



# Green Bond Investor Report 2024

May 2025



# Contents

About this report	3
Green Loan Categories	4
Impact Reporting	5
Methodology	6
Clean Transportation	7
Green Buildings	8
Green Bond Issuance	9
Disclaimer	10



## About this report

This Green Bond Investor Report provides an overview of Spar Nord's portfolio of Eligible Green Assets and how the proceeds have been allocated. It also provides insights into the estimated avoided emissions resulting from the financed activities.

Spar Nord launched its first Green Bond Framework in March 2024. The Framework is developed in accordance with the 2021 Green Bond Principles (GBP), published by the International Capital Markets Association (ICMA).

The Framework defines the loans and investments eligible to be allocated with Green Bonds issued by Spar Nord ("Green Loans"). The Framework establishes the process and criteria ("Eligibility Criteria") Spar Nord use to support the mobilization of debt capital to sustainable and environmentally beneficial projects. Sustainalytics has provided a second-party opinion on Spar Nord's Green Bond Framework, confirming that the Framework is credible, impactful and aligns with the four core components of the Green Bond Principles 2021.

In October 2024, Spar Nord issued green bonds for EUR 250 million corresponding to DKK 1,859 million and identified a larger proportion of green assets in the Bank's loan portfolios. This first green bond issuance attracted strong investor interest and have been well received by the market. We sincerely thank all our investors for helping direct capital towards investments that contribute to the sustainable development and green transition.

Spar Nord has set a target that by 2030 we will provide at least DKK 10 billion in financing for assets that can be linked to the loan categories included in the Bank's Green Bond Framework.

Spar Nord has engaged Sustainalytics to review this Green Bond Investor Report. The second-party opinion is available at [sparnord.com/investor-relations/debt-and-rating](https://sparnord.com/investor-relations/debt-and-rating).





# Green Loan Categories

Spar Nord’s Green Bond Framework includes the following four green loan categories:

- Clean transportation
- Green and energy efficient buildings
- Renewable energy
- Sustainable water, sewage and waste management

The figure shows examples of underlying project types within the four green loan categories and indicates which UN Sustainable Development Goal each category is linked to. A further specification of the categories can be found in Spar Nord’s Green Bond Framework.<sup>1</sup>

This Green Bond Investor Report intends to disclose the positive environmental impact based on Spar Nord’s share of the financing. Spar Nord’s first green bond issuance relates to activities within the categories of Clean transportation and Green and energy efficient buildings.

Green Loan category	Project types	UN SDG
 <b>Clean transportation</b>	Clean transportation includes transportation with zero and low CO2e emissions: <ul style="list-style-type: none"><li>• Electric passenger cars and light commercial vehicles, buses and trucks</li></ul>	UN SDG 11
 <b>Green and energy efficient buildings</b>	Green and energy efficient buildings include buildings with low energy consumption and renovations for reduction of energy consumption: <ul style="list-style-type: none"><li>• Buildings built before 31 December 2020 with EPC class A or determined to belong to top 15% most energy efficient</li><li>• New buildings built after 31 December 2020 with energy consumption at least 10% lower than NZEB</li><li>• Buildings that have or are intended to receive a certification of at least DGNB 'gold'</li><li>• Major renovations</li></ul>	UN SDG 7, 11
 <b>Renewable energy</b>	Renewable energy includes generation from renewable sources, transition and transmission and activities relating to production: <ul style="list-style-type: none"><li>• Wind energy</li><li>• Solar energy</li><li>• District heating</li><li>• Bioenergy</li></ul>	UN SDG 7
 <b>Sustainable water, sewage and waste management</b>	Sustainable water, sewage and waste management include: <ul style="list-style-type: none"><li>• Water and wastewater</li><li>• Waste management</li></ul>	UN SDG 6, 12



<sup>1</sup> <https://media.sparnord.dk/com/aboutsparnord/esg/green-bond-framework-2024.pdf>

# Impact Reporting

Spar Nord’s lending for electric vehicles amounted to DKK 1,275 million at the end of 2024. For buildings that meet the criteria for green and energy-efficient buildings, the lending amounted to DKK 2,327 million at the end of 2024. For these two green loan categories combined, the total lending was DKK 3,602 million at the end of 2024.

In 2024, Spar Nord issued green bonds for EUR 250 million corresponding to DKK 1,859 million. As a result, the green bond issuance accounted for 52% of the total green assets within the categories of Clean transportation and Green and energy efficient buildings.

In the category Green and energy efficient buildings the eligible asset portfolio includes only assets for which avoided emissions have been calculated. Going forward, Spar Nord will work on expanding the reporting to include the calculation of avoided emissions for the remaining assets that meet the criteria for Green and energy efficient buildings. Furthermore, Spar Nord will expand the reporting to include assets within Renewable energy and Sustainable water, sewage, and waste management.

Green Loan category	Eligible asset portfolio DKKm	Annual emissions avoided tCO2e	Impact tCO2e/DKKm
 Clean transportation	1,275	8,864	7.0
 Green and energy efficient buildings	2,327	294	0.1
<b>Total</b>	<b>3,602</b>	<b>9,159</b>	<b>2.5</b>

# Methodology

## Key reporting principles

Spar Nord's reporting on environmental impact is guided by the ICMA's Harmonized Framework for Impact Reporting Handbook (June 2024), and the Nordic Public Sector Issuers' Position Paper on Green Bond Impact Reporting 2024.

The reported distribution and impact are based on the status of the Green Asset Register as of 31 December 2024. The full-year impact is accounted for regardless of when an asset is included in the Green Asset Register.

## Impact methodology

Calculation methods, assumptions and relevant baselines are specified in the text box. It should be noted that calculation of environmental impact is subject to uncertainties which cannot be totally eliminated. The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis.

Only impact resulting from Spar Nord's share of the financing is reported on. Spar Nord reports on the share of the project's total investment cost that has been financed with proceeds from the green bond.

The reported impact is based on amounts disbursed and outstanding for a project.

## Estimated data on avoided emissions

For green buildings, where Spar Nord are unable to obtain the actual energy consumption, we estimate the expected energy demand based on building type, ECP label, area and heating source, corresponding to the FIDA CO2-model.

## Clean transportation

### Calculation of emissions avoided

(Alternative fuel-based emission factor, gCO<sub>2</sub>e/km – vehicle specific emission factor, gCO<sub>2</sub>e/km) \* annual kilometers

### Parameters and assumptions

#### Emission factor:

- Alternative fuel-based transportation: 130.00 gCO<sub>2</sub>e/km. (Source: Danish Center for Environment and Energy, DCE)
- Vehicle-specific emissions: 25.65 gCO<sub>2</sub>e/km. (Source: Danish Center for Environment and Energy, DCE)

#### Average driving distance for Danish electric cars (Source: DCE):

- Electric vehicles: 17,914 km/year

## Green and energy efficient buildings

### Calculation of emissions avoided

(Expected annual energy demand for reference building, kWh – Expected annual energy demand for financed building, kWh) \* Emission factor of heating source, gCO<sub>2</sub>e/kWh

### Parameters and assumptions

#### Emission factors:

- Electricity: 197 gCO<sub>2</sub>e/kWh (Source: The Danish Energy Agency)
- District heating: 65 gCO<sub>2</sub>e/kWh (Source: The Danish Energy Agency)
- Natural gas: 204 gCO<sub>2</sub>e/kWh (Source: The Danish Energy Agency)
- Fuel Oil: 281 gCO<sub>2</sub>e/kWh (Source: The Danish Energy Agency)

#### Baseline energy demand:

Green buildings are benchmarked against the minimum requirements set by the building code BR08, which corresponds to a national EPC B label. The energy factors from building code BR18 is used for all buildings.



## Clean transportation

Spar Nord has chosen to set a growth target for new loans for electric passenger cars and vehicles, which by 2030 should reach at least 80% relative to a 2023 baseline and measured by number. This target is based on the IEA (International Energy Agency) Net Zero Roadmap for Road Transport.

The target should be achieved by helping our customers to choose electric vehicles by offering loans in favorable terms, by developing new products and services to make it easier to choose an electric car over petrol and diesel cars.

Spar Nord's current positive achievement of targets is attributed to Denmark generally having come relatively far in the process of electrifying the car fleet. In 2024, sales of electric cars in Denmark were record high, and as this was also reflected among Spar Nord's customers, the Bank recorded an increase in loans for electric cars. This development is also supported by the fact that the Bank offers customers a particularly attractive financing of electric cars through dedicated credit and loan products.

In 2024, new loans for electric cars accounted for 60% of the Bank's total loans for financing cars. This development places the Bank well above the Bank's projection towards the target and at the same time significantly above the IEA's net zero reduction pathway.

### Electric cars

# 80%

**of all new loans for the financing of cars are to be for electric cars by 2030.**





## Green Buildings

Spar Nord has chosen to set a target of reducing financed emissions (kgCO<sub>2</sub>e/m<sup>2</sup> per year) from housing by 70% by 2030 relative to the 2023 baseline (11.41 kgCO<sub>2</sub>e/m<sup>2</sup> per year). The Bank uses the net-zero scenario from Carbon Risk Real Estate Monitor (CRREM), which provides a net-zero reduction pathway at national level as well as for different property types. The CRREM uses GHG emissions per m<sup>2</sup> per year as a metric.

If Spar Nord is to meet the target of reducing financed emissions from private housing by 70%, we are reliant on our customers upgrading the energy efficiency of their homes on a continuous basis and switching their heating from fossil fuels to more climate-friendly energy sources. Similarly, the ongoing transition of utility companies and district heating plants may also be expected to have a positive effect on the achievement of targets by Danish households and thus on Spar Nord's housing loan customers.

To support the transition, Spar Nord has launched a housing loan with an attractive interest rate for customers looking to upgrade their home's energy efficiency. This might involve, for example, replacing windows or retrofitting insulation. Spar Nord also offers financial support to customers wishing to replace their oil or gas heating with district heating or climate-friendly heat pumps.

In 2024, emissions per m<sup>2</sup> of loans to private homes were on a par with the baseline year 2023. Spar Nord expects that, in the coming years, we will look into a reduction in GHG emissions per m<sup>2</sup> in line with the phasing-in of green energy and the increasing focus on energy improvement of the housing stock.

### Housing

# 70%

**reduction of financed emissions from  
lending to private homes by 2030.**





# Green Bond Issuance

Spar Nord has since the launch of the Green Bond Framework issued one green bond. This first bond, a EURm 250 Senior Non-Preferred, was issued in October 2024.

**ISIN DK0030540638**

Status	Senior Non-Preferred
Rating	A3 by Moody's
Listing	Euronext Dublin
Currency	EUR
Issue size	250m
Coupon	4,125% (MS +185 bps) until call
Issue date	01-10-2024
Maturity date	01-10-2030
Call date	01-10-2029
Framework	GBF 2024





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