



Green Bond

Storebrand Boligkreditt AS
- Allocation Report 2022

Introduction

Storebrand Boligkreditt AS is a wholly owned subsidiary of Storebrand Bank ASA (parent bank). The company is connected to Storebrand Bank ASA's head office at Lysaker in the municipality of Bærum.

The company is a mortgage credit institution and has an authorisation from the Financial Supervisory Authority of Norway to issue covered bonds (OMFs). Assets consist primarily of securitized mortgages that are purchased from Storebrand Bank ASA. Storebrand Bank ASA manages the mortgages on behalf of Storebrand Boligkreditt AS. The established loan programme is AAA rated by the rating agency S&P Global Rating Services.

This report has been prepared in accordance with Storebrand Green Bond Framework¹, and contains the following information:

- Total amount of proceeds allocated to Eligible Assets per category
- Proportion of allocation to refinancing (i.e. to eligible investments which have been made prior to the date of the Green Bond issuance) versus financing (i.e. to eligible investments which have been made subsequent to the date of Green Bond issuance); and,
- Details of any unallocated proceeds, where relevant.

Portfolio date: 31 December 2022

Eligible Green Loan Portfolio			Green funding / Outstanding Green Bonds				
		Amount (NOK m)	Instrument (ISIN)	Issue Date	Maturity Date	Amount (NOK m)	
a	Green Buildings ²	8,016	NO0012526211	May-22	May-27	5,500	x
b	Green Infrastructure ³						

Of which covered bond eligible assets (a+b)- non eligible	7,992
Of which senior bonds eligible assets (a+b-x)	2,516
Percentage of Eligible Green Loan Portfolio allocated ((a+b)/x)	68.8 %
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	100 %
Eligible Green Loan Portfolio - Unallocated (a+b-x)	2,516
Percentage of Eligible Green Loan Portfolio allocated for Green Covered Bonds (a/x)	68.8 %
Percentage of Eligible Green Loan Portfolio allocated for Green Senior Bonds	0 %
New loans added to the portfolio since 31 December 2021	3,121

¹ Storebrand has published an updated [Green Bond Framework](#) in May 2022.

² Sub-categories include acquisition of green buildings, renovation, and energy efficiency and renewable energy in existing buildings.

³ Sub-categories include residential buildings, renewable energy, and clean transportation.

Sustainability

Storebrand Boligkreditt AS offers mortgage banking products to retail market customers. Our objective is to have a close relationship with our customers and to know them so well that we can always help them with what they need. Customers must be assured that we put their needs first. Our objective clearly and concisely states what is most important to us: Create a future to look forward to.

The financial sector has a key role to play in achieving the United Nations Sustainable Development Goals (SDGs). Companies with sustainability at the core of their business strategy are well positioned to manage climate and sustainability risks and to exploit the opportunities these represent. There is a continually growing consensus that companies which have a strategy in line with the Sustainable Development Goals and the Paris Agreement are better positioned than others to achieve a return over time.

Storebrand shall take sustainability into consideration, both through our products and services and through our cooperation with suppliers and partners. This is a key part of the Group's strategy and brand.

Our work is based on the following principles:

- We base our activities on the United Nations Sustainable Development Goals.
- We will assist our customers in making more sustainable choices through the products and services that we offer.
- We are a responsible employer.
- We will consider sustainability in all processes and decisions – from the boards and executive management, who have ultimate responsibility, to each individual manager and employee.
- We cooperate with customers, suppliers, government authorities and partners in our work with sustainability.
- We are transparent about our sustainability work and about the results we achieve.
- As an integrated part of the Storebrand Group, Storebrand Boligkreditt AS has the same principles for sustainability as the Group as a whole.



Evaluation and selection of the green projects

Storebrand has established a Green Bond Committee which is responsible for evaluating and selecting eligible projects in accordance with Green Bond Framework. This is to ensure that the allocations are made to Eligible Green Assets.

The Green Bond committee is responsible for:

- Ensuring the proposed allocations are aligned with the relevant Storebrand policies;
- Ensuring the proposed pool of Eligible Assets is aligned with the categories as specified in the Use of Proceeds from Green Bond Framework and approving any proposed changes to the pool in the event that the existing assets no longer meet the eligibility criteria;
- Reviewing and approving allocation and where relevant, impact reports; and,
- Updating the Green Bond Framework as and when deemed necessary.

The Green Bond Committee consist of the following representatives from the corporate functions:

- Chief Sustainability Officer - Committee Chair
- Group CFO
- Head of Banking
- Head of Investment Office: CIO/delegate
- Head of Corporate Sustainability Reporting
- Group Head of Communications, Sustainability and Public Affairs
- Group Finance/delegate

The committee meets on an annual basis to review proposed allocations and ensure these are made in line with eligible green assets as defined in Green Bond Framework.




Appendix

Green Bond Framework 2022- Use of Proceeds

An amount equal to the net proceeds of any Storebrand Green Bond issuance will be used to finance and/or refinance Eligible Green Assets as defined below.

Storebrand may make allocations where acquisition of the asset has taken place within a maximum of 2 years prior to the date of issuance. On a best efforts basis, Storebrand will attempt to allocate an amount equal to the net proceeds raised by the Green Bond issuance within 3 years of the date of issuance.

Eligible Categories and Sub-Categories		Eligibility Criteria	Indicative metrics	Sustainable development goals alignment
Green Buildings	Acquisition of green buildings	<p>Investments in or financing of new commercial buildings certified to either of the following standards:</p> <ul style="list-style-type: none"> • BREEAM⁴: Very Good, Excellent or Outstanding • LEED⁵: Gold or Platinum • Miljöbyggnad⁶: Silver or above • Nordic Swan Ecolabel⁷ (Svanen) and/or: • where the net primary energy demand of the new building is at least 10 % lower than the primary energy demand resulting from the relevant NZEB⁸ requirements 	tCO ₂ e avoided and/or energy reduction in MWh	
		<p>Investments in or financing of non-certified commercial buildings which will be certified within 2 years after purchase⁴, to either of the following standards:</p> <ul style="list-style-type: none"> • BREEAM In-Use⁴: Very Good for buildings built before 2017 • BREEAM In-Use⁴: Excellent or Outstanding for buildings from 2017 or later • LEED⁵: Gold or Platinum • Miljöbyggnad⁶: Silver or above • Nordic Swan Ecolabel⁷ (Svanen) 		



⁴ BREEAM is the predominant environmental certification scheme in Norway. The prevalence of certified buildings in the market however is still very low. Environmental qualities of buildings may be good, but the third-party verification in the form of a certificate is missing. Older buildings usually have lower qualities that might be raised through a range of measures during a certification process. The measures will not be categorized as renovation, and may not be energy efficiency measures. The process of mapping, implementing measures and get the green building quality verification through a certificate should be allowed two years from time of purchase; <https://www.breeam.com/>.

⁵ <https://www.usgbc.org/leed>

⁶ Swedish Green Building Council: <https://www.sgbc.se/certifiering/miljobyggnad/>



⁷ <http://www.nordic-ecolabel.org/>

⁸ This threshold reflects the specifications in the EU Taxonomy and is based on 'Nearly-Zero Energy Building' (NZEB) requirements, which are defined in national regulations implementing the Energy Performance of Buildings Directive, and are mandatory across EU Member States from 2021. Allocations may be made against this criterion when a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian or Swedish context.

Eligible Categories and Sub-Categories		Eligibility Criteria	Indicative metrics	Sustainable development goals alignment
Green Buildings	Renovation	<p>Investments in or financing of renovation projects that achieve a reduction in net Primary Energy Demand of at least 30% in comparison to the baseline performance of the building before the renovation⁹, and/or the following certifications have been received or are expected to be received as a result of the investment:</p> <ul style="list-style-type: none"> • BREEAM In-Use v.6: Very Good, Excellent or Outstanding • LEED: Gold or Platinum • Miljöbyggnad: Silver or above • Nordic Swan Ecolabel (Svanen) 	tCO ₂ e avoided and/or energy reduction in MWh	
	Energy efficiency and renewable energy in existing buildings	<p>Financing of expenditures relating to energy efficiency improvement in buildings including, but not limited to: geothermal heat pump installation, insulation, retrofitting, solar panel installation¹⁰, and LED lighting installation, in order to reduce the primary energy demand of the building. EU taxonomy requirements for activity 7.3 or 7.6 will apply.</p>	tCO ₂ e avoided and/or energy reduction in MWh	

⁹ As specified in the EU Taxonomy.

¹⁰ Including expenditures relating to solar panel installations established in connection with Power Purchase Agreements, where the duration of the relevant PPA is equal to or greater than 5 years.

Eligible Categories and Sub-Categories		Eligibility Criteria	Indicative metrics	Sustainable development goals alignment
Green Infrastructure	Residential buildings	<p>Financing of residential buildings meeting the following criteria:</p> <p>Norwegian residential buildings that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) ¹¹, and/or:</p> <p>Residential buildings holding an Energy rating (EPC) of A or B¹², and/or:</p> <p>New residential buildings where the net primary energy demand of the new construction is at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements¹³, and/or:</p> <p>Financing renovation which achieves a reduction in net Primary Energy Demand of at least 30% in comparison to the baseline performance of the building before the renovation.¹⁴</p>		
	Renewable Energy	<p>Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects including the following renewable energy technologies:</p> <ul style="list-style-type: none"> • Solar PV • Offshore and Onshore Wind • Hydropower¹⁵ • Geothermal¹⁶ 	tCO2e avoided	

¹¹ Technical Specifications for cited codes are as follows:

Building code	Specific energy demand - apartment buildings	Specific energy demand - other dwellings
TEK 10	110 kWh/m ²	126 kWh/m ²
TEK 17	92 kWh/m ²	107 kWh/m ²



¹² Reference – Climate Bonds Initiative <https://www.climatebonds.net/standard/buildings/residential/calculator>. Note that Energy Performance Certificates in Norway are not yet publicly available, and any allocations made in accordance with this eligibility criterion will be dependent on such data becoming available.

¹³ Allocations may be made against this criterion when a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian or Swedish context.

¹⁴ As specified in the EU Taxonomy.

¹⁵ Excludes hydropower assets over 25 MW capacity or involving an impoundment dam. In the case of new construction of hydropower, only installations which have been subject to independent Environmental Impact Assessments will be eligible for allocation.

¹⁶ Where direct emissions are less than 100gCO₂e/kWh.

Eligible Categories and Sub-Categories	Eligibility Criteria	Indicative metrics	Sustainable development goals alignment
Clean Transportation	<p>Investments relating to the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation:</p> <ul style="list-style-type: none"> • For passenger transportation, the trains and passenger coaches have zero direct (tailpipe) CO₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) • For passenger transportation, where carbon intensity of transportation is less than 50g CO₂e/passenger km • For freight transportation, the trains and wagons have zero direct (tailpipe) CO₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) • For freight transportation when not running on electrical power, carbon intensity is less than 25g CO₂/tkm • For freight transportation, where such transportation does not involve fossil fuels <p>Investments relating to the development, construction, acquisition, maintenance, and operation of Battery Electric Vehicle charging infrastructure.</p>	tCO ₂ e avoided	 

Exclusions

Allocations will be made in accordance with the eligibility criteria specified above. The Storebrand Group Sustainable Investment Policy is applicable to all Storebrand investment activities.



To the Green Bond Committee of Storebrand Boligkreditt AS

Independent statement regarding Storebrand Boligkreditt AS's Green Bond Allocation Report

We have been engaged by Storebrand Boligkreditt AS (the "Company") to undertake a limited assurance engagement on selected information about the allocation of proceeds in the Company's Green Bond Allocation Report 2022 (Subject Matter Information). The scope of our work was limited to assurance over:

- the description of processes and systems for evaluation and selection of the green projects as described in the Green Bond Allocation Report 2022 page 4, and
- allocating proceeds from the Green Bond to such loans, as described in the Green Bond Allocation Report 2022 section "Green Bond issued by Storebrand Boligkreditt AS" on page 2 for the bond issued 27 May 2022.

The Green Bond Allocation Report 2022 is prepared using the criteria described in the "Use of Proceeds" section in the Green Bond Framework per May 2022. The "Use of Proceeds" section is attached to the Green Bond Allocation Report 2022.

Our assurance does not extend to any other information in the Green Bond Allocation Report 2022 than the section "Green Bond issued by Storebrand Boligkreditt AS".

The Green Bond Committee's Responsibility

The Green Bond Committee is responsible for ensuring that the Company has implemented appropriate guidelines for green bond management and internal control.

The Green Bond Committee is responsible for evaluating and selecting eligible green projects, for the use and management of bond proceeds, and for preparing a "Green Bond Allocation Report" that is free of material misstatements, whether due to fraud or error, in accordance with the Company's "Green Bond Framework".

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information», issued by the International Auditing and Assurance Standards Board. This standard requires us to plan and perform procedures to obtain limited assurance about whether the Subject Matter Information is free from material misstatement. A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the criteria used are appropriate. Our procedures also included making inquiries primarily of persons responsible for the management of bond proceeds and the process for selection of eligible green projects and meetings with representatives from the Company who are responsible for the allocation reporting; obtaining and reviewing relevant information that supports the preparation of the allocation reporting; assessment of completeness and accuracy of the allocation reporting; performing substantive testing on a selective basis through inspection of documents; and testing (or reviewing) various supporting documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the criteria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the section "Green Bond issued by Storebrand Boligkreditt AS" disclosed in the Green Bond Allocation Report 2022 has not been prepared, in all material respects, in accordance with the relevant criteria.

Oslo, 26 May 2023

PricewaterhouseCoopers AS

Thomas Steffensen
State Authorized Public Accountant
This letter is signed electronically.

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