

Green Finance Framework

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INTRODUCTION TO FERDE

About Ferde

Ferde AS is a regional toll collection operator in South-Western Norway. The company is owned equally by the counties of Agder, Rogaland and Vestland, and is headquartered in Bergen. There are currently five regional toll collection operators in Norway, with a state mandate to ensure efficient toll collection and to finance infrastructure projects in their respective regions.

Toll collection contributes to financing public transport solutions for light rail and buses, road upgrades that reduce travel time and make the road safer, as well as efficient accessibility of bicycles and pedestrians. The overarching objective is to ensure an efficient, accessible, safe and environmentally friendly transport system that covers society's needs for transport and promotes regional development.

As a toll collection operator, Ferde have no direct influence on which specific infrastructure projects that will be initiated in the region. This is entirely based on political priorities and choices.

Ferde's main responsibilities include ensuring efficient toll collection and cost-effective financing of infrastructure projects. Financing is obtained by issuance of bonds, commercial papers and loans which are secured by on-demand guarantees from the respective counties. Interest and amortizations on the loans are then paid with proceeds from the tolls collected. The company's vision is to efficiently finance the transport solutions of tomorrow.

Sustainability in Ferde

Ferde's owners have a clear expectation on the company to conduct business with ethics and sustainability in mind. Sustainability is anchored in both the ownership strategy and in the business strategy. As a result, sustainability is well-established within the board, leadership and overall management of the company. Through daily operations and by influencing various stakeholders, Ferde's overall goal is to reduce risks and exploit opportunities associated with sustainability.

Ferde conducted a double materiality assessment during the fall of 2023, which resulted in four strategic focus areas for the company.

Limit climate change



Ferde has indirect greenhouse gas emissions through the various infrastructure projects for which the company provides financing.



Ferde is certified according to NS-EN ISO 14001:2015 Environmental Management System and is also an Environmental Lighthouse company. This means a strong focus on the environment and continuous improvement of Ferde's environmental performance within work with environment, procurement, energy, transport, waste management and emissions.

Green financing



Ferde aims to ensure that a portion of its financing of both small and large transportation projects is green. To reach this goal, Ferde has established a green framework to be able to issue green bonds to finance light rail, pedestrian and bicycle paths, as well as infrastructure related to public transport and low-carbon transport.

Close dialogue with clients and local steering groups will be important to jointly identify and qualify projects or parts of projects that align with the green criteria. The green framework contributes to Ferde's vision of ensuring efficient financing for future transport solutions while also reinforcing the company's commitment to responsible financial management.

Supply Chain Governance



Ferde requires its suppliers to contribute to sustainable development. Therefore, the company has established a set of requirements that apply to all suppliers who engage in business with the company:

- Climate and environmental requirements
- Compliance with Ferde's Code of Conduct
- Requirements relating to wages and working conditions
- Compliance with The Norwegian Transparency Act

These requirements help ensure ethical business practices and regulatory compliance. Ferde conducts due diligence from suppliers, including requesting statements on matters regulated by the Transparency Act. If Ferde identifies risks, that the fundamental values underlying the Transparency Act are not respected, the company has routines and practices to follow up the suppliers.

GDPR



Ferde has over 280 million registrations yearly in the toll collection stations in the three counties the company operates in. For each registration personal data is collected and used to issue invoices. With more than 900 000 invoices every year, it is crucial that the data is handled with care.

Ferde ensures data privacy by following established routines, policies and internal regulations, supported by a framework for information safety. The company was certified according to the ISO 27001 standard in 2024. Ferde's goal is to have zero GDPR breaches.



FERDE AND GREEN FINANCE

Ferde’s vision is to efficiently finance the transport solutions of the future, and many of these solutions relate to public transport and other forms of environmentally efficient transportation. In 2019, Ferde published an inaugural Green Bond Framework, aligned with the International Capital Market Association (ICMA) Green Bond Principles from 2018, and became the first regional toll company in Norway to issue a green bond. Since then, Ferde as well as the company’s owners have taken steps to increase the focus on sustainability. As a result, a new Green Finance Framework has been established to mirror best practises.

The Framework is based on the ICMA Green Bond Principles (GBP)[1] and Loan Market Association (LMA) Green Loan Principles (GLP)[2]. The Framework covers issuance of use of proceeds debt instruments, including but not limited to bonds, commercial papers and loans (hereinafter collectively referred to as “Green Finance Instruments”).

The Framework may over time be updated, however new versions of the Framework shall have no implication for the Green Finance Instruments issued under this version of the Framework.



Use of proceeds

The net proceeds of the Green Finance Instruments issued under this Green Finance Framework will be used exclusively to finance or refinance a portfolio of assets, in whole or in part, that enable and promote clean transportation solutions.

Only such assets and projects that comply with the list of Green Projects below are deemed eligible to be financed by Green Finance Instruments. Net proceeds from Green Finance Instruments can be used for the financing of new assets and projects, as well as for refinancing purposes.

For the avoidance of doubt, Green Finance Instruments will not be used to finance investments linked to fossil energy generation and nuclear energy generation.

[1] Green Bond Principles published in 2025 are voluntary process guidelines for issuing Green bonds established by International Capital Markets Association (ICMA), <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

[2] Green Loan Principles published in March 2025 are voluntary process guidelines for issuing Green loans established by Loan Markets Association (LMA), <https://www.lsta.org/content/green-loan-principles/>



Image: Canva



Eligible Green Projects

Ferde’s aim is for this Green Finance Framework to meet best practice by adhering to relevant standards and guidelines in the green finance market. Each Green Project category has therefore been mapped against the environmental objectives of the ICMA Green Bond Principles (“ICMA GBPs”), and the relevant activities included in the EU Taxonomy. Green Finance Instruments issued under this Framework will finance and refinance a portfolio of assets and projects within the following Green Project categories.

| ICMA GBP category | Eligible category description | ICMA Environmental objectives | EU Taxonomy |
|----------------------|---|-------------------------------|--|
| Clean Transportation | <p>Rail infrastructure: Construction, modernisation, operation and maintenance of electric railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities.</p> <p>Infrastructure for low-carbon transport: Construction, modernisation, maintenance and operation of infrastructure that is dedicated to one, or both, of the following:</p> <ul style="list-style-type: none"> a. operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems; and/or b. urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. <p>Infrastructure for low-carbon transport may include road lanes that could be used by personal vehicles meeting occupancy thresholds, motorcycles, taxis, in addition to zero tailpipe CO2 emission vehicles and public transport.</p> <p>Pedestrian pathways and bicycle lanes: Construction, modernisation, maintenance and operation of infrastructure dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging installations for personal mobility devices.</p> <p><i>The above infrastructure is not related to the storage or transport of fossil fuels.</i></p> | Climate change mitigation | <p>6.14 Infrastructure for rail transport</p> <p>6.15 Infrastructure enabling low carbon road transport and public transport</p> <p>6.13 Infrastructure for personal mobility, cycle logistics</p> |



Selection and evaluation of eligible projects

Ferde has designed and implemented a process to ensure that only infrastructure projects that comply with the list of Green Project criteria in this Framework can be financed by Ferde's Green Finance Instruments. Ferde has established a Green Finance Committee to be in charge of the evaluation and selection of which infrastructure projects that are to be included in the portfolio of eligible Green Projects. The Committee consists of members from Ferde's management team, including the CFO, as well as the Head of Procurement, Sustainability and GDPR.

All decisions will be made in consensus, and the committee will keep a register of all eligible Green Projects. To ensure transparency and traceability, all decisions made by the committee will be documented and filed.

The committee holds the authority to remove previously funded Green Projects from Green Financing Instruments should they determine that these Green Projects no longer adhere to the criteria set forth in this Framework.

Furthermore, the committee is responsible for overseeing future updates to this Framework, including any potential expansion of the eligible categories, and for managing its implementation.

Management of proceeds

An amount equal to the net proceeds from issued Green Finance Instruments will be earmarked for financing and refinancing of Green Projects as defined in this Green Finance Framework. For regulatory purposes, each infrastructure project represents a separate account. Each Green Finance Instrument issued under this Framework will be related to a specific set of infrastructure projects and the net proceeds will as such be credited to the relevant project account. Within each account, Ferde will keep records of the share of green versus regular funds.

If a Green Project loses its eligibility during its lifespan, as assessed by the Green Finance Committee, it will be removed as a Green Project. Ferde's Finance Department will endeavour to ensure that the value of Green Projects at all times exceeds the total amount of Green Finance Instruments outstanding.

Net proceeds from Green Finance Instruments awaiting allocation to Green Projects will be managed according to the overall liquidity management policy of Ferde and may be invested in short term money market instruments and cash.

As a toll collection company, Ferde does not participate in the decision-making process around which specific infrastructure projects will be initiated in the region. The respective counties are responsible for deciding which projects to initiate, including any assessments of environmental, social and governance factors relevant for such decisions. Infrastructure projects in the region may also be led by Statens Vegvesen (English: the Norwegian Public Roads Administration) and/or Nye Veier AS (English: New Roads).



Reporting

Ferde will on a yearly basis publish a report on the allocations and the impacts connected to Green Finance Instruments issued under this framework until full allocation of proceeds. Where relevant, Ferde aims to align the reporting with the latest standards and practices as identified by ICMA. The company also follows the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting. The reports will be made available on Ferde's website.

Allocation Report

The allocation report will, to the extent feasible, include the following information:

- Amounts invested in each of the Green Project categories and the share of new financing versus refinancing
- Examples of Green Projects financed by Green Finance Instruments
- The nominal amount of Green Finance Instruments outstanding, divided into Green Bonds and Green Loans
- The balance of net proceeds awaiting allocation to Green Projects (if any)

Impact Report

Ferde strives to report on the actual environmental impact of the Green Projects financed under this Framework. If actual impact data for some reason are not observable, or unreasonably difficult to source, estimated impact will be reported. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations.

The impact metrics selected may include the following:

- Number of kilometres of new train lines, including finalised projects as well as those under construction
- Number of kilometres of new low-carbon transport lanes, including finalised projects as well as those under construction
- Number of kilometres of new pedestrian pathways, including finalised projects as well as those under construction
- Number of kilometres of new bicycle lines and tunnels, including finalised projects as well as those under construction
- Where available, estimated GHG emissions reduced and/or avoided on project level*
- Where available, estimated reduction in car use*

**Calculations on estimated GHG emission reduction are frequently made at project level by the relevant authority responsible for the specific project, such as the Norwegian Public Road Administration, Nye Veier AS, municipality or the county. Estimations for car traffic being replaced by lower-carbon alternatives are also made for certain projects. As such data is calculated and owned by the project owner. Ferde cannot guarantee data availability over time but where available, it is Ferde's intention to report on such data.*



External review

Second Party Opinion

Ferde has obtained a pre-issuance Second Party Opinion from S&P Global to confirm the transparency of this Green Finance Framework and its alignment with the ICMA Green Bond Principles and LMA Green Loan Principles.

Both this Framework and the Second Party Opinion will be publicly available on <https://ferde.no>.

Verification

An independent auditor appointed by Ferde will provide a limited assurance report. This report confirms that an amount equal to the net proceeds from issued Green Finance Instruments has been allocated to Green Projects.

