



# Green Finance Report 2025

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## Introduction

Østfold Energi AS is a regional Norwegian energy company owned by Østfold County and the municipalities in the region. The company develops, owns and operates renewable energy assets, with hydropower as its core activity, supplemented by wind power, solar power, district heating and new energy solutions. Østfold Energi applies a long-term industrial perspective and aims to create lasting local value through secure and sustainable energy production.

To support continued investments in renewable energy, Østfold Energi established a Green Finance Framework in June 2025. The framework is aligned with the ICMA Green Bond Principles and LMA Green Loan Principles and is supported by a Second Party Opinion from S&P Global Ratings, which assess the framework as Dark Green.

## Sustainability at Østfold Energi

Sustainability is an integral part of Østfold Energi's strategy and operations. The company's most important contribution to the energy transition is the production of renewable energy, which helps displace fossil fuels and enables electrification of industry and transport.

Østfold Energi works systematically with environmental protection, biodiversity, climate risk and responsible resource management. Double materiality assessments and climate risk analyses form the foundation for the company's sustainability governance and reporting.

## Green Finance Framework

Østfold Energi's Green Finance Framework is structured around the four core components of the ICMA Green Bond Principles: use of proceeds, process for project evaluation and selection, management of proceeds and reporting. The framework defines eligible Green Projects and ensures transparent and accountable management of green financing.

# Green Projects

Eligible Green Projects under Østfold Energi's Green Finance Framework include:

Green Project category	Environmental objective	EU Taxonomy activity
<p><b>Renewable energy</b></p> <p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to:</p> <ul style="list-style-type: none"> <li>- the generation of electricity from (a) wind power, (b) solar power and (c) hydro power which is subject to a power density above 5W/m<sup>2</sup>, or life cycle GHG emissions below 100g CO<sub>2e</sub>/kWh or is run-of-river plants without artificial reservoirs.</li> </ul>	<p>Climate change mitigation</p> <p>Climate change adaption</p>	<ul style="list-style-type: none"> <li>• Electricity generation from hydropower</li> <li>• Electricity generation from solar power</li> <li>• Electricity generation from wind power</li> </ul>
<p><b>District heating and cooling</b></p> <p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to:</p> <ul style="list-style-type: none"> <li>- district heating and cooling where at least 50 per cent of the fuel comes from renewable sources such as wood chips from sustainably certified forests, geothermal heat, electric heat pumps and waste heat from nearby industries.</li> </ul> <p><b>Exclusion:</b> Investments in waste incineration facilities which are mainly fuelled by residues from households and/or commercial activities will not be included.</p>	<p>Climate change mitigation</p>	<ul style="list-style-type: none"> <li>• District heating/cooling distribution</li> <li>• Production of heat/cool from geothermal energy</li> <li>• Production of heat/cool from bioenergy</li> <li>• Production of heat/cool using waste heat</li> <li>• Installation and operation of electric heat pumps</li> </ul>
<p><b>Pollution prevention and control</b></p> <p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as related infrastructure, connected to:</p> <ul style="list-style-type: none"> <li>- carbon capture, where the captured carbon is safely transported to selected end-users of captured carbon (either stored, or if used resulting in net negative reduction of greenhouse gas emissions from a lifecycle assessment).</li> </ul>	<p>Climate change mitigation</p>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<p><b>Terrestrial and aquatic biodiversity conservation</b></p> <p>Investments and expenditure related to:</p> <ul style="list-style-type: none"> <li>- protection, preservation and restoration of marine and watershed environments natural landscapes related to the rivers supplying water to our hydropower facilities.</li> </ul>	<p>Biodiversity</p>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

## Green Financing Reporting

At the end of 2025, Østfold Energi had one Green Bond outstanding. Total outstanding amount under this framework is:

Instrument	ISIN	Issue Date	Maturity date	Amount
Green Bond	NO0013602607	03.07.2025	03.07.2028	MNOK 500

### Allocation report:

As of the reporting date, NOK 500 million has been allocated. MNOK 184 is allocated to Mørkedøla Hydropower Plant and 316 MNOK of the green bond proceeds have been allocated to refinancing a previously issued Østfold Energi bond. The refinanced bond originally funded renewable energy and hydropower-related investments that remain fully eligible under the current Green Finance Framework.

Category	Allocation (MNOK)	Description
Renewable Energy – Hydropower (Mørkedøla)	184	Investment Mørkedøla Hydropower Plant
Refinancing of Bond (renewable energy projects)	316	Refinancing of previously issued bond funding green investments
Total	500	Fully allocated

Impact report:

The Mørkedøla Hydropower Plant is a renewable energy facility eligible under Østfold Energi's Green Finance Framework. The project contributes to increased renewable electricity generation and reduced greenhouse gas emissions.

Indicator	Value
Installed capacity (MW)	7
Normalised annual production (GWh)	37
Emission factor (NPSI 2024) <sup>1</sup>	191 g CO <sub>2</sub> e/kWh
Annual avoided GHG emissions (tCO <sub>2</sub> e)	7,067

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<sup>1</sup> NPSI Position Paper 2024: Electricity emission factor = 191 g CO<sub>2</sub>e/kWh.

## Mørkedøla Hydropower Plant

The Mørkedøla facility is a hydropower installation located in Lærdal municipality. Mørkedøla is designed as a pumped-storage system, meaning it lifts water from the Mørkedøla river up to higher elevation reservoirs used by Østfold Energi's existing hydropower plants.



The pumped storage installation allows Østfold Energi to utilize water that otherwise could not be captured. The project incorporates measures to reduce construction emissions and protect biodiversity, and qualifies as a Green Project under the Green Finance Framework.

## External Review

To the Management of Østfold Energi AS

## Independent auditor's limited assurance report regarding Østfold Energi AS Green Finance Report 2025

### Limited assurance conclusion

We have conducted a limited assurance engagement on selected information about the allocations of proceeds (the "Subject Matter Information") in the Østfold Energi AS's (the "Company") Green Finance Report 2025 (the "Report").

The Subject Matter Information consists of

- The description of processes and systems for evaluation and selection of the green projects as described in the Report page 3, and 4
- Table Allocation Report detailing the allocation of proceeds from bond issued 03.07.2025 MNOK 500 to such investments and expenditures, as described in the Report 2025 section "Allocation report" on page 5

The criteria used to prepare the Report is described in the ["Use of Proceeds"] section in the Green Bond Framework (the "Criteria"). The "Use of Proceeds" sections are attached to the Report.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information about the allocations of proceeds in the Report, in all material respects, prepared in accordance with the Criteria.

Our assurance does not extend to taxonomy alignment information nor any other information in the Report than the sections "Allocation Reporting" for Bond issued 03.07.2025. We have not reviewed and do not provide any assurance over any information reported in the "Impact Reporting" sections on page 6 and 7.

### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities section of our report.

### Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board

for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Management Responsibilities

The Management is responsible for ensuring that the Use of Proceeds in accordance with the Company's Green Bond Framework. This includes, among other things, ensuring that the project evaluation and selection, management of proceeds and reporting described in the Report are in accordance with the purpose defined within the Company's Green Bond Framework. The responsibility also includes designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Subject Matter Information to ensure that they are free from material misstatement, including whether due to fraud or error.

## Auditor's 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 (revised) 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.

## Summary of the work performed

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 if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide

assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter Information and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of the Company's process to prepare and present the Report in order to develop an understanding of how the reporting is carried out in the company
- inquiries to those in charge of the underlying subject matter to develop an understanding of the process for the allocations in accordance with the Company's Green Bond Framework
- analysis and reviewed, on a sample basis, the allocation of the proceeds in the Report against source data and other information prepared by the responsible individuals
- Assessing the overall presentation of the Subject Matter Information in the Report

Oslo, signed electronically

BDO AS

Mari Ziesler Andenæs

State Authorised Public Accountant

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## Mari Ziesler Andenæs

### State Authorised Public Accountant

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