

Spar Nord Bank A/S

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In October 2024, Spar Nord Bank A/S ("Spar Nord" or the "Bank") issued a green bond (2024 green bond) and raised DKK 1,859 million to finance or refinance existing or future projects in Denmark that are expected to deliver positive environmental impacts. In May 2025, Spar Nord engaged Sustainalytics to review the projects financed with proceeds from the 2024 green bond (the "Nominated Expenditures") and assess whether they meet the use of proceeds criteria and whether Spar Nord complied with the reporting commitments in the Spar Nord Green Framework (the "Framework").¹ Sustainalytics provided a Second-Party Opinion on the Framework in March 2024.²

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Spar Nord's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Clean Transportation	Financing of loans for zero (tailpipe) emissions transportation and low carbon transport solutions: Electric vehicles - Zero direct (tailpipe) CO ₂ emissions vehicles. ³ Low carbon transport infrastructure - Electrical charging stations and installations.	<ul style="list-style-type: none"> • Annual GHG emissions avoided (tonnes per year)
Green and energy efficient buildings	Financing of loans for new and existing buildings: Buildings constructed before 31 December 2020 have Energy Performance Certificate (EPC) class A or are otherwise determined to belong to the top 15% most energy efficient buildings for the regional building stock; or buildings that have or are intended to receive a design, post-construction, or in-use stage certification of at least DGNB gold. New buildings constructed after 31 December 2020 have an energy demand at least 10% lower than the national requirements set for the nearly zero-energy building (NZEB); or buildings that have or are intended to receive a design, post-construction, or in-use stage certification of at least DGNB gold. Major renovations Energy efficient retrofit or renovation of existing	<ul style="list-style-type: none"> • Reduction in energy use (KWh per year) • Annual GHG emissions avoided (tonnes per year)

¹ Spar Nord, "Spar Nord Green Bond Framework", at: <https://media.sparnord.dk/com/aboutsparnord/esg/green-bond-framework-2024.pdf>

² Sustainalytics, "Second-Party Opinion, NAME OF FRAMEWORK AS IN SPO", (YEAR), at: <https://media.sparnord.dk/com/aboutsparnord/esg/second-party-opinion.pdf>

³ Passenger and light commercial vehicles, buses, trucks, and personal mobility devices

	<p>buildings, reducing energy use (kWh/m2/year) per heated square metre per year by at least 30%.</p> <p>Individual installations Direct costs related to installation, maintenance and repair of energy efficiency equipment, building envelope components, on-site renewable energy generation and energy performance measuring and controlling equipment.</p>	
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Issuer’s Responsibility

Spar Nord is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Spar Nord’s 2024 green bond. The work undertaken as part of this engagement included collection of documentation from Spar Nord and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and facts presented by Spar Nord. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Spar Nord.

Sustainalytics made all efforts to ensure the highest quality and rigour during its assessment process and enlisted its Sustainability Bonds Review Committee to oversee the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Spar Nord has disclosed to Sustainalytics that the proceeds from the 2024 Green bond were fully allocated as of 31 December 2024.

⁴ Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Spar Nord reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation reporting for the 2024 Green Bond

Use of Proceeds Category	Project Description	Net Proceeds Allocation ⁵ (DKK million)
Clean Transportation	Clean transportation includes transportation with zero and low CO ₂ e emissions: - Electric passenger cars and light commercial vehicles, buses and trucks	658
Green and energy efficient buildings	Green and energy efficient buildings include buildings with low energy consumption and renovations for reduction of energy consumption: - Buildings constructed before 31 December 2020, with EPC class A or determined to belong to the top 15% most energy efficient buildings - New buildings constructed after 31 December 2020, with energy consumption at least 10% lower than NZEB - Buildings that have or are intended to receive a certification of at least DGNB gold - Major renovations	1,201
Total Amount Allocated		1,859
Total Amount Unallocated		0
Total Net Proceeds issues		1,859

⁵ The amount allocated has been calculated on a pro-rata basis.

Appendix 2: Reported Impact

Table 4: Reported Impact for the 2024 Green Bond

Use of Proceeds Category	Annual emissions avoided ⁶ (tCO ₂)	Impact (tCO ₂ /DKK million)
Clean transportation	4,575	7.0
Green and energy efficient buildings	125	0.1

⁶ The amount allocated has been calculated on a pro-rata basis.

About Morningstar Sustainalytics

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