S&P Global Ratings

Powered by Shades of Green

Second Party Opinion

Haugesund Sparebank Green Bond Framework

Sept. 15, 2026

Primary contact

Alexander Volden
Oslo
alexander.volden
@spglobal.com

Location: Norway	**Sector:** Banks

Alignment Summary

Aligned = ✓ Conceptually aligned = O Not aligned = ✕

✓ Green Bond Principles, ICMA, 2025

See Alignment Assessment for more detail.

Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Strengths

Buildings facing high exposure to physical climate risks are excluded from the green loan portfolio. The bank awaits a new methodology from the Eika Alliance to assess and exclude high-risk buildings. Eligible buildings' energy performance is strong and they have no exposure to fossil fuel heating.

The bank measures scope 3 financed emissions and aims to achieve net-zero emissions across all scopes by 2050, in line with the Eika Alliance target. The bank reports its greenhouse gas emissions for each scope and provides a breakdown of emissions within its loan portfolio.

Weaknesses

No weaknesses to report.

Areas to watch

The bank does not screen for biodiversity risks. Haugesund Sparebank is exposed to biodiversity risks through its agricultural loans, although these make up only 4% of its total loan portfolio. The bank screens for transition risks and physical climate risks, which are part of its environmental, social, and governance (ESG) credit module developed by the Eika Alliance.

Shades of Green Projects Assessment Summary

Over the three years following issuance of the financing, Haugesund Sparebank expects to allocate 90% of proceeds to green buildings, and the remaining 10% to environmentally sustainable management of living natural resources and land use.

The issuer expects 100% of proceeds to be allocated to refinancing existing green loans.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in Haugesund Sparebank's Green Bond Framework, we assess the framework as Medium green.

Green buildings	**Medium to Light green**
New buildings	
Existing buildings	
Rehabilitation of buildings	

Environmentally sustainable management of living natural resources and land use	**Light green**

See Analysis Of Eligible Projects for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

Haugesund Sparebank is a local savings bank based in the town of Haugesund in Western Norway and was founded in 1928. The bank provides financial products and services to private (62.9%) and corporate (37.10%) customers. Its most significant corporate sector exposures are the commercial real estate, construction, agriculture, and retail sectors. It has assets under management north of Norwegian krone (NOK) 25 billion (about €2.27 billion), including assets transferred to Verd and Eika Boligkreditt. The bank is listed on the Euronext Oslo Stock Exchange.

The bank is part of the Eika Alliance, a nationwide collaboration of over 50 local savings banks, and benefits from access to various products and services in insurance, money placement, financing, payment processing, and real estate brokerage that are passed on to its customers.

Material Sustainability Factors

Climate transition risk

Banks are highly exposed to climate transition risks through their financing of economic activities that affect the environment. Their direct environmental impact is small compared with their financed emissions, which stem mainly from power consumption. Generally, policies and rules to reduce emissions could raise credit, legal, and reputational risks for banks. However, financing the climate transition also offers a growth avenue for banks through lending and other capital market activities. In Europe, climate and environmental regulations are relatively ambitious, and there is a strong push to integrate sustainability considerations into the regulation of banks and financial markets.

Physical climate risk

Banks finance a wide array of business sectors that are exposed to physical climate risks. Although climate change is a global issue, weather-related events are typically localized, so the magnitude of banks' exposure is linked to the geographic location of the activities and assets they finance. Similarly, banks' physical footprint--such as branches--may be exposed to physical risks that could disrupt their ability to service clients in the event of a natural catastrophe. Banks could help mitigate the effects of physical climate risks by financing adaptation projects and climate-resilient infrastructure, as well as by investing in solutions that support business continuity in exposed geographies. Key physical climate risks in Norway relate to an increase in extreme precipitation and flooding.

Biodiversity and resource use

Banks contribute to significant resource use and biodiversity impacts through the activities they fund or invest in. For example, the real estate sector--which is a major recipient of bank financing--is a large consumer of raw materials for new construction, such as steel and cement. Similarly, bank-financed agricultural activities can have a material impact on biodiversity.

Access and affordability

The large impact of banks on society stems from their role in enabling access to financial services for individuals and businesses, and in ensuring the correct functioning of payment systems. Ensuring affordable access to financial services, especially for the most vulnerable members of the population, remains a challenge for the banking industry. However, banks have many opportunities to support economic development through financial inclusion, including by using new technologies.

Issuer And Context Analysis

The framework's eligible project categories aim to address climate transition risk, which we view as one of the most material sustainability factors for Haugesund Sparebank. Green buildings can help manage energy consumption for society, while the environmentally sustainable management of living natural resources and land use reduces transition risks for the bank by offering a range of solutions for agriculture--the most emissions-intensive sector it loans to. Green buildings are susceptible to the impacts of climate change due to their fixed nature, and therefore risks related to the physical climate are significant in the context of the framework. Biodiversity remains a key risk within the agriculture sector, which the bank is also exposed to.

Haugesund Sparebank reports scope 1, 2, and 3 emissions and has committed to the Eika Alliance's target of achieving net-zero emissions by 2050, including financed emissions. In 2025, the bank established a decarbonization plan with 2025 as its base year, focusing on reducing financed emissions through energy-efficiency improvements in its mortgage portfolio and responsible lending practices within commercial real estate and agriculture. The bank also calculates financed emissions using Partnership for Carbon Accounting Financials (PCAF) methodology and integrates climate and ESG considerations into its credit processes. Haugesund Sparebank has not disclosed specific interim scope 1 and 2 reduction targets, but it has stated an ambition to become climate-neutral and support a gradual transition toward net-zero emissions by 2050. The bank is Eco-Lighthouse (Miljøfyrtårn) certified and was recertified in 2025. The certification supports the bank's efforts to improve environmental performance and governance across areas such as energy consumption, procurement, waste management, transport, and workplace sustainability.

Haugesund Sparebank is a credit institution and most of its emissions stem from its lending portfolio, not from its operations. The bank is a member of the PCAF, which provides a framework for banks to assess and disclose financed emissions. Haugesund Sparebank has identified corporate loans, which represent about 37% of the loan portfolio, as the largest source of financed emissions, accounting for about 99%. Approximately 92% of these emissions are derived from loans to the agriculture sector, which represents only 4% of the loan portfolio in NOK terms.

The bank conducts climate risk assessments for its corporate clients. The bank's ESG assessment consists of general sustainability risk questions applicable to all customers, supplemented by industry-specific questions for six sectors: real estate projects, operation and management of real estate, agriculture, trade and services, manufacturing, and construction and civil engineering. Responses are used to generate an overall sustainability risk score on a scale from 1 to 10, classified as low, medium, or high risk. The resulting ESG assessment forms part of the lending decision process. For customers assessed as having medium or high sustainability risk, advisers must provide a documented justification for recommending credit approval, ensuring that sustainability considerations are incorporated into the bank's credit evaluation and decision-making processes.

The bank's corporate loan portfolio could affect local biodiversity, in particular through loans to the agriculture and commercial building sectors. The issuer has not yet developed a screening process for biodiversity risks in the ESG module for its credit risk assessments. Haugesund Sparebank informs us that climate and regulatory risks are clearly addressed in the environmental, social, and governance (ESG) credit module developed by the Eika Alliance, but biodiversity and ecosystems are not explicitly mentioned.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Green Bond Principles.

Alignment Summary

Aligned = ✔ Conceptually aligned = ○ Not aligned = ✕

✔ Green Bond Principles, ICMA, 2025

✔ Use of proceeds

We assess all the framework's green project categories as having a green shade, and the issuer commits to allocating the net proceeds issued under the framework exclusively to eligible green projects. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds.

✔ Process for project evaluation and selection

The framework outlines the process to select and approve eligible projects. Haugesund Sparebank commits to establish a green bond committee, which will be responsible for project evaluation and selection in line with the criteria described in the framework. The bank assesses physical, environmental, and transitional risks as part of its ESG module in its credit assessment for corporate customers. The framework has a clear exclusion list, which states that green bonds will not be used to finance companies linked to fossil energy extraction or generation, potentially environmentally negative resource extraction, the development and production of controversial weapons and defense systems, gambling, tobacco or pornography, or to companies violating international human rights.

✔ Management of proceeds

Haugesund Sparebank commits to tracking the net proceeds using the green loan portfolio and all the green bonds are managed on a portfolio basis. The green loan portfolios will be monitored to ensure the total value of each portfolio of eligible green loans at all times exceeds the total respective nominal amount of green bonds outstanding. Any unallocated proceeds from a green bond will be temporarily held in an ordinary bank account or invested in short-term money market instruments in accordance with Haugesund Sparebank's regular liquidity management policy.

✔ Reporting

Haugesund Sparebank commits to annual reporting on the allocation and impact of proceeds through its green bond report until the maturity of all outstanding green bonds. Reporting will be available on the bank's website. The allocation report will include the total size of the eligible green loan portfolio per category and relevant sub-categories, the outstanding nominal amount of green bonds, the share of the green loan portfolio currently financed by green bonds, and the amount of unallocated green bond proceeds, if any. It will also report on the aggregate environmental impact of green loans financed by green bonds. Where possible, the bank will measure the impacts on a best effort basis. We view positively that it will do so using the International Capital Markets Association (ICMA)'s Harmonized Framework for Impact Reporting.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in Haugesund Sparebank's Green Bond Framework, we assess the framework as Medium green.

Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Green project categories

Green buildings

Assessment	Description
Medium to Light green	Buildings built in 2021 or later: • Primary energy demand (PED) is 10% lower than the threshold set for nearly zero-energy building (NZEB) requirements in Norway; or • For commercial and public buildings: Energy performance certificate (EPC) A or BREEAM-NOR/BREEAM In-use certificate Excellent or better. Buildings built before 2021: • Buildings with EPC A or PED within the top 15% of the Norwegian building stock; or • For commercial and public buildings: EPC A or B or BREEAM-NOR/BREEAM In-use certificate Excellent or better. Rehabilitation of buildings: • Major renovations leading to a reduction in PED of at least 30%.

Analytical considerations

- The International Energy Agency emphasizes that reaching net-zero emissions in buildings demands major energy efficiency strides and a fossil fuel phase-out. All properties need to achieve high energy performance and should also cut emissions from building materials and construction. Additionally, addressing physical climate risks is key to strengthening climate resilience across all buildings.
- We assign an interval shade of Medium to Light green to the project category. Buildings built before 2021 are viewed as Medium green, since the eligibility criteria address what we view as the key considerations for existing buildings (energy use, energy source, and physical climate risks). For new buildings built after 2021, we view embodied emissions as important. The Light green shade reflects our view that the framework addresses energy use, energy source, and physical climate risks, but does not consider embodied emissions. Buildings in Norway are not heated with direct fossil fuels because this is prohibited by law.

- Haugesund Sparebank expects 80% or more of the proceeds under this category to finance buildings built before 2021, and the remaining 20% or less to go toward buildings built in 2021 or later. The issuer expects the majority of proceeds to be dedicated to finance residential mortgages and a smaller share dedicated towards commercial buildings.
- We view it as a strength that Haugesund Sparebank will exclude buildings with high exposure to physical climate risks from the green loan portfolio. This exclusion is a key consideration in our Medium green assessment for existing buildings. Given the fixed nature of buildings, improving their resilience to physical climate risk is central to the transition to a low-carbon society. The bank informs us that it intends to use the Eika Alliance's scoring methodology, which will be available in 2027 to screen for buildings with high risk. In general, buildings are highly exposed to physical climate risks. Norway's building regulations currently consider such risks, but there is no guarantee that they are properly addressed through mitigation measures. Increased precipitation, flooding, and landslides are key physical risks in Norway.
- We view the top 15% threshold as a solid ambition in terms of energy efficiency for existing buildings. Haugesund Sparebank informs us that it will use a database provided by Eiendomsverdi or screen for EPC A or B where available to identify those within the top 15% of energy-efficient buildings in Norway. We note that the Norwegian government published the official top 15% requirements in 2025, and Eiendomsverdi is still working to update its screening to align with the thresholds.
- Haugesund Sparebank does not directly finance the construction of new buildings, but there are significant life cycle emissions associated with the materials used when they were built, therefore we regard the use of low-emission materials in newer buildings as crucial. The framework does not consider embodied emissions, which is reflected in our Light green shade for newer buildings.
- In the transition to a low-carbon society, renovating and upgrading existing properties is important. Renovations that achieve at least a 30% reduction of PED demonstrate a solid commitment to reducing energy intensity. We view positively that renovations are included in the framework.

Environmentally sustainable management of living natural resources and land use

Assessment	Description
Light green	• Solar panel systems adapted for use on farms • Woodchip and firewood heating systems for on-farm heating • Upgrading and expanding manure storage to meet the farm's needs • Hose-based slurry spreading equipment for manure application • GPS equipment for accurate sowing, spreading, and use of plant protection products • Construction of a silage bunker (flatsilo in Norwegian) for silage storage to reduce plastic use • Future-oriented buildings for loose housing (løsdrift in Norwegian) • Facilities/equipment for the production of biogas • Other improved farming methods which contribute to achieving the emission reduction goals under the Landbrukets klimaplan 2021-2030

Analytical considerations

- In 2023, agriculture accounted for about 9.6% of Norway's total greenhouse gas emissions. Agricultural practices that reduce climate emissions from crop and livestock farming and enhance soil health, water quality, and ecosystem integrity are crucial for a low-carbon climate resilient future. Sustainable inputs and farming practices, as well as a shift to more plant-based and lower-emission protein sources, are part of a green transition in this sector. However, crop-based agriculture can produce carbon emissions and harm biodiversity and ecosystems. Risks include land use change, fertilizer and pesticide overuse, water pollution, soil degradation, and the use of fossil fuel-powered equipment. Crops are highly exposed to physical climate risks, such as chronic changes in rainfall and temperatures.

- Haugesund Sparebank expects proceeds under this category to cover a wide range of eligible activities included under the criteria. The bank informs us that livestock will not be directly funded by this framework. Our overall Light green shade for the category reflects the varying climate benefits of the underlying projects. We assess the majority of activities as Light green due to their transitional aspects of decarbonizing the agricultural sector. Norway's Landbrukets klimaplan 2021-2030 subcategory encompasses a range of initiatives aimed at enhancing on-farm environmental performance. We assign the majority of the activities included in this plan a Light green shade. Solar panels are assigned a Dark green shade when assessed independently.
- Physical climate risk is considered as part of Haugesund Sparebank's broader ESG and credit risk assessment, but the bank has not yet fully formalized a dedicated physical climate risk assessment as a specific selection criterion for farms. Nor has the bank developed screening assessments for biodiversity and ecosystems, a crucial factor for the agricultural sector.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Wind power	Certified forestry	New energy efficient buildings	Fossil fuel buses	Conventional steel production	Oil and gas exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Related Research

- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

Analytical Contacts

Primary contact

Alexander Volden
Oslo
alexander.volden
@spglobal.com

Secondary contacts

Irina Velieva
Stockholm
irina.velieva
@spglobal.com