika Alliance, which enables product diversification and provides the opportunity to finance retail mortgages via Eika Boligkreditt.

The loan portfolio by 31 Dec 2024 is approximately NOK 16bn, including transferred retail mortgages to Eika Boligkreditt. There are 104 employees in Tinde Sparebank.

## Tinde Sparebank's commitment to ESG

As a bank, Tinde Sparebank recognizes its role in facilitating the necessary transition to a low-emission society by allocating capital towards green assets and projects. ESG is an integral part of the Bank's strategy, and the goal is to take an active approach to ESG throughout the business and help implement initiatives and solutions in the financial industry that have a positive environmental and social impact. An overarching goal is also to increase expertise on ESG and climate risk within finance and implement this in important core processes in the Bank's business.

In own operations, Tinde Sparebank takes a conscious environmental responsibility and works purposefully to reduce its own environmental footprint, for example through reduced business travel, preference for environmentally certified suppliers (e.g. Eco-Lighthouse, Nordic Swan Ecolabel or similar), and reviewing suppliers with an increased likelihood of having a negative ESG impact. Other measures for example include good routines for waste management of paper, residual waste and used electronics. The Bank reports on Scope 1-3 GHG emissions according to the GHG protocol. In procurement, all major suppliers must document that they comply with international goals and standards for climate, the environment, human rights, decent working conditions, anti-corruption and ethical business activities. When new agreements are entered into, a self-declaration for supplier behaviour must be signed. Every year, due diligence assessments are conducted of all suppliers.



## Responsible finance

### Green loans

The majority of the Bank's environmental impact comes from financed emissions i.e. the loan book and the Bank recognizes that its most important role is to contribute to increased sustainability among customers. By providing advice and designing products, the Bank can contribute to more sustainable behaviour among both private and corporate customers. For example, the Bank offers customers green products, such as favourable financing for electric vehicles, green mortgages, green renovation loans and green loans for commercial buildings. By 2030, the Bank targets that 50% of all its lending to private, corporate and agricultural customers should be considered green according to internal criteria.

### Real financing to real objects

Tinde Sparebank's financing products and those offered through Eika Digitalbank focus on responsible consumption. The Bank is conscious in its marketing to not contribute to overspending or ill-considered choices when it comes to the use of both credit cards and unsecured loans. In communication, the Bank is keen to teach customers to use the right financing for the right purpose, in which the relationship with the Bank also plays a key role.

### ESG assessment in the lending process

The Bank has implemented ESG analysis in the credit process for private and corporate customers. Environmental and climate risk must be assessed on par with other credit risks and be included in the assessment of the price of the financing.

For private customers, an assessment of physical climate risk is to be carried out when mortgaging real estate, which must be included in the specific case.

For corporate customers, the Bank uses a separate module, with questions about the customer's general approach to ESG, the approach to corporate responsibility and corporate governance, and specific and more discretionary questions and assessments of risks related to the climate and the environment. The module provides a score for the customer's ESG risk and should be used for all corporate- and agriculture customers.

The Bank has defined some industries that the Bank should not provide credit to, or show particular care in relation to, from an ESG perspective. For example, the Bank does not provide credit to the following industries: weapons, tobacco, pornography, gambling, coal and nuclear power production, aviation or oil and gas.

**Selected ESG targets**

- Conduct ESG assessments of all private, corporate and agricultural customers in the loan portfolio
- Increase the Bank's Green Portfolio to at least 50 percent by 2030, according to internal criteria. Applies to the total loan portfolio in own Balance sheet
- Proactively support the issuance of new green bonds to promote sustainable investment opportunities
- Reach net zero emissions by 2050

**Selected initiatives**

- *Eco-Lighthouse certification* - the Bank is Eco-Lighthouse certified. Eco-Lighthouse is Norway's most widely used certificate for organisations that want to demonstrate social responsibility and document their environmental efforts
- *Climate risk tool* - during the past years, the Bank has started using a new climate risk tool developed by the Eika Alliance
- *Voluntary reporting standard for SMEs (VSME)* - the Bank will report according to VSME, in line with Finans Norges guidelines
- *Double materiality analysis* – in connection with the merger of Sunndal Sparebank and Romsdal Sparebank, a process will be initiated in 2025 to put in place a double materiality analysis for the new bank. For example, this helps to identify the most critical sustainability topics that the Bank should focus on

### Tinde Sparebank in society

For more than 140 years, Tinde Sparebank has actively supported residents and businesses in the municipality and gives back to the local community in the form of donations and sponsorship agreements with several million NOK every year. Supporting activities aimed at children and young people has been particularly important and are emphasized in the application assessment. In this way, the Bank is an active contributor to creating positive social development, good growing conditions and well-being in the Bank's market area. The Bank also provides Young Entrepreneurship training at schools. This is a programme that Finance Norway has facilitated, and something that the Bank believes is beneficial to society. In general, the Bank focuses on contributing to financial education among young people by participating in various events, and the Bank's articles of association clearly define how donations are to be distributed geographically.

### Governance & policies

ESG and management of ESG risks are an integral part of the Bank's strategy and mainly guided by its ESG policy. In the policy, principles and guidelines are in place for responsible banking, social issues combating financial crime, ethical awareness, sustainable procurement, sustainable investments and ownership, and responsible credit process. The Bank also has a number of other ESG-related documents in place such as ethical guidelines and credit policy.

The Board of Directors adopts the Bank's strategies and has overall responsibility for the Bank's operations, including ESG. The Board of Directors annually sets the Bank's risk limits in total and for different industries. The customers' climate risk is indirectly covered by the Bank's credit risk limit. Climate risk is also included in management's regular risk report to the Board of Directors.

Responsibility for climate risk is included in several parts of the organisation, within credit, financial management, corporate governance and communication. The CEO is responsible for implementation, compliance and control.

#### Selected policies

- Credit policy
- ESG policy
- Ethical guidelines
- Policy for anti-money laundering

#### Selected initiatives

- Together with Eika Alliance, the Bank works to detect fraud. For example, the Eika Alliance deployed an AI solution, which helped to reduce fraud losses for customers and the financial industry
- 2024 is the first year the Bank reports on its climate accounts. Reporting is made in line with Eco-House, which is based on the GHG protocol. As a first step, the Bank reports on own internal emissions and financed emissions within housing and agriculture, which are two of the largest products/segments in its portfolio

### The United Nations Sustainable Development Goals (UN SDGs)

Tinde Sparebank recognizes that the UN's SDGs are particularly important and relevant for the Bank's operations, to achieve a sustainable local society. The Bank contributes to several of the SDGs in its operations but mainly focuses on SDG 8 – decent work, SDG 12 – responsible consumption and production and economic growth and SDG 10 – reduced inequalities. In the green loan categories, the Bank can contribute to SDG 7 - clean energy, SDG 9 - industry, innovation and infrastructure and SDG 11 - sustainable cities and communities.

## Tinde Sparebank's rationale for Green bonds

As a result of the merger between Romsdal and Sunndal Sparebank, Tinde Sparebank is now establishing this Green Framework. The Bank wants to contribute to more sustainable operations among customers, while creating a more sustainable credit portfolio. By issuing Green bonds, the Bank seeks to create a more sustainable credit portfolio, take a next step in the ESG strategy, and work towards the overall goal of reaching net zero emissions by 2050.

### Alignment with Market Principles

The Framework is aligned with the 2021 edition of the International Capital Markets Association ("ICMA") Green Bond Principles<sup>1</sup> with June 2022 Appendix I and their four core components and key recommendations including:

- Use of Proceeds
- Process for Loan Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework further intends to take into account the most recent market practices, in particular the EU Taxonomy to the extent possible.

The Framework is applicable for issuance of *Green Bonds* (Senior unsecured bonds).

As the green bond market continues to evolve, Tinde Sparebank will review this Framework from time to time, including its alignment to updated versions of the ICMA Green Bond Principles. Accordingly, Tinde Sparebank may deem it appropriate at times to further update its Framework with the objective of keeping or improving the current levels of transparency and reporting disclosures. Any material revision of the Framework will be subject to a new Second Party Opinion.

Swedbank has acted as Sustainability Coordinator to Tinde Sparebank in the establishment of this Framework.

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<sup>1</sup> [The Green Bond Principles \(GBP\) 2021 \(with June 2022 Appendix 1\)](#)

## Use of Proceeds

### Allocation of net proceeds

An amount equivalent to the net proceeds from Tinde Sparebank's Green Bonds shall be used to finance or re-finance, in whole, or in part, loans with environmental benefits ("Green Loans"). The Framework does not apply any look-back period to Green Loans due to the fact that Green Loans have a certain tenor meaning that the "age" of the underlying green portfolio is automatically limited.

### EU Taxonomy and UN SDG mapping

The Framework aims to consider the most recent market practices, in particular the *EU Taxonomy Delegated Act on Climate Change* to the extent possible. Hence, the eligible Green Loan categories have been mapped to applicable EU Environmental Objectives and where possible, applicable Eligibility Criteria have been designed to comply with the *technical screening criteria* set out in the EU Taxonomy Delegated Act on Climate Change as at the time of this Framework publication.

However, the Bank believes it is important that the Framework enables financing of a *broad range of environmentally sustainable activities* and therefore some Eligibility Criteria may deviate from the EU Taxonomy, for example where the EU Taxonomy is not fully available or not practical based on current market practices. In these cases, the Bank's internal Eligibility Criteria will apply. Thus, a loan can be eligible as per two sets of criteria:

- *EU Taxonomy criteria*: fulfils technical screening criteria set out in the EU Taxonomy Delegated Act on Climate Change<sup>2</sup> as at the time of this Framework publication
- *Internal criteria*: based on the best sector market practices or partial fulfilment/partial overlap of technical screening criteria set out in the EU Taxonomy Delegated Acts may be in place

Furthermore, a mapping against the UN SDGs as well as the Economic Activities and Environmental Objectives under the EU Taxonomy has been done, to the extent possible, on the following pages.

### Financing and refinancing

Refinancing is defined as Green Loans prior to the reporting year. New financing is defined as Green Loans during the reporting year.




### Exclusion criteria

Net proceeds of Tinde Sparebank's Green Bonds will not be used to finance *fossil fuel related energy generation and related infrastructure, nuclear energy generation, weapons, tobacco, or potentially environmentally negative resource extraction, mining, gambling or pornography*.

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<sup>2</sup> For the sake of clarity, Tinde Sparebank does not claim any full alignment to the EU Taxonomy.



ICMA GBP category	Eligibility Criteria	EU Environmental Objective & SDGs
Green Buildings	<p><b>Construction of new buildings built after 31 Dec 2020</b>  Eligible EU Taxonomy activity: 7.1. <i>Construction of new buildings</i>  EU Taxonomy criteria:</p> <ul style="list-style-type: none"> <li>Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations (<a href="#">Guidance on PED and NZEB for Norwegian buildings</a>). The energy performance is or will be certified using an Energy Performance Certificate (EPC)</li> </ul> <p>Internal criteria:</p> <ul style="list-style-type: none"> <li>Commercial buildings with a minimum environmental certification of BREEAM-NOR Excellent</li> </ul> <p><b>Acquisition and ownership of buildings built before 31 Dec 2020</b>  Eligible EU Taxonomy activity: 7.7. <i>Acquisition and ownership of buildings</i>  EU Taxonomy criteria:</p> <ul style="list-style-type: none"> <li>Buildings with Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15% of the national or regional building stock</li> <li>Tinde Sparebank defines Top 15% as buildings built according to Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) or EPC B. If a new national definition of “Top 15%” is developed, the use of TEK10 and TEK17, and EPC B as Top 15% will be terminated and replaced with this</li> </ul> <p>Internal criteria:</p> <ul style="list-style-type: none"> <li>Commercial buildings with a minimum environmental certification of BREEAM-NOR Excellent</li> </ul> <p><b>Major renovations</b>  Eligible EU Taxonomy activity: 7.2. <i>Renovation of existing buildings</i>  Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation</p>	<p>Climate change mitigation</p> 
Clean Transportation	<p><b>Road transport</b>  Eligible EU Taxonomy activities: 6.3. <i>Urban and suburban transport, road passenger transport</i>; 6.5. <i>Transport by motorbikes, passenger cars and light commercial vehicles</i>; 6.6. <i>Freight transport services by road</i>  EU Taxonomy criteria:</p> <ul style="list-style-type: none"> <li>Public passenger road transport (i.e. buses), with zero direct (tailpipe) CO2 emissions (i.e. hydrogen and electrical vehicles)</li> <li>Passenger cars and commercial vehicles (i.e. light and heavy commercial vehicles) with zero direct (tailpipe) CO2 emissions (i.e. hydrogen and electrical vehicles)</li> </ul>	<p>Climate change mitigation</p> 
Renewable Energy	<p><b>Solar power</b>  Eligible EU Taxonomy activities: 4.1. <i>Electricity generation using solar photovoltaic technology</i>; 4.17. <i>Cogeneration of heat/cool and power from solar energy</i>  EU Taxonomy criteria:</p> <ul style="list-style-type: none"> <li>Electricity generation (and where relevant heat/cooling) from solar power (photovoltaic (PV)) (onshore)</li> </ul> <p><b>Wind power</b>  Eligible EU Taxonomy activity: 4.3. <i>Electricity generation from wind power</i>  EU Taxonomy criteria:</p> <ul style="list-style-type: none"> <li>Electricity generation from wind power (onshore and offshore)</li> </ul> <p><b>Hydro power</b>  Eligible EU Taxonomy activity: 4.5. <i>Electricity generation from hydropower</i>  EU Taxonomy criteria:</p> <p>Facilities that comply with either of the following criteria:</p> <ul style="list-style-type: none"> <li>The electricity generation facility is a run-of-river plant and does not have an artificial reservoir; or</li> <li>The power density of the electricity generation facility is above 5 W/m2; or</li> <li>The life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 g CO2e/kWh</li> </ul>	<p>Climate change mitigation</p> 

## Process for Loan Evaluation and Selection

### The credit process

All lending activities in Tinde Sparebank must always undergo regular and applicable credit approval processes and fulfil guidelines for assessing ESG risk in credit assessment. The terms and conditions that govern the Bank's lending to corporate customers require borrowers to comply with all applicable laws, regulations, and practices as well as all authorizations, consents, approvals, waivers, resolutions, licenses, permits, exemptions, or registrations related to the assets and projects being financed. As part of the credit approval process the risks related to negative impact on climate and environment, labour and human rights, ownership structure, ethics, and corruption are assessed, which are described in internal credit assessment procedures.

For private customers, an assessment of physical climate risk is to be carried out when mortgaging real estate, which must be included in the specific case.

For corporate customers, the Bank uses a separate module, with questions about the customer's general approach to ESG, the approach to corporate responsibility and corporate governance, and specific and more discretionary questions and assessments of the customer's risk related to the climate and the environment. The module provides a score for the customer's sustainability risk and should be used for all corporate and agriculture customers.

### Green Bond Committee

Tinde Sparebank has established a *Green Bond Committee* (the "GBC") with responsibility for governing the evaluation and selection of the Green Loans. The GBC consists of Head of ESG, Credit Manager, Risk Manager and Compliance Officer. Other internal representatives with specific expertise may be invited when deemed necessary. The Committee will meet at least on an annual basis.

Role of the GBC:

- Reviewing, selecting and validating Green Loans
  - Any GBC member or relevant departments in Tinde Sparebank may propose potential Green Loans to be evaluated in line with the Eligibility Criteria as set out in this Framework.
  - The GBC confirms that proposed Green Loans are in line with the Eligibility Criteria as set out in the Framework. In addition, Tinde Sparebank ensures that all Green Loans comply with the Bank's internal policies as well as official national environmental and social standards, and Norwegian laws and regulations
  - After validation from the GBC, approved Green Loans will be inserted into Tinde Sparebank's Green Loan portfolio ("Green Register")
- On behalf of the GBC, administration will annually review the list of approved Green Loans. If a loan no longer meets the Eligibility Criteria set forth in this Framework, the Green Loan will be removed from the Green Register and replaced as soon as a substitute has been identified;
- Overseeing, approving and publishing the allocation and impact report;
- Govern the content of the Green Bond Framework and manage any future updates of this document to reflect relevant changes in best market practices

## Management of proceeds

### Tracking of Net Proceeds

Tinde Sparebank's administration will manage the allocation of an amount equivalent to the net proceeds from Green Bonds to Green Loans on an aggregated basis (portfolio approach). Tinde Sparebank will manage this process through its Green Register, which will be reviewed at least annually by the Finance Department.

### Allocation Period

Tinde Sparebank will commit to, on a best-effort basis, allocate the net proceeds from the Green Bonds to Green Loans within 12 months from the issuance date of each Green Bond.

### Temporary holdings

Pending full allocation of an amount equal to the net proceeds of outstanding Green Bonds, the unallocated proceeds will be invested in accordance with the internal requirements for the liquidity reserve and will exclude any investments in activities listed in under Exclusion Criteria in this Framework.

## Reporting

Tinde Sparebank commits to annually publish an allocation and impact report, until full allocation or in the event of any material developments, as long as there are Green Bonds outstanding. The report will be published on its website: [www.tinde.no](http://www.tinde.no)

### Allocation reporting

The allocation report will include the following information:

- The outstanding amount of Green Bonds
- A summary of the Green Pool including allocated amount and breakdown by Green Loan category
- Share of proceeds used for new financing/refinancing
- Descriptions of selected Green Loans financed/refinanced
- Share of unallocated proceeds (if any)

### Impact reporting

The impact report aims to disclose the estimated and/or if feasible actual environmental impact of the Green Loans financed under this Framework. Examples of impact indicators include:

ICMA GBP category	Example of impact indicator
Green Buildings	<ul style="list-style-type: none"> <li>• Estimated annual GHG emissions reduced or avoided tonnes CO<sub>2</sub>e</li> <li>• Estimated annual energy savings (GWh)</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>• Estimated annual GHG emissions reduced or avoided tonnes CO<sub>2</sub>e</li> <li>• Number of zero-emission vehicles financed annually</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• Estimated annual GHG emissions reduced or avoided tonnes CO<sub>2</sub>e</li> <li>• Annual renewable energy generation (GWh/year)</li> </ul>

## External Review

### **Second party opinion (Pre-issuance)**

Tinde Sparebank has appointed Sustainalytics to provide a Second Party Opinion on the Green Bond Framework, to confirm alignment with the ICMA 2021 Green Bond Principles. The Second Party Opinion is available on Tinde Sparebank's website [www.tinde.no](http://www.tinde.no)

### **External verification (Post-issuance)**

Tinde Sparebank will request on an annual basis, until full allocation or in the event of any material developments, an assurance report to verify whether an amount equal to the net proceeds from Green Bonds have been allocated to Green Loans, provided by an external review provider. The assurance report is available on Tinde Sparebank's website: [www.tinde.no](http://www.tinde.no)