



Eika Boligkreditt AS

Green Bond Framework

2024

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Eika Boligkreditt AS Profile

Eika Boligkreditt AS (Eika Boligkreditt), founded in 2003, is a credit institution owned by local banks in the Eika Alliance and 10 local banks in the LOKALBANK alliance. Eika Boligkreditt is a licensed credit institution and finances the local banks by issuing internationally rated covered bonds, therefore its principal purpose is to provide access for the local banks to long-term and competitive funding.

By virtue of its size, Eika Boligkreditt can raise loans in both Norwegian and international financial markets. Eika Boligkreditt ensures that the alliance banks have access to financing on roughly the same terms as the largest banks in the Norwegian space. Eika Boligkreditt consequently ranks as an important contributor to reducing financial risk for the local banks and to ensuring that customers of the local banks achieve competitive terms for their residential mortgages.

The Eika Alliance comprises 46 local banks, Eika Gruppen and Eika Boligkreditt. The Eika Alliance is one of the largest players in the Norwegian banking and financial market – and one of the most important players in Norway's local communities.

Local saving banks have contributed to settlement, economic development and security for private customers and the business sector in the Norwegian local communities for almost 200 years. A local presence, advisers with integrated financial expertise, and a clear commitment to customers and local community, ensure them a strong position in the future. The local bank is moreover a trusted and important adviser to the local business community, with particular focus on small and medium enterprises. Through their philanthropic donations, the banks in the Alliance also contribute to innovation, growth and development by financing financial literacy and voluntary organization. Level of customer satisfaction with and loyalty to the banks in the Eika Alliance are amongst the highest in Norway in both retail and with SMEs.

As a service provider to many Norwegian local communities, the local banks in the Eika Alliance contribute to, and are a prime mover for, sustainable growth and value creation in society through the responsible conduct of its business.

Eika Gruppen and Eika Boligkreditt's core business strengthens the local banks through good and cost-effective provision of products and services for modern and efficient banking operations. Its primary purpose is to "secure strong and caring local banks which serve as a driving force for local growth and sustainable development, for customers and the local community".

The Eika vision of "We strengthen the local bank" describes its desired future development. Its core business thereby supports the moral and ethical compass of the local banks and the societal engagement discharged by the local savings banks in the Eika Alliance. The motto is: "Present locally – with people you can meet and forge relationships with. Advisers who create a sense of security between people and an assurance that you are making the financial choices which are right for you."

This Green Bond Framework (hereinafter referred to as the "Framework") has been established by Eika Boligkreditt considering its role as an important contributor to the local saving banks in the Eika Alliance and the Norwegian residential mortgage market, and alignment with Eika's broad sustainability strategy.

Eika Boligkreditt's Sustainability Strategy

Sustainability and corporate social responsibility (CSR) are becoming increasingly important strategic drivers in industry and commerce. The Eika Alliance takes responsibility for a development of a sustainable society which is achieved not at the expense of future generations. Considering the banks in the Eika Alliance and their role in the Norwegian society, local banks intend to positively contribute to sustainable development by establishing an overarching sustainability strategy and acting responsibly when conducting business and operations.

In 2019, The Eika Alliance has worked on a strategy aimed at taking responsibility for defining the strategic level at which the Eika Alliance will pursue their sustainability related ambitions, with an emphasis on environmental, social and governance (ESG) criteria. The goal has been to develop an integrated strategy for the whole Eika Alliance which sets a common standard for ambitions and goals, based on a suitable ESG framework for sustainability. The level of ambition backs sustainable local growth and change, sustainable financial products, and responsibility and sustainability in internal operations.

Eika and contribution towards the achievement of UN Sustainable Development Goals (UN SDGs)

Sustainability in Eika builds on the UN Sustainable Development Goals (SDGs), which represent the world's shared blueprint for eliminating poverty, combating inequality, and halting climate change by 2030. Eika has influence over several SDGs, but sees that its impact may be greater for selected targets over others, including:

- SDG 8: *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.*
- SDG 11: *Make cities and human settlements inclusive, safe, resilient and sustainable*
- SDG 13: *Take urgent action to combat climate change and its impacts*

These targets support several sub-goals. Eika Boligkreditt wants to contribute to:

- better utilisation of resources
- work to end the link between economic growth and environmental damage
- achieve full and productive employment and decent work for all
- protect labour rights and promote a safe and secure working environment for all employees
- stimulate and expand access to banking, insurance and financial services for all
- ensure that everyone has access to satisfactory and secure homes and basic services at an affordable price
- support positive economic, social and environmental links between urban, peri-urban and rural areas
- strengthen the ability to withstand and adapt to climate-related hazards and natural disasters, strengthen the ability of individuals and institutions to counter, adapt to and reduce the consequences of climate change as well as their ability to give early warning, and strengthen knowledge and awareness of this

Net Zero Ambition & Transition Planning

In 2022 and 2023, Eika participated in a working group established by Finance Norway to develop guidance for calculating financed emissions. A prioritised project in 2023 was to calculate Scope 3 emissions from Eika's products, in part through a working group under the UN principles for responsible banking. In 2024, the group will continue working on the calculation of relevant Scope 3 emission categories. This will provide an important basis for setting relevant sub-goals aimed at achieving net zero emissions.

In 2024 all the banks in the Eika Alliance have set Net Zero Ambitions on the portfolio level and will set sub goals and action plans during 2025.

Eika furthermore regards Norway's Roadmap for Green Competitiveness in the Financial Sector as a good guideline for the industry. This notes that Norway faces not only challenges but also big opportunities in the transition to a low-emission society. In the time to come, the Bank must handle risks associated with climate change, share in the available opportunities for a sustainable development of society, and continue to manage its societal engagement. Work on sustainability in Eika will continue to find support in this roadmap.

Strengthening the local community

Eika is firmly embedded in the various local communities through its owner banks. Many of these have histories extending back to the 19th century and have been and remain an important contributor to the self-government, self-financing and development of their local communities. Their primary attention is directed at private customers, combined with local small-scale industries and the primary sector, and lending has been financed almost entirely through deposits. Ever since the owner banks were established, they have made donations to philanthropic causes in their local communities, including culture, sports, clubs and societies. Increased market shares and high levels of customer satisfaction and loyalty confirm the important position and significance of the owner banks in their local communities.

Despite enormous social and structural changes since the first of the owner banks were established, it is not difficult to recognise the profile and role of these institutions today. As a result of such factors as the sharp increase in house prices over the past 20 years, the owner banks have become more dependent on external financing. For many of them, the growth in their lending and their overall loan portfolios have exceeded their total deposits. The establishment of Eika Boligkreditt is a direct consequence of this trend. Through long-term and competitive funding, Eika Boligkreditt enhances the competitiveness of its owner banks and helps to reduce

their risk exposure. That makes it indirectly an important contributor to strengthening a great many local communities in Norway. Profits made by Eika Boligkreditt and Eika Gruppen are also returned directly to these communities in the form of commission payment and dividends paid to the owner banks.

Carbon and energy footprint of the cover pool

Eika Boligkreditt has performed an analysis of the carbon footprint of all the buildings within the cover pool because measuring the status of the climate footprint for the assets financed by its mortgages represents a first step towards fulfilling an ambition to reduce this footprint for residential units financed by the company over time. The analysis results will provide input to processes under way in the Eika Alliance to incorporate the climate risk and footprint in its credit processes. A secondary motive for such an analysis is to provide a key element for the establishment of this Framework.

The full analysis on the Eika Boligkreditt carbon footprint of the covered pool has been conducted by an external specialized Norwegian consultant Multiconsult. The analysis can be found at the following link: [Green Bonds - Eika Boligkreditt \(eikbol.no\)](https://www.eikbol.no). This report will be updated annually.

The Energy Performance Certificate (EPC) system in Norway became operative in 2010. It was made obligatory for all new residences finished after the 1st of July 2010, and all older residences, sold or rented out, were to have an EPC. Enova, entity owned by the Norwegian Ministry of Climate and Environment, is now responsible for operation and development of the EPC system. The system is under revision and changes may include new limit values and calculation methods.

The whole database is available for statistical purposes and an investigation shows that, comparing the number of certificates with actual buildings in the building stock from Statistics Norway, coverage of individual dwellings is about 50 %. This is based on raw data, even before the database has been cleaned of double entries and test entries. Low coverage influences the basis for establishing a base line and eligibility criteria. Low coverage reduces the pool volume of which a bank may identify objects in their portfolio. Eika has linked the individual residences to the EPC database, and include the energy certificate results for individual assets, based on some key information. In Eika’s residential portfolio, 43 percent of buildings have an energy label (as of March 2024).

The energy label in the EPC system is based on calculated delivered energy, including the efficiencies of the building’s energy system (power, heat pump, district energy, solar energy etc.). The building codes are defined by net calculated energy, not including the building’s energy system.

The EPC consist currently of an energy label (A-G) and a heating label (defined as colour). The heating label is seldom used, on its way out, and not considered relevant in the context of this framework.

Registration of certificates is performed in two ways. Professionals must certify all new buildings and non-residential buildings. Non-professional building-owners that are selling their house or apartment can however do the certification themselves in a simplified registration system. This latter system is based on simplified assumptions and conservative values, and its results are therefore less precise and might give a lower energy label than registration performed by professionals. As from 2023, all registrations must be linked to a listing in Norway’s official property register (no; matrikkelen).

The energy label is a result of calculated energy delivered to the residential building in “normal” use. The calculation method is described in the Norwegian Standard NS 3031. The table below shows the relationship between calculated energy delivered per square meters and energy labels for small residential buildings and apartments. This is the current grade scale:

Delivered energy per square meter heated space [kWh/m ²]							
	EPC A	EPC B	EPC C	EPC D	EPC E	EPC F	EPC G
Houses	95	120	145	175	205	250	above F
Sq. m adjustment	+800/A	+1600/A	+2500/A	+4100/A	+5800/A	+8000/A	
Flats/Apartments	85	95	110	135	160	200	above F
Sq. m adjustment	+600/A	+1000/A	+1500/A	+2200/A	+3000/A	+4000/A	

Table 1 Current grade scale and delivered energy EPC energy labels (Source: www.energimerking.no)

A = heated floor area of the dwelling. Example: a 150 sq. m small residential building would have a C qualification limit of $145+2500/150 = 161.67$ kWh/m².

The C grade in 2010 was defined so that a building built after the building codes of TEK2007 in most cases should get a C.

The limit value for reaching a C is calculated based on a representative model of a small residential building and an apartment, built according to the building code of 07/10, with an assumed moderate system efficiency for the building's energy system. Residences built after the building code of 2007, will hence mostly get a C or better, but might also get a D.

The Norwegian EPC system requires every apartment to be certified separately. Particularly for apartments, the defined limit value between C / D in the grading system is set for an average apartment. An apartment in the top or bottom floors or in the corner of an apartment building will have a higher heat loss and may very well get a lower grade than other apartments in the same building. Hence, a TEK10 building may have apartments with energy labels C and D, and in some rare cases even an E. These apartments are still more energy efficient than apartments with similar locations in older apartment buildings.

Since a large part of the certifications are done by way of simplified registration and not by professionals, a larger share of existing TEK07-buildings does get a D, and in some rare cases even an E. This, in many cases, is due to the more conservative calculation methods used in this simplified registration mode. Another reason why some existing houses and apartments built after the code of 10 get a D, is that the grade scale has been revised and tightened three times between 2011 and 2015.

Therefore, most of the poorer grades D (and E) for TEK07/10-buildings are due to either one or a combination of these factors; the conservative method of calculation in the simplified registration system, unfavourable location of an apartment in apartment buildings, a geometrically unconventional building form with higher energy losses than the representative model, and/or the revised and tightened grading scale. So, the building itself is not necessarily less energy efficient.

The table below shows the distribution for the collateral in the cover pool over building codes and EPC.

Energy label (EPC)	Older	TEK1949	TEK1969	TEK1987	TEK1997	TEK2007	TEK2010	TEK2017	Total
A	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,2%	0,2%	0,4%
B	0,1%	0,1%	0,0%	0,0%	0,1%	0,3%	1,9%	0,7%	3,2%
C	0,2%	0,1%	0,1%	0,1%	1,5%	0,6%	1,5%	0,3%	4,4%
D	0,3%	0,3%	0,7%	1,4%	2,8%	0,4%	0,4%	0,1%	6,3%
E	0,3%	0,9%	3,6%	1,3%	0,5%	0,0%	0,0%	0,0%	6,7%
F	1,0%	2,9%	4,1%	0,3%	0,0%	0,0%	0,0%	0,0%	8,4%
G	4,0%	4,5%	1,3%	0,0%	0,0%	0,0%	0,1%	0,1%	9,9%
n/a	18,3%	9,0%	12,3%	4,9%	6,2%	1,7%	5,0%	3,3%	60,8%
Total	24,1%	17,7%	22,1%	8,1%	11,3%	3,0%	9,1%	4,6%	100,0%

Green residential mortgage products

The Norwegian bank market is characterised by strong competition. For the banks to succeed in the fight for customers, Eika Boligkreditt must offer competitive products which encourage climate- and environmentally intelligent behaviour among customers of the banks. The company offers green residential mortgages, and this product will be continually developed to ensure that it is always relevant to the market.

In the fourth quarter 2020 the Eika Alliance banks launched an inaugural common green mortgage product. The criteria for the mortgage product are based on Energy Performance Certificates (EPC). To qualify for a green mortgages, the residence must have an EPC class A or B. These mortgages are offered when buying or building an environment-friendly residence. During 2022, Eika Boligkreditt established and paid out on 91 green residential mortgages totalling NOK 314 million. As of 31 December, 3,6% of the residential mortgages in the cover pool qualifies for the green mortgage product.

Green mortgages for upgrading existing residences to a higher environmental standard, and for environmental measures were introduced in the first quarter of 2021. To qualify for a green mortgage product relating to refurbishments you need to achieve a minimum 30 per cent improvement in energy efficiency due to a

combination of measures like:

- insulation of old construction (walls, roof, floor, windows, doors)
- balanced ventilation
- night set-back of temperature
- energy efficient lighting appliances
- solar cells or collector
- heat pump air to air, air to water, water to water or exhaust fan

Responsible Investment within the Liquidity Portfolio

Eika Boligkreditt has chosen not to invest in enterprises placed by the ethical council of Norway's government pension fund global (SPU) on its list of excluded companies. The latter fall into the following categories:

- serious violations of human rights
- severe environmental damage
- serious violations of the rights of individuals in war or conflict
- gross corruption
- other serious breaches of fundamental ethical norms
- cluster weapons
- nuclear weapons
- anti-personnel mines
- tobacco production
- sale of military materials to certain states.

More information on companies excluded can be found here: <https://www.nbim.no/en/responsible-investment/exclusion-of-companies/>

Eika Boligkreditt has also chosen to extend its exclusion list to include all companies in the following Global Industry Classification Standard (GICS) industries and sub-industries.

- Coal – Fossil fuels are significant contributors to negative climate impacts. Coal based electricity generation makes a negative contribution to the climate as well as being associated with uncertainties over working conditions and safety in many parts of the world. The company has also distanced itself from the establishment of new coal mines.
- Tobacco – Globally, tobacco kills more than seven million people a year (NHI.no). In addition, it imposes huge health costs and lost production revenues.
- Gambling – Some people suffer serious problems from an addiction to gambling, which often affects families and children. A large unregulated gambling market with little transparency exists worldwide. In addition, casino and gambling activities pose a high risk of criminal behaviour, such as money laundering and bribery.
- Arms production – armed conflicts are a constant threat in large parts of the world. The arms trade also gives rise to corruption and serious human rights abuses. Eika Boligkreditt will actively disassociate itself from all companies involved in producing, trading and/or maintaining nuclear, biological or chemical weapons, cluster bombs or anti-personnel mines. The same applies to producing, trading and/or maintaining important components for such weapons. Exporting arms to areas where human rights are violated is unacceptable. Nor must profits be made from arms sales at the expense of the primary needs of the inhabitants.

Eika Kapitalforvaltning, whose activities include managing the Eika mutual funds, the Eika Forsikring liquidity portfolio and the liquidity reserves of most banks in the Eika Alliance, manages these assets in accordance with more detailed ESG guidelines. Eika Kapitalforvaltning shares information with Eika Boligkreditt concerning Norwegian companies/issuers which it excludes, since these are not included in the exclusion list from the Government Pension Fund Global (GPF).

Eika Boligkreditt Green Bond Framework

In alignment with the broader Eika corporate responsibility strategy, Eika Boligkreditt has established this Framework to be able to issue Green Bonds (“Green Bonds”) to finance and/or refinance mortgages for energy efficient residential properties with lower energy needs and consumption.

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuing a green bond. In alignment with the ICMA Green Bond Principles 2021¹, Eika Boligkreditt Green Bond Framework is presented through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For each Green Bond issued, Eika Boligkreditt asserts that it will adopt (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting, as set out in this Framework. The Framework also follows the recommendations of the Green Bond Principles regarding External Review.

The Framework defines the portfolio of loans, credits, and investments (hereinafter defined as the “Eligible Green Loan Portfolio”) eligible to be funded by the proceeds of the Green Bonds. The documentation for any Green Bond issued shall provide a reference to this Framework under the use of proceeds section. The terms and conditions contained in the underlying documentation for each issued Green Bond will specify the actual terms of the instruments.

This Framework (including the Eligibility Criteria defined below) may, from time to time, be updated and will be applied to any Green Bond. For instance, future changes to the Green Bond Principles may be implemented in future versions of this Framework. Any future version of this Framework will either keep or improve the current level of transparency and reporting disclosures, including the corresponding review by an external consultant. Future updates of the Framework will be managed by the Green Bond Committee.

For the avoidance of doubt, any future changes to the Eligibility Criteria will not apply to Green Bonds issued before the date of the change.

¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

Use of Proceeds

An amount equal to the net proceeds of the Green Bonds issued by Eika Boligkreditt under this framework shall be used to finance and/or re-finance a portfolio of “Eligible Green Loans” as defined by the eligibility criteria in this Framework (see below under the “Eligibility Criteria”).



Eika Boligkreditt has relied on the support of external green real estate consultant Multiconsult ASA to define the associated Eligibility Criteria.

Contribution to the Environmental Objectives of the EU and the EU Taxonomy Climate Delegated Act

The definition of the Eligibility Criteria takes into account the EU Environmental Objectives² and the EU Taxonomy Regulation² and the EU Taxonomy Climate Delegated Act³ with the intention to apply them on a best-efforts basis as long as there are practical applications/interpretations in the geographies where Eika Boligkreditt’s assets are located (in terms of local regulation).

Contribution to the UN SDGs

In alignment with Eika Boligkreditt’s broader sustainability strategy and support of the UN SDG 2030 agenda, the Eligibility Criteria contemplated under this Framework, directly contribute to the achievement of the UN SDGs⁴

ICMA GBP category	Eligibility Criteria	UN SDGs	EU Environmental Objectives	EU Economic Activities
Green Buildings	<p>Loans, credits, and investments to finance/refinance new or existing residential buildings in Norway.</p> <p>Eligible Green Buildings must meet one or more of the following eligibility criteria:</p> <p>1. Residential buildings in Norway:</p> <ul style="list-style-type: none"> ➤ Buildings built ≥2021: NZEB-10% <ul style="list-style-type: none"> - Buildings complying with the relevant NZEB-10% threshold⁵ ➤ Buildings built <2021: EPC A label or within the top 15% low carbon buildings in Norway⁶ <p>2. Refurbished residential buildings in Norway:</p> <ul style="list-style-type: none"> ➤ Leading to a reduction of primary energy demand (PED) of at least 30%⁷ or comply with the applicable requirements for major renovations 	 	<p>Climate Change Mitigation (1.b):</p> <p>Improving energy efficiency in all sectors, except energy generation using solid fossil fuels, and at all stages of the energy chain, in order to reduce primary and final energy consumption</p>	<p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p>

² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088, see [here](#).

³ EU Taxonomy Climate Delegated Act ((EU) 2021/2139), see [link](#).

⁴ Mapping between ICMA Eligible Categories and UN SDGs based on ICMA High Level Mapping to the Sustainable Development Goals, see [here](#) and United Nation The 17 SDGs Targets and Indicators, see [here](#)

⁵ In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the ‘NZEB -10%’ criterion. In Norway, NZEB definitions were announced on 31 January 2023.

Compliant buildings are assessed against the respective NZEB threshold published by the Norwegian Ministry, expressed as specific energy demand in kWh/m². At the time of writing all Norwegian buildings with EPC labels of A and some EPC B labels are compliant with NZEB-10%. The full methodology and selection approach used for NZEB-10% compliant buildings will be published in a technical report from a specialized external consultant (Multiconsult). In addition, model estimates from Eiendomsverdi for PED may be used, as outlined in Eiendomsverdi’s [report](#).

⁶ Qualifying building codes and/or EPC labels will be determined with the support of a specialised external consultant and may take into account guidance from the Norwegian Ministry and may use model estimates from Eiendomsverdi for PED where EPCs are missing. The Norwegian residential buildings under building codes TEK10 and TEK17 and EPC label A or B are within the top 15% as of FY23 statistics.

⁷ Qualifying buildings will be determined with the support of a specialised external consultant. The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account), and can be achieved through a succession of measures within a maximum of three years.

Process for Project Evaluation and Selection

Eligible Green Loans financed or refinanced by green bond proceeds are evaluated and selected based on compliance with the Eligibility Criteria outlined in the framework.

A dedicated Green Bond Committee (“GBC”) has been established which consists of members from a group of departments with relevant stakes in Eika’s green bond(s), namely, CEO, CFO and CCO in Eika Boligkreditt as issuer, and the Executive Vice President in Eika Gruppen’s department for bank governance. The composition of the committee encapsulates perspectives from all lending areas and relevant stakeholders involved in the design and development of the green bond framework.

The Green Bond Committee will meet on a regular basis (at least annually).

The Green Bond Committee is responsible for:

- Reviewing the content of Eika Boligkreditt’s Framework and updating it to reflect changes in corporate strategy, technology, market, or regulatory developments on a best effort basis;
- Observation of the developments in external principles and standards relating to Green Bonds including EU Green Bond Standard (“EU GBS”) and assessment of potential implications for the Eika Boligkreditt Green Bond Framework
- Ensuring external documents such as Second Party Opinion (SPO) and related documents from external consultants and accountants are available and updated if necessary;
- Evaluating and defining the Eligible Green Loans Portfolio in line with the Eligibility Criteria as set out in the Framework, excluding loans that no longer comply with the Eligibility Criteria or have been disposed of and replacing them on a best effort basis;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. Eika Boligkreditt may rely on external consultants and their data sources, in addition to its own assessment;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green Loans Portfolio and appropriate mitigation measures where possible;
- Ensuring Eligible Green Loan Portfolio complies with official international, national and local laws and mortgage regulations on a best effort basis
- Liaising with relevant business finance segments and other stakeholders on the above

Green Buildings

Eika Boligkreditt has relied on the support of an external real estate expert consultant Multiconsult to identify a suitable selection criteria / approach associated with the Eligibility Criteria, including (1) defining a suitable NZEB-10% selection approach and (2) defining the associated eligibility criteria for the top 15% of low carbon buildings, which may be derived from publications and announcements by the Norwegian Ministry.

Eika Boligkreditt will select and track the Eligible Green Loans based on information from the Land Register and Eiendomsverdi⁸ regarding building year, EPC label (actual/estimated) and energy demand data (actual/estimated) for all residential properties may be used to determine the Eligible Green Residential Buildings. Loans secured by mortgages on Eligible Green Residential Buildings are selected as Eligible Green Loans.

Eika Boligkreditt will identify and keep records of new and existing mortgages that meet the Eligibility Criteria. A green mortgage register of Eligible Green Loans will be kept by Eika Boligkreditt, and Eika Boligkreditt will select from the register the Eligible Green Loans available for green bond funding.

All residential mortgages within Eika Boligkreditt’s Cover Pool, including the Eligible Green Loans, have been and will be originated in line with Eika credit risk policies.

⁸ <https://eiendomsverdi.no/>

Management of Proceeds

The Green Bonds net proceeds will be managed by Eika Boligkreditt in a portfolio approach.

Eika intends to allocate the proceeds from the Green Bonds to a portfolio of loans (the “Eligible Green Loan Portfolio”) that meet the Eligibility Criteria and in accordance with the evaluation and selection process presented above.

Eika intends to designate sufficient Eligible Green Loans in the Eligible Green Loan Portfolio to ensure that the size of the Eligible Green Loan Portfolio matches or exceeds the total balance of all outstanding Green Bonds. When necessary, additional Eligible Green Loans will be added to the Eligible Green Loan Portfolio to ensure the sufficient and timely allocation of the incremental net proceeds.

During the life of the Green Bonds, and upon becoming aware, if a loan ceases to fulfil the Eligibility Criteria, Eika Boligkreditt will remove the loan from the Eligible Green Loan Portfolio and replace it, when necessary, as soon as reasonably practicable.

Eika will hold or invest any unallocated Green Bond net proceeds, at its own discretion, in its liquidity portfolio including money market instruments. In the rare case where net proceeds are not yet allocated, Eika intends to at least assign a portion of an amount equals to the net proceeds to ESG orientated assets (e.g. green, sustainable or social bonds) within Eika Boligkreditt's treasury liquidity portfolio or any other treasury business.

Reporting

Eika Boligkreditt intends to show the allocation and impact of the green bond proceeds to the Eligible Green Loan Portfolio at least at the category level and on an aggregated basis for all of Eika Boligkreditt's green bonds outstanding.

Eika Boligkreditt intends to align the reporting with the portfolio approach described in "Handbook – Harmonised Framework for Impact Reporting (2024)⁹. The reporting is based on the Eligible Green Loan Portfolio and numbers will be aggregated for all Green Bonds outstanding.

Eika Boligkreditt intends to report to investors within one year from the date of a Green Bond transaction and annually thereafter, until the proceeds have been fully allocated. In case of material changes, revised reporting will be published.

Both the allocation report and the impact report will be made available on Eika's website – <https://www.eikbol.no/Investor-relations/green-bonds>.

Allocation Reporting

The allocation report may provide, on an aggregated basis, indicators such as:

- The size of the identified Eligible Green Loan Portfolio;
- The total amount of proceeds allocated to Eligible Green Loans;
- The balance (if any) of unallocated proceeds;
- The amount or the percentage of new financing and refinancing;
- The geographical distribution of the Eligible Green Loan Portfolio, at country level;
- The amount of new loans added to the Eligible Green Loan Portfolio in the last year(s);
- The percentage of the portfolio that is aligned with the EU Taxonomy Delegated Act when applicable and applied on a best effort basis.

Impact Reporting

The impact report may provide:

- A brief description of the Eligible Green Loans;
- The breakdown of Eligible Green Loan Portfolio, by nature of what is being financed (financial assets); and;
- Metrics regarding Eligible Green Loans' environmental impact on indicators such as:
 - Estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh; and
 - Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent.

⁹ [ICMA Handbook - Harmonised Framework for Impact Reporting \(June 2024\)](#)

Eika Boligkreditt has appointed a specialised green real estate consultant Multiconsult ASA to develop a methodology for impact estimation and calculation. The impact report will provide details, on an aggregated basis, of the environmental impact of the Eligible Green Loan Portfolio.

EU Taxonomy & EU Green Bond Standard

Eika Boligkreditt may rely on ISS-Corporate's EU Taxonomy alignment assessment as part of its SPO or its own annual EU Taxonomy alignment ('Green Asset Ratio') reporting to assess alignment of the Eligible Green Loan Portfolio with the EU Taxonomy.

Eika Boligkreditt may provide pre-issuance and/or post-issuance disclosures according to the (voluntary) common templates according to the EU Green Bond Standard Regulation¹⁰.

External Review

Pre-issuance verification: Second party opinion

Eika has obtained an independent Second Party Opinion from ISS-Corporate to assess the alignment of the framework with the ICMA Green Bond Principles 2021 (including the updated Appendix I of June 2022). Eika Boligkreditt has also obtained an assessment from ISS-Corporate to assess the alignment of the framework with the EU Taxonomy. The independent Second Party Opinion will be published on the Eika Boligkreditt's website.

Post-issuance verification: Limited assurance report

Eika Boligkreditt may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the bond proceeds to eligible assets, provided by its external auditor or other external party.

¹⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2631>

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