Hafslund

Annual report 2025

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[1] *This is a translation of Hafslund's 2025 annual report.. If there are discrepancies between the Norwegian and English annual report, the Norwegian version applies.*

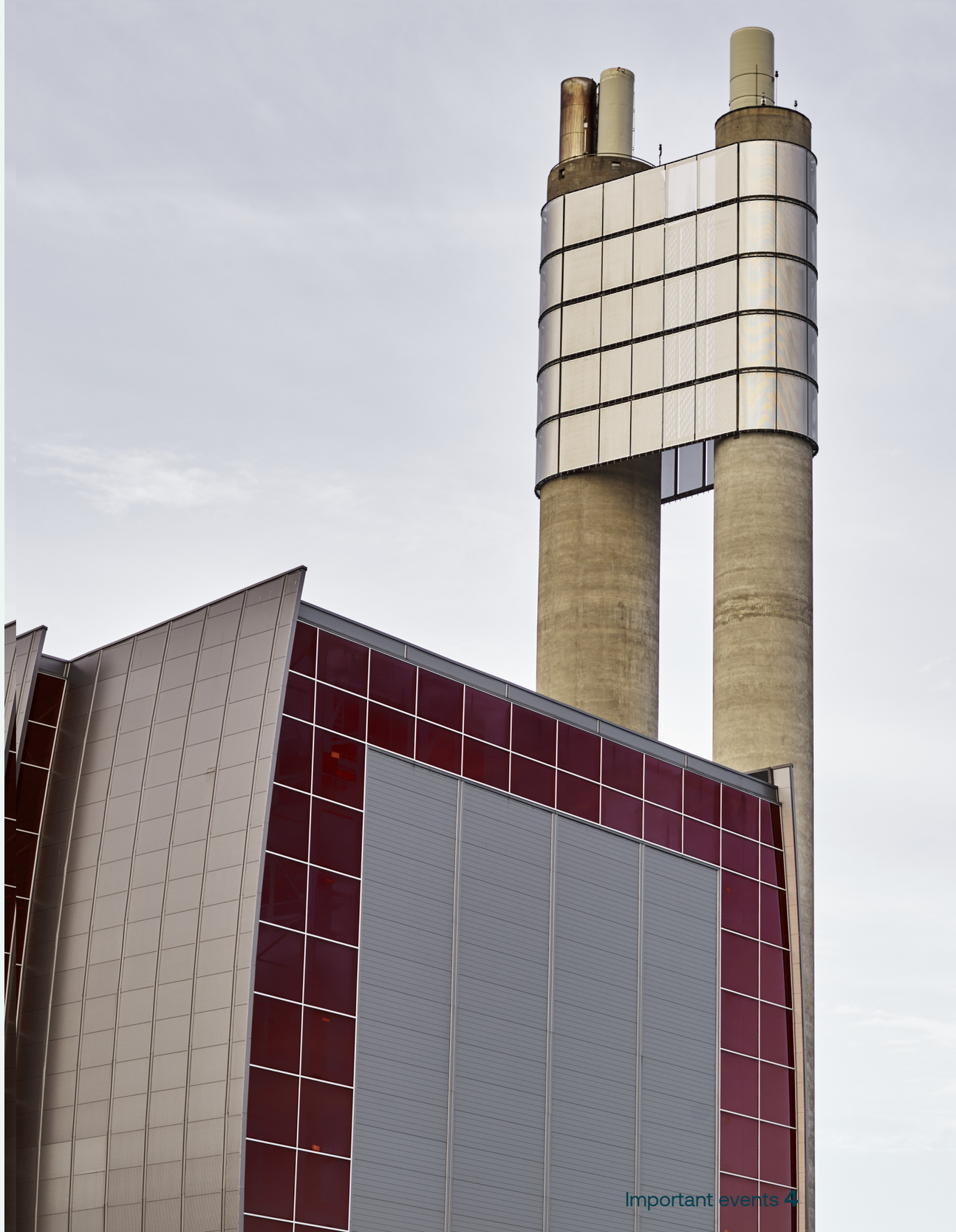


Important events in 2025

Carbon capture project realised - first sale of carbon removal

In January 2025, a final investment decision was made on the realisation of the carbon capture project at Klemetsrud in Oslo. The project will reduce fossil CO_2 emissions in Oslo by around 20 per cent and is one of the world's first carbon capture projects in waste management. Waste incineration with carbon capture and storage helps solve society's challenge with non-recyclable waste, delivers CO_2-neutral energy by utilising excess heat from the incineration process for district heating, and at the same time removes CO_2 from the atmosphere by capturing and storing biogenic CO_2.

Construction is well underway and the project is expected to be operational in the third quarter of 2029. A key part of the basis for the investment decision was the sale of certificates for permanent carbon removal. In April, the buyer group Frontier and Hafslund Celsio entered into an agreement to deliver a total of 100,000 tonnes of carbon removal in 2029 and 2030. This was the first known agreement globally for carbon removal from waste incineration. In June, Hafslund Celsio entered into an agreement with Microsoft to deliver 1,100,000 tonnes of permanent carbon removal over a ten-year period.





Started the largest power development in Hallingdal in 60 years

Hemsil 3 received a licence from the Ministry of Energy in June 2024. In November 2025, Hafslund and Eidsiva decided to invest NOK 2.5 billion in the Hemsil 3 power plant in Hallingdal. Today, the Hemsil 1 and Hemsil 2 power plants are located in the Hemsil waterway. Hemsil 3 will have an outlet to the Hallingdalselva (Hallingdal river) close to the current outlet from Hemsil 2.

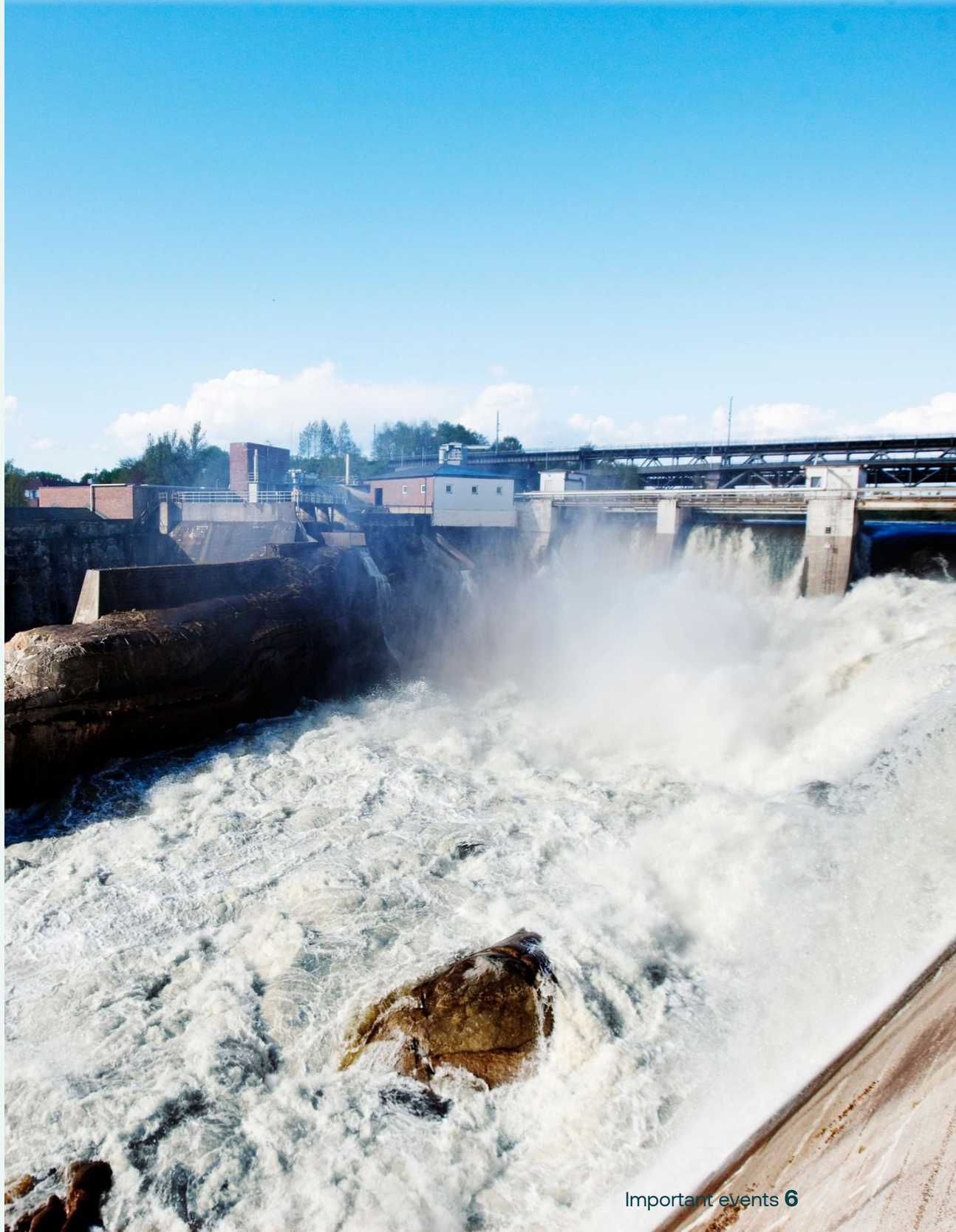
The project will increase power production by approximately 110 GWh by utilising water that Hemsil 2 does not have the capacity to utilise.The power plant will utilise the drop between Hemsedal and Gol more efficiently and ensure continued power production in Hemsil 2 and 3. In connection with the development, Eikrebekkdammen (Eikrebekk dam) will also be upgraded.

The development will have little impact on the existing natural environment. 70 per cent of permanent land use will occur in already impacted areas. The use of low-carbon concrete and electric machines for mass transport will also reduce greenhouse gas emissions in the project by approximately 22 per cent.

Purchase of Sarpsfoss Limited

In January 2025, Hafslund entered into an agreement with Orkla to acquire Sarpsfoss Limited. The transaction involved Hafslund acquiring 90 per cent of the shares in Sarpsfoss Limited, while Svartisen acquired the remaining ten per cent. Sarpsfoss Limited consists of Borregaard power plant and 50 per cent of Sarp power plant located in Sarpefossen, as well as Mossefossen power plant. The purchase was completed in April 2025 and adds 536 GWh of annual normal production to Hafslund's power production. With this, Hafslund consolidates ownership in all three power plants in Sarpefossen, which is Northern Europe's largest waterfall for power production.

Hafslund has been considering various solutions for several years to increase power production at Sarpefossen by better utilising the water flow. The ground conditions, which also include fields of quicklime, have proven even more demanding than initially thought. Hafslund has therefore asked the Ministry of Energy to suspend the licensing process for Sarp 2, a potential new power plant in Sarpefossen. Hafslund will continue to work on developing power production at Sarpefossen in other ways. There is significant potential to increase production through upgrades and expansions of the three power plants that Hafslund currently owns and operates there.





Changes in framework conditions for district heating

District heating helps relieve the load on the power grid, utilises surplus energy that would otherwise be lost, and contributes to a more flexible and robust energy system in cities. In recent years, the profitability of the district heating business has been challenged by negative developments in framework conditions. It is therefore positive that several important breakthroughs were achieved during 2025, which will help strengthen district heating and the industry's competitiveness going forward.

In April 2025, the government adopted changes to the energy labelling scheme for buildings, introducing heating solutions that ease the burden on the power system. Compared to the current scheme, buildings using district heating will benefit from the changes, which took effect on 1 January 2026.

In the revised national budget for 2025, the waste incineration tax was reduced to approximately the Swedish tax level. This will ensure more equal competition and provide the Norwegian incineration sector with more appropriate framework conditions pending the inclusion of waste incineration in the EU Emissions Trading System (EU ETS).

In June 2025, the parliament adopted the Norway Price and electricity support scheme for households, both for electricity customers and district heating customers. District heating customers are treated equally with electricity customers under both the Norway Price and the electricity support scheme, without this affecting district heating companies negatively. From 1 October 2025, household customers could choose to continue the electricity support scheme or opt for the Norway Price.

While key breakthroughs strengthen the framework conditions for district heating, reductions in electrical power tax affects the district heating industry negatively. The reduced electrical power tax lowers costs for electricity customers, but at the same time weakens revenues in the district heating industry, where prices are regulated against the total cost of electricity - including electricity prices, grid rental and taxes. Hafslund argues that the state must compensate the district heating industry for the loss of income resulting from the reduced electrical power tax.

Investment in wind power

An increasing power deficit is expected in Eastern Norway. Hafslund will contribute to increased power production and has strengthened its position within onshore wind power in 2025. Hafslund took over ownership of Tonstad Vindkraft in 2024, and 2025 was the first full year of operation for the wind farm. The wind farm is among Norway's largest, with an installed capacity of 208 MW and a normal annual production of approximately 670 GWh. The first year of operation has confirmed the role of wind power as an important supplement to hydropower, both by contributing increased energy volume and by strengthening the diversification of the power portfolio.

Hafslund has several wind power projects under development, including a wind power project in the south of Aremark municipality in Østfold. The wind power plant is planned to have 29 wind turbines, providing an installed capacity of 209 MW and an estimated annual power production of approximately 700 GWh. This corresponds to the annual electricity consumption of approximately 45,000 households. As a result of the increasing power deficit in Eastern Norway, Hafslund sees it as positive that Aremark municipality has given the Group the opportunity to further investigate the wind power plans.





Skygard expands capacity

In 2024, Telenor, Hafslund and HitecVision decided to invest in the data centre business Skygard. Skygard stands out by having Norwegian owners, a strong focus on energy-efficient operations in addition to meeting the needs of customers with very high security requirements. The construction of Skygard's first data centre at Økern in Oslo is nearing completion, and the first customer moved into the premises as planned before the summer of 2025.

At the beginning of 2026, it was announced that Skygard was acquiring two data centres from Orange Business Services Norway. The two new facilities have modern infrastructure and are located in Grorud and Lørenskog in the Oslo area.

Reconstruction of Braskereidfoss power plant

The extreme weather "Hans" in 2023 led to enormous amounts of rainfall. It created a flood and water intrusion into the Braskereidfoss power plant, and the dam eventually broke. The incident caused major damage to the plant, but no injuries to life or health. Hafslund is now in the final phase of the rehabilitation of the power plant and the reconstruction of the dam. In February 2025, Hafslund received the necessary dispensation from the NVE (The Norwegian Water Resources and Energy Directorate) to establish a road over the new dam at the Braskereidfoss power plant, and in December the filling dam was completed. It is 1.6 metres higher than the old one and has a system for extra safety against failure of the flood gates. This means that the dam is now dimensioned for a water flow equivalent to a thousand-year flood. With approval from the Norwegian Road Administration, the bridge and road over the dam can be completed at the end of 2026.





Serious accidents

In May and June 2025, Hafslund had two serious accidents at Hafslund Kraft and Hafslund Celsio, respectively. On 23 May, a person was seriously injured in an ATV accident while working for Hafslund Kraft. The person later died from his injuries. The accident victim was hired on a project for surface treatment of a pipeline with several rig sites. On 18 June, Hafslund had a serious accident with two serious injuries at Klemetsrud.

Hafslund has taken the incidents very seriously. The Group's main focus has been to protect those affected and to do everything possible to prevent similar accidents from happening again. The goal is that Hafslund should not suffer any serious injuries. After the accidents, the Group has conducted thorough investigations and implemented actions to ensure systems and processes that reduce the risk of similar incidents. The purpose of the investigations has been to identify learning points related to safety and risk management, including risk management, coordination and follow-up of HSE work.

A word from the CEO

In a market characterised by fluctuating power prices, fluctuating water inflow, geopolitical unrest and rapid technological shifts, Hafslund has delivered solid operations, taken important strategic steps and strengthened the ability to contribute to a robust energy system for Norway.

As Norway's second largest renewable energy group, we target to develop more renewable energy and reduce emissions, with the least possible impact on nature. In 2025, power production was 18.4 TWh and the district heating sales 1.6 TWh. The year was characterised by good operations and a reservoir filling well above normal. The result is influenced by good production optimisation, high spot prices and hedging activity, which has resulted in an achieved power price of 70 øre per kWh.

In the district heating business, a mild winter has resulted in lower production, but better sales margins and efficient operations have resulted in a higher operating profit than the previous year. After tax, the result is negative, illustrating that the framework conditions for district heating are still demanding. Hafslund will continue to be a clear voice for sustainable framework conditions for district heating, which plays a crucial role in climate-friendly energy systems in cities and contributes significantly to emergency preparedness.

In January 2025, we made a final investment decision on carbon capture at the waste incineration plant at Klemetsrud. When the plant is scheduled to be operational in 2029, it will reduce Oslo’s emissions by almost 20 per cent. This is a concrete example of how we are helping to solve demanding climate challenges with technology and industrial implementation capabilities. We are also developing new power and effect projects such as the Hemsil 3 power plant, which was approved at the end of 2025. At the same time, we have made portfolio priorities that strengthen our core business – including the sale of our stake in Fredrikstad Energi.



The most important thing for us is that everyone who works for us comes home safely from work every day. In May, we experienced a tragic fatal accident at one of the suppliers who was working for Hafslund. We have also had two serious incidents at Klemetsrud. This has affected us and reminded us that much of what we work with is risky. Our goal is clear, we will not have any serious injuries at Hafslund. We have conducted thorough investigations and implemented measures to ensure that we have systems and processes that reduce the possibility of something similar happening again.

In the long term, we take into account that there may be low power prices. This tightens the requirements for capital allocation and risk management. Currency fluctuations, cyber risk and new regulations require both operational discipline and strategic flexibility. Hafslund will continue to develop more renewable power and the necessary capacity, deliver stable heat to a growing and electrified capital, and contribute to value creation and dividends for the City of Oslo. We will prioritise projects with good profitability, high social benefit and low environmental impact, and we will strengthen the interaction between production, grid and flexibility to ensure a robust energy system in Norway.

Hafslund's vision is easy to formulate and demanding to deliver on: For a world in balance, with renewables. 2025 shows that we are on the right track.

I am proud of the work all employees at Hafslund do to contribute to more renewable energy, develop renewable solutions and ensure stable delivery of both power and heat.



Finn Bjørn Ruyter
CEO of Hafslund

Selected key figures

Profit after tax

4,201 NOK million

ROCE

15.7%

Heat sales

1.6 TWh

Power produced

18.4 TWh

Number of permanent employees

961

Greenhouse gas emissions

532,700 tCO_2e

Taxes paid

5,050 NOK million

Dividends paid

3,281 NOK million

Key figures

NOK million	2025	2024
FINANCIAL KEY FIGURES		
Revenues and other income	16,706	14,172
EBITDA	12,542	10,321
Operating profit (EBIT)	11,196	9,130
Underlying operating profit	11,404	9,119
Profit before tax	10,488	8,729
Profit after tax	4,201	3,757
Underlying profit after tax	4,080	3,257
Net interest-bearing debt	15,335	13,951
-of which subordinated debt	5,421	5,421
Total assets	104,465	95,811
Capital employed	71,456	66,949
Investments in operating assets	2,744	1,502
ROE (%)	8.3%	7.8%
ROCE (%)	15.7%	13.6%
Debt/EBITDA (x)	1.2	1.4
FFO/Debt (%)	42%	18%
Equity ratio (%)	48%	50%
OTHER KEY FIGURES		
Number of permanent employees	961	902
Turnover (voluntary termination)	4.3%	5.1%
Number of injuries per million hours worked (H2) last 12 months	7.9	6.9
Greenhouse gas emissions (Scope 1, 2 and 3) (tCO_2e) [1]	532,700	691,600
Power produced (TWh)	18.4	19.8
Achieved power price (øre/kWh)	70	56
Area price (øre/kWh)	62	47
Nordic system price (øre/kWh)	47	42
Heat sales (GWh)	1,628	1,767

[1] *Greenhouse gas emissions are calculated using the market-based method.*

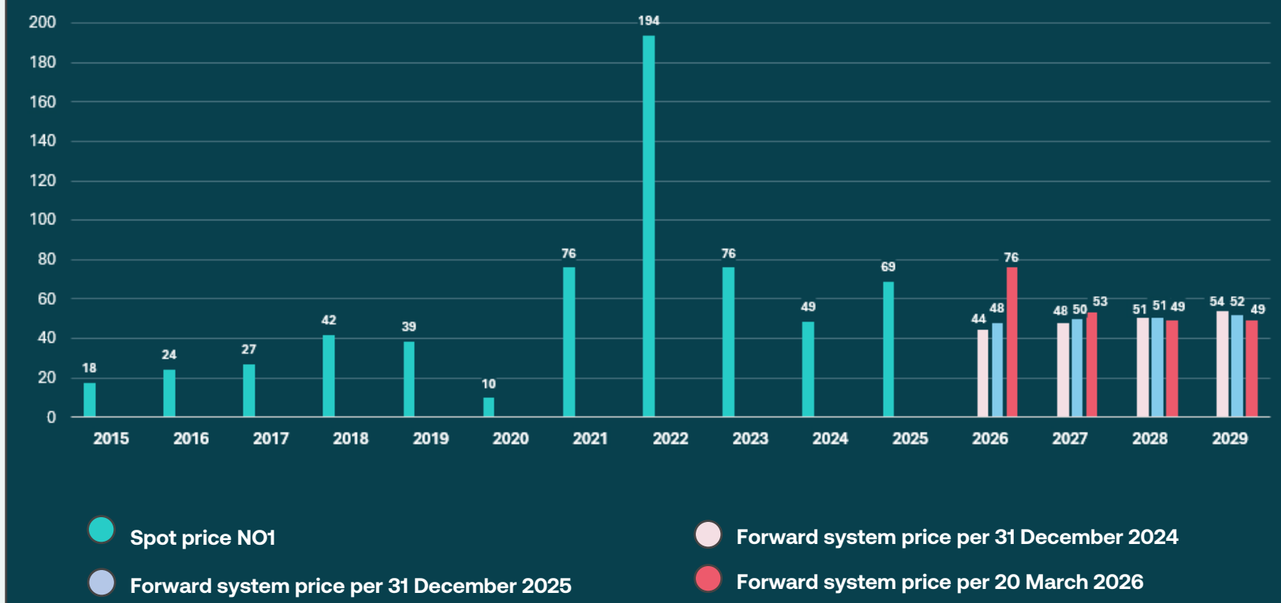
Area price 2025

62 øre/kWh

Achieved power price 2025

70 øre/kWh

Power price development 2015 - 2029 øre per kWh



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Hafslund in 2025

In a year of continued global unrest and increased economic uncertainty, Hafslund is making a significant contribution to society in 2025. Total power production was 18.4 TWh. Just under 2 TWh of district heating was produced in 2025, which is on par with last year. This is an important contribution to the ever-increasing energy demand for heating in Oslo. Hafslund delivered a profit after tax of NOK 4,201 million in 2025. Tax paid was NOK 5,050 million. The Board proposes a dividend to the City of Oslo totalling NOK 2,300 million.

Hafslund is 100 per cent owned by the City of Oslo and is Norway's second largest renewable energy group. Hafslund has built a solid position in hydropower, wind power and district heating. The Group has also taken a leading role in carbon capture and storage (CCS) through the realisation of the carbon capture project at Klemetsrud in Oslo, which will reduce CO_2 emissions in Oslo by around 20 per cent when it is put into operation in 2029. The acquisition of Sarpsfoss Limited, the start of construction of the Hemsil 3 power plant and work on the license application for the Låvi capacity project contribute to strengthening the solid position Hafslund has built so that the Group can continue to deliver on the vision "For a world in balance, with renewables".

The Group aims to create the greatest possible value for society. It constantly works to find the right balance between investments for long-term value creation, ensuring financial robustness to be able to handle demanding periods, and contributing to the owner with high and stable dividends.

During 2025, Hafslund has decided to sharpen its strategy with a focus on the development and growth of its core businesses: hydropower, wind power, district heating and carbon capture and storage. In line with this, the Group has decided on a reorganisation to strengthen its core business, ensure better resource utilisation and meet future energy needs more efficiently in a market characterised by rapid technological changes and increasing demands for sustainability. As of 2026, the activities in the Growth and investments business area are organised in the Power production business area and in the parent company Hafslund AS. The organisational changes are effective from 1 January 2026.

Hafslund has a strategy with five focus areas and the annual report describes the Group's work within the framework of the five focus areas; climate and nature positivity, strong growth in renewable energy, balance for the energy system of the future, smart, green urban development, and the best people are the key.



Hafslund's five strategic focus areas

Contribute to climate- and nature positivity

Hafslund's energy production contributes to reduced emissions. At the same time new energy production will also result in encroachment on nature and biodiversity. Therefore, Hafslund will:

- Develop a portfolio of energy projects that will have net zero biodiversity loss by 2030.
- Quantifiably improve the conditions for biological diversity from the 2023 level in the existing portfolio of facilities.
- Use our position to create positive ripple effects beyond own business activities.
- Reduce greenhouse gas emissions in Scope 1 and 2 by 90 per cent and Scope 3 by 50 per cent by 2035 compared to 2023.
- By 2030, reduce emissions equivalent to 350,000 tonnes CO_2 through carbon capture and storage (CCS) at Klemetsrud.

Balance the energy system of the future

Most of the current production technologies within renewable energy are not possible to regulate. With new technology, Hafslund will contribute to a balanced energy system by:

- Increasing the ability to regulate hydropower.
- Developing solutions for aggregation and management of production, consumption and storage.
- Relieving the power grid through the thermal energy system in Oslo.
- Acting faster in existing and new physical markets by using the industry's strongest algorithms and system support.



Contribute with strong renewable energy growth

The green transition means that there is a need for new renewable energy. Hafslund will contribute to competitive power prices by:

- Expanding existing and building new hydropower.
- Becoming a leader in the development and expansion of onshore wind.
- Contributing knowledge to the debate on framework conditions and energy development.

Power smart and green urban development

Hafslund will develop the district heating of the future, and enable the development of a comprehensive energy system by:

- Developing the thermal energy system in Oslo and the surrounding area.
- Being an active driving force for infrastructure that enables the energy transition.
- Contributing knowledge to the debate about energy preparedness and the overall energy system.

The best minds are the key

The battle for talent is getting tougher. To be the workplace where the talent comes knocking on our door, Hafslund will:

- Ensure an open, safe and secure working environment.
- Strengthen diversity and create an inclusive culture to maximise value creation.
- Focus on long-term and targeted development of managers and employees.
- Focus on being seen as an attractive workplace.

Climate- and nature-positivity

Hafslund is working to contribute to achieving the goals of the Paris Agreement and the global Kunming-Montreal Agreement. The Group recognises that climate change and biodiversity loss are inextricably linked. To achieve the climate goals, nature must be protected, and to protect biodiversity, a climate transition and a rapid transition to the use of more renewable energy are needed. Hafslund will be a driving force for the transition to a zero-emission society to be realised in a way that safeguards biodiversity.

In 2025, Hafslund continued to work on mapping, improving analyses, data quality and reporting, as well as further developing action plans and specific actions.

During 2024, a digital mapping of land use for the facilities in the Hafslund portfolio was carried out. The mapping identified land use changes, important locations, ecosystem status and species. The work has continued in 2025 and has, among other things, contributed to increased data quality through increased level of detail in the information and linking multiple databases.

Hafslund's nature action plan, which was adopted by the Group management in 2024, has been continued in 2025. The nature action plan establishes strategic actions and development projects across the Group . In 2025, Hafslund has implemented improvement measures for nature related to both water level reduction in dammed areas and reduced water flow and migration barriers in regulated rivers.

Hafslund's climate risk analysis is based on the TCFD framework and the requirements of the EU taxonomy. The analysis covers the Group's own operations and value chain and the three business areas. A climate action plan has been prepared for the Group, as well as separate climate action plans for each business area, which compile the most significant measures that can contribute to achieving the Group's climate goals in 2035.

In 2025, Hafslund has worked to implement several of the identified instruments and measures from the climate action plan. Climate measures implemented in 2025 include work on project models to include climate assessments as part of the project process, including through creating a climate budget and identifying climate measures in the concept phase. In addition, Hafslund has also expanded the work to obtain EPDs (Environmental Product Declarations) in several projects. By requesting solutions from suppliers, Hafslund creates positive market development that is necessary to reduce emissions from procurement and in the value chain. The first project with electric excavators and 100 per cent electric mass transport was implemented in 2025. The Group has worked on internal carbon pricing as a tool to reduce emissions from procurement and two projects have been identified in 2025 where this will be tested.

Hafslund Celsio's waste incineration plant at Klemetsrud is Oslo's largest emission point and accounts for about 20 per cent of the city's total fossil CO_2 emissions. One of the most important milestones completed in 2025 was the investment decision on the carbon capture project at Klemetsrud in Oslo. The work to secure carbon capture at the plant is Hafslund's largest contribution to reducing greenhouse gas emissions by far. Construction of the carbon capture plant is in full swing and the plant is expected to be operational from 2029.

Strong growth in renewable energy

In 2025, Hafslund has further developed its role as an important player in the Norwegian and Northern European power system, with clear priorities within hydropower, onshore wind power and district heating.

Developing, building and operating power plants is the core of Hafslund's business. The Group has a significant hydropower portfolio, and the work to further develop existing plants and realise new projects has continued throughout the year. Hafslund has over ten hydropower projects in various phases of development. In 2025, the investment decision on the Hemsil 3 power plant has been particularly important. The project will provide increased production through better utilisation of existing water resources, with low environmental impact and high social benefit.

At the same time, Hafslund has strengthened its position in onshore wind power. 2025 was the first full year of operation for the Tonstad wind farm, after Hafslund took over ownership in 2024. The wind farm is among Norway's largest, with an installed capacity of 208 MW and an annual normal production of approximately 670 GWh. The first year of operation has confirmed the role of wind power as an important supplement to hydropower, both by contributing increased energy volume and by strengthening the diversification of the power portfolio.

The work to develop new onshore wind opportunities continued in 2025. Developing new projects requires time, local support and thorough processes with affected stakeholders. Partnerships in wind development are important and Aremark is one example of an area where Hafslund, in collaboration with Eidsiva, has worked over time to explore the possibilities for wind power, in close dialogue with municipalities, landowners and local communities. The work illustrates how the development of new renewable production is increasingly about interaction, trust and a long-term perspective, in addition to technical and economic feasibility.

In January 2025, Hafslund also entered into an agreement to acquire Sarpsfoss Limited. The acquisition, completed in April, gives Hafslund full control of the power production in the lower Glomma region and adds 536 GWh annually to the portfolio. This structural move has helped to strengthen the Group's production base and flexibility.





Balance for the energy system of the future

The energy system must be in balance at all times. At the same time, an increasing proportion of the renewable energy mix is not controllable. Therefore, controllable energy sources such as reservoir hydropower are becoming increasingly important and valuable as more solar and wind power is phased into the power system.

Hydropower with high power capacity can produce large amounts of power in a short time, and is crucial for ensuring sufficient supply during periods of high consumption or loss of unregulated production. Hafslund is actively working to develop new power projects in its existing portfolio, and is also looking at opportunities for increased controllability in connection with rehabilitation and upgrades of facilities.

District heating is an important controllable energy source, especially in cities, and helps to reduce power peaks in the electricity grid and reduce the need for grid expansion. The authorities estimate investments of around NOK 170 billion in the electricity grid up to 2030, while capacity in pressure areas such as Oslo and Eastern Norway is already very stretched. In these areas, buildings account for over 75 per cent of energy use, and heating is a main driver of power output on cold days. District heating strengthens security of supply by reducing the load on the electricity grid during the most critical hours. An analysis from Thema Consulting (2025), carried out for Hafslund, shows that if Hafslund's district heating had been replaced with electric heating, electricity prices in NO1 could have increased by up to 60 øre/kWh in individual hours on the coldest days. However, deteriorating framework conditions have made it challenging to operate district heating profitably, and in 2025, Hafslund has continued to work towards stable and predictable framework conditions and to highlight the societal role of district heating.

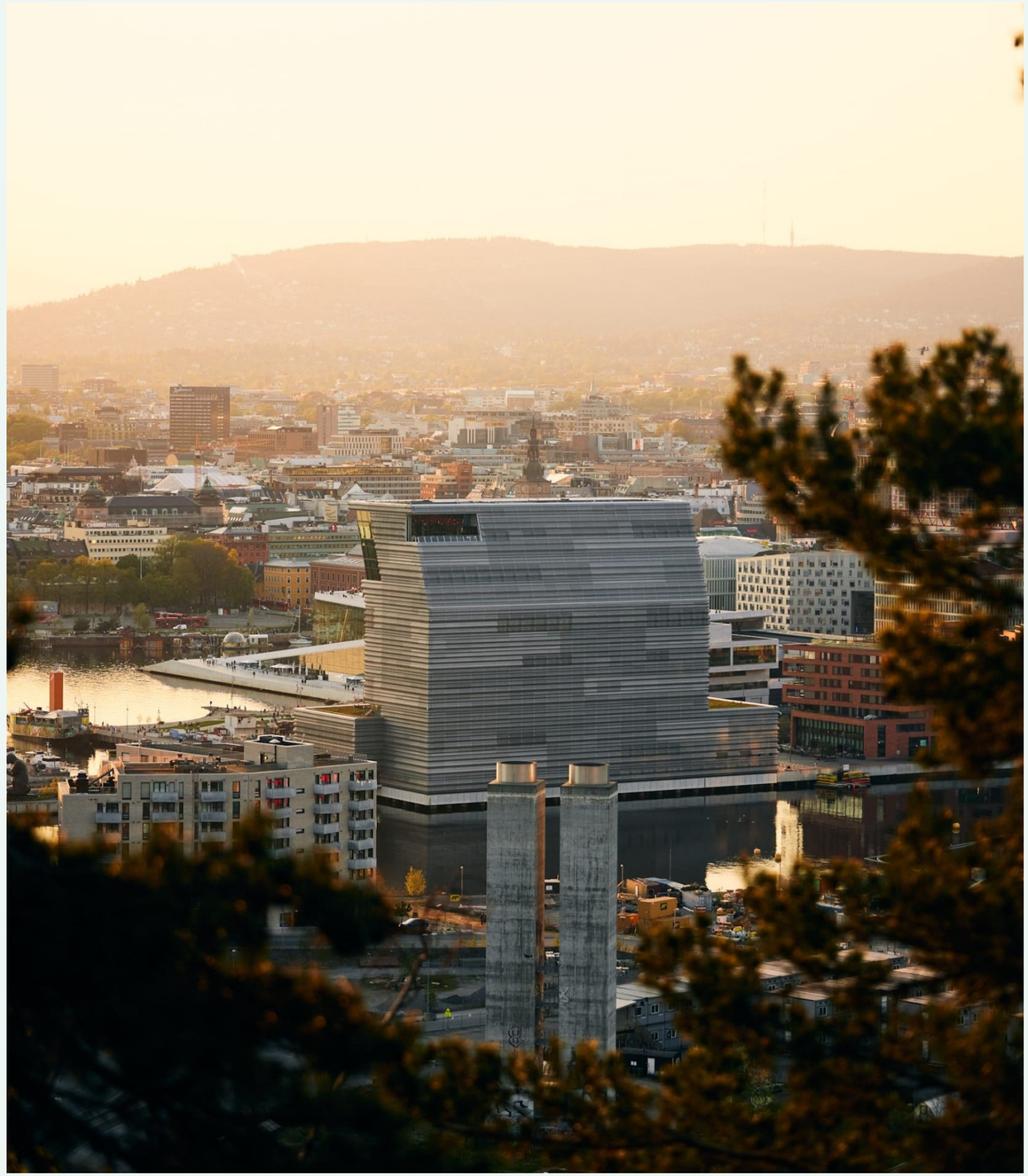
Smart and green urban development

With a broad portfolio across the energy system, ownership in Eidsiva Energi and Hafslund Celsio, as well as various technology initiatives, the Group is well positioned to contribute to smart, green urban development.

As part of a clearer strategic prioritisation, it was decided to discontinue Growth and investments as a separate business area as of 1 January 2026. Several of the initiatives developed in this business area will be continued and integrated into the Group's other activities. This includes the focus on green data centres, solutions for charging heavy transport and mobile energy solutions. The change has contributed to increased focus, clearer ownership and better interaction between innovation and the core business of the Group.

Through the data centre company Skygard, established together with Telenor, HitecVision and Analysys Mason, Hafslund has had a high level of activity in 2025 related to the construction of the data centre in Hovinbyen in Oslo. The project has been developed with the ambition of high energy efficiency and good integration into the energy system, and the plan is for surplus heat from the centre to be transferred to the district heating network.

Hafslund has also continued its focus on charging heavy transport through its ownership in Fastcharge and mobile energy solutions, which contribute to emission reductions in the construction sector and other temporary energy needs. The solutions include, among other things, the rental of batteries and fast chargers, and support the transition to emission-free construction sites and more flexible energy solutions in urban development projects. In 2025, Hafslund delivered over 1,500,000 kWh for charging machines and vehicles on emission-free construction sites. This corresponds to approximately 425,000 litres of diesel and 1,130 tonnes of CO_2 saved.





The best minds are the key

No strategy or plan creates change alone, it is the good people who make the difference. Employee development, learning, working community, safety and inclusion are key words for Hafslund to realise its strategy. At Hafslund, we want to work for a work-life balance, with inclusive community and value creation.

At Hafslund, the working environment shall be characterised by equality, diversity, inclusion, security and mutual respect. Hafslund's organisational culture shall be characterised by the Group recognising differences as a strength, where everyone is met as equals and given equal opportunities.

Ensuring that employees are happy, motivated and that everyone has the opportunity to reach their potential is high on the agenda in the Group. Several measures and strategic HR processes have been established to strengthen organisational development, employee development, engagement, trust, security and arenas for learning. HR and organisational development work closely with management and focus on continuously using insights from the organisation to ensure that the Group maintains and further develops a culture that supports both the business's targets, the individual's development and Hafslund as an attractive employer.

Managers play an important role in ensuring development, engagement and well-being in the workplace. Hafslund has a dedicated leadership development programme designed for all managers in the Group, called "Handlekraft". In 2024, the programme "New as a Manager" was established, offered to personnel managers without prior leadership experience, and in 2025, a dedicated development programme for project managers was also introduced. The programmes will continue in 2026.

Hafslund is an employer with a vast range of employees in terms of age, education, professional background and place of work, who work at facilities and offices across all of Southern Norway. Hafslund has zero tolerance towards discrimination and harassment, and actively works to prevent discrimination within all parts of the organisation, particularly when concerning diversity, recruitment, and pay and working conditions. Hafslund's gender equality report, which has been prepared in accordance with the Norwegian Equality and Anti-Discrimination Act, is available at the Group's website under Åpenhetsloven.

All work at Hafslund must be based on the Group's values: "open", "responsible" and "innovative". The cooperation between management and employee organisations works well and makes valuable contributions to the development of the Group.

Open

means that we:

- are transparent, share knowledge and information about our business
- seek collaboration across disciplines and companies
- appreciate various points of view, difference and diversity
- welcome changes and knows that we don't have all the answers from before

Responsible

means that we:

- take our social mission seriously
- do what we can to ensure that we fulfill the responsibilities we have been given
- care
- make the effort necessary to solve our tasks in the best way possible

Innovative

means that we:

- want to solve challenges and contribute to value creation
- will constantly work to make it better
- face the future with a curious attitude

Hafslund's business areas

Power production

The power business owns, in whole or in part, 83 hydropower plants and three wind power plants with a normal production of just over 23 TWh per year and an installed capacity of approximately 6.2 GW. This makes Hafslund's power business Norway's second largest. The hydropower plants are located mainly in Vestland, Oslo, Akershus, Buskerud, Østfold and Innlandet, and consist of both reservoir and run-of-river power plants.

In April 2025, the power business acquired 90 per cent of Sarpsfoss Limited, which owns Borregaard power plant, Mossefossen power plant and 50 per cent of Sarp power plant. The remaining 10 per cent was acquired by Svartisen Holding AS. The acquisition added 536 GWh to Hafslund's power production.

The power business has several projects with the target of contributing to further increased renewable production and power capacity. In the fourth quarter of 2025, it was decided to build Hemsil 3 power plant with a capacity of 86 MW and 110 GWh in increased renewable power production. The development, which is the largest in Hallingdal in 60 years, started in late 2025 and the power plant is scheduled to be completed in the summer of 2029. The pace of the energy transition from fossil to renewables has increased in Europe and renewable technologies are now cheaper to build than fossil technologies in almost all countries. Since these developments mainly concern unregulated power, volatility in the energy system increases. The development of power plants is therefore important for the overall system and contributes to balance through the possibility of regulation and relief. The license application for Låvi, a planned capacity plant of 610 MW and 50 GWh in increased renewable power production in Aurland, was submitted in late 2025.

Hafslund is also working on a license application for the construction of a fifth unit in the Kykkelsrud Fossumfoss Joint Power Plant (FKF - 140 GWh). FKF is located downstream of the Øyeren river and is currently Norway's second largest run-of-river power plant measured in production, with 1,324 GWh per year. In addition, work is ongoing to upgrade and expand existing power plants. In 2025, the power business has continued to invest significant resources in upgrading dam structures to ensure compliance with the dam safety regulations. These upgrades are major construction projects, sometimes high in the mountains, and usually take place over several seasons due to snow/ice conditions.

Hafslund owns Tonstad Vindkraft AS in the municipalities of Sirdal and Flekkefjord. The wind farm consists of 51 wind turbines and is among Norway's largest onshore wind farms with an installed capacity of 208 MW and a normal annual production of around 670 GWh. Hafslund's wind power portfolio also consists of 20 per cent ownership interests in the Raskiftet and Kjølberget wind farms with a total installed capacity of 168 MW and an annual power production of 560 GWh.

Hafslund's ambition is to develop good wind power projects with regard to power demand, security of supply, nature and local communities. Studies are currently underway on the possible densification and expansion of the Tonstad wind farm, which could provide approximately 450 GWh of increased renewable power production and an installed capacity of 130 MW. Furthermore, Hafslund and Eidsiva have started an impact assessment of a wind farm in the south of Aremark municipality in Østfold. The wind farm is planned to have 29 wind turbines, which will provide approximately 700 GWh of renewable power production and an installed capacity of 209 MW.

The power business is active in power trading and has a power price hedging strategy with the target of stabilising income and cash flows and exploiting market opportunities. Ongoing analyses are carried out to price hedge power sales, preferably within the Nordic power market. To reduce risk, production revenues are hedged using financial power contracts, contracts for the physical delivery of power to the corporate market and long-term agreements with industrial companies.

Physical contracts to the business community are part of Hafslund's strategy to be a long-term partner for Norwegian industry. In 2025, the power business entered into several long-term power agreements, including with Hydro, with an annual contract volume of 350 GWh over 5 years from 2036 and over 10 years from 2031, respectively, in Central Norway (price area NO3).

The power business had 578 permanent employees at the end of 2025.

The Power Production business area consists of Hafslund Kraft AS, where Hafslund owns 56 per cent directly and 21 per cent indirectly via Eidsiva Energi AS, a total of 78 per cent direct and indirect ownership. The business area also consists of Hafslund Produksjon Holding AS and Sarpsfoss Ltd, where Hafslund owns 90 per cent and Svartisen Holding AS owns 10 per cent. The business area also consists of Oslo Lysverker AS, where Hafslund owns 100 per cent.

District heating

Hafslund's district heating business is Norway's largest district heating company and owner and operator of Norway's largest waste incineration plant. The business is growing within renewable thermal energy and contributing to achieving the City of Oslo's ambitious climate goals.

The district heating business owns and operates facilities throughout the value chain, from final waste treatment to production, sale and distribution of district heating. The business's district heating facilities consist of 15 energy centres, 2,577 customer centres and more than 700 kilometres of district heating pipes under Oslo that supply heat to 1,344 commercial buildings, 1,247 housing cooperatives and condominiums, as well as 3,920 private households. In total, the business supplies district heating to more than 161,000 households.

In 2025, the district heating business produced 1.8 TWh of district heating and 0.1 TWh of electricity. District heating production represents about a third of total Norwegian district heating production.

The district heating business operates two waste incineration plants, at Klemetsrud and Haraldrud in Oslo, and excess heat from the incineration is used to produce district heating. The company also uses excess heat from sewage and data centre in heat production. During peak load periods, other energy sources are also used, such as bioenergy and electricity. Fossil peak load accounted for 1.9 per cent of the energy mix in 2025 and is only used in emergency situations or on the coldest days of the year.

Incineration is the environmentally best way to dispose of residual waste, especially when the excess energy from the incineration is recovered and the flue gas is well cleaned. Waste incineration reduces society's CO_2 emissions, both because it replaces landfills, which cause higher greenhouse gas emissions of the more potent greenhouse gas methane, and because the use of excess heat for energy purposes replaces other energy production. The greatest potential for further cuts in CO_2 emissions from waste management lies in increased reuse, increased recycling and waste incineration with carbon capture and storage (CCS).

In January 2025, a final investment decision was made for the realisation of the carbon capture project at Klemetsrud. The project will reduce fossil CO_2 emissions in Oslo by around 20 per cent, and is one of the world's first carbon capture projects in waste management. Construction is well underway and the plant is expected to be operational in the third quarter of 2029. With carbon capture at the waste incineration plant at Klemetsrud from 2029, the plant will change from being Oslo's largest CO_2 emission point to becoming one of Norway's largest carbon capture plants.

The district heating business has, during 2025, entered into two contracts for the delivery of carbon removal with Microsoft (1.1 million tonnes over a ten-year period) and Frontier (100,000 tonnes in 2029 and 2030). The contracts secure significant annual revenues for the first ten years after the carbon capture plant is commissioned.

The City of Oslo has a target to reduce greenhouse gas emissions by 95 per cent by 2030, compared to 2009 levels. District heating and carbon capture are both important tools for achieving this goal.

In 2024, the district heating business's first district cooling plant was built and put into operation. In 2025, the commercial building Construction City at Ulven was completed, and instead of establishing its own cooling solution, Construction City chose to enter into a collaboration with Hafslund. The district heating business has built a new cooling centre in the basement of the building, which will supply the commercial buildings in the Ulven/Økern area with district cooling. District cooling is an area that is expected to grow in the future.

The district heating business operates under a licence and is subject to public regulation. Recent years have shown that the regulatory risk is significant and the overall framework conditions for the district heating industry have been significantly weakened. Hafslund is working purposefully, in close collaboration with other companies and industry associations, to ensure improved and predictable framework conditions. However, in 2025, important breakthroughs were made that contribute to increased optimism about the possibility of operating and developing the business further with profitability. From 1 October 2025, households connected to district heating have the opportunity to use the support scheme Norway Price, on an equal footing with electricity customers, and can choose between the electricity support scheme and Norway Price. The industry has gained traction for the desired weighting factor in the energy label scheme that equates district heating with heating solutions based on electricity. At the same time, reductions in electrical power tax and network rents are pulling in the opposite direction and highlighting the need for continued work to ensure sustainable framework conditions. Hafslund is systematically working with the authorities to secure compensation or equivalent measures as a result of the changes in the electricity tax. Requirements for energy-flexible heating systems are another important focus area.

The district heating business had 245 permanent employees at the end of 2025.

Hafslund Celsio AS is owned 60 per cent by Hafslund and 20 per cent each by HitecVision and Infranode.

Growth and investments

The Growth and investments business area has worked on established and new growth initiatives within the renewable value chain. Growth and Investments has specifically worked on company building and new business opportunities related to new renewable production, electrification, and storage of renewable energy with alternative technologies, in addition to managing the ownerships where Hafslund is not the majority owner.

The growth business has had a clear partnership strategy and collaboration with companies that can contribute with complementary expertise and financial strength to realise new opportunities within the renewable value chain. This includes, among other things, a focus on charging solutions for heavy transport through Fastcharge AS and the construction of green data centres through Skygard. During 2025, Fastcharge opened three new charging stations for heavy transport in Eastern Norway and currently has four charging stations in operation.

The Growth and investments business area is the largest owner of Eidsiva Energi with a 50 per cent ownership stake. Eidsiva Energi owns 100 per cent of Norway's largest grid company Elvia, and also has operations within district heating and broadband. Elvia has just over 1 million customers by the end of 2025 and builds, operates, maintains and renews the electricity grid in Innlandet, Akershus, Østfold and Oslo. Eidsiva Bioenergi is one of Norway's largest district heating suppliers and delivers just under 500 GWh of district heating in Innlandet, and Eidsiva Digital delivers fibre and broadband to over 100,000 customers.

In 2025, the growth business sold its 49 per cent stake in Fredrikstad Energi AS.

During 2025, Hafslund has clarified a strategic priority for its core business and has therefore decided to reorganise the Group. As of 2026, the activities in the Growth and investments business area are organised in the Power production business area and in the parent company Hafslund AS. The organisational changes are effective from 1 January 2026.

Growth and investments had 46 permanent employees at the end of 2025.



Sustainability

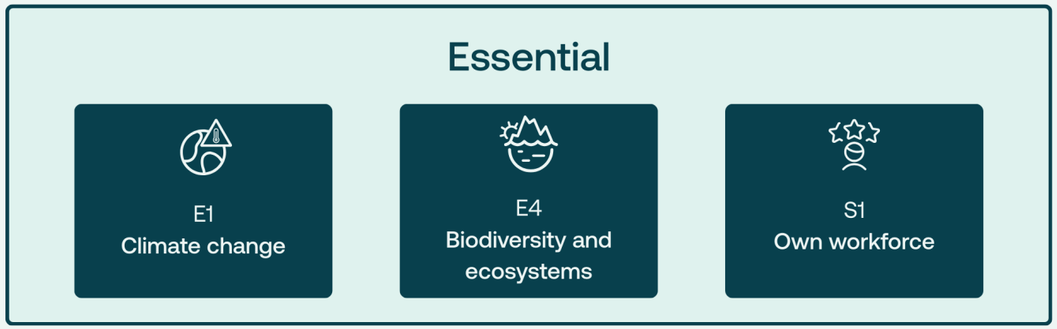
Hafslund's business strategy is closely linked the Group's approach to sustainability. At Hafslund, we work "For a world in balance, with renewables". The balance in the energy system needs be maintained, and it is more important than ever that this takes place in a sustainable manner. The Group complies with the ten principles of the UN Global Compact and works towards achieving the targets set in the Paris Agreement and the Kunming-Montreal agreement.

The Sustainability Statement is prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the requirements stipulated in the Norwegian Accounting Act. Reporting under the Norwegian Transparency Act is integrated into the Sustainability Statement. It is important that regulation and standardisation make it possible to compare and ensure that capital is directed where it has the greatest effect are important. Hafslund sees direct synergies between sustainability work, reporting and access to favourable financing for projects with great benefit for green societal transformation. However, the work to ensure reporting that complies with the CSRD has been extensive and Hafslund is positive about future simplifications in the regulations through the "Omnibus" initiative. At the same time, it is important to emphasise that the purpose of simplifications in the reporting regulations is to ensure that reporting can reflect significant factors for the individual business to a greater extent. Similar and comparable information across companies and industries provides better insight into risk. This strengthens the ability to make good choices, both in our own decisions and in choosing suppliers. Hafslund uses the information we collect to prioritise actions and resources where they will have the greatest positive capacity, both for the business and for the society around us.

Hafslund uses a double materiality analysis to conduct annual assessments of the risks and opportunities that the Group encounters.

The materiality assessment establishes the foundation for the work on sustainability targets and action plans. The materiality assessment for 2025 did not result in any major changes, only some adjustments to the Group's significant impacts, risks and opportunities. See the result of the materiality assessment in the figure below.

The result of the materiality assessment



The materiality assessment and sustainability work are further described in the Sustainability statement. The materiality assessment has resulted in eight material sustainability topics for Hafslund. The most material are classified as essential and the remaining five as significant. The bullet points provide brief descriptions of why the sustainability topics are considered material for Hafslund.

- **Climate change (E1)**: Positive contribution through renewable energy and power balancing, but negative impact through own GHG emissions. Opportunities in new markets and carbon capture, with physical climate risk to infrastructure and transition risk when concerning the transition to a low-emission society.
- **Own workforce (S1)**: Secure employment and skills development strengthen the business. Risks related to health, safety and having the right skills at the right time in future recruitment. Opportunities associated with being an attractive employer in a challenging job market.
- **Biodiversity and ecosystems (E4)**: Land use associated with renewable energy production and impact on species, as well as risk and uncertainty associated with changes to framework conditions. Focus on the preservation and restoration of biodiversity as a competitive advantage.
- **Pollution (E2)**: Potential negative impact from environmental damage and instances of pollution due to failures at treatment plants or other barriers.
- **Resource use and circular economy (E5)**: Positive contributions from circular resource use and safe final treatment of residual waste. Framework conditions represent a risk to producers of district heating. Opportunities for developing circular value chain, particularly with carbon capture.
- **Workers in the value chain (S2)**: Risk of negative impact to the health, safety and rights of value chain workers, with the associated potential legal, financial and reputational consequences.
- **Affected communities (S3)**: Contributions to local value creation and flood protection. Power plants change the landscape and can cause harm to third parties. Local stakeholders can influence the development of renewable energy.

- **Business conduct (G1)**: Transparency, accountability and political engagement create positive effects. Risks related to corruption and violations of laws or failure to meet stakeholder expectations. Ability to positively influence framework conditions through knowledge-based debate.

Results, cash flows, capital matters and dividends

Unless otherwise stated, figures for 2024 are in brackets.

Results and result drivers

Hafslund reported a profit after tax in 2025 of NOK 4,201 million (NOK 3,757 million), which is an increase of NOK 444 million compared to 2024. The operating profit was NOK 11,196 million, compared to NOK 9,130 million in 2024. The increased operating profit, corresponding to NOK 2,066 million, is driven by higher achieved power prices and good production optimisation in both the power and district heating businesses.

The achieved power price was 70 øre per kWh in 2025, up 14 øre per kWh from 2024. The achieved power price is 13 per cent higher than the spot prices in the power business' production areas and must be seen in the context of ongoing production optimisation, earnings in the balancing market and hedging activity, as well as the sale of concessionary power at government-determined prices.

Power production was 18.4 TWh in 2025, down 7 per cent from 2024 and about 3 per cent below normal production for the year. The production decline must be seen in connection with significantly less snow than normal in the winter of 2024/2025, and thus less snowmelt/production in the second and third quarters despite high production in the first and fourth quarters. Power production includes 1.0 TWh (0.3 TWh) from structural growth through the acquisitions of Tonstad Vindkraft in 2024 and Sarpsfoss Limited in 2025, which results in an increase in sales revenues of NOK 484 million compared to 2024.

District heating sales were 1,628 GWh (1,767 GWh) in 2025. This is a decrease of 139 GWh compared to 2024 and is mainly due to the fact that the winter of 2025 was significantly milder than 2024, and the heating demand in the capital was thus lower. The district heating business delivers an operating profit of NOK 253 million in 2025, NOK 76 million higher than in 2024. The increase in operating profit is mainly due to increased sales margins as a result of good operations (up from 58 per cent to 62 per cent) despite lower district heating sales. Even with good operations and better sales margins, the district heating business had a result after tax of NOK -52 million in 2025. The result after tax in 2024 was NOK 286 million. Adjusted for the accounting gain on the sale of Hafslund Fiber of NOK 419 million, the district heating business delivered a result after tax of NOK -133 million in 2024.

Operating expenses, including depreciation, were NOK 5,829 million (NOK 5,398 million) in 2025. The acquisition of Tonstad Vindkraft in July 2024 and Sarpsfoss Limited in April 2025 increase operating expenses and depreciation in 2025 by just under NOK 300 million compared to 2024. The Group has strengthened expertise and capacity within market and plant optimisation, as well as increased staffing for planning, construction and operation of new capacity. The focus on improving the profitability of the existing portfolio and facilitating future growth has overall led to higher operating expenses. Costs related to fuel purchases in the district heating business have been reduced by NOK 69 million compared to 2024, due to lower produced volume and good energy optimisation.

Profit from associates and joint ventures was NOK 319 million (NOK 356 million). The decrease is mainly due to the sale of the 49 per cent ownership interest in Fredrikstad Energi AS, completed in August 2025.

The profit contribution from Eidsiva Energi of NOK 384 million (NOK 389 million) was on par with last year.

Net financial items were NOK -708 million in 2025 compared to NOK -401 million in 2024. The change in net financial items is due to increased interest expenses as a result of increased interest-bearing debt related to finance acquisitions. Furthermore, the change is due to a reduction in other financial income driven by asset sales.

Underlying profit after tax was NOK 4,080 million (NOK 3,257 million). The increase of NOK 823 million is mainly due to higher power prices and good operations. Underlying profit shows profit adjusted for unrealised changes in value and non-recurring items.

Cash flows

Hafslund had net cash flows from operations of NOK 7,649 million (NOK 3,360 million) in 2025, following payment of tax in arrears for 2024 of NOK 5,050 million (NOK 7,117 million).

Cash flows from operations before tax in 2025 were NOK 12,699 million, compared to NOK 10,477 million in 2024. This increase was primarily due to higher power prices in 2025. Provision for payable tax for 2025 of NOK 5,672 million will be paid in 2026.

Net cash flows from investment activities in 2025 amounted to NOK -6,110 million (NOK -1,254 million), which includes the purchase of Sarpsfoss Limited and the sale of the 49 per cent ownership interest in Fredrikstad Energi AS, in addition to ordinary investments in operating assets. Dividends from associates and joint ventures amounted to NOK 651 million (NOK 719 million) and are entirely dividends from Eidsiva Energi.

Net cash flows from financing activities were NOK -378 million (NOK -4,223 million). Dividends paid to the City of Oslo and minority owners amounted to NOK 3,281 million (NOK 3,824 million). During the period, the Group increased interest-bearing debt by NOK 9,611 million (NOK 6,746 million) and paid off interest-bearing debt by NOK 5,856 million (NOK 6,068 million).

Financial position, financing and equity

As of 31 December 2025, Hafslund had total assets of NOK 104,465 million (NOK 95,811 million) and capital employed of NOK 71,456 million (NOK 66,949 million).

The Group had net interest-bearing debt including subordinated loans of NOK 15,335 million (NOK 13,951 million). Three subordinated loans are from CCS Finansiering AS, a company 100 per cent owned by the City of Oslo. This loan differs from the two other loans as the debtor can make a claim for the payment of an extraordinary instalment that corresponds to any payment obligation the City of Oslo or CCS Finansiering AS receives in connection with the external financing of the CCS project. For more details, see note 9.1 Related party transactions in the consolidated financial statements. This note also discusses other related party transactions, such as CCS Finansiering AS' preference shares in Hafslund Celsio.

As of 31 December 2025, the Group had unused credit facilities of NOK 5 billion (including an overdraft facility of NOK 1 billion), as well as an overdraft facility of EUR 50 million. The Group's overdraft facility of EUR 50 million is used to cover daily market settlements on Nasdaq OMX and was unused as of 31 December 2025. The Group has loan agreements without covenants. In 2025, Hafslund raised new bond loans totalling NOK 4.8 billion with maturities of 3 to 12 years, and a bank loan of NOK 1 billion, divided into two tranches with maturities of 8 and 11 years.

In January 2026, S&P confirmed its official rating of Hafslund at A- with a stable outlook. Scope Ratings upgraded its rating to A with a stable outlook in June 2025. The Group targets to maintain a solid investment grade rating with financial key figures to support this, including an FFO/ debt ratio exceeding 20 per cent over time.

Result Power production

The power production business had operating revenues of NOK 14,242 million (NOK 11,751 million) in 2025. The increase in operating revenues is mainly due to higher power prices in Southern Norway, good production optimisation and structural growth, despite lower production. The operating profit (EBIT) of NOK 10,950 million corresponds to an increase of 23 per cent from last year. Adjusted for the changes in value related to financial power and currency derivatives, as well as free power that is valued at market value in profit or loss, the underlying operating profit was NOK 10,920 million (NOK 9,111 million), which corresponds to an increase of 20 per cent from last year.

The achieved power price of 70 øre per kWh in 2025 is up 14 øre per kWh from last year. This contributed NOK 2,588 million in higher operating profit compared to 2024. The achieved power price is 13 per cent (19 per cent) higher than the spot price in the production areas and must be seen in the context of ongoing production optimisation, earnings in the balancing market and hedging activity, as well as the sale of concessionary power at government-determined prices. Operating income includes a change in value of NOK 204 million (-NOK 43 million) related to financial power and currency derivatives that are valued at market value in profit or loss. Other operating income of NOK 702 million (NOK 105 million) is mainly affected by property damage insurance related to the dam collapse at Braskereidfoss power plant in 2023 and accrual of a long-term power contract from structural acquisition.

Power production of 18.3 TWh (19.7 TWh) in 2025 is down 7 per cent from last year. This contributed to NOK 924 million in reduced operating profit compared to last year. The production decline must be seen in connection with, among other things, significantly less snow than normal in the winter of 2024/2025, and thus relatively less snowmelt/production in the second and third quarters, despite relatively high production in the first and fourth quarters. Power production in 2025 was about 3 per cent lower than normal production, while 2024 was 9 per cent higher than normal by comparison. Power production includes 1.0 TWh (0.3 TWh) from structural growth through the acquisitions of Tonstad Vindkraft and Sarpsfoss Limited, which contributed to an increase in sales revenues of NOK 484 million compared to 2024.

Operating expenses including depreciation were NOK 3,326 million (NOK 2,839 million) in 2025. Hafslund targets to grow both organically and structurally within power production. The increase in costs from last year must also be seen in the context of structural growth through the acquisitions of Sarpsfoss Limited and Tonstad Vindkraft, including depreciation of NOK 277 million (NOK 129 million). Organic growth ambitions have led the business area to strengthen expertise and capacity within both market and plant optimisation to extract additional value from the current power production portfolio, in addition to more employees to plan, build and operate new capacity. The efforts to increase the profitability of the current power production portfolio combined with facilitating the growth of new capacity increase operating expenses compared to last year. Operating expenses also include a change in value of NOK -178 million related to free power (NOK -131 million).

Hafslund targets to contribute to increased renewable production and has several projects in its portfolio that can provide new power. The development of Hemsil 3 power plant, with a capacity of 86 MW and 110 GWh in increased renewable power production, was initiated towards the end of 2025. In the same period, Hafslund Kraft submitted a license application for Låvi, a planned capacity plant of 610 MW and 50 GWh in increased renewable power production in Aurland.

Result District heating

The district heating business had total operating revenues of NOK 2,436 million in 2025, an increase of NOK 48 million compared to 2024. Higher revenues are mainly due to higher power prices which result in higher sales prices for district heating. The operating profit of NOK 253 million corresponds to an increase of NOK 76 million compared to last year. In addition to higher power prices, the improvement is due to lower energy costs as a result of good optimisation.

District heating sales were 1,628 GWh (1,767 GWh) in 2025. The decrease of 139 GWh compared to last year is due to the fact that 2025 was significantly milder than in 2024, and the heat demand in the capital was therefore lower. Power prices, and thus the sales price for district heating, have been higher in 2025 than in 2024. Electricity is also produced from steam turbines at Klemetsrud. Electricity production was 123 GWh (149 GWh) in 2025.

The district heating business realised a sales margin of 62 per cent for the year 2025, compared to 58 per cent in 2024. Underlying operations have been good, and good energy optimisation with utilisation of high price volatility, including through use of the accumulator tank, has resulted in lower energy costs and a strengthened sales margin.

For 2025, operating costs including depreciation were NOK 41 million higher than in 2024. The increase must be seen in the context of increased maintenance costs, an increase in the number of employees, wage growth and increased depreciation, as well as certain one-off effects that affected the cost level during the period.

The district heating business is working to improve profitability, which in recent years has been challenged by negative developments in framework conditions (electricity support scheme, increased incineration tax, reduced electrical power tax). Despite good operations and improved sales margins, the business had a result after tax of NOK -52 million in 2025, compared to NOK 286 million in 2024. Adjusted for the accounting gain on the sale of Hafslund Fiber of NOK 419 million, the district heating business delivered a result after tax of NOK -133 million in 2024.

The final investment decision on the carbon capture plant at Klemetsrud in Oslo was made in January 2025. Construction is already underway and the plant is expected to be completed in 2029.

Result Growth and investments

The Growth and investments business area had total operating revenues of NOK 34 million in 2025 (NOK 23 million). The revenues come from service deliveries within project development and consulting, as well as the focus on mobile energy.

Operating expenses including depreciation were NOK 146 million (NOK 163 million), and consist of project and business development activities as well as ownership management of associated companies. The cost reduction of NOK 17 million is primarily due to reduced project activity.

Profit from associates and joint ventures was NOK 289 million (NOK 330 million). The decrease in profit is mainly due to the sale of the 49 per cent ownership interest in Fredrikstad Energi AS, completed in August 2025. In 2024, the profit contribution from the company was recognised for a full year, while the contribution in 2025 only includes the period up to the time of the transaction. The profit contribution from other associates was at the same level as last year, including the contribution from Eidsiva Energi, which was NOK 384 million (NOK 389 million). The result from Eidsiva Energi consists mainly of contributions from the grid company Elvia, where the result is somewhat lower than last year due to a reduced tariff basis, driven by both lower electricity consumption and reduced grid tariffs. The decrease is offset by positive profit contributions from Eidsiva Digital and Eidsiva Bioenergi. The result in Eidsiva Digital increased as a result of customer growth, while Eidsiva Bioenergi delivers a higher result driven by increased district heating prices and lower use of peak loads as a result of mild weather throughout 2025.

The operating profit in Growth and investments in 2025 was NOK 177 million compared to NOK 190 million in 2024.

In August 2025, Hafslund Vekst sold its 49 per cent ownership interest in Fredrikstad Energi AS to Å Energi, which resulted in an accounting gain of NOK 275 million in the accounting line Other finance income/costs.

During 2025, Hafslund has decided to sharpen its strategy with a focus on the development and growth of its core businesses: hydropower, wind power, district heating and carbon capture and storage. As of 2026, the activities in the Growth and investments business area are organised in

the Power production business area and in the parent company Hafslund AS. The organisational changes take effect from 1 January 2026.

Parent company Hafslund AS

The parent company Hafslund AS comprises the Group management team and Group and support functions, including the management of Hafslund Hovedgård. The company's income primarily consists of interest income and dividends received. Hafslund AS had an operating result (EBIT) of NOK -172 million (NOK -174 million) in 2025, and net financial items of NOK 2,577 million (NOK 2,616 million). Profit after tax for 2025 was NOK 2,329 million (NOK 2,313 million). The Group's debt is largely held by the parent company. The parent company forms the main part of the "Other business" segment.

Dividend and allocation of profit for the year

The dividend is determined each year in consultation with the owner and in such a manner that the Group's capital requirements and credit quality are maintained. During the year, the Board continually monitored the Group's market and operating conditions, the equity and liquidity situation, and the dividend capacity.

For 2025, the Board has decided to propose a dividend of NOK 2,000 million and an additional NOK 300 million based on good production and high achieved power prices and thus good results in 2025. The total dividend for the 2025 financial year from Hafslund AS to the City of Oslo will therefore be NOK 2,300 million.

The dividend aligns with the City of Oslo's expectations and is considered justifiable when taking into account the Group's equity situation, liquidity and future prospects.

The Board proposes that Hafslund AS' profit for the year be allocated as follows:

Profit for the year in Hafslund AS' financial statements	NOK 2,329 million
APPROPRIATIONS:	
Dividend allocated from Hafslund AS to the City of Oslo	NOK 2,300 million
To/from other equity	NOK 29 million

Going concern assumption

In accordance with the requirements of the Norwegian Accounting Act, the Board confirms that the annual financial statements have been prepared in accordance with the going concern assumption and that the conditions for this have been satisfied.

Events after the reporting period

There are no significant, known events after the balance sheet date that are expected to have an impact on the Group's income statement for 2025, or financial position as of 31 December 2025. Reference is also made to note 9.3 Events after the balance sheet date in the consolidated financial statements.

Risk management

Hafslund owns companies and infrastructure within renewable energy, and is therefore exposed to risk in several areas, including financial, regulatory, operational and reputational. Risk management is an integral part of the Group's operations and is intended to support the achievement of strategic, operational and financial targets. Risk management is closely linked to the Group's strategic priorities, investment plans and work on financial robustness, and has a particular focus on ensuring the realisation of the Group's strategy in the face of uncertainty.

Hafslund has established guidelines and frameworks for managing risk.

The Group’s overall risk is continually monitored and assessed by the Risk and Audit Committee and the Board of Directors as part of the annual cycle and in the event of major changes. The Group’s risk work is closely linked to the Group’s strategy and sustainability work and the financial structure. The purpose of risk management is to take the right risk based on the Group’s appetite and capacity for risk, expertise, financial solvency, development plans and dividend targets.

Hafslund has established guidelines and frameworks for risk management, and overall risk is monitored continuously and assessed separately by the risk and audit committee and the Board as part of the Group's annual cycle and in the event of significant changes in assumptions.

In 2025, the Group's risk picture has been characterised by geopolitical unrest, a high degree of economic and political uncertainty and a heightened threat to critical infrastructure. Hafslund is well prepared for volatility in the Group's markets, uncertainty in financial markets and other conditions that affect long-term investments. At the same time, the Group does not see any sudden structural shifts in the environment, but a strengthening of known trends that are acting more simultaneously than before. A slower global pace of energy transition, increased emphasis on security of supply and preparedness, as well as increasing demands for robustness in energy systems, affect both market conditions, framework conditions and risk profile. These trends mean that several of the Group's largest risks are structural and long-term. In 2025, Hafslund has sharpened its strategy and expanded its hydropower portfolio through acquisitions, and has an investment rate and financial management that are well adapted to uncertainty in future developments.

Financial risk: Market risk

Through its power and district heating operations, Hafslund is exposed to movements in market prices. For the power operations, this particularly applies to the power price and the exchange rate for euros to Norwegian kroner. In addition to the power price and currency, the district heating operations are exposed to the price of input factors used in the production of district heating. The Group manages market risk through active participation in relevant markets and within established frameworks for power trading and financial exposure. All power trading is subject to established authorisations and is followed up with reporting to the Group management and the Board of Directors. Within these frameworks, parts of future exposure in financial and physical markets are price-hedged, including through stock exchange and bilateral contracts. In 2025, Hafslund Kraft entered into two long-term power agreements towards 2040, and Hafslund Celsio entered into, among other things, a 10-year agreement with Microsoft regarding certificates for permanent carbon removal. The Group's power trading unit also actively takes positions in the market. The Group's market allocation is adjusted continuously based on assessments of future price expectations, its own production capacity, hydrological conditions and regulatory frameworks. Hafslund has significant revenues in euros through ownership in production activities, and the Group participates in energy markets where trading takes place in various currencies, particularly euros. Earnings in foreign currencies are continuously converted into Norwegian kroner, while costs are mainly in Norwegian kroner. A weakening of the euro against the Norwegian kroner could therefore result in lower earnings. Throughout 2025, the euro has strengthened somewhat relative to the Norwegian kroner.

Hafslund may enter into loan agreements and other agreements in foreign currencies. All long-term loans in foreign currencies are currency hedged. At the same time, parts of the price-hedged energy volume are currency hedged. The Group is exposed to interest rate risk on interest-bearing loans and manages interest rate risk, among other things, through a combination of loans with fixed and floating interest rates, the use of interest rate swaps and by utilising the natural interest rate hedge between the interest element in the unrestricted income in the power business and interest on the loan side.

In addition to operations, Hafslund is particularly exposed to interest rate risk through its financing activities, where interest rate changes affect the Group's financing costs. The Group is exposed to interest rate risk in both Norwegian kroner and foreign currency. The Group's cash flow from operating activities is also sensitive to interest rate changes. Market interest rates have been lower throughout 2025 than in 2024.

Financial risk: Credit and counterparty risk

Hafslund incurs credit and counterparty risk, mainly in the sale of district heating, in financial and physical power trading, certificate trading and in connection with financing activities. For the district heating business, the bulk of the customer base consists of public institutions, commercial customers and private individuals. A significant proportion of hydropower production is sold in the spot market with ongoing settlement. When entering into longer physical and financial contracts, counterparty risk is managed, including through clearing, guarantees and established settlement mechanisms. Exposure to contractual counterparties is monitored and assessed on an ongoing basis. Risk is limited and managed in accordance with the Group's established framework, including defined requirements for counterparties' creditworthiness and diversification of exposure. Historically, the Group has had low losses on receivables.

Financial risk: Liquidity risk

The Group's cash flows vary, among other things, with fluctuations in power prices, capital requirements related to power hedging, seasonal variations in its own production, investment levels and loan maturities. Liquidity risk is managed by ensuring sufficient liquid funds at all times, so that the Group can meet its financial obligations when due, also under extraordinary market conditions, without incurring unacceptable losses or impaired reputation. Analyses of expected receipts and disbursements are carried out on an ongoing basis. Liquidity risk is reduced through the use of short- and long-term borrowings, as well as by established long-term, committed drawing rights. Hafslund also has credit lines related to ongoing operations to manage capital requirements in the power markets.

Regulatory risk

Hafslund is affected by regulatory, political and legal changes in a number of areas. Such changes can have a significant impact on the Group's financial results, investment decisions and target achievement. This includes, among other things, changes in tax and duty levels, support schemes and regulation of energy markets, which can affect several of the Group's business areas.

Regulatory risk is closely monitored through ongoing work on framework conditions, dialogue with relevant authorities and integration of regulatory assessments into strategic decision-making processes. The Group places particular emphasis on long-term framework conditions in all major investment decisions, given the business's capital-intensive projects and long time horizons.

In 2025, regulatory risk has become more important as a result of more complex and less predictable political priorities. Energy and climate policy is increasingly influenced by considerations of security of supply, emergency preparedness and industrial development, in addition to climate and environmental goals. The Group must manage uncertainty

related to future framework conditions that can affect both profitability, investment levels and priorities in development projects.

For Hafslund, framework conditions are particularly important given the Group's exposure to capital-intensive investments with a long time horizon in hydropower, onshore wind and district heating. Changes in regulatory assumptions can affect both existing values and the basis for new investments. The competitiveness of district heating is particularly dependent on regulatory conditions related to pricing, the energy labelling scheme and framework conditions for input factors such as waste and biofuels. In 2025, Hafslund has achieved important breakthroughs in many framework conditions cases of great importance for district heating and waste incineration: Favourable weighting factor in the energy labelling scheme, inclusion of district heating customers in electricity support and the Norway Price and approximately the real Swedish level of the waste incineration tax. At the same time, there is an ongoing challenge with abrupt and frequent political changes to the framework conditions, and the framework conditions for district heating and waste incineration are therefore considered to represent an increased regulatory risk overall. In particular, the change in the electricity tax has worked against the district heating industry and contributed to weakened profitability and limited investment space, despite overall political targets of increased utilisation of district heating.

For power generation, regulatory issues related to taxation, licensing regimes and market regulation in the physical and financial power markets are of particular importance. Eidsiva Energi, in which Hafslund owns 50 per cent, is also exposed to regulatory risk within the network and broadband business, including changes in revenue framework regulation and requirements for investments and delivery quality. Overall, regulatory risk represents a central part of the Group's strategic risk picture, where changed framework conditions can reinforce other risk areas such as power price risk, investment and cost risk and the ability to implement major projects.

Operational risk

Hafslund is exposed to operational risk throughout the value chain, including the ongoing operation of production facilities, district heating systems and other critical infrastructure, as well as in project implementation and development activities. Operational risk can arise as a result of technical errors, human factors, failures in systems or processes, and external factors.

Responsibility for managing operational risk lies with the line. Risk is managed through systematic maintenance, established operating and safety procedures, internal controls and emergency plans. Ongoing risk assessments are carried out to identify and follow up on factors that may affect operational safety, personnel, delivery reliability and financial results.

The Group's infrastructure is increasingly exposed to physical risk as a result of climate change. This includes both acute events, such as floods, landslides and extreme weather, and more long-term, chronic effects that can affect production conditions, the lifespan of the facilities and maintenance needs. Changing market needs are also included in comprehensive assessments of how the facilities are run. Climate risk, nature-related risk and driving patterns are an integral part of facility management, investment priorities and emergency preparedness work.

The security policy situation has contributed to a heightened threat picture against critical infrastructure, both in the physical and digital domain. Hafslund is exposed to risks related to targeted cyber attacks, sabotage and other security-threatening incidents that can affect operations, security of supply and critical societal functions.

The Group works in a structured and systematic manner according to recognised methods and standards to strengthen cyber and information security, including implementing security measures to protect information and data, IT and OT systems, and other digital assets. Furthermore, digital threats and risks are continuously monitored, with preparedness and emergency exercises for the effective handling of security incidents. The work is carried out in close dialogue with relevant supervisory and security

authorities, as well as various industry bodies. Hafslund also actively participates in collaborative forums such as KraftCERT and the Forum for Information Security in the Power Supply (FSK).

Both physical and electronic security measures have been implemented at selected facilities, as well as tests and exercises related to preparedness and safety culture. Requirements for supplier control and safety in the value chains have also received increased attention. Safety and preparedness are considered a permanent part of the Group's operational risk picture and are included in ongoing management and prioritisation.

Health, safety and environment (HSE) is a key part of the Group's operational risk picture. Hafslund's operations include activities with inherent accident risk, particularly related to the operation and maintenance of power plants, district heating plants and other critical infrastructure, as well as the implementation of development and rehabilitation projects. HSE-related incidents can have serious consequences for life and health, operations and reputation, and are therefore handled as an integrated part of the Group's operational risk management, in line with other risks that can affect safe and stable operations. In 2025, the Group had two serious occupational accidents. The incidents have been followed up through internal investigations and in dialogue with relevant authorities. The lessons learned from the accidents have led to the implementation of actions to reduce the risk of recurrence and strengthen the Group's preventive HSE work. The follow-up is part of the ongoing management of operations and projects.

The Group has a significant project portfolio within power generation, district heating and other infrastructure. High activity in the energy sector, limited supplier capacity and increased requirements for documentation, standards and safety can lead to the risk of cost deviations, delays and reduced implementation capacity. Operational risk in projects is closely monitored through established management models, milestone follow-up and risk assessments.

Hafslund has insurance policies that cover, among other things, damage to its own production facilities and other property, liability to third parties, and loss of income in the event of operational interruptions. The Group also has established systems for recording and reporting unwanted incidents, deviations, near misses, and improvement measures. Experience from incidents is actively used in preventive work and continuous improvement of operational risk management.

Internal control

Internal control is a vital part of risk management at Hafslund. The Group has internal functions for monitoring risk and for compliance with laws and regulations. The Group also has an independent internal audit function, which will contribute to continual improvement and goal attainment by carrying out independent assessments and providing advice relating to internal control and risk management. All of the companies in the Group are governed by legislation, regulations, regulatory requirements and internal guidelines. The Group continually works to manage the risk of non-compliance with laws and regulations. Work is carried out in the line with the support of specialist functions. Internal awareness-raising programmes are used to improve knowledge and ensure compliance within focus areas.

The Group has established routines for the implementation of financial reporting and sustainability reporting across the Group. Controls are particularly targeted at areas that are considered to have the greatest risk of errors in the accounts and reports. Hafslund endeavours to be a responsible actor in all parts of its business activities, and shall ensure compliance by identifying risk and implementing measures that reduce risk.

Governance

Corporate governance

The City of Oslo owns 100 per cent of the shares in the parent company Hafslund AS. Hafslund's principles for corporate governance are in line with the Norwegian Code of Practice for Corporate Governance of 28 August 2025 (the "NCGB Recommendation") and the City of Oslo's principles for sound governance of limited companies. These principles were clarified in the City of Oslo's ownership report from 2023. Hafslund's corporate governance principles are intended to support the owner's profit goals and contribute to long-term value creation, as well as ensure that the owner and other stakeholders have trust in the Board, the management and the company. Hafslund's report for compliance with the NCGB Recommendation and report on corporate governance pursuant to Section 2-9 of the Norwegian Accounting Act are available on Hafslund's website under "Corporate Governance".

Hafslund's commitment to sustainable, profitable, ethical, safe and responsible conduct is operationalised in the "Ethical guidelines for employees" and "Ethical guidelines and requirements for suppliers". The guidelines are publicly available on the Group's website. The Group's policies establish common guidelines and standards for all companies in the Group and include any company in which Hafslund AS exercises controlling influence, either directly or indirectly, through ownership, shareholders' agreement or otherwise. The Group policies are reviewed annually.

The work of the Board of Directors

The Hafslund Board of Directors comprises eight members, three of whom are elected by the employees. There are currently three female and five male directors. Board member Bård Vegar Solhjell left the Board in June 2025, at the same time as Stian Berger Røsland joined the Board.

Hafslund's Board of Directors works in accordance with the adopted rules of procedure. The Board is therefore directly accountable to the General Meeting. The Board's Compensation and Organisational Committee prepares matters relating to compensation and organisation to be reviewed and decided on by the Board. At the end of 2025, the committee consisted of Jarle Roth (Chair), Stian Berger Røsland and Håkon Rustad. For information regarding the remuneration of senior executives and directors, and the Board's report and determination of salaries and other remuneration for senior executives, see Hafslund's website and note 7.1 Remuneration to senior executives and directors. Hafslund's guidelines for remuneration to Board members of Hafslund AS and executive management in the Hafslund Group can be found on Hafslund's website under "Corporate Governance". The Board's Risk and Audit Committee assists the Board with assessments of risk, the preparation of the financial statements, sustainability reporting and internal control. The committee consists of Bjørn Erik Næss (Chair), Maria Tallaksen, Halvor Kr. Halvorsen and Kristin Færøvik. The Risk and Audit Committee satisfies the requirement that at least one member must be independent of the Group's operations and have an accounting or auditing qualification and at least one member must have expertise in sustainability. The experience and qualifications of each of the directors are described in the section of the report on the Board of Directors on Hafslund's website.

The Board held nine regular board meetings in 2025, four extraordinary board meetings, and reviewed one item by email. During 2025, the Board was particularly focused on the investment decision related to the carbon capture project at Klemetsrud, the acquisition of Sarpsfoss Limited, sale of the ownership interest in Fredrikstad Energi AS, framework conditions, and further developing strategy. Risk, financing and capital prioritisation were also important topics considered by the Board. The board is also working on deep dives into selected topics, where HSE has been the theme in 2025. In January 2026, the board conducted a deep dive into sustainability. The Board's work is intended to ensure that the Group develops in the best interests of its owners, employees and other stakeholders.

As part of the Group's insurance coverage, insurance has been taken out for the directors and the CEO for their potential liability to the company and third parties. The total insurance amount is NOK 200 million.



Outlook

We live in a world of ever greater and faster changes. War and conflict, as well as uncertainty related to global trade and energy policy, create large fluctuations in energy prices and increase the need for security of supply. At the same time as geopolitical unrest contributes to an increasing focus on security and preparedness, also within the energy industry, we see that the climate challenge is being downgraded.

All of these factors also affect the power market in Norway, which is in a phase of increasing complexity. After several years with relatively high power prices, it is still important to take into account that power prices are volatile. It is therefore factored in that, in a long-term perspective, power prices may be lower as a result of, among other things, higher reservoir filling and increased wind power production. At the same time, prices are still sensitive to weather conditions, hydrological balance and international energy flows.

The EU is Norway's most important export market for energy. Through our power resources, we can contribute to a cooperation that we as a nation also depend on in other areas. Export capacity and cable connections provide flexibility and are important for security of supply. Hafslund uses hedging strategies, production optimisation and investments in power capacity to ensure stable revenues and contribute to security of supply.

To ensure long-term value creation, Hafslund will continue to develop renewable power production and the necessary power capacity, with particular focus on projects with robust profitability and low environmental impact. Further development of the hydropower portfolio is central, including through the start of construction on Hemsil 3 and work towards future investments in capacity projects. In addition, work is being done to develop wind power projects where local conditions allow for this. Partnerships are important in wind development and in collaboration with Eidsiva, Hafslund is working on a wind power project in Aremark municipality, for example. The development of onshore wind power is demanding and Hafslund sees the importance of having close dialogue with municipalities, landowners and local communities in the development of onshore wind projects. The acquisition of Sarpsfoss Limited has also contributed to strengthening the Group's position within power production, and further structural measures are being continuously assessed to ensure scale and flexibility.

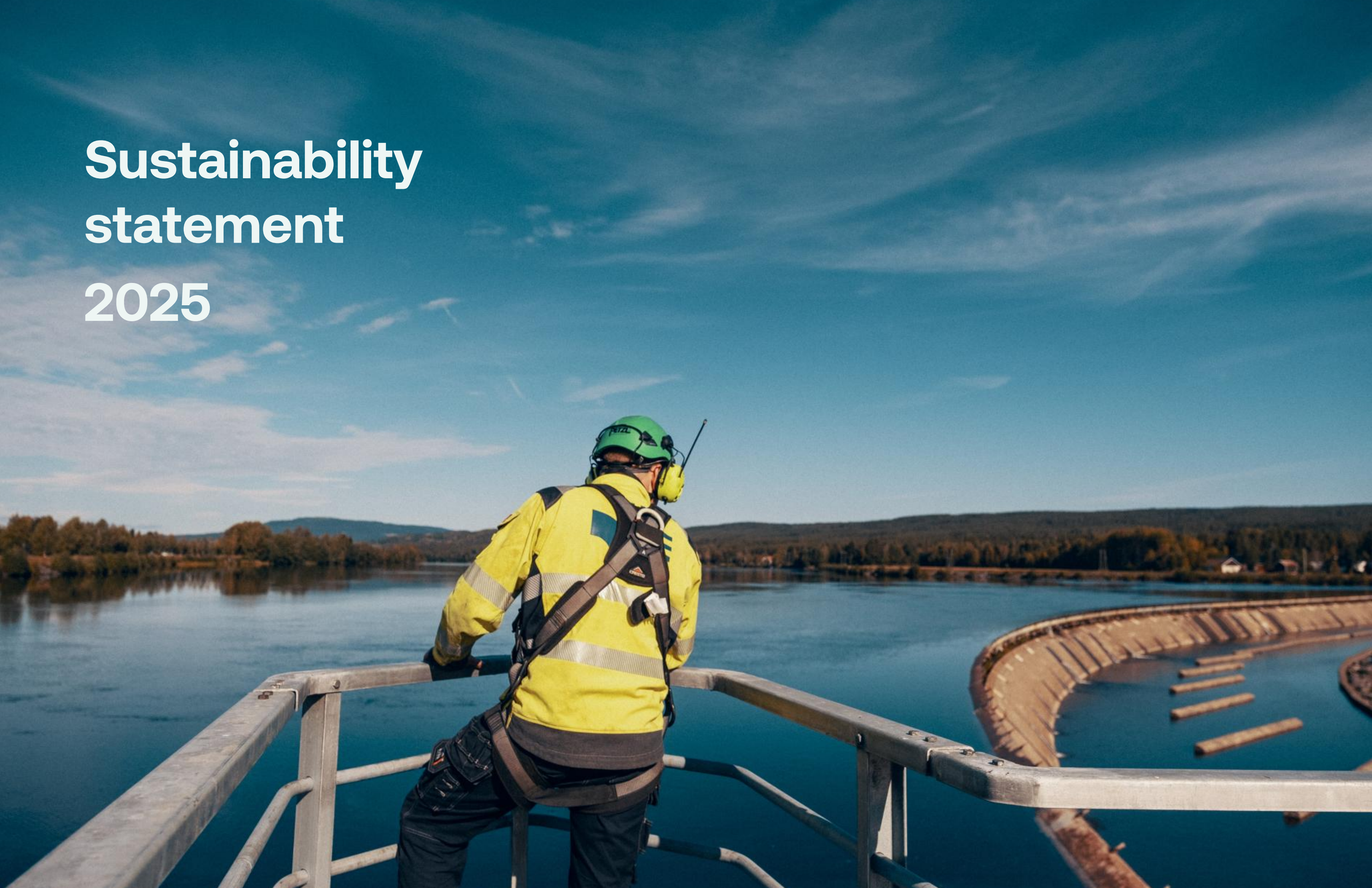
Within district heating, the Group will work for stable and competitive framework conditions, further develop district heating as a central part of a climate-friendly and robust energy system in cities, and strengthen the value chain for district heating deliveries in Oslo.

The investment in carbon capture at Klemetsrud is a strategic boost that will contribute to significant emission reductions in Oslo from the time it is put into operation, according to the plan in 2029. The contracts on carbon removal with Microsoft and Frontier also show that there is a commercial market for carbon removal.

In the future, Hafslund will continue to work with the sharpened strategy, focusing on the core business of hydropower, wind power, district heating and carbon capture and storage. The emphasis is on efficient resource utilisation and ensuring that the Group has a robust portfolio that can withstand fluctuations. Hafslund will contribute to long-term growth and value creation, while maintaining stable returns, dividends to the owner the City of Oslo and financial robustness through unpredictable times. At the same time, digitalisation, cybersecurity and competence development will be key areas to meet increasing demands for operational reliability, preparedness and efficiency.

Hafslund is well-positioned to meet a changing energy market. The Group will continue to be a driving force for a robust, flexible and renewable energy system that ensures value creation for society and contributes to a world in balance. The Board would like to pay tribute to all employees at Hafslund for the work that has been done throughout 2025.

Sustainability statement 2025



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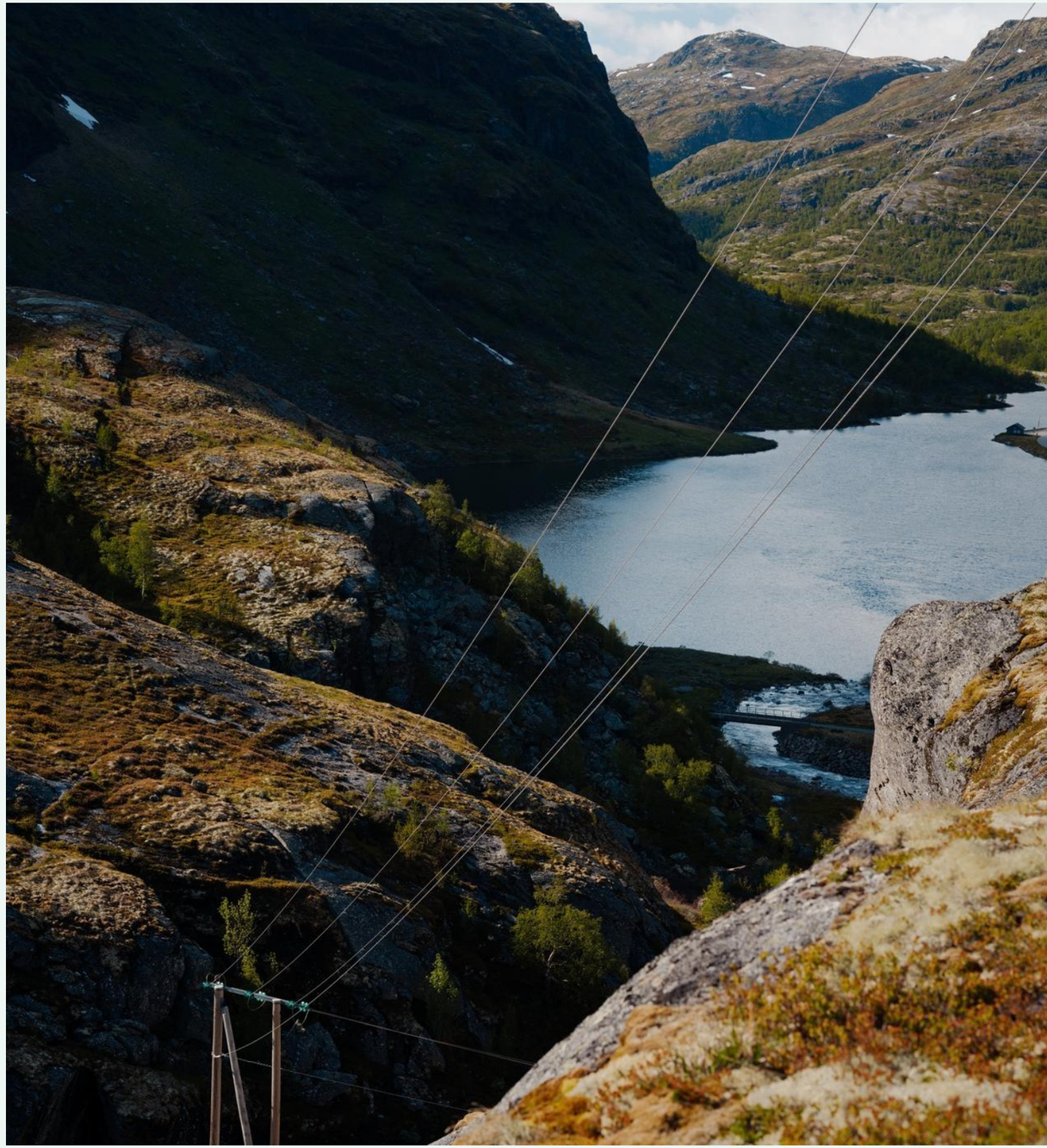
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General information

Hafslund has been publishing sustainability information for several years. As of 2024, the Group will report on sustainability as an integrated part of its annual report and in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) framework and the requirements of the Norwegian Accounting Act.

Basis for preparation

The sustainability statement covers the period 1 January to 31 December 2025. Throughout this report, comparative figures from last year are shown in parentheses, unless otherwise stated.

The sustainability report has been prepared on the same consolidated basis as the annual accounts, unless otherwise stated. This includes the parent company, subsidiaries and hydropower plants with joint operations and joint operations that are included in the consolidated accounts with Hafslund's share of income, expenses, assets and liabilities. On 11 April 2025, Hafslund AS completed the acquisition of 90 per cent of the shares in Sarpsfoss Limited from Orkla ASA. Sarpsfoss Limited consists of Borregaard power plant, Mossefossen power plant, as well as 50 per cent of Sarp power plant, and is included in the reporting from the date of acquisition. Further information on which companies are included in the reporting for specific indicators is provided under "reporting scope" for the various material topics.

During 2025, Hafslund has clarified a strategic priority for its core business: power generation and district heating. In line with this, the Group decided on a reorganisation to strengthen its core business, ensure better resource utilisation and meet future energy needs more effectively in a market characterised by rapid technological changes and increasing demands for sustainability. As of 2026, the activities in the growth and investments business area are organised in the power production business area and in the parent company Hafslund AS. The changes entered into force on 1 January 2026 and do not affect the reporting for 2025.

Information on sources of estimate and performance uncertainty is disclosed under "Goals and indicators" under each material topic, where relevant. In this year's reporting, some comparative figures have been corrected and/or commented on. This applies to E4-3, E4-5 and S1-6. The reason for the correction, as well as a more detailed description, is stated in the respective material topics.

In the materiality assessment, Hafslund's own operations are included in addition to Hafslund's upstream and downstream value chain. The extent to which information about the upstream and downstream value chain is included is described in each chapter. In describing the goals for the development of renewable energy, Hafslund has made use of the exception to omit information of commercial value.

Hafslund's disclosure of Section 5 of the Transparency Act is covered in the chapters General Information and Social Conditions (Own Workforce, Workers in the Value Chain and Affected Communities)[2]. Hafslund adopted a new Group procedure for due diligence assessments of supply chains and business partners in November 2025, with accompanying practical guidance. See the chapter Workers in the Value Chain for more information.

Due diligence requirements related to the Transparency Act have not been subject to external auditor attestation with a moderate degree of assurance.

[2] *This report is the Hafslund Group's joint statement of the Group's due diligence assessments of its own operations, suppliers and business partners. The report covers the parent company Hafslund AS and the following subsidiaries subject to reporting requirements:Hafslund Kraft AS, Hafslund Celsio AS, Hafslund Vekst AS, Oslo Lysverker AS, Hafslund Produksjon AS, Hafslund Kraft Innlandet AS, Sarp Kraftstasjon AS, Sarpsfoss Limited NUF, Tonstad Vindkraft AS, Hafslund Produksjon Holding AS, Hafslund Sarpsfoss Holding AS, Øvre Otta DA, Opplandskraft DA og Vinstra Kraftselskap DA.*

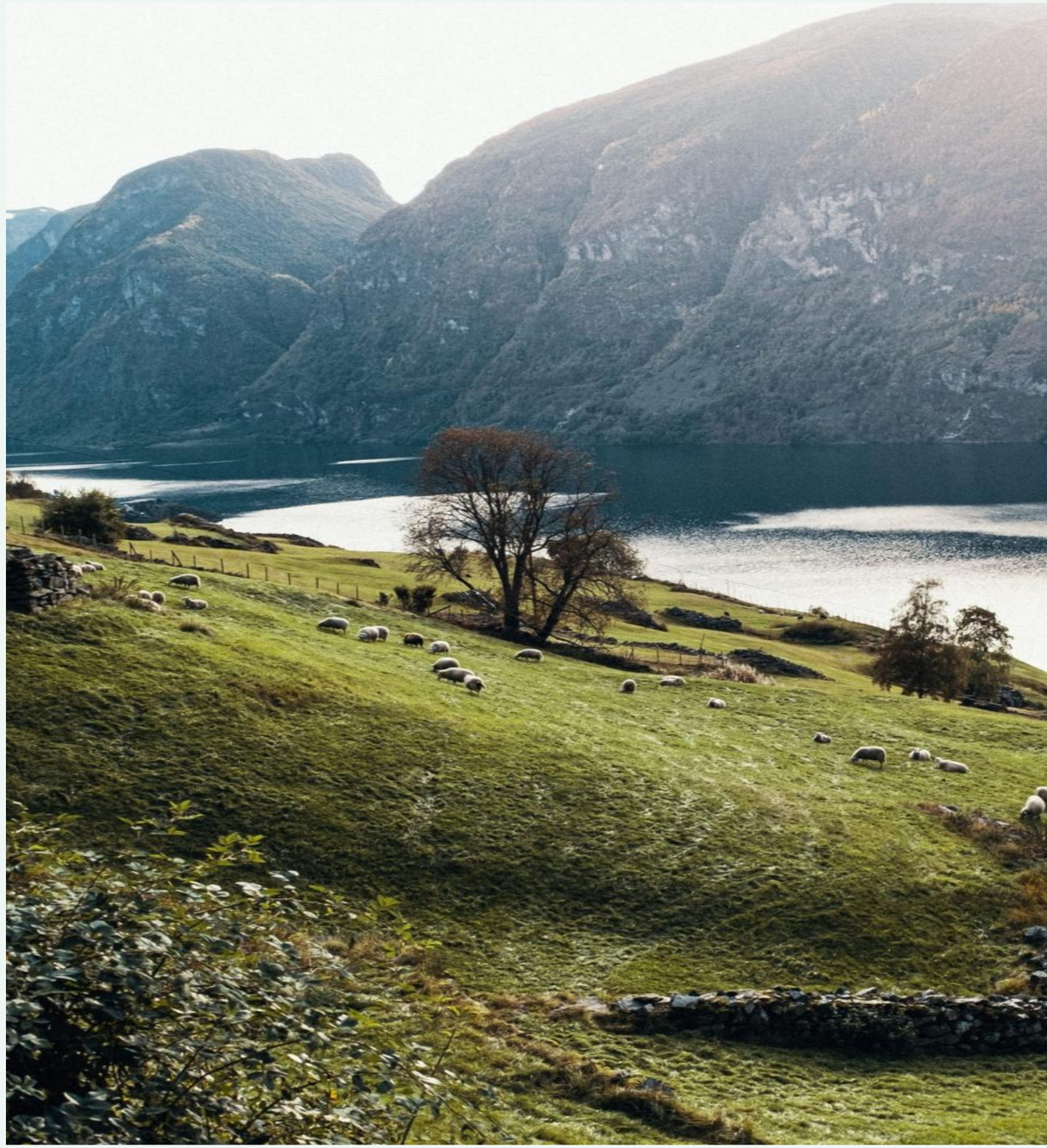
How to read the Sustainability statement

The Sustainability statement consists of four main sections: General information, Environment, Social information and Governance.

General information presents the basis for how the statement was prepared, Hafslund's overall strategy related to sustainability, the result of the materiality assessment, managing impacts, risks and opportunities (IRO), how Hafslund takes stakeholder views and expectations into account, and management of sustainability and material topics.

Each of the sections on the different topics Environment, Social information and Governance present Hafslund's relevant policies and thereafter Hafslund's material topic in accordance with the requirements in the relevant ESRS standard. This includes information about Hafslund's management and results, including strategy, actions, targets and metrics.

The EU taxonomy is presented at the start of the Environment section.



Strategy

Hafslund's business model and value chain (SBM-1)

Hafslund is a renewable energy group consisting of three business areas[3].



Input

Hafslund's power production is based on the natural resources of water, wind and biomass, in addition to surplus heat that would otherwise be lost. Infrastructure in the form of power plants, reservoirs, dams and energy centres is necessary to produce renewable energy.

Power development and construction of carbon capture are capital-intensive and are realised in close connection with partners, state and municipalities, as well as obtaining green loans and bonds.

Hafslund has a total of 961 permanent employees who together operate, develop and maintain the Group's portfolio of renewable energy.

Power production

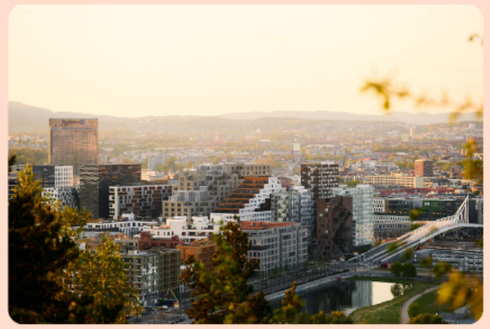
The power production business area owns, operates, maintains and develops Hafslund's power plants, delivers system services to the power system and sells power in the wholesale market. The Group owns 86 wind and hydropower plants in large parts of Southern Norway, either wholly or in part. Hafslund's normal production (ownership share) totals approximately 19 TWh. In total the Group's normal production (100 per cent basis) in power plants where Hafslund has ownership is just over 23 TWh.

District heating

The district heating business area supplies hot tap water and heating to more than 161,000 households in Oslo. The district heating is produced by utilising excess heat from waste incineration, the use of electric boilers and the combustion of biofuels. In addition, excess heat from data centres and sewage systems is used. Hafslund operates Norway's largest waste incineration plant and provides final treatment of residual waste that cannot or should not be recycled.

Growth and investments

Until the end of 2025, the Group had a separate business area that worked on established and new growth initiatives within the renewable value chain. The business area has been working specifically with company building and new business opportunities related to new renewable production, electrification, and storage of renewable energy with alternative technologies in Norway and the Nordic region, in addition to managing the ownerships where Hafslund in not the majority owner. From 2026, the activities in the growth and investments business area are organised in the power production business area and in the parent company Hafslund AS.



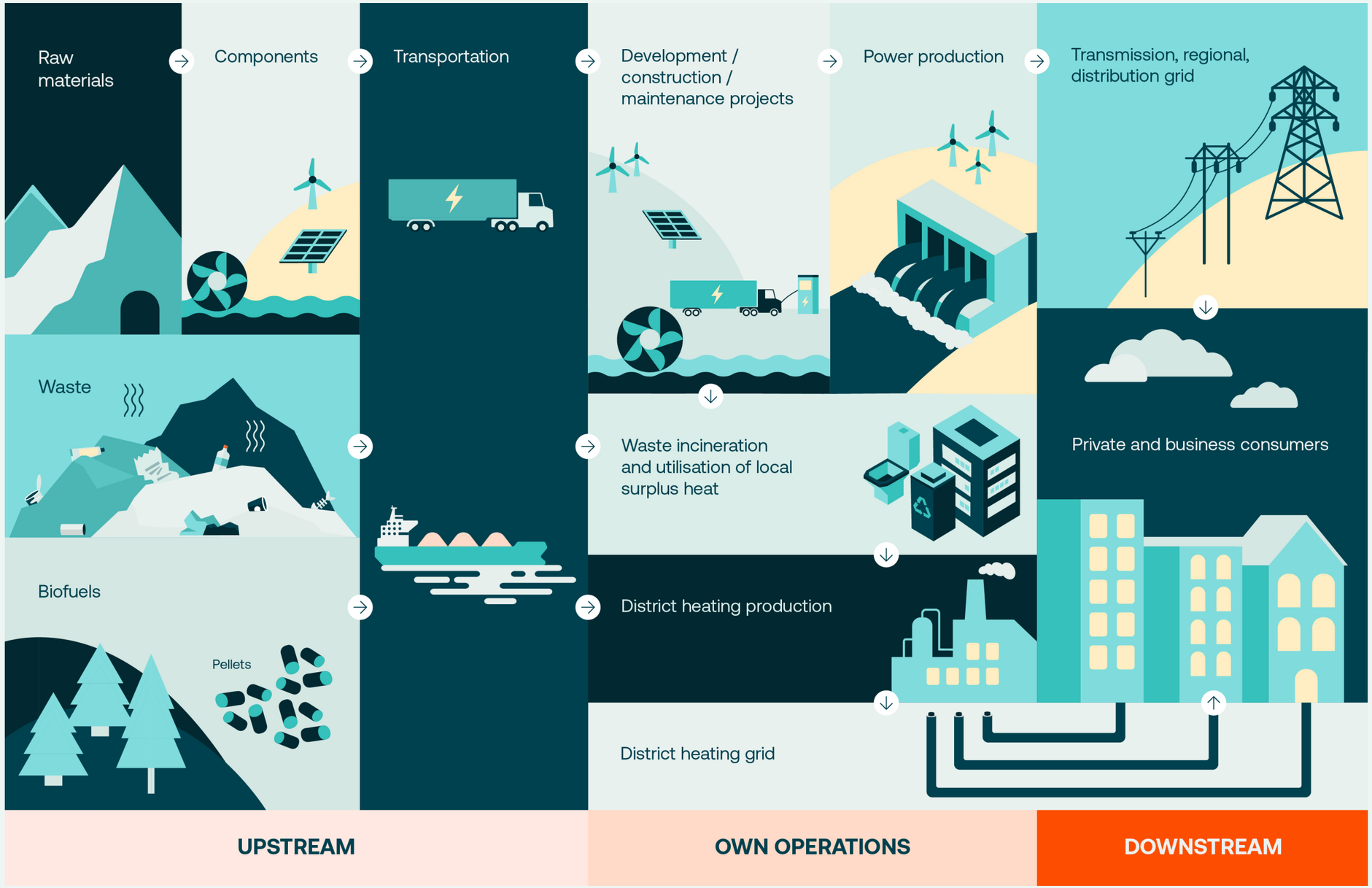
Impact

Hafslund supplies renewable energy from water, wind, surplus heat and biomass, with a total production of approximately 20 TWh in 2025. The business directly and indirectly affects an area of 163,000 hectares. The Group has total greenhouse gas emissions of 532,700 tCO_2e. Hafslund is building one of the world's first large-scale carbon capture plants for waste incineration and already delivers safe and environmentally friendly final treatment of 366,000 tonnes of residual waste. Hafslund's locations are spread across Southern Norway, where most of the power plants are jointly owned with local municipalities. In addition to local employment, Hafslund's operations contribute to revenue through dividends and taxes to affected communities.

[3] *See note 2.2 Revenues and other income in the Consolidated Financial Statement for the Group's total operating revenue divided among Hafslund's operating segments*

Hafslund's value chain

Below is a simplified version of Hafslund's value chain based on the main activities in the upstream supply chain, own operations and downstream supply chain.



Hafslund's vision and strategy (SBM-1)

At Hafslund, we work "For a world in balance, with renewables". To achieve this, Hafslund's strategy towards 2035 is to supply society with renewable energy while at the same time also working together with nature. The core values of "open", "responsible" and "innovative" must be things that all of us in the Group recognise in ourselves, while also representing something to strive for. The entire Group's culture is based on these values and they guide Hafslund's actions.

Hafslund's strategy towards 2035 is based on five strategic focus areas:

Hafslund will contribute to climate and nature-positivity

Hafslund recognises that climate change and biodiversity loss are inextricably linked. The Group supports the goals of the Paris Agreement and the global Kunming-Montreal Agreement on the improvement of vulnerable species and ecosystems, and works to contribute to their achievement.

More renewable energy is crucial to achieving national and international targets to limit greenhouse gas emissions in all sectors, while new power production will involve interventions in nature and affect biodiversity. To achieve climate goals, nature must be safeguarded, and to protect biodiversity, a climate transition and a rapid transition to an emission-free energy system are needed. Hafslund will be a driving force in ensuring that the transition to a zero-emission society is realised in a way that safeguards biodiversity.

Moving towards 2035 Hafslund will:

- Minimise emissions from its own operations.
- Remove CO_2 from the natural carbon cycle.
- Work toward no net loss of biodiversity in new projects and enhance biodiversity around existing facilities.
- Use its position as customer, partner and investor to create positive ripple effects beyond its own operations.

National targets set the framework for Hafslund's activities, directly and indirectly. In light of the Group's strategic targets within energy and nature towards 2035, the Group shall be a constructive and proactive contributor to the authorities' regulatory development. Hafslund participates with input into political processes within energy, climate and nature[4].

Hafslund will contribute with strong renewable energy growth

The green transition is leading to an increased need for new renewable energy. Without increased power production, it will be challenging for Norway to succeed in remaining attractive for new green industries and important workplaces. Hafslund will work to strengthen the power balance in Norway in general and Southern Norway in particular.

Moving towards 2035 Hafslund will:

- Expand existing and building new hydropower.
- Become a leader in the development and expansion of onshore wind.
- Contribute knowledge to the debate on framework conditions and energy development.

Hafslund shall balance the energy system of the future

Europe's energy mix must become emission-free to achieve agreed climate goals. Most of today's renewable energy production technologies are not possible to regulate[5], with the exception of hydropower and its storage capacity. The need for efficient and dispatchable power production is increasing, and Hafslund will contribute to achieving balance in the energy system.

[4] Read more about Hafslund's input in the chapter Business Conduct

[5] Hydropower plants that receive their water from reservoirs can start and stop production at short notice, unlike wind and solar power plants, which can only generate electricity when it is windy or sunny.

Moving towards 2035 Hafslund will:

- Increase the ability to regulate hydropower.
- Develop solutions for aggregation and management of production, consumption and storage.
- Relieve the power grid through the thermal energy system in Oslo.
- Act faster in existing and new physical markets by using the industry's strongest algorithms and systems support.

Hafslund will power smart and green urban development

Hafslund develops and owns infrastructure that enables the energy transition in cities and regions by facilitating increased electrification, and balancing good alternatives to electrification, such as the use of thermal energy. Through the Group's expertise in the interaction between electricity, heat and other energy infrastructure, Hafslund contributes to a more efficient, stable and sustainable energy system.

Moving towards 2035 Hafslund will:

- Develop the thermal energy system in Oslo and the surrounding area.
- Be an active driving force for infrastructure that enables the energy transition.
- Contribute knowledge to the debate about energy preparedness and the overall energy system.

The points above have been updated in 2025 as a result of the Group's strategic focus on the development and growth of Hafslund's core businesses.

The best minds are the key

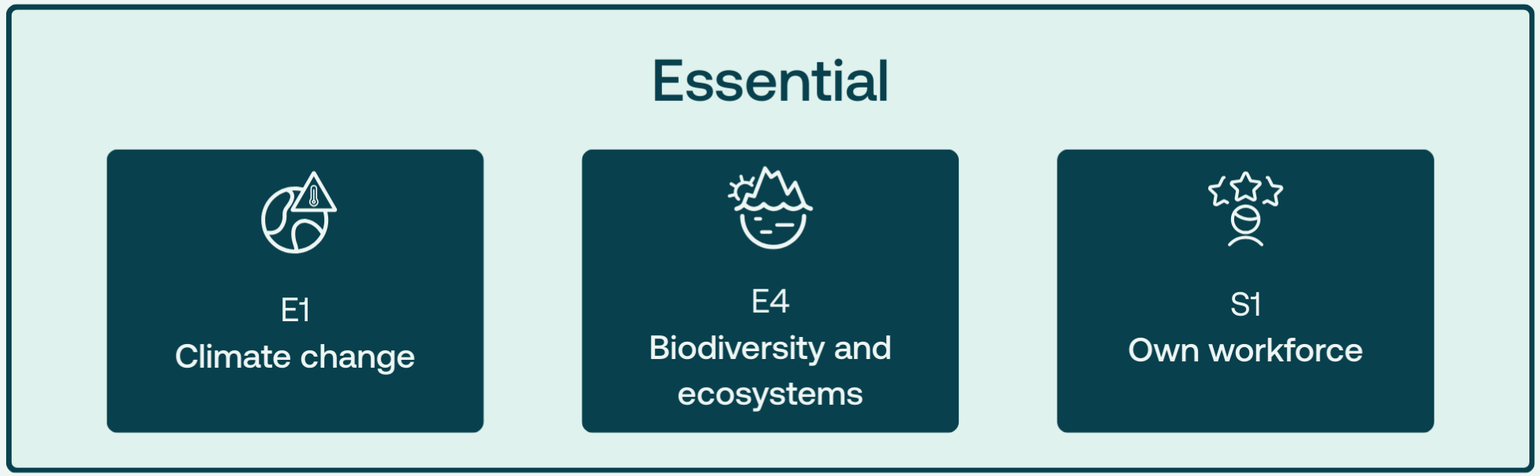
The battle for talent is the most important battle to win in order for Hafslund to succeed in its strategic ambitions. Without the right minds, it will not be possible to achieve success. That is why Hafslund will work towards being the workplace where the talent comes knocking on our door. Hafslund takes an interest in its employees and strives to facilitate a working day in which individuals achieve their potential, are motivated and feel that they are developing. It should be meaningful to work at Hafslund, and the Group shall be a place where employees envisage having a long and developing career.

Moving towards 2035 Hafslund will:

- Ensure an open, safe and secure working environment.
- Strengthen diversity and create an inclusive culture to maximise value creation.
- Focus on long-term and targeted development of managers and employees.
- Focus on being seen as an attractive workplace.

How Hafslund works to protect the environment, people and society in a responsible manner is described under each material sustainability topic.

The result of the materiality assessment (SBM-3)



Hafslund has carried out a materiality assessment according to the principle of double materiality. The assessment is based on two dimensions:

1. How Hafslund's business impacts people and the environment, either positively or negatively.
2. How external sustainability-related conditions impact Hafslund's business and thus entail financial risk or potential opportunities.

The materiality assessment resulted in eight material sustainability topics for Hafslund. The most material are classified as essential and the remaining five as significant.

Sustainability reporting is divided into one chapter for each material topic. In the following table, the detailed impacts, risks and opportunities identified from the materiality assessment are presented for each of Hafslund's three business areas. "Stakeholder dialogue" is included as an opportunity related to the theme S3 Affected communities, otherwise no major changes from 2024[6].

[6] *Minor adjustments have been made to the wording in several of the IROs.*

Hafslund's material impacts, risks and opportunities

K: Power production **F:** District heating* **V:** Growth and investments

Material topic	Positive impact	Potential negative impact	Opportunities	Risk
E1 Climate change (Essential)	• Production of renewable energy **(KF)** • Relief of power consumption and grid **(FV)**	• GHG emissions in own operations and in the value chain **(KFV)**	• New markets and increased demand for energy and balance in the energy system of the future **(KFV)** • Carbon capture at waste incineration plants **(F)**	• Transition risk (market, regulatory, technological and reputational drivers) **(KFV)** • Physical climate risk (damage and collapse of infrastructure and changes in climate and weather patterns) **(KF)**
E2 Pollution		• Potentially extensive environmental damage from pollution **(F)**		• Potential pollution incidents **(F)**
E4 Biodiversity and ecosystems (Essential)		• Land use and changes in water and on land **(KV)** • Impacts species and ecosystems in water and on land **(KV)**	• Preservation and restoration of biodiversity and ecosystems as a competitive advantage **(KV)**	• Changes to framework conditions and possibility of licence **(KV)**
E5 Resource use and circular economy	• Circular resource use **(F)** • Reduction in quantities of waste and destruction of environmental pollutants and infectious agents **(F)**	• Waste from own operations **(F)**	• Further develop existing and explore new opportunities within the circular value chain **(F)**	• Unpredictable and unsuitable framework conditions **(F)**
S1 Own workforce (Essential)	• Skills development **(KFV)**	• Potential undesirable incidents linked to health and safety **(KFV)**	• Being an attractive employer **(KFV)**	• Dependence on the right skills at the right time **(KFV)**
S2 Workers in the value chain		• Potential negative impact on health and safety, workers' rights and human rights **(KFV)**		• Legal, economic and reputational consequences **(KFV)**
S3 Affected communities	• Local value creation **(K)** • Contributes to community preparedness and safeguarding critical infrastructure (including flood protection, electricity and heating) **(KF)**	• Changed landscape and natural resource management **(KV)** • Third-party damage **(KFV)** • Potential negative impact on communities in the value chain **(KFV)**	• Stakeholder dialogue **(KV)**	• Local interests slow development **(KV)**
G1 Business conduct	• Open and constructive political engagement through advocacy and work with framework conditions **(KFV)**	• Potential instances of corruption **(KFV)**	• Favourable framework conditions **(KFV)**	• Incidents of non-compliance with regulatory requirements, standards or stakeholder expectations **(KFV)** • Unfavourable framework conditions **(KFV)**

**The District heating (F) segment includes the district heating business and waste incineration services.*

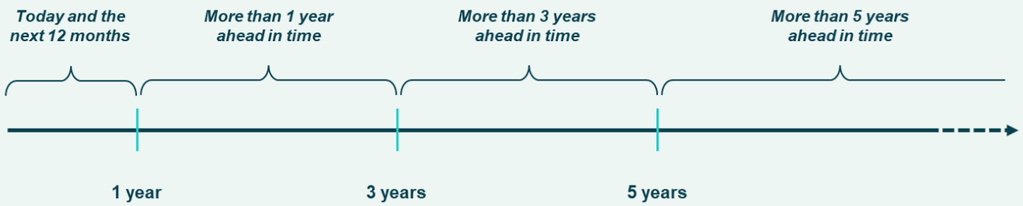
Managing impacts, risks and opportunities

Overall approach (IRO-1)

Hafslund has applied the principle of double materiality when identifying and assessing material sustainability-related impacts, risks and opportunities. The materiality assessment was carried out in accordance with the requirements stipulated in the CSRD and the European Financial Reporting Advisory Group (EFRAG) standard. The preparation process and results were approved by Group management and presented to the Risk and Audit Committee.

The materiality assessment was completed and documented for each of Hafslund's three business areas. This was followed by a consolidation process that resulted in the material impacts, risks and opportunities. Hafslund assesses the materiality of actual and potential negative impacts based on the OECD Guidelines for Multinational Enterprises and Due Diligence Guidance.

The time horizons used are the same as for the Group's risk framework. The short term is in the next 12 months. The short to medium term is one to three years in the future, while the medium to long term is three to five years in the future. The long term is more than five years in the future.



Hafslund's overall approach consists of four steps, that collectively ensure that the materiality assessment has a sound professional basis, that it aligns with other governance processes and that it is established with Hafslund's management and governance bodies. The materiality assessment is revised annually and updated as required. The process was formalised in 2024 and the results revised in 2025. The revision did not result in any major changes, only some adjustments to the Group's significant impacts, risks and opportunities.

Step 1: Map

The starting point for the materiality assessment is the ESRS 1 list of sustainability matters; topics, sub-topics and sub-sub-topics. The materiality assessment is then built on previously conducted materiality assessments, strategy work and risk work, as well as experiences from due diligence assessments, climate risk analyses and other sustainability work.

Hafslund's materiality assessment is based on own operations, upstream value chain and downstream value chain where Hafslund is currently active and will definitively be active in the medium term.

Step 2: Identify

Based on the information obtained during the mapping stage, the topics on the list of sustainability matters were grouped into three categories:

1 Definitely material

2 Definitely immaterial

3 Requires further involvement and analysis

Category three contains topics that are more or less relevant to Hafslund, but for which there was a need for further analysis beyond what was included in the mapping stage (step 1). This involves dialogue with internal subject matter experts, desk-based analyses of public information and consideration of stakeholder views. The latter is handled mainly through internal resources who, through their daily work, have dialogue with relevant stakeholders, or through publicly available information from legitimate representatives.

Step 3: Assess

During the assessment phase, all topics, sub-topics and relevant sub–

sub-topics were scored, citing the associated grounds and documentation/calculations where relevant. The degree of material impact was assessed based on severity, scope and likelihood. Negative impact also take into account the extent to which the damage can be rectified. Relative severity and likelihood are assessed for potential negative impact. Financial materiality is assessed in the same manner as in Hafslund's risk framework and is based on the financial consequence and likelihood of a risk or opportunity occurring. There are work meetings and involvement with the business areas to ensure quality control of these assessments. Both financial materiality and impact were assessed using a predefined scale from zero to five.

Step 4: Decide

Based on the predefined threshold for materiality, a final list of material main topics and specific impacts, risks and opportunities was created. The threshold is the same for the impact analysis and financial materiality assessment, with the exception of potential negative impact. The relative consequence is assigned extra emphasis for this, which means that the likelihood carries less weight. Following the calculation, an assessment of the results was made by the specialists. The materiality assessment is established with relevant specialist personnel in the various segments, and is also approved by respective management groups.

How Hafslund works with and in relation to stakeholders is described in the chapter entitled How Hafslund takes the views and expectations of stakeholders into account. The insights and results from the stakeholder dialogue are taken into account during all phases of the materiality assessment.

The process for each material topic is described below. The specific impacts, risks and opportunities can be found in the chapters for each topic.

E1 Climate change

Process for identifying and assessing climate-related impacts

The starting point for the climate change impact analysis is Hafslund's greenhouse gas accounts, which provide a good level of quality and an overview of emissions from own operations and emissions from the value chain. The materiality assessment takes into account expected future greenhouse gas emissions in the short, medium and long term, based on specific opportunities, forecasts and projects.

Process of identifying and assessing climate-related risks and opportunities

Hafslund has conducted a climate-related risk analysis based on the TCFD framework and the requirements in the EU Taxonomy Regulation. The analysis covers own operations and value chain for the Group and each of the three business areas.

The analysis includes both physical climate risk and transition risk. For physical risk, climate hazards related to mass, temperature, wind and water are assessed for the Group's locations based on geo-coordinates. For transition risk, events related to policies and legislation, technology, market and reputation are considered. The starting point used in the climate risk assessment is the situation in 2023, as well as two different future scenarios in 2030 and 2050. The scenarios used in the analysis are:

- "Low-carbon revolution": A combination of the United Nations Intergovernmental Panel on Climate Change's (IPCC) two scenarios for rapid transition[7] and slow transition[8]. Several reports show that society is moving towards global warming of over 1.5°C and Hafslund therefore takes the physical climate consequences of this into account in the low-carbon scenario. Slow transition is used as a basis for physical risk and rapid transition is used as the basis for transition risk and climate-related opportunities.

[7] *RCP2.6*
[8] *RCP4.5*

- "Climate chaos": Involves climate policy that is not very ambitious or is non-existent, and serious physical climate change – both acute and chronic. This scenario is based on the IPCC's climate scenario, with little to no change[9].

Exposure and vulnerability of Hafslund's assets[10] to chronic and acute events is output from the climate modelling. Droughts, extreme rainfall, storms, forest fires and floods have been assessed for both scenarios using the following time horizons: 2030, 2040 and 2050. For the district heating business, the climate risks of changing temperatures, sea level rises, saltwater intrusion and landslides were also included in the modelling.

Transition risk is assessed based on sector analyses, stakeholder interviews, and work meetings with management groups and relevant specialist resources. The Group's risk function and sustainability department led the implementation of the analyses together with external experts. The results are integrated into Hafslund's risk framework and taken into account in investment decisions and business plans.

Climate risk must be integrated into financial models, by taking this into account in accounting estimates/assessments, in addition to what has already been built into the forward curve. Hafslund will continue to work on ensuring that the climate scenarios from the climate risk analysis are compatible with critical climate-related assumptions that are made in financial reporting. See also the discussion of results from the climate risk analysis under E1 Climate Change.

E2 Pollution

Pollution has only been assessed as material for the district heating operations. The overarching approach described above has been applied to all of the Group's business areas. For the power production business, risk and vulnerability analyses (ROS analyses) are carried out, and the insights from these have been taken into account in the materiality assessment.

All heating plants in Oslo are governed by regulations and are set requirements with specific limits on emissions related to the fuel used at the heating plants. This enables there to be a good overview of the district heating business' emissions into the air and water.

Overview of the heating plants in Oslo[11]

Heating plant	Boiler	Fuel/waste	Rated power (MW)
Klemetsrud	K1	Waste	28.5
	K2	Waste	28.5
	K3	Waste	68.0
	OK3	Oil	13.0
Haraldrud	K5	Commercial waste	30.0
	OK2	LNG/Bio-oil	40/50
	OK3	LNG/Bio-oil	40/50
	K1	Wood pellets	56
Hoff	OK1	Bio-oil	45.0
	OK2	Bio-oil	45.0
Rodeløkka	OK1	Bio-oil	90.0
Oslo University Hospital, Rikshospitalet	OK3	Biodiesel	5.8
	OK4	Biodiesel	7.0
	OK5	Biodiesel	4.0
Gaustad	OK2	Biodiesel	4.5
Hasle	OK1	Biodiesel	15.0

[9] *RCP8.5*
[10] *Assets include power plants, reservoirs, dams, energy centres, infrastructure and other buildings in Southern Norway. The model's results are based on geo-coordinates for Hafslund locations.*
[11] *The overview includes boilers that have emissions to air. In addition, Hafslund Celsio's boiler fleet contains several electric boilers that do not have air emissions.*

Heating plant	Boiler	Fuel/waste	Rated power (MW)
Holmlia	OK3	Bio-oil	26.0
	OK4	Bio-oil	13.0
Ullevål	OK4	Biodiesel	7.5
	OK5	Biodiesel	10.0
	OK6	Biodiesel	10.0
Vika	OK2	Bio-oil	23.0
	OK3	Bio-oil	23.0
Økern	OK1	Biodiesel	15.0
Tokerud	OK2	Oil	5.0
	OK3	Oil	3.0

Risk analyses focused on the external environment and emergency response plans have been established. Emergency response exercises are conducted annually, with emissions to the external environment being the topic. Inspections are carried out by pollution authorities, with emissions and potential pollution as the topic of these exercises.

Application processes for emissions permits follow the process set by the pollution authorities. The general public is notified in accordance with Section 36-7 of the Norwegian Pollution Regulations, and it is principally this notification that constitutes consultations being conducted in connection with pollution.

E4 Biodiversity and ecosystems

Hafslund has conducted an expanded materiality assessment based on the LEAP (Locate, Evaluate, Assess and Prepare) framework[12] from the Taskforce on Nature-Related Financial Disclosures (TNFD). The analysis maps the impacts and dependencies Hafslund's activities can contribute to throughout the entire value chain. Hafslund's greatest impact on biodiversity and ecosystems is through its own business activities, such as the development, maintenance and operation of power plants. Location-based mapping of risks to nature has been carried out in areas that are expected to be impacted by Hafslund's hydropower plants, including an overall assessment of value chain activities. The mapping shows which of Hafslund's facilities are located in, or in close proximity to, ecologically sensitive areas, and whether Hafslund's activities may impact the natural assets in these areas.

Hafslund has followed the steps in the LEAP methodology from TNFD:

Step 1: Map relevant locations

Land use is mapped for all facilities associated with the Power production and District heating segments over which Hafslund has operational or financial control, in addition to the associates Raskiftet and Kjølberget wind power plants. This is the basis for identifying land changes, important locations and the status of ecosystems. Criteria for important locations include protected areas, species of national interest, selected habitats and important functional areas for wild reindeer. Data is obtained from the Norwegian Environment Agency's nature database (Naturbase) and the Norwegian Biodiversity Information Centre's species map (Artskart). A buffer zone is added outside direct land use for each land category to identify how much of the area used by Hafslund impacts sensitive nature in accordance with CSRD/TNFD criteria. This includes protected areas and endangered species within or near this buffer zone. The definition of the buffer zones is described under Impact metrics related to biodiversity and ecosystems.

Step 2: Evaluate actual and potential impacts and dependencies

Hafslund's impacts and dependencies on biodiversity and ecosystems are also evaluated, both in own operations and in the upstream and downstream value chain, across relevant technologies. When evaluating actual and potential impacts, the main drivers of nature loss are taken into account, including climate change, land use changes, direct resource

[12] *Methodology developed to guide companies through all phases from identifying nature-related risks to developing measures, targets, and reporting. LEAP refers to the different phases: Locate, Evaluate, Assess, and Prepare.*

utilisation, invasive foreign species, pollution and other disturbances. Supply services, as well as regulatory and maintenance services, are taken into consideration for dependencies. In this phase, it was assessed as to how Hafslund's activities can impact and be dependent on biodiversity and ecosystems.

Step 3: Analyse/assess significant risks and opportunities

The analysis of nature-related risks and opportunities is based on the results from phases 1 and 2. The assessment of physical risk includes acute and chronic risk. Transition risk includes policies and regulations, technology, market and reputation. Assessed opportunities include resource efficiency, technology, markets, funding and reputation.

Step 4: Implement actions and targets

Hafslund has identified activities that can be directly linked to ecologically sensitive areas, which provides important insight for prioritising mitigation or restoration measures. The nature mapping documents the Hafslund facilities that are located in ecologically sensitive areas and the activities that could negatively impact habitats without mitigation measures. Actions and resources related to biodiversity and ecosystems describes how Hafslund continuously plans and implements mitigation measures. In 2025, this insight has been used to develop a comprehensive action plan for watercourses, which will operationalise the strategic nature targets (described under E4-4 Targets related to biodiversity and ecosystems) through location-specific measures, goals and resource needs.

E5 Resource use and circular economy

The assessment of resource use and circular economy is based on Hafslund's core business, which is the production of power and district heating, preferably in the form of wind and hydropower, and district heating that utilises excess heat that would otherwise be lost. Hafslund operates Norway's largest waste incineration plant and provides final treatment of residual waste that cannot, should not or ought not be reused or recycled. It has been assessed which incoming resources, outgoing resources and waste are a direct result of the district heating production and waste incineration operations.

Resource inflows

The natural resources of wind and water are input factors in wind and hydropower production. District heating production utilises not only excess heat from waste incineration plants, data centres and sewage, but also physical input factors in the form of pellets, bio-oil/biodiesel and electricity for electric boilers. A small proportion of LNG is also used for purposes that include compliance with emergency response requirements for the district heating grid. The district heating business is located in Oslo, and the various heating plants are described in the section entitled E2 - Pollution.

The supply chain has been assessed for the physical resource inflows used in the production of district heating. Sustainability-certified[13] biofuels are used in district heating production.

Resource outflows

Hafslund's resource outflows are electricity produced and district heating. The distribution of Hafslund's energy production in 2025 is described in the chapter on climate change.

Waste

The district heating business utilises excess heat from waste incineration to produce district heating. During the waste incineration process, approximately 20 per cent of the original quantity of waste is left behind in the form of bottom ash or fly ash. Metals are recovered from the bottom ash.

G1 Business conduct

Hafslund is obligated to act in a sustainable, profitable, ethical, safe and responsible manner. Hafslund shall comply with laws and regulations and

[13] *SBP Standard 1* and *ISCC EU – ISCC System*

ensure that its operations are conducted in a safe, fair and transparent manner, in accordance with applicable framework conditions. This is anchored in the Group's ethical guidelines for employees and ethical guidelines and requirements for suppliers[14], which clarify expectations of integrity, accountability and respect for human rights throughout the value chain.

The Group has zero tolerance for corruption and fraud, and facilitates transparency and accountability through established whistleblowing channels.

Stakeholders' expectations, demands for professional integrity and the Group's role in society make good business practices a topic that must be followed up continuously and is considered essential in sustainability work.

Financial impacts (SBM-3)

Hafslund's significant impacts, risks and opportunities may over time affect the company's financial position, financial performance and cash flows. Such impacts may arise, among other things, through changes in regulatory framework conditions, market conditions, operating costs and investment needs.

As of the reporting date, Hafslund has only identified significant adjustments related to the investment decision for the carbon capture plant at Klemetsrud, which was made in 2025. In addition, there is a risk that changed assumptions may result in other accounting effects in future reporting periods, which will be included in assessments related to impairment, depreciation periods and other accounting estimates.

[14] *Further reading in Guidelines that are of key importance to managing sustainability*

Index of material disclosure requirements included (IRO-2)

Requirement		Page number	Comments
ESRS 2 General disclosures			
BP-1	General basis for preparation of sustainability statements	46	
BP-2	Disclosures in relation to specific circumstances	102, 119, 123, 143	Value chain estimation in calculating GHG emissions
GOV-1	The role of the administrative, management and supervisory bodies	64	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	64	
GOV-3	Integration of sustainability-related performance in incentive schemes	64	
GOV-4	Statement on due diligence	70	
GOV-5	Risk management and internal controls over sustainability reporting	71	
SBM-1	Strategy, business model and value chain	50	
SBM-2	Interests and views of stakeholders	61	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52, 87, 108, 113, 126, 136, 147, 159, 169	Covered in the General information chapter and initially in each material topic
IRO-1	Description of process to identify and assess material impacts, risks and opportunities	54	
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E1-3	Actions and resources in relation to climate change policies	93	
E1-4	Targets related to climate change mitigation and adaptation	99	
E1-5	Energy consumption and mix	100	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	102	

Requirement		Page number	Comments
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	105	
E1-8	Internal carbon pricing	106	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	Phase-in requirements, not covered in 2024 reporting
E2 Pollution			
E2-1	Policies related to pollution	73, 108	
E2-2	Actions and resources related to pollution	109	
E2-3	Targets related to pollution	110	
E2-4	Pollution of air, water and soil	110	
E2-5	Substances of concern and substances of very high concern	112	
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	Phase-in requirements, not covered in 2025 reporting
E4 Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	117	
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E4-3	Actions and resources related to biodiversity and ecosystems	119	
E4-4	Targets related to biodiversity and ecosystems	122	
E4-5	Impact metrics related to biodiversity and ecosystems change	123	
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	-	Phase-in requirements, not covered in 2025 reporting
E5 Resource use and circular economy			
E5-1	Policies related to resource use and circular economy	73, 127	
E5-2	Actions and resources related to resource use and circular economy	127	
E5-3	Targets related to resource use and circular economy	128	
E5-4	Resource inflows	128	
E5-5	Resource outflows	128	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	-	Phase-in requirements, not covered in 2025 reporting
S1 Own workforce			
S1-1	Policies related to own workforce	133, 138	
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S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	139	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	140	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	142	
S1-6	Characteristics of the undertaking's employees	143	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	144	
S1-8	Collective bargaining coverage and social dialogue	144	
S1-9	Diversity metrics	144	
S1-10	Adequate wages	144	
S1-11	Social protection	145	
S1-12	Persons with disabilities	-	Hafslund does not collect information about this due to privacy concerns
S1-13	Training and skills development metrics	-	Phase-in requirements, not covered in 2025 reporting
S1-14	Health and safety metrics	145	
S1-15	Work-life balance metrics	145	
S1-16	Compensation metrics (pay gap and total compensation)	146	
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S2 Workers in the value chain			
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S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	155	
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Requirement		Page number	Comments
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S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	163	
S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	165	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	166	
G1 Business conduct			
G1-1	Business conduct policies and corporate culture	168, 169	
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G1-3	Prevention and detection of corruption and bribery	170	
G1-4	Confirmed incidents of corruption or bribery	171	
G1-5	Political influence and lobbying activities	171	
G1-6	Payment practices	-	Not material for the 2025 reporting

Topics not considered to be material

E3 Water and marine resources: Hafslund's hydropower production is dependent on water resources, however the risk of water shortages is low/minimal in all areas where Hafslund operates. International assessments classify Norway as a country with a very low risk of drought and water shortage[15]. Climate change is also expected to lead to increased precipitation in Norway[16], which reduces the relevance of this sustainability theme for Hafslund. The impact Hafslund has through reservoirs, rivers and waterways is discussed in the chapter entitled Biodiversity and ecosystems, and flood protection is discussed in the chapter entitled Affected communities.

S4 Consumers and end-users: The sub-topics in this standard are information-related consequences (privacy, freedom of expression, access to information), personal safety (health and safety, personal security, protection of children) and social inclusion (non-discrimination, access to products and services, responsible market practices) associated with the products/services sold by a business. The topics are not irrelevant to Hafslund, but the conclusion is that Hafslund's impact related to the defined sub-topics is not material and that there is no significant financial effect associated with potential risks/opportunities. Consumers and end-users, on the other hand, are an important stakeholder for Hafslund.

How Hafslund takes the views and expectations of stakeholders into account

(SBM-2)

Overall approach

Hafslund interacts with stakeholders at local, regional, national and international levels. Most of this dialogue is with the stakeholders who have closest relationship to the Group, including in connection with own operations and own locations. Hafslund participates in various forums, provides input in connection with political processes and works closely together with government authorities, local communities and special interest groups across all of the material sustainability topics. Regular dialogue with our own workforce and employees at Hafslund's facilities is also of vital importance. By engaging in ongoing stakeholder dialogue, Hafslund seeks to obtain input that provides insight into how the Group's

[15] https://www.thinkhazard.org/en/report/186-norway/DG
[16] https://klimaservicesenter.no/kss/rapporter/kin-2025#framtidige-endringer-for-hydrologi

opportunities and risks are assessed externally, as well as how Hafslund can work on improvements related to the Group's own impact.

Input from Hafslund's stakeholders was taken into account when identifying and assessing material impacts, risks and opportunities in the materiality assessment. Hafslund has ongoing dialogue with its most important stakeholders on many issues, including sustainability.

Hafslund has dialogue with local and national government authorities related to matters that are of relevance to the company's operations. Entities for framework conditions in particular are involved in rounds of consultations and initiatives across the industry, however, the Group Chair, CEO and Group management team are also involved in the dialogue[17].

In 2025, Hafslund has worked on a more holistic approach to stakeholder dialogue across social sustainability themes. A common guide has been developed for how to work with stakeholders in line with OECD guidelines. Input is documented and followed up in each business area.

Hafslund's most important stakeholders:

- Directorates, civil service and specialist authorities
- Parliament, government and municipal councils
- Owners, partners, investors and the capital market
- Current, future and former employees
- Municipalities, local communities and landowners
- Customers and consumers
- Interest groups
- Suppliers and workers in the value chain
- Nature[18]

A more detailed description of the stakeholder dialogue in connection with Hafslund's material social sustainability topics is provided below. The specific contact that Hafslund has with the stakeholders associated with the social topics is described in the respective chapters.

S1 Own workforce

Hafslund's employees play a vital role in Hafslund's strategy, and the strategic focus area "The best minds are the key" demonstrates that Hafslund places its people at the front and centre. Employees are essential to all value creation, development and growth in the Group. Hafslund has employees with a vast range of expertise, and requires good specialists and managers to be able to operate and develop the business in line with strategic goals.

Hafslund has zero tolerance towards discrimination and harassment, and actively works to prevent discrimination within all parts of the organisation, particularly when concerning diversity, recruitment, and pay and working conditions. Hafslund is well underway with the implementation of a framework for job evaluation, based on methodology from Korn Ferry Hay. During the reporting year, training and competency-building measures related to ethical guidelines and whistleblowing were implemented across the Group. Hafslund works systematically on the working environment through regular "temperature readings", both in the companies and at Group level.

Health, safety and the environment must be protected and assigned the highest priority in all of the Group's activities. Hafslund has clearly stated ambitions of being a leader within safety, with a vision of zero serious injuries. Hafslund has implemented risk-based safety management, where risks are specifically linked to ownership and operation of facilities and infrastructure. The work in the Group's projects, operations and maintenance involves the risk of injury and undesirable incidents for both our own employees and hired personnel. Safety has been assigned extra

[17] *Read more about the work on framework conditions and consultation responses in G1 Business conduct*
[18] *Nature is identified as a silent stakeholder that cannot express its own concerns.*

priority through the enhancement of the management system for HSE and culture building, where communication and training with employees are essential for ensuring that near-misses, accidents and other undesirable incidents do not occur.

Hafslund is committed to being a responsible employer that takes care of and develops its employees, and has a positive impact on them. The interests, opinions and rights of employees are protected at all levels of Hafslund through both partnerships and employees being able to directly influence processes and decisions within the organisation.

Hafslund is subject to the Activity and Reporting Obligation (ARP)[19]. The report concerns the status of the work on gender equality and diversity and activities carried out during the year. This work is reviewed by the Group Board of Directors each year and the report is published on Hafslund's website.

S2 Workers in the value chain

Hafslund's business areas operate within complex global value chains that have low transparency and carry a high risk of negative impacts on human rights and working conditions. In order to minimise risk, focus is placed on procurement processes and following up suppliers, as well as protecting workers at Hafslund's facilities.

Hafslund conducts various forms of dialogue with workers in the value chain, HSE work at locations and meetings with civil society. Relevant knowledge is also collected about negative impacts on value chain workers through public information from government authorities, research communities and civil society. The insight that the Group obtains through the various processes assists in strengthening Hafslund's understanding and approach to stakeholder dialogue with workers in the value chain.

S3 Affected communities

Hafslund supplies renewable energy to residents, which primarily consists of hydropower and excess energy from waste facilities. Profits from these activities are returned back to society through tax revenues and financial remuneration to landowners and licensees, in addition to dividends paid to Hafslund's owner, the City of Oslo. Most of Hafslund's power plants are owned together with local municipalities, which derive benefit from stable tax revenues, dividends and jobs across Southern Norway.

Licences granted by government authorities to utilise natural resources are of vital importance to power plant management. Licences are granted when there are positive social benefits, and environmental and societal interests are protected. The vast majority of energy production in Norway that involves encroachment on nature is subject to licensing requirements, and the licensing process is linked to legislation.

A guiding principle in licensing processes is that adequate information must be provided in the applications that are submitted before the authorities make a decision to grant operators a licence. It is established in law that if a third party may be impacted by a measure, that third party must have the opportunity to make a statement about the measure before the government authorities hand down their decision. This entails, for example, that applications for a wind power plant must be sent for consultation to all parties that may be impacted by the measure. This lays the foundation for democratic participation when government authorities consider individual matters, and enables all impacted parties to influence whether a measure will be implemented, and how measures should be adapted to minimise harm to public interests.

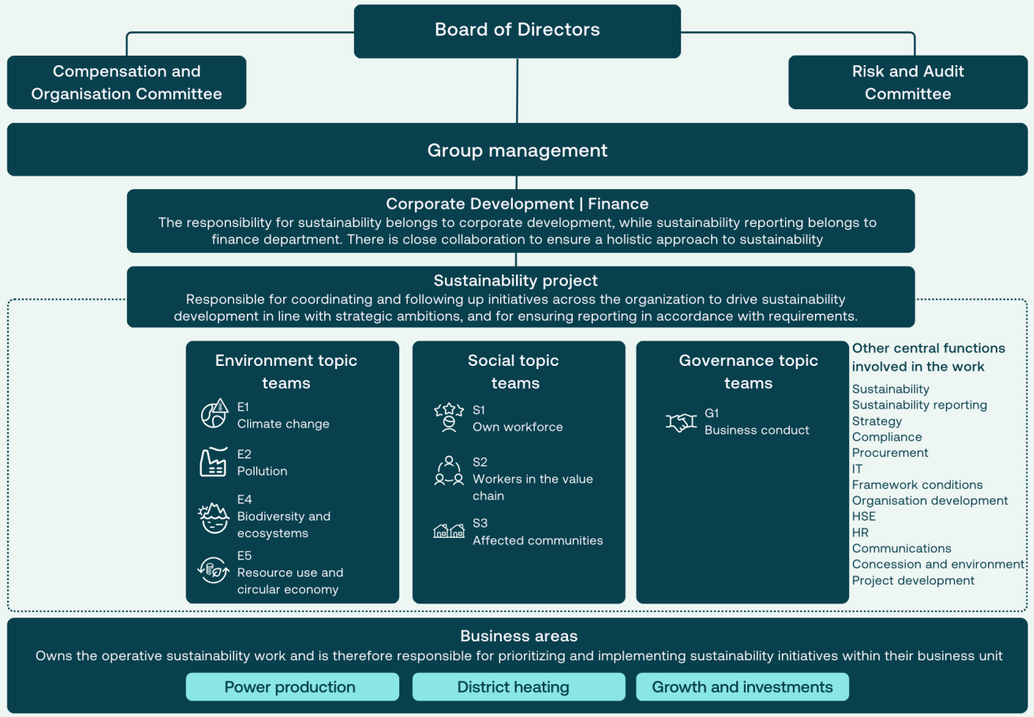
[19] *See the table in GOV 4 for the Transparency Act for more information related to the work on the Activity and Reporting Obligation (ARP).*

Governance

How sustainability is established in the business (GOV-1, GOV-2, GOV-3)

Role of administrative, management and supervisory bodies

The figure below illustrates the governance structure for the sustainability work in Hafslund. Hafslund's Group Board of Directors and the Group management team have overall responsibility for sustainability and business conduct at the Hafslund Group. Hafslund's principles for business conduct are embodied in Hafslund's ethical guidelines and are expressed in Hafslund's values. The Group's compliance and internal audit functions constitute the supervisory body with a direct reporting line to the Board of Directors and CEO. These functions monitor, control and assess risk and compliance with applicable requirements pertaining to sustainability and business conduct.



The table below provides a summarised overview of the composition of Hafslund's Board of Directors, subcommittees and the Group management team.

The composition of the members of Hafslund's Board of Directors, Subcommittees and Group Management Team	Total	Number		Percentage of total	
		Women	Men	Women	Men
The Board of Directors[20]	8	3	5	38 %	63 %
Employee Representatives	*3*	*1*	*2*	*33 %*	*67 %*
Independent Directors	*5*	*2*	*3*	*40 %*	*60 %*
Independent Directors	*63 %*				
Risk and Audit Committee	4	2	2	50 %	50 %
Compensation and Organisational Committee	3	0	3	0 %	100 %
Group Management Team	7	3	4	43 %	57 %

The Board of Directors

The Board of Directors consists of eight individuals with different skills and experience. The Board is governed by rules of procedure that stipulate applicable guidelines for the Board's work and proceedings. When required, the Board's subcommittees, which are referred to below, prepare items for the Board's consideration that pertain to sustainability and sustainability reporting. It is of importance to Hafslund's owner, the City of Oslo, that candidates to serve on the Board have the necessary industry insight, capacity and expertise. Overall, the Board has relevant expertise related to Hafslund's sectors, products and geographical locations, in addition to significant sustainability topics, including business conduct. In early 2026, a sustainability deep dive was conducted with the Board to further strengthen the Board's expertise in relevant sustainability topics.

Risk and Audit Committee

The Risk and Audit Committee is elected by and among the Board's directors. The Committee is composed of members with varied backgrounds who collectively have expertise and experience in areas such as:

- Power industry/Renewable energy
- Finance and financial reporting
- Investments and corporate governance
- Risk management
- Sustainability
- Strategy

The Risk and Audit Committee shall have at least one member with expertise in accounting or auditing and at least one member with expertise in sustainability.

The Committee is responsible for reviewing and discussing the company's assessment of risk, impacts and opportunities relating to material sustainability topics with management, including annual updates of the materiality assessment, and assessment of targets and progress on the material topics was clarified. The Committee shall conduct annual assessments of the current and expected financial effects of identified risks, impacts and opportunities within the company's material sustainability topics and how these influence the company's financial plan. The Committee is also tasked with preparing the Board's assessment of risk, including sustainability risk, in connection with major investments.

The Committee cannot make decisions on behalf of the Board, but presents its assessments and recommendations to the Board.

Compensation and Organisational Committee

The Compensation and Organisational Committee is elected by and among the members of the Board. The Committee shall contribute to the independent consideration of matters relating to remuneration to senior

[20] *None of the directors are part of the Group management team.*

executives and also has tasks and responsibilities that include the following areas:

- Skills and organisational development
- Salary policy
- The CEO's employment arrangement
- Organisation and Group management team
- HSE, gender equality, human rights, decent working conditions and affected communities, including:
  - Following up the Group's compliance with the Group's HSE policy.
  - Monitoring the Group's efforts to promote gender equality and prevent discrimination.
  - Monitoring the Group's work on preventing human rights violations and indecent working conditions in the Group, in the Group's business relationships and in the supply chain.
  - Reviewing information about material safety incidents with high accident potential and/or high reputational risk for the Group, with particular focus on learning and management's response.
  - Familiarisation with the Group's ethical guidelines and assessing and recommending amendments to ethical guidelines for the Board of Directors.
  - Receiving and preparing the Board's consideration of the Activity and Reporting Obligation (ARP) for the Hafslund Group.
  - Considering the company's work with material risks and opportunities relating to the topics of human rights, decent working conditions and affected communities at least once a year.
  - Being informed of material incidents related to breaches of the Group's ethical regulations.

Annual adjustments of remuneration to the CEO and Group management team are assessed in relation to the evaluation of the company's annual targets (KPIs), including integration and achievement of sustainability considerations. The guidelines for remuneration to the Board of Directors of Hafslund AS and executive management of the Hafslund Group were updated in 2025.

Hafslund does not have bonus schemes for the Board, subcommittees or management or senior executives.

The Committee cannot make decisions on behalf of the Board, but presents its assessments and recommendations to the Board.

The Group management team
At the end of 2025, the Group management team consisted of seven Executive Vice Presidents. In addition to the CEO, the management team includes three directors who represent the three business areas and three directors who represent Group support units.

Hafslund has organised the business through subsidiaries that represent business areas. The CEO monitors the business partly through the Group management team and partly through the boards of subsidiaries. All operational decisions related to the activities of the subsidiaries are made by the management and board of directors of each subsidiary. Group management continuously assesses the performance and profitability of the business areas, as well as conditions and incidents that impact future development and optimal resource utilisation. Group management has a mandate to allocate resources. The following are some of the matters relating to sustainability that the Group management team considered and decided on during the reporting year:

- Hafslund's materiality assessment for 2025 and material sustainability topics.
- The Group's climate targets and climate action plan for the district heating business.
- New HSE policy and group-wide guidelines for HSE risk management, incident follow-up and reporting.
- Social sustainability and Hafslund's work with due diligence assessments of suppliers.
- Audit of Hafslund's whistleblowing system, including whistleblowing routine.

- Audit of Hafslund's Group policies.
- Organisation of sustainability work.

Executive Vice President Corporate Development is responsible for the Group's sustainability work and for ensuring the quality of the content in the sustainability reporting.

The CFO is responsible for the sustainability statement, including ensuring compliance with relevant legal requirements and timely publication.

The sustainability project
In 2024, Hafslund established a sustainability project to promote transparency and trust in Hafslund's climate, environmental and social responsibilities. The purpose of the project was to professionalise and integrate sustainability into corporate governance, including Hafslund's core and support processes, clarify roles and responsibilities, and improve the reporting processes for sustainability information. The project has been continued in 2025 and at the same time entered a new phase with a focus on sharing expertise and implementing measures to achieve the goals the Group has set for sustainability. Work has continued to integrate sustainability into business management to ensure coordination and synergies. The three main objectives of the project in 2025 have been:

- Drive competence enhancement and development to deliver on Hafslund's strategic ambitions.
- Identify needs for actions and closing gaps for Hafslund's key themes.
- Ensure comprehensive sustainability reporting according to requirements.

The project involves resources from the entire organisation including subsidiaries.

The Company Coordinators are the project's point of contact in the subsidiaries. They are responsible for coordinating the work and ensuring timely and complete reporting for their business area.

Expert groups for each material sustainability topic are established across Hafslund, with representatives from each of the three business areas. Each expert group is led by a specialist from the parent company. The expert groups have the following responsibilities for their field of expertise:

- Initiating, coordinating and conducting development work.
- Providing qualitative and quantitative content for sustainability reporting in connection with their material topic.

The business areas power production, district heating, and growth and investments own the operational sustainability work in their operations. The responsibility involves prioritising, implementing and following up on operational actions and improvements.

In addition to this, the Group management team follows up Hafslund's material sustainability areas through established targets and a management system with Group policies and guidelines. The Group management team is responsible for approving targets and key guidelines, as well as more extensive sustainability measures that intersect Hafslund's business areas.

Guidelines that are of key importance to managing sustainability
In order to operationalise the objectives of the owners and the Group's vision, governing documents have been established for the Group which incorporate Hafslund's material impacts, risks and opportunities related to sustainability. All managers at Hafslund are responsible for familiarising both themselves and their employees with the governing documents and ensuring that they are followed. The documents are available to all employees on the intranet, and certain governing documents are made available to external parties at hafslund.no.

The overarching governing documents are frameworks which ensure that Hafslund operates in accordance with laws, rules and ethical principles, while also supporting the company's strategy and objectives. The documents provide direction and establish responsibilities and guidelines for the organisation and decision-making processes. They include statutory obligations and principles for corporate governance, and best practices in management. Overarching governing documents include ethical guidelines and Group policies.

Ethical guidelines
Hafslund's ethical guidelines describe how Hafslund should conduct its business activities and expectations for personal conduct and actions. The guidelines apply to all companies in the Hafslund Group and to all people working for Hafslund. This includes employees at all levels, board members, contracted personnel, advisors and others acting on behalf of or representing Hafslund.

The ethical guidelines focus on four major topics:

- Understanding and use of ethical guidelines.
- Hafslund's employees, including human rights and workers' rights in the value chain.
- Hafslund's business practices, including anti-corruption, impartiality and conflicts of interest.
- Hafslund's responsibilities to the outside world, including for climate, biodiversity and affected communities.

Hafslund is obligated to act in a sustainable, profitable, ethical, safe and responsible manner. The Group must comply with laws and rules and act in accordance with the framework conditions for the business. Sustainability is integrated into Hafslund's business model and strategy and through the Group's management system. Hafslund conducts an annual assessment of the challenges the Group faces in the area of sustainability in a double materiality analysis. Each company in the Group sets targets and creates sustainability action plans.

Hafslund's ethical guidelines have been approved by the Board of Directors and are owned by the CEO.

Ethical guidelines and requirements for suppliers
Hafslund's ethical guidelines and requirements for suppliers apply to the Hafslund Group's suppliers. Agreements that Hafslund's suppliers enter into with any subcontractors must contain equivalent obligations. The requirements that are set constitute a minimum standard that must be complied with in order to do business with Hafslund. When international conventions and national laws and rules or agreements regulate the same topic, the most stringent standard shall apply.

The guidelines are focused on five topics:

- Basic human rights and decent working conditions
- Obligations under public law
- Climate and environment
- Business ethics and responsible business conduct
- Due diligence requirements

Hafslund's ethical guidelines and requirements for suppliers are owned by the CEO. The Guidelines are publicly available at hafslund.no in Norwegian and English.

Group policies
Hafslund's Group policies support the ethical guidelines and provide overarching guidelines for the companies in the Group. The Group policies establish common guidelines and standards for all companies in the Group over which Hafslund has a controlling influence through ownership and/or shareholder agreements.

In addition to the Group sustainability policy, relevant sustainability matters are included in other Group policies and Hafslund's governing documents. All corporate policies were updated in 2024 to reflect the requirements of the CSRD. Annual audit was completed in 2025.

The managing directors of Hafslund's companies are responsible for implementing the Group policies in their own companies. The policies must be operationalised through company-specific procedures or joint Group procedures when this is deemed appropriate and effective.

Group sustainability policy
The Group sustainability policy is the overarching governing document related to Hafslund's material sustainability topics. The policy describes the Group's approach to ESG (Environmental, Social, and Governance) and the principles Hafslund is working towards to ensure coordinated compliance with sustainability-related laws, regulations and expectations. Through compliance with the sustainability policy, Hafslund will protect people and the environment, and strengthen its competitive position for access to new projects and access to capital. Compliance with the policy will also strengthen the Group's position as an attractive business partner and employer. Hafslund expresses equivalent expectations through its investments, exercising of ownership and procurements.

The main principles of the policy are that consideration for the environment, social conditions and good business conduct are key goals in Hafslund's strategy and must be implemented throughout all of the Group's business activities. These principles are described in more detail in the introduction to the chapter entitled Environment, Social information and Governance.

Some of the principles apply to multiple topics:

- Hafslund shall comply with the OECD Guidelines for Multinational Enterprises and associated Due Diligence Guidance
- Hafslund will conduct its business activities within the limits of what the Earth can tolerate and in a manner that contributes to achieving the UN Sustainable Development Goals
- Hafslund's business activities will be developed in line with the Ten Principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights
- Hafslund shall be transparent and accountable in its reporting and compliance
- Hafslund integrates sustainability into risk management, investment decisions, procurement processes and the company's annual targets, and the evaluation of these targets
- Hafslund invests in the measures and training that are necessary for ensuring compliance with this policy, including contributions to ensure knowledge-based decision-making through research and development (R&D)

The Group Board of Directors has overarching responsibility for Hafslund's sustainability compliance, and follows up and monitors compliance at least once a year. The Group sustainability policy is owned by the CEO, with Executive Vice President Corporate Development as the operational policy owner.

Group procurement policy
For a large buyer such as Hafslund, the Group procurement policy is an important tool designed to help mitigate negative impacts and risk, as well as for realising positive impacts and opportunities for Hafslund's material sustainability topics. Emphasis is placed on climate and environmental considerations in all procurement processes. Through the policy, the Group also sets requirements that contracts which have been entered into are followed up in accordance with Hafslund's ethical guidelines and requirements for suppliers.

The Group procurement policy is owned by the CEO, with the CFO as the operational policy owner.

Group information security and privacy policy
Hafslund is governed by strict legal and regulatory requirements that set high standards for the protection of information, services, systems and privacy. The Group information security and privacy policy shall ensure that Hafslund complies at all times with the requirements and obligations stipulated in applicable laws and regulations, supports the Group's objectives and business strategy, and contributes to Hafslund's active and preventive work with information security and privacy.

The Group information security and privacy policy is owned by the CEO, with Executive Vice President Projects as the operational policy owner.

Other Group policies relevant to sustainability matters
In addition to the aforementioned governing documents, the following Group policies contain references to sustainability matters: HSE, integrated reporting, investments, finance, risk management, HR and organisational development, communication and framework conditions, see chapter Social information.

Group procedures
Group procedures is a collective term for group-wide governing documents that complement and operationalise Group policies and other group-wide guidelines. The subsidiaries are responsible for operationalising the principles from the Group policies through their own management systems. Relevant procedures for sustainability are discussed in each of the chapters on material sustainability topics.

Strategy and targets of key importance to managing sustainability
Hafslund's Group strategy consists of specific targets and metrics for what Hafslund aims to achieve by 2035. The targets presented under the material sustainability topics are derived from the Group strategy and the current risk landscape. Hafslund's strategy and ambitions up to 2035 are described in the chapter on Hafslund's strategy and business model.

Follow-up of the strategy takes place through the boards of subsidiaries, structured dialogue between parent company and subsidiary and monthly status reporting:

- The Group Board of Directors and the boards of the subsidiaries follow up and revise targets, strategies, capital allocation and financial plans when required. The subsidiaries themselves are responsible for developing their own strategies for delivering on the Group strategy, including setting targets and establishing actions.
- Structured dialogue between the parent company and the subsidiaries (segments) takes place twice a year. The purpose of this dialogue is to update strategic goals and initiatives that contribute to achieving the Group's goals and ambitions, update the risk landscape, discuss capital requirements for prioritised initiatives and growth opportunities, and review the financial plan.
- Monthly status reporting from the segments on selected strategic, operational and key financial indicators, including selected sustainability matters.

Due diligence (GOV-4)

Hafslund recognises the growing expectation to conduct due diligence processes related to material sustainability topics in line with the OECD Guidelines for Multinational Enterprises and the upcoming EU regulations (CSDDD and Forced Labour Regulation) which are relevant to the EEA. This not only includes basic human rights and decent working conditions, as required by the Norwegian Transparency Act, but also the environment and corporate governance. Hafslund is working to integrate due diligence into its day-to-day operations to ensure responsible business practices. The goal is to continuously improve processes, measures and reporting in order to meet expectations for sustainability work.

The steps in the due diligence process	Description in the sustainability reporting
1. Incorporating due diligence into governance, strategy and business model.	General information about managing sustainability: guidelines of key importance to managing sustainability. Guidelines for environment, social information and governance.
2. Collaboration with affected stakeholders in all important steps of the due diligence process.	Hafslund interacts with stakeholders to varying degrees at local, regional, national and international levels. For more details, see How Hafslund takes the views and expectations of stakeholders into account. Hafslund's work on whistleblowing and a description of the whistleblowing channel can be found in the chapter on Business conduct.
3. Identifying and assessing negative impacts	Hafslund works systematically to identify the risk of violations of decent working conditions and basic human rights in its own business activities, among business partners and suppliers, and in affected communities. Negative impacts identified by Hafslund and assessments of these are described in detail in the chapter on Own workforce, chapter on Workers in the value chain and chapter on Affected communities
4. Implementing measures for managing these negative impacts	Hafslund works systematically with preventive measures to reduce the likelihood of negative impacts occurring. However, if negative impacts do occur, measures will be taken to manage the actual negative consequences. Hafslund's work with these measures is described in the chapter on Own workforce, the chapter on Workers in the value chain and the chapter on Affected communities.
5. Monitoring the effectiveness of these efforts and communication	Detailed descriptions of the effect of the due diligence work and the routines that exist for contact with own workforce, workers in the value chain and affected communities are provided in the respective chapters

How Hafslund ensures that the statement is reflective of the business (GOV-5)

The Group policy for integrated reporting includes principles related to sustainability reporting. The main principle is that internal controls and processes for managing reporting risk must be implemented to ensure high-quality sustainability reporting that is free of material error.

The Group policy for integrated reporting is owned by the CEO, with the CFO as the operational policy owner.

In 2024, Hafslund established and implemented an operating model[21] for sustainability reporting that includes activities, roles and responsibilities in the reporting process, based on principles from financial reporting. The operating model ensures the involvement of the right expertise and division of labor throughout the entire process, from the preparation of reporting input to approval of the report. The operating model was evaluated in 2025 after the first reporting process and updated to ensure efficiency and quality in the process. Hafslund has not established a comprehensive framework for risk management and internal control for sustainability reporting, but has continued to work on several initiatives in 2025 to ensure that sustainability reporting is of high quality and free of material errors:

- Completed the implementation of system support for sustainability reporting that ensures good traceability in the reporting process. The sustainability reporting system is used in connection with data collection, verification of information and approval of the report.
- Automated quantitative reporting of HR and HSE data (S1) and natural data (E4), which has strengthened data quality and ensured the implementation of automated internal controls.
- Implemented processes and controls for verification of documentation of sustainability information that is reported.

Hafslund's external auditor conducts an attestation, with moderate assurance, of the sustainability report.

[21] *See the description of responsibilities and the organization of the sustainability function in Governance*

Environment

Guidelines for working with environmental aspects

EU taxonomy

E1 Climate change

E2 Pollution

E4 Biodiversity and ecosystems

E5 Resource use and circular economy

Environment

Guidelines for working with environmental aspects

Hafslund has guidelines for how the Group needs to take environmental factors into consideration in a strategic plan and in day-to-day operations. The guidelines apply to all of Hafslund's material environmental topics: E1 Climate change, E2 Pollution, E4 Biodiversity and ecosystems and E5 Resource use and circular economy.

The operationalisation of the governing documents is described in the chapters for each of the material environmental topics.

Ethical guidelines

Hafslund is dependent on sustainable business operations to achieve its vision of "For a world in balance, with renewables", and the ethical guidelines commit the Group to protecting the environment, climate and nature.

Through the ethical guidelines, Hafslund has principles and rules for how business activities need to be operated in order to meet the Group's commitments to the environment, climate and nature:

- Hafslund works towards reducing its impact on the environment, climate and nature. When making decisions, the Group shall avoid causing significant harm to nature, the environment and climate.
- Hafslund takes the initiative to promote greater environmental responsibility and encourages the development and dissemination of environmentally friendly technology.
- Hafslund endeavours to maintain a low carbon footprint and to reduce its impact on nature and GHG emissions.
- Hafslund strives to employ a circular economy mindset, including use of a lifecycle perspective, and promotes efficient use of resources, reuse and recycling.

Ethical guidelines and requirements for suppliers

Hafslund sets requirements for its suppliers to have an effective system for minimising the negative impact from their own operations, and prefers solutions that result in less noise, energy and resource use, and that reduce emissions. Environmental measures are assessed along the entire production and distribution chain – from the production of raw materials to sales. Both local, regional and global environmental aspects must be taken into account. Hafslund particularly expects suppliers to take environmental challenges and waste management into account, apply the precautionary principle to continuously minimise negative impacts, and comply with national and international environmental laws and regulations.

Group sustainability policy

Hafslund's sustainability policy[22] guides the Group's efforts to safeguard environmental factors in operations and governance.

- Hafslund supports the targets in the Kunming-Montreal Global Biodiversity Framework and strives to avoid negative impact on nature, minimise negative impact on nature and restore nature in all its projects in line with the action hierarchy. Hafslund will contribute to a nature-positive world through its portfolio.[23]
- Hafslund supports the Paris Agreement and has set climate targets for its own activities that are in line with the 1.5-degree target. The climate action plan and greenhouse gas accounts for the Group and underlying businesses shall be used to document progress towards achieving the climate target.
- Hafslund maps its exposure to climate and natural risks, and works continuously to reduce exposure to these types of risks.

[22] See the chapter entitled General information for more information on the Group sustainability policy.
[23] The action hierarchy for biodiversity and ecosystem: avoidance, minimisation, remediation/rehabilitation, and compensation or replacement.

- Hafslund's facilities must be operated with the goal of no serious environmental non-conformities or violations of licence conditions ever occurring.
- Hafslund will protect and secure its locations and facilities to prevent harm being caused to the environment and nature.
- Hafslund regularly takes steps to increase employee knowledge about the Group's environmental impact and initiates measures to minimise this impact.
- Hafslund emphasises environmental considerations in procurement processes by setting minimum requirements or criteria for being awarded contracts.
- Hafslund supports the objective of deforestation-free value chains and sets requirements for sustainable forest management for its suppliers.
- Hafslund contributes to sustainable water management that meets the overall needs of people, the environment and society, and that safeguards the ecological, hydrological and flood mitigation processes upon which society's access to clean and safe water is based.
- Hafslund will continuously work to reduce the impact on the external environment, prevent pollution and strive for achieving a high level of resource utilisation.
- Hafslund works to achieve increased energy efficiency and reduced waste in own business activities.
- The repair, reuse and recycling of materials throughout the value chain must always be assessed in line with circular economic principles.



EU taxonomy

On 4 July 2025, the European Commission adopted a delegated act to simplify taxonomy reporting. Hafslund has elected to apply the simplifications in its reporting for 2025.

Hafslund reviewed all economic activities in order to assess those which are covered by the EU taxonomy, as well as those which are compatible with the taxonomy criteria. All consolidated companies in the Group were assessed in the screening process.

Hafslund's assessment for 2025 was that the Group's hydropower production, wind power production, consulting services, mobile energy solutions, production and distribution of district heating and cooling, and carbon capture and storage are eligible economic activities in accordance with the EU taxonomy.

Taxonomy-eligible activities

Hafslund has identified six taxonomy-eligible activities:

Economic activity in the Taxonomy	Description	Relevant environmental objectives
4.5 Electricity production from hydropower	An annual normal production of approximately 18 TWh and a production capacity of 5,250 MW make the power business Norway's second largest hydropower producer. There are 83 hydropower plants in Norway in which Hafslund has direct ownership and jointly controlled operating arrangements/joint operations.	Climate change mitigation
4.3 Electricity production from wind power	Hafslund owns Tonstad wind power plant, which is one of Norway's largest onshore wind power plants, with installed capacity of 208 MW and annual normal production of around 670 GWh.[24]	Climate change mitigation
9.1 Close to market research, development and innovation	In January 2025, the district heating business made the final investment decision for the carbon capture project at Klemetsrud. Emissions from waste incineration will be captured before being released into the atmosphere, and then transported out to the North Sea where they will be stored under the seabed. The plant is scheduled to be operational during 2029.	Climate change mitigation.
4.15 District heating/cooling distribution	The district heating business produces and distributes district heating and cooling. Among other things, excess heat from waste incineration is used to produce district heating. Waste incineration is not currently included in the Taxonomy, however Hafslund distinguishes between waste incineration as a necessary process for treating residual waste and the utilisation of the excess heat produced from the incineration process in an associated district heating system. The district heating business is in the early stagea for becoming a supplier of cooling.	Climate change mitigation
9.1 Close to market research, development and innovation	Hafslund Rådgivning assists customers with the green transition by offering consulting services that have the objective of helping public and private stakeholders with issues that relate to the transition to emission-free solutions. The activity is not described further as it falls below the materiality threshold of ten per cent.	Climate change mitigation
4.10 Storage of electricity	Hafslund's mobile energy solutions provide charging solutions for construction projects, and part of this service involves ensuring energy requirements at the construction site through mobile batteries. The activity is not described further as it falls below the materiality threshold of ten per cent.	Climate change mitigation

Assessment of compatibility with taxonomy criteria

Hafslund's business model is based on the development, expansion and operation of renewable energy and related products and services that

[24] *The associated companies Austri Kjølberget DA and Austri Raskiftet DA, which are accounted for using the equity method in the consolidated financial statement, are kept outside the scope when reporting under the EU Taxonomy.*

contribute to an efficient energy system with lower GHG emissions. Hafslund considers the entire portfolio of economic activities to be compatible with the technical criteria for environmental objective 1 "Climate change mitigation". Hafslund has assessed climate risk for its projects in line with the criteria in the EU taxonomy as described in the chapters General information and E1 Climate change.

Hydropower production

Substantial contribution

In order to make a substantial contribution to mitigating climate change, one of the following criteria must be met:

- The power production comes from a run-of-river hydropower plant, which does not have an artificial reservoir.
- The power density of the power production exceeds 5 W/m^2.
- GHG emissions from the power production's life cycle are lower than 100 g of CO_2e/kWh.

Unless the power plant is a run-of-river hydropower plant, Hafslund has used the criteria for calculating power density (W/m^2) in line with SINTEF's memo "Assessment of GHG emissions from hydropower for the EU Taxonomy" to assess substantial contribution to environmental objective 1. For most reservoirs, gross area is used when calculating power density. For those reservoirs that are measured by depth, net area is used as a basis. For some water bodies, the lowest regulated water level (LRWL) is also used in the calculation. Data on installed capacity is obtained from the Norwegian Water Resources and Energy Directorate's (NVE) hydropower database for all power plants. Hafslund concludes that, with five exceptions, all power plants that are within the system boundaries based on the assumptions in SINTEF's note, meet the criteria for environmental objective 1.

Hafslund has reservoirs and power plants which satisfy the power density requirement that are located in the Glomma watercourse with Gudbrandsdalslågen, Hallingdal watercourse (down to and including Nes power plant), Begna watercourse (down to and including Eid power plant), Aurland watercourse and Dokka watercourse.

Hafslund has a total of five power plants in the Brødbøl, Trysil and Sagefoss watercourses that do not satisfy the power density requirement. Hafslund has not conducted a life cycle analysis of these power plants and therefore has no basis upon which to conclude that they meet the criteria in environmental objective 1.

Hafslund has a total of ten run-of-river power plants spread over the aforementioned watercourses that are not included in the calculation of power density. These power plants are not in the "system" and do not use, or use only very low quantities of, reservoir water. Hafslund's assessment is that these meet the criteria in environmental objective 1.

Do no significant harm (DNSH)

In order to comply with the taxonomy, the activity must do no significant harm to the five other environmental objectives. However, there are no DNSH criteria for the production of electricity from hydropower linked to environmental objective 4 (transition to a circular economy) or environmental objective 5 (pollution prevention and control).

In 2023, Hafslund conducted a physical climate risk analysis for the Group's geographical locations using climate scenarios[25]. For Hafslund's two new hydropower plants, separate risk analyses were carried out in 2025[26]. For Hafslund's hydropower business, damage to infrastructure as a result of an increase in extreme weather events has been identified as the most relevant physical climate risk, because hydropower plants are heavily exposed to drought, precipitation and flooding. Risk and vulnerability analyses (ROS analyses) are regularly conducted for all of Hafslund's hydropower plants, and all dams are subject to government

[25] *See the chapters General Information and E1 Climate change for more information on the climate risk analysis.*
[26] *Borregaard and Mossefossen power plant.*

supervision through the Norwegian Dam Safety Regulations. The risks of increased precipitation and major flooding are taken into consideration when assessing the safety of the dam facilities. The facilities contribute to society's capacity for climate adaptation, and thereby mitigate the damage and costs resulting from extreme weather events. These factors, combined with applicable risk assessments, entail that Hafslund considers the criteria for environmental objective 2 (climate change adaptation) to be met.

The technical screening criteria for environmental objective 3 relating to sustainable use and protection of water and marine resources (DNSH-3) are closely linked to compliance with the requirements in the EU Water Framework Directive, which has been implemented into Norwegian law through the Regulations relating to the framework for water management (the Water Regulations). As a hydropower producer, Hafslund complies with the orders and deadlines for environmental improvements that government authorities issue pursuant to the Water Regulations in order to achieve the environmental objectives in the water bodies where our activities have an impact. All measures proposed to be implemented in order to achieve the objectives of good ecological status or good potential must be approved by the government authorities in accordance with laws governing watercourses and public processes.

Water bodies with "less stringent environmental objectives" are approved by Norwegian authorities in compliance with national environmental objectives under the Water Regulations. Hafslund assumes that these water bodies are therefore in compliance with DNSH-3. This follows from the criteria in the EU taxonomy which make reference to the fact that the requirements in Article 4 of the Water Framework Directive need to be met, including the possibility, subject to strict conditions, of establishing less stringent environmental objectives (Article 4(5)). Furthermore, the European Commission's interpretative statement of 29 November 2024 supports less stringent environmental objectives, as a permitted exception, being able to satisfy the DNSH criterion. The implementation of proposed measures for achieving the environmental objective in the Water Regulations often consists of time-consuming government processes and approvals, relevance assessments, acquiring knowledge, extensive planning and practical execution that need to be commenced by the deadline for implementation set in the Water Regulations.

Hafslund is of the opinion that the Group's hydropower activities are in compliance with DNSH-3. The environmental objectives, environmental measures, and the implementation of measures in the affected water bodies follow the established regulations, processes, and deadlines defined by Norwegian and European authorities. Hafslund also aims to be a driving force when it comes to environmental improvement, and relevant environmental measures are implemented as quickly as possible through dialogue with government authorities and user interests.

Hafslund has established an overview of all water bodies impacted by the Group's power plants and regulations that is based on the official database Vann-Nett and conducted specific assessments for each individual water body with regard to compliance with DNSH-3. The environmental objective has already been achieved for the majority of the relevant water bodies. For some water bodies, licensing processes are underway in the form of reviews, modification or summons, and the environmental objective may only be clarified once the government authorities establish new licensing conditions. The proposed measures may not be very specific for certain other water bodies, and active efforts are being made to acquire knowledge, and plan and implement technologically feasible and ecologically relevant measures to achieve the environmental objectives within the deadlines in 2027 and 2033.

Hafslund is aware that there are different interpretations of how the DNSH- 3 criteria should be applied to Norwegian hydropower, and that the taxonomy is under development. Hafslund bases its compliance on the requirements set by the competent sector authorities. The assessment for the 2025 financial year has been carried out based on the best available knowledge, including consultations with various stakeholders, and an understanding of the applicable regulations

All power plants with licences granted after 1986 will meet the requirement for an impact assessment and thereby satisfy the criteria for environmental objective 6 (protection and restoration of biodiversity and ecosystems). For older facilities, including those without a licence, assessments of the environmental impact were made in accordance with watercourse legislation that was in force at that time. In addition, all water bodies, including those impacted by older facilities and facilities without a licence, are covered by the water management plans and associated environmental objectives and action programmes. Assessment of the need for environmental improvement measures in all water bodies, including the need to review licence conditions or summon operators without a licence for a licensing process, has therefore been carried out. Mitigation measures have been implemented in line with decisions and impact assessments by the Norwegian authorities. Hafslund therefore concludes that the criterion for environmental objective 6 is also met for older facilities.

Hafslund finds that the DNSH criteria are met for all relevant environmental objectives.

Wind power production

Substantial contribution

Power plants that produce electricity from wind power contribute significantly to limiting climate change. Tonstad wind farm consists of 51 onshore wind turbines that together have an annual normal production of 670 GWh of renewable energy, and Hafslund therefore considers that the activity contributes significantly to environmental objective 1.

Do no significant harm (DNSH)

In order to comply with the taxonomy, the activity must do no significant harm to the five other environmental objectives. However, the DNSH criteria for environmental objectives 3 (sustainable use and protection of water and marine resources) and 5 are not relevant for onshore wind power production.

Tonstad wind farm is operated externally. In 2024, the operator prepared a climate risk assessment for future climate scenarios. This is unchanged for 2025. Hafslund considers that the criteria for not causing significant harm to environmental objective 2 are met by identifying risks so that mitigation actions can be implemented in a timely manner.

The turbines have an estimated lifespan of 30 years. No specific plan for decomposition has yet been drawn up. Tonstad wind farm's main components consist of turbines (towers, blades, foundation, nacelle) and electrical infrastructure such as cables and transformer station. The majority of the components can be recycled/reclaimed. There are few commercially available solutions for recycling turbine blades today. Solutions such as reuse or thermal decomposition (pyrolysis) are showing strong development and Hafslund expects recycling solutions to be available when it becomes relevant for Tonstad wind farm. Hafslund strives for as much recycling and/or energy recovery as possible. Hafslund considers that the Group's wind power activity is in line with environmental objective 4.

An impact assessment was carried out in connection with the licensing process in 2012. This was done in accordance with current regulations and in line with EU Directive 2011/92/EU334. Hafslund considers that the Group's wind power activity is in accordance with environmental objective 6.

Hafslund assesses that the criteria for no significant harm (DNSH criteria) are met for all relevant environmental objectives.

District heating and cooling distribution

Hafslund concludes that the Group’s production and distribution of district heating and cooling are covered by the economic activity 4.15 “District heating/cooling distribution” in the EU taxonomy. The rationale for this is that all turnover from district heating comes from the distribution of heating or cooling to commercial buildings and households, and is based on the guidance provided by the European Commission.

Hafslund is of the view that excess heat from waste incineration can be included in the EU taxonomy's economic activity 4.15 for the distribution of district heating and cooling. While waste incineration as an activity is not eligible, Hafslund considers that revenues, investments and operating costs related to the distribution of excess heat can be classified as eligible in line with criteria for efficient district heating systems defined in the EU Energy Efficiency Directive. Hafslund has had this interpretation confirmed by the EU through FISMA[27], which verified that the taxonomy includes activities such as the distribution of district heating, irrespective of the heat source. The Norwegian authorities also encourage the use of excess heat from waste incineration, which is considered the only legal method for treating residual waste in Norway.

Substantial contribution
In order to make a substantial contribution towards limiting climate change, the requirement is that Hafslund must use at least 50 per cent renewable energy, 50 per cent excess heat, 75 per cent cogenerated heat or 50 per cent of a combination of such energy and heat in the district heating and cooling system. In 2025, the energy mix for district heating distributed in the system for the district heating business consisted of:

Excess heat from incineration of sorted residual waste, including waste heat from the Agency for Waste Management and Recycling (REG).	58%
Detachable electric boilers	17%
Ambient heat for heat pumps (sewage, data centre, water purification)	8%
Electricity for heat pumps	4%
Wood pellets	9%
Bio-oil and biodiesel	3%
LNG	2%

Based on the Group's assessment of the EU taxonomy and encouragement from Norwegian authorities to use excess heat from waste incineration, all district heating and cooling activities in the Group are considered to make a substantial contribution to environmental objective 1.

Do no significant harm (DNSH)
In order to comply with the taxonomy, the activity must do no significant harm to the five other environmental objectives. However, there are no DNSH criteria linked to environmental objective 4 (transition to a circular economy) for distribution of district heating and cooling.

The district heating business conducted an analysis of physical climate risk in 2022. The analysis revealed a risk that rising sea levels could, in the long term, result in parts of the infrastructure ending up underwater. Environmental objective 2 is met by identifying risks and opportunities for mitigation measures, and measures may be implemented well in advance of the risk becoming applicable.

All of Hafslund's facilities were subject to regulatory approval processes before and during construction, including the necessary environmental impact assessments and mitigation measures. Statutory supervision is carried out during the operational phase, including inspections and annual reporting on sustainability performance. All heating and cooling activities therefore meet the requirements of environmental objective 3.

Hafslund considers that the district heating and cooling activity does not cause significant damage to environmental objective 5. The DNSH 5 criteria require that equipment that complies with Directive 2009/125/EC is used and, where relevant, that equipment meets the requirements for energy labelling in the highest class. Hafslund interprets "where relevant" as situations where equipment must be replaced due to age or technical failure. Typical equipment would be pumps and fans, which are equipment that can have a lifespan of 20 years. At the same time, technology is developing rapidly and the best available solutions (the equipment) are therefore changed more often than it is technologically necessary to replace the equipment. The requirements for these product groups are

[27] *FISMA stands for "Directorate-General for Financial Stability, Financial Services and Capital Markets Union"*

aimed at manufacturers, and there are no established classifications for energy efficiency (energy labelling) for the products Hafslund uses. The requirements in the Ecodesign Directive are therefore the only ones that apply. Products that are sold on the European market are considered representative of the best available technology. By procuring equipment from European suppliers, Hafslund assesses that the district heating and cooling activity is in accordance with the DNSH 5 criteria.

Hafslund concludes that the heating and cooling activities meet the criteria for do no significant harm to environmental objective 6. All facilities have been subject to regulatory approval processes and necessary environmental impact assessments. Statutory supervision is carried out during the operational phase, including inspections and annual reporting on sustainability performance. The district heating and cooling activities are ISO 14001-certified, and life cycle assessments have been carried out. The main facilities are located in urban or industrial areas that are not close to vulnerable nature. For smaller facilities that are located in areas that are of significant importance to biodiversity, measures are implemented in order to protect the surrounding areas, and facilities located near rivers and streams are equipped with protective systems that prevent oil and chemical leaks.

Hafslund assesses that the criteria for no significant harm (DNSH criteria) are met for all environmental objectives.

Carbon capture

Hafslund considers the carbon capture project under development at Klemetsrud to be covered by the EU taxonomy through economic activity 9.1 Close to market research, development and innovation. The reason for this is that Hafslund's carbon capture project will be one of the world's first full-scale carbon capture plants for waste incineration.

Substantial contribution
A life cycle analysis of the entire carbon capture project value chain has been conducted which demonstrates that the project will contribute to significant reductions in GHG emissions. When completed, the plant will capture and store around 350,000 tonnes of CO_2 annually. The commitment to carbon capture is therefore deemed to make a significant contribution to environmental objective 1.

Do no significant harm (DNSH)
In order to comply with the taxonomy, the activity must do no significant harm to the five other environmental objectives. Assessments of physical climate risk related to the project have been carried out, the Norwegian Environment Agency has issued emissions permits in accordance with the Water Regulations, the Pollution Control Act and the Nature Diversity Act, and a sustainability strategy has been prepared that includes principles for circular economy.

Hafslund therefore finds that the DNSH criteria for all environmental objectives have been met.

Compliance with minimum requirements for social and governance conditions

Hafslund's assessment of whether the Group meets the minimum social standards is based on the guidelines presented in the "Final Report on Minimum Safeguards", prepared by the "Platform on Sustainable Finance". Based on the criteria for breaches of minimum requirements, Hafslund committed no breach in 2025, and thus finds that the Group is in compliance with the taxonomy reporting's minimum requirements for social and governance standards.

All minimum requirements are described in the relevant section of this report, with the exception of consumer rights, fair competition and tax. These are described here.

Consumer rights

Only the district heating business has consumers as customers. Consumer rights have been identified as a non-material topic in the materiality assessment, and are therefore not included in the sustainability report.

The district heating business has the necessary processes and measures in place to detect, prevent and manage potential and actual violations of consumer rights.

Fair competition

Hafslund complies with competition laws, and such compliance is also a requirement in Hafslund's ethical guidelines and requirements for suppliers. The Group promotes awareness in the business through group-wide and general competition law guidelines, as well as internal and external training with a focus on attitude work and reporting of potential deviations. Hafslund continuously focuses on having the necessary processes and measures in place to identify, prevent and handle potential and actual violations of competition law.

Tax

Hafslund has necessary procedures for ensuring timely and correct payment of tax. Hafslund will also continuously improve the Group's procedures and processes to ensure controls and management of tax risk. Taxation and compliance with tax obligations are key elements of Hafslund's corporate governance. Decisions that have tax implications of significant importance will be adopted by, or discussed with, the Board of Directors or other senior executives in the Group. Hafslund also strives to be transparent with the tax authorities, and provide full and correct information in submitted tax returns as well as in other correspondence with relevant authorities.

The Group sustainability policy states that Hafslund shall not engage in aggressive tax planning to reduce tax payments, nor shall it have a presence in tax havens. Hafslund has adopted a Group instruction for intra-group transactions in 2025. Hafslund takes the necessary measures to identify, prevent and address potential and actual violations of relevant tax legislation.

Other social and governance issues

How Hafslund works with the remaining social and governance issues from the taxonomy is further discussed in the sustainability statement:

- Human rights and decent working conditions
  - Own workforce
  - Workers in the value chain
  - Affected communities
- Corruption and bribery
  - Business conduct

Key performance indicators

Economic activities	Code	2025 Proportion of turnover	2025 Proportion of capital expenditure	2025 Proportion of operating expenditures	2024 Proportion of turnover	2024 Proportion of capital expenditure	2024 Proportion of operating expenditures
TAXONOMY-ELIGIBLE ACTIVITIES							
ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)							
Electricity generation from hydropower	4.5	82%	84%	64%	81%	26%	65%
Electricity production from wind power	4.3	1%	0%	8%	1%	54%	4%
District heating/cooling distribution	4.15	13%	4%	8%	14%	8%	9%
Close to market research, development and innovation: Carbon capture	9.1	0%	9%	0%	0%	8%	0%
Total of environmentally sustainable activities (Taxonomy- aligned)		**97%**	**97%**	**80%**	**96%**	**97%**	**78%**
TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)							
Electricity generation from hydropower	4.5	0%	1%	1%	0%	0%	1%
Total of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**0%**	**1%**	**1%**	**0%**	**0%**	**1%**
Total of Taxonomy-eligible activities		**97%**	**98%**	**81%**	**96%**	**97%**	**79%**
Activities not assessed due to materiality [28]		0%	0%	0%			
TAXONOMY-NON-ELIGIBLE ACTIVITIES							
Waste incineration		2%	1%	16%	3%	2%	17%
Electricity production based on excess heat from waste incineration		1%	0%	0%	1%	0%	0%
District heating and cooling (other)		0%	0%	0%	0%	1%	0%
Hafslund Vekst (other)		0%	0%	2%	0%	0%	3%
Hafslund Hovedgård		0%	0%	0%	0%	0%	1%
Total of Taxonomy-non-eligible activities		**3%**	**2%**	**19%**	**4%**	**3%**	**21%**
Total		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

[28] *As of 2025, Hafslund has made use of the option not to assess economic activities for scope if the value is lower than 10 per cent. The threshold applies to each KPI individually. For which activities this applies, see the overview of activities covered by the EU taxonomy.*

Review of key performance indicators

The following discusses the key performance indicators presented in the tables "Revenue (turnover)", "Investments" and "Operating costs" at the end of this chapter.

Revenues (turnover)[29]

Reported revenue figures can be found in the consolidated financial statements in note 2.1 Segment information and note 2.2 Revenues and other income. The performance indicator for revenue consists of the lines "Sales revenue" and "Other operating income" (except for "Other operating income" for Power production) in Hafslund's income statement. For 2025, total relevant revenues amounted to NOK 15,577 million (NOK 13,487 million). 97 per cent of this, i.e. NOK 15,069 million, is related to taxonomy-eligible activities, and 97 per cent, i.e. NOK 15,046 million, is related to activities that are considered to be environmentally sustainable (taxonomy aligned).

The share of revenues related to electricity production from hydropower has increased from 81 per cent in 2024 to 82 per cent in 2025. The increase in operating revenues is mainly due to higher power prices in Southern Norway and structural growth, despite lower production.

Total sales revenue for the power production business area were NOK 13,098 million (NOK 11,047 million). These revenues are entirely generated by the two activities "Electricity production from hydropower" and "Electricity production from wind power" and belong to environmentally sustainable activities, with the exception of 0.1 per cent (of Hafslund's total) which are reported as non-environmentally sustainable activities. These revenues are linked to five hydropower plants for which Hafslund does not have sufficient basis to conclude that environmental objective 1 is met.

Total sales revenues and other operating revenues for the district heating business area were NOK 2,447 million (NOK 2,409 million). These are generated through the activities "District heating/cooling distribution", "Waste incineration" and "Electricity production based on excess heat from waste incineration". The "District heating/cooling distribution" activity is considered environmentally sustainable, and accounts for 13 per cent of Hafslund's total relevant revenues in 2025.

Capital expenditure

In 2025, the Group's total investments in property, plant and equipment were NOK 6,810 million (NOK 3,293 million). They consisted of NOK 2,744 million in investments in property, plant and equipment from the Consolidated statement of cash flows, NOK 2,794 million from note 3.1 Intangible assets and NOK 1,272 million from note 3.2 Property, plant and equipment. The amounts taken from the Group's notes for intangible assets and property, plant and equipment relate to the purchase of shares in Sarpsfoss Limited. Sarpsfoss Limited consists of Borregaard power plant, Mossefossen power plant and 50 per cent of Sarp power plant. Of the total investments in property, plant and equipment, 98 per cent were related to taxonomy-eligible activities, and 97 per cent were related to activities that were assessed as being environmentally sustainable (taxonomy aligned)

Capital expenditures related to Hafslund's economic activities have increased for 2025 compared to 2024. This is mainly due to the investment in Sarpsfoss Limited, which belongs to the activity "Electricity production from hydropower". This constitutes 60 per cent of total capital expenditures in 2025, and impacts the proportions for all other activities.

Increased capital expenditures related to the activity "Innovation and development: Carbon capture" is due to the large amount of preparatory work before the actual development of the carbon capture plant at Hafslund Celsio's waste incineration plant starts.

For the power production business area, investments in property, plant and equipment were NOK 5,787 million (NOK 2,644 million) in 2025. All are

[29] *Turnover, Capital expenditure and Operating expenditure per activity are either obtained from various parameters in the accounts or distributed based on a key from a total. The aggregate of the various activities is reconciled with the total they are included in, and there is thus no possibility of double counting in the reporting.*

related to environmentally sustainable activities with the exception of 0.6 per cent (of Hafslund's total) which is reported as non-environmentally sustainable activities.

In 2025, the district heating business had investments in property, plant and equipment of NOK 985 million (NOK 622 million). The activities "District heating/cooling distribution" (4 per cent of Hafslund's total) and "Innovation and development: Carbon capture" (9 per cent of Hafslund's total) are considered environmentally sustainable.

Operating expenditure

Operating expenses covered by the definition in the EU taxonomy are part of "Salary and other personnel costs" and "Other operating costs" in note 2.1 Segment information. The definition includes costs related to:

- Research and development
- Renovations and upgrades
- Short-term lease
- Maintenance and repairs, and other direct costs associated with the day-to-day operation of facilities and equipment necessary for continuing operations.

In 2025, this amounted to a total of NOK 1,237 million (NOK 1,031 million) for Hafslund, of which 80 per cent was related to activities that are considered environmentally sustainable. The remaining proportion of the costs primarily relates to waste incineration.

Operating expenses covered by the definition in the EU taxonomy for 2025 have increased compared to the reported operating costs for 2024. The changes are mainly related to the activities "Electricity production from hydropower" and "Electricity production from wind power", and structural growth through the purchase of the shares in Sarpsfoss Limited, as well as the fact that the operating costs related to wind power now reflect a full year of operation.



Financial year	**2025**														
KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material[30]	Taxonomy aligned activities in previous financial year	Proportion of Taxonomy aligned activities in previous financial year
					Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity					
	NOK million	Per cent	NOK million	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	NOK million	Per cent
Turnover	15,577	97 %[31]	15,046	97 %[32]	97 %								0%	12,941	96 %
Capital expenditure	6,810	98 %	6,637	97 %	97 %								0%	3,193	97 %
Operating expenditure	1,237	81 %	990	80 %	80 %								0%	806	78 %

Reported KPI	**Turnover**												
Financial year	**2025**												
Economic activities	Code	Taxonomy eligible KPI (proportion of Taxonomy eligible turnover)[33]	Taxonomy aligned KPI (monetary value of Turnover)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover)[34]	Environmental objective for Taxonomy aligned activities						Enabling activity	Transition activity	Proportion of Taxonomy aligned in Taxonomy eligible[35]
					Climate Change Mitigation	Climate Change adaption	Water	Circular Economy	Pollution	Biodiversity			
		Per cent	NOK million	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	(E if applicable)	(T if applicable)	Per cent
Electricity production from hydropower	CCM 4.5	83 %	12,845	82 %	82 %								100 %
Electricity production from wind power	CCM 4.3	1 %	231	1 %	1 %								100 %
District heating/cooling distribution	CCM 4.15	13 %	1,970	13 %	13 %								100 %
Close to market research, development and innovation: Carbon capture	CCM 9.1	0%	0	0%	0%								100 %
Proportion of alignment per objective													
Total KPI (turnover)		97 %	15,046	97 %	97 %								100 %

[30] "Non-assessed activities considered immaterial" consist of consulting and mobile energy solutions. These activities constitute, and are rounded to 0 per cent of the Group's total turnover, capital expenditures and operating expenses.
[31] Total relevant revenues are NOK 15,577 million in 2025, of which 97 per cent is Taxonomy eligible. Calculated as the share of taxonomy eligible revenues of total relevant revenues for Hafslund.
[32] Of Hafslund's total relevant revenues, 97 per cent is Taxonomy aligned (environmentally sustainable). Calculated as the proportion of Taxonomy aligned (environmentally sustainable) revenues of total relevant revenues for Hafslund.
[33] Share of Taxonomy eligible revenues per economic activity of total relevant revenues for Hafslund.
[34] Proportion of Taxonomy aligned (environmentally sustainable) revenues per economic activity out of total relevant revenues for Hafslund.
[35] Share of Taxonomy aligned (environmentally sustainable) income per economic activity out of total Taxonomy eligible income per economic activity.

Reported KPI	**Capital expenditure**												
Financial year	**2025**												
Economic activities	Code	Taxonomy eligible KPI (proportion of Taxonomy eligible capital expenditure)	Taxonomy aligned KPI (monetary value of capital expenditure)	Taxonomy aligned KPI (Proportion of Taxonomy aligned capital expenditure)	Environmental objective for Taxonomy aligned activities						Enabling activity	Transition activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change adaption	Water	Circular Economy	Pollution	Biodiversity			
		Per cent	NOK million	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	(E if applicable)	(T if applicable)	Per cent
Electricity production from hydropower	CCM 4.5	85 %	5,747	84 %	84 %								99 %
Electricity production from wind power	CCM 4.3	0%	1	0%	0%								100 %
District heating/cooling distribution	CCM 4.15	4 %	252	4 %	4 %								100 %
Close to market research, development and innovation: Carbon capture	CCM 9.1	9 %	636	9 %	9 %								100 %
Proportion of alignment per objective													
Total KPI (capital expenditure)		98 %	6,637	97 %	97 %								99 %

Reported KPI	**Operating expenditure**												
Financial year	**2025**												
Economic activities	Code	Taxonomy eligible KPI (proportion of Taxonomy eligible operating expenditure)	Taxonomy aligned KPI (monetary value of operating expenditure)	Taxonomy aligned KPI (Proportion of Taxonomy aligned operating expenditure)	Environmental objective for Taxonomy aligned activities						Enabling activity	Transition activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change adaption	Water	Circular economy	Pollution	Biodiversity			
		Per cent	NOK million	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	(E if applicable)	(T if applicable)	Per cent
Electricity production from hydropower	CCM 4.5	65 %	791	64 %	64 %								99 %
Electricity production from wind power	CCM 4.3	8 %	105	8 %	8 %								100 %
District heating/cooling distribution	CCM 4.15	8 %	94	8 %	8 %								100 %
Close to market research, development and innovation: Carbon capture	CCM 9.1	0%	0	0%	0%								100 %
Proportion of alignment per objective													
Total KPI (operating expenditure)		81 %	990	80 %	80 %								99 %

E1 Climate change

Strategy

Why climate change is material for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Greenhouse gas emissions	ED, OVK
PP	Renewable energy production	ED, NVK
PP	Power consumption and network relief	ED, NVK
R	Transition risk related to market, regulatory, technological and reputational drivers	ED, NVK
R	Physical climate risk (damage and collapse of infrastructure and changes in climate and weather patterns)	ED, OVK
M	New markets and increased demand for energy and balance in the future energy system	ED, NVK
M	Carbon capture at waste incineration plants	ED

NP = Negative impact, PP = Positive impact, R = Risk, M = Opportunity. ED = Own operation, OVK = Upstream value chain, NVK = Downstream value chain.

Energy production from fossil sources is one of the main drivers of greenhouse gas emissions globally. Hafslund develops, expands and produces renewable energy and district heating that contribute to restructuring the energy system and reducing greenhouse gas emissions in line with national and international climate goals. This is Hafslund's most important impact on climate change. Increased production of renewable energy can replace more carbon-intensive power production in Europe, which contributes to reduced global emissions. In addition, rehabilitation and upgrading of existing facilities provide increased efficiency with limited environmental impacts. Hydropower provides increased flexibility in the power system and delivers important network services such as balancing and frequency regulation. Hafslund's work to increase the production of renewable energy is discussed in the subchapter Measures for increased production of renewable energy.

Hafslund uses local excess energy from waste incineration, data centres and sewage to produce district heating. This helps to relieve the power grid and enables electricity to be used for other purposes. District heating is therefore an important contributor to the electrification and decarbonisation of society. Incineration is the only legal method for treating residual waste in Norway. If the waste had been landfilled, greenhouse gas emissions would have been significantly higher than those emitted in the incineration plants. Greenhouse gas emissions from waste incineration are nevertheless significant, and the incineration plant at Klemetsrud is both Hafslund's and the City of Oslo's largest source of point emissions of greenhouse gases (scope 1).

The business areas power production, growth and investments, and the parent company Hafslund AS cover their electricity consumption by purchasing guarantees of origin. They therefore do not have market-based scope 2 emissions. The district heating business uses electricity as an energy source for parts of the district heating production when the capacity in the network allows it and when prices are low. In 2025, no guarantees of origin were purchased in connection with this electricity consumption, which means that the Hafslund Group has emissions in scope 2.

The highest indirect emissions (scope 3) relate to Hafslund's development projects of new renewable energy and input factors/fuels for the district heating plants, as well as Hafslund's investments in other companies.

To reduce emissions from its own operations and value chain, Hafslund has prepared a transition plan with the targets of cutting emissions by 90 per cent in scope 1 and 2, and 50 per cent in scope 3, by 2035, compared to the base year 2023. The plan is described under the subchapter Transition plan for limiting climate change mitigation.

Climate change poses both physical and transition risks to Hafslund's operations and energy production. More severe and frequent extreme

weather events, such as flooding, can result in damage to critical infrastructure and facilities, while changing precipitation conditions and wind patterns can lead to reduced and/or more unpredictable power production. Increased average temperatures can also lead to lower demand for district heating for space heating, but increased need for cooling. In addition, more volatile power prices in the market with more unregulated power, such as wind and solar, increase complexity in the power market.

When there is unpredictable power production and imbalance in the power market, district heating can help create balance by supplying or receiving power. At the same time, the speed of development for upgrades and expansion of existing and new power plants can be limited by factors such as grid access, long licensing processes, increased costs and disruptions in the supply chain.

As a renewable energy player, climate change and the transition represent opportunities for Hafslund. In order to limit global warming and contribute towards transitioning away from fossil energy sources, it is necessary to increase the development of renewable energy production and grids, as well as contribute to energy efficiency. The need for energy to heat and cool buildings will increase in a world with greater fluctuations in the climate. The value of hydropower's contribution to balance in the power system through adjustable reservoir capacity is rising in a power market with an increasingly large share of unregulated power from wind and solar.

Hafslund's upcoming carbon capture plant at the Klemetsrud waste incineration plant will be critical to achieving the company's own emission reduction targets and the goal of becoming climate positive. This is also crucial for the City of Oslo's target of reducing gas emissions by 95 per cent by the end of 2030. The project will contribute significantly to national emission targets and will reduce Oslo's climate emissions by about 20 per cent. The investment in carbon capture of both fossil and biogenic CO_2 will make it possible to sell carbon removal credits from BECCS, which contributes to climate-positivity through the permanent removal of CO_2 from the atmosphere. Carbon capture can also provide a competitive advantage by offering waste suppliers that are customers of Hafslund emission-free final treatment of their waste.[36]

The resilience of the strategy and business model related to climate change (SBM-3)

Hafslund produces hydro and wind power, and offers district heating, district cooling, waste incineration, charging solutions, consulting and smart energy solutions. Hafslund's business model is closely linked to the solutions that the world is dependent on for reducing GHG emissions.

Hafslund's strategy is based on the risk landscape that Hafslund faces, expectations from its owners and other key stakeholders, and the experience and expertise acquired throughout the company's nearly 130-year history. Hafslund's strategy process is briefly summarised in three steps:

- "Our starting point"
- "The future we believe in"
- "How to face the future"

On the whole, the basis for the strategy is an assessment of the robustness of Hafslund's business model and strategy, together with a set of goals which will ensure that Hafslund is well-equipped in the long term. Climate risk analysis is used as part of the knowledge base, together with other internal and external analyses. The latter is the basis for the "The future we believe in", which is what Hafslund considers to be the most likely scenario for the ongoing strategy period up until 2035.

Among other things, it is Hafslund's belief that:

- Requirements relating to climate and nature are intensifying and becoming an integral part of all activities.

[36] *"Bioenergy with Carbon Capture and Storage".*

- A strong need for renewable energy will continue and much of what is new will not be flexible energy.
- Falling cost curves for renewable technology are accelerating the green transition.
- Climate-friendly transition of society and business provides greater sectoral connectivity and increases power system flexibility.

Hafslund is adapting to climate change by:

- Reducing negative impact by minimising the Group's GHG emissions in line with the transition plan. The largest single measure is the construction of carbon capture linked to the waste incineration plant at Klemetsrud.
- Adapting operations and management to climate change. Among other things, this involves protecting our own facilities and local communities against the effects of extreme weather and flooding.
- Developing new and existing services that make a positive contribution towards limiting climate change and reducing the need for fossil fuels. Hafslund has plans to produce more renewable energy in the years to come.

Hafslund has conducted a climate risk analysis in 2023 that provides insight into the largest climate risks facing the Group. To strengthen and expand the use of information on physical climate risk, the Group initiated work in 2025 to systematise the information across business areas. The objective is to establish processes and systems for conducting climate risk analyses that can support a comprehensive understanding of the risk profile at both asset and portfolio level, while ensuring compliance with regulatory requirements. The work will continue in 2026. [37]

Results from the climate risk analysis (IRO-1)

Physical climate risk	
Chronic	Greater unpredictability for production and planning due to changes in climate and weather patterns
	Changes in markets due to changes in weather and climate
Acute	Increased risk of damage and collapse of infrastructure due to more frequent extreme weather
Transitional risk	
Market	Increased costs/reduced access to raw materials and input factors
	Increased volatility in energy prices due to higher proportion of variable energy production
Technology	Failed investments in technology
Policies and regulations	Increased taxation of power generation
	Unpredictability and costs due to impending climate regulations
Opportunities	
New markets/Adaptation and resilience	New markets and change in customer needs due to climate change
	Opportunities related to increased power production due to climate change
	New market for the sale of carbon removal certificates (CRD)
	Balance for the energy system of the future
New markets and Innovation	Utilise opportunities and price variations in the power system/energy system of the future
Adaptation and resilience	Access to green capital
Renewable energy, new markets, adaptation and resilience	Competitive advantage and commercial opportunities when transitioning to the low-emission society

[37] *See General information for a more detailed description of the climate risk analysis conducted.*

Managing impacts, risks and opportunities

Policies related to climate change (E1-2)

Hafslund's Sustainability Policy outlines the Group's principles for reducing GHG emissions, climate change risk and adaptation, and energy efficiency[38]. Climate change considerations are also integrated into the Group's procurement policy, ethical guidelines for employees, and ethical guidelines and requirements for suppliers[39].

In 2025, Hafslund operationalised the principles from governing documents as follows:

- Continued work on implementing contractual requirements for reducing emissions and climate reporting in the power business' contract templates.
- Further work on implementing climate assessments in project models.
- Continued work on further developing reporting tools and integrating climate accounting and climate budget reporting at the project level.

When concerning climate change, Hafslund expects suppliers to:

- Deliver greenhouse gas accounts in line with the GHG Protocol and set emission reduction targets
- Work with waste management and phasing out the use of non-renewable resources. Suppliers are expected to choose modern and efficient technologies that reduce GHG emissions and other emissions from products and services.
- Apply the precautionary principle to implement measures for continuously minimising GHG emissions.

Transition plan for climate change mitigation (E1-1)

Two of Hafslund's strategic focus areas towards 2035 are related to climate change and contribute to limiting global warming in line with the Paris Agreement. On the one hand, Hafslund will increase the Group's most important positive impact by expanding more renewable power production, at the same time reduce its own greenhouse gas emissions and become climate positive. The work to address the Group's significant impact and opportunities related to climate change is therefore based on two tracks:

1. Hafslund's growth strategy for the development of more renewable energy, as well as the operation and maintenance of existing power plants.
2. Restructuring plan for reducing greenhouse gas emissions in its own operations and value chain, hereinafter referred to as the climate action plan.

The growth strategy addresses how Hafslund will seize the opportunities in increased demand for energy and contribute to increased production of renewable power. The climate action plan specifies how Hafslund will work to achieve the Group's climate targets for emissions from its own operations and value chain. The plan addresses both existing emission sources and potential future emissions related to the development of new renewable energy. The climate action plan covers all of Hafslund's business areas, which have also prepared their own climate action plans. The group-wide plan compiles the most significant measures from the company areas.

Hafslund's targets related to greenhouse gas reduction and progress towards the goals are discussed in the subchapter Targets related to climate change.

[38] *See Guidelines for working with environmental aspects.*
[39] *See the chapter titled General information.*

Through the work on the climate action plan, key measures and instruments have been identified that will be important for Hafslund to succeed in reducing its greenhouse gas emissions and achieving its climate goals. The measures identified in the climate action plan and how these contribute to emission reductions towards Hafslund's climate goals are discussed in the subchapters Actions for greenhouse gas reduction and Actions for climate adaptation. The development of the Group's greenhouse gas emissions is discussed under Development in 2025.

Integrating the climate action plan into the company's financial planning

To ensure the implementation of the climate action plan, Hafslund is working to integrate the instruments and measures from it into the company's financial governance. Climate impact and risk are integrated into budget and investment processes, as well as in risk assessments. At the Group level, a number of climate-related actions and commitments are included in the ordinary budget process, with separate budget allocations for the sustainability department in the Group and through dedicated frameworks in the business areas. Closer integration of climate measures into investment plans is set up as a separate instrument in the Group's climate action plan. Board consideration of major investments, particularly in the power generation and district heating business areas, includes assessments of climate effects, financial robustness and risk. In the subsidiaries, the approach to implementing the climate action plans is largely driven by the largest emission items.

In the district heating business, direct greenhouse gas emissions are the largest and the CCS plant at Klemetsrud is therefore the central driver in the climate action plan. The project has set a budget for emission reductions in the construction process. The district heating business also annually sets aside funds for professional support from the Group, as well as its own climate advisor. The financial consequences of climate risk are assessed in the company's financial plans. Climate is included in the district heating business's assessment of the overall risk picture, including carbon market risk, price volatility, temperature dependence, demand changes and potential damage from extreme weather. The company has also worked to integrate climate risk into economic models, where temperature, price volatility, regulatory risk and other climate variables are included in profitability calculations and scenario analyses.

In the power business, the projects and development of new renewable energy are driving the development of the company's greenhouse gas emissions. Sustainability assessments, including climate assessments, are carried out continuously in connection with the business area's implementation of activities. Hafslund is working to ensure that climate assessments are incorporated into investment decisions and plans. Climate impact, with relevant possible actions for emission reductions, is part of this. The ambition is that this is also implemented through procedures in the project manual, which ensure that climate-related needs are always assessed as part of the investment basis. The economic effects of actions are assessed continuously. The internal carbon price has been studied to highlight the costs of emission reductions and guide decisions towards low-emission solutions.

Status of implementation of the climate action plan

In 2025, Hafslund has worked to implement several of the identified instruments and measures from the climate action plan. The focus for the subsidiaries has been to integrate the instruments and measures into existing guidelines and practices. Responsibility for implementing the specific climate measures is distributed along the lines in the subsidiaries, to the departments closest to where the measures are to be implemented. Hafslund has a climate advisor with special responsibility for follow-up and assistance with implementation across the Group. A climate expert group has also been established, where the climate advisor works together with the climate managers in the subsidiaries to follow up on the work on the climate action plans. Among other things, the Group works to ensure the sharing of experience and expertise between the companies.

Several of the measures in the climate action plan require new expertise, and work has been done in the reporting year to map the needs. Hafslund

is now working on a plan for competence development, as well as to ensure internal sharing of experience from pilot projects and new solutions. At the same time, smaller internal competence projects related to climate measures have been completed, such as the procurement of low-carbon concrete, climate accounting in projects and the collection of EPDs. In the power business, a climate expert group has been established across the business area, which is working on operationalising the climate action plan. Monitoring greenhouse gas emissions has also been included in the area's quarterly business review.[40]

Hafslund has taken an important step in the transition to achieve the Group's climate goals by starting construction of a carbon capture plant at Klemetsrud. The plant will be one of the world's first full-scale carbon capture plants based on waste incineration and will capture and store around 350,000 tonnes of CO_2 annually. Approximately half of this is biogenic and provides permanent carbon removal, while the rest reduces fossil emissions from the plant.

Carbon capture is the most effective measure to address unavoidable and locked-in emissions from waste incineration and ensures that Hafslund's business model is robust in the transition to a sustainable economy. As a sector with limited options for emission reduction, waste incineration is often referred to as "hard-to-abate". Carbon capture and storage (CCS) is therefore a necessary tool to achieve the Group's climate goals and avoid asset depreciation. Waste incineration combined with district heating is a key climate solution as it enables the recovery of energy that would otherwise be wasted. By establishing a carbon capture plant at Klemetsrud, Hafslund can increase its contribution to energy recovery from residual waste while achieving carbon removal.

The investment in carbon capture will make a significant contribution to limiting climate change in accordance with the taxonomy regulation. The effect and the total cost framework are described in the description of actions under carbon capture at Klemetsrud. This is a one-time investment that reduces emissions from the waste incineration plant at Klemetsrud by at least 90 per cent. The operation of carbon capture plants is currently not included as a separate activity in the taxonomy, but Hafslund expects this to be included in the future.[41]

SF_6 gas[42] in high-voltage switchgear and systems is a potential source of trapped greenhouse gas emissions, partly because there are no SF_6-free solutions available today for the highest voltage levels. Alternatives are being worked on in the market, and Hafslund is following developments in order to be able to replace SF_6 where solutions exist. The emissions in 2025 amount to 12 tCO_2 (43 tCO_2) and thus do not have a significant impact on the Group's ability to achieve the overall target for emission reductions in scope 1 and 2. The emissions have been significantly reduced from the base year 2023, but may vary from year to year depending on whether leaks occur.

For indirect greenhouse gas emissions (scope 3), there is a risk of locked-in greenhouse gas emissions related to category 15 "Investments". A large proportion of Hafslund's emissions in this category come from waste incineration and grid losses in Eidsiva Energi, where Hafslund is a part-owner. How Hafslund is working to reduce these emissions is described under Actions for greenhouse gas reduction.

Hafslund is included in the EU's "Paris-aligned benchmark" (PAB). This index only includes companies that have activities in line with the 1.5-degree target, and excludes, among other things, companies that have revenue related to fossil energy sources.

[40] Environmental Product Declaration
[41] See discussion of activity 9.1 Research, innovation and development in the EU taxonomy.
[42] Sulfur hexafluoride

Actions and resources for managing material IROs (E1-3)

Actions to increase the production of renewable energy

To increase the production of renewable power, Hafslund is continuously working to upgrade its hydropower plants and upgrade turbines. Hydropower is constantly evolving, not only with the turbines, but also control systems, management systems and the ability to deliver balancing services. The company is also building new power plants, usually in connection with existing regulations and power plants. In addition, there are a number of larger projects such as rebuilding dams and revising the license terms. Hafslund is also working to develop new wind power plants, and already owns three wind power plants in whole or in part.

Some of the projects Hafslund has worked on in 2025 will, upon completion, provide:

- **Hemsil 3:** 110 GWh (new power production) 86 MW (increased capacity)
- **Braskereidfoss power plant:** 170 GWh (rehabilitated production)
- **Strandfossen power plant:** 21.5 GWh (increased production)

Actions for greenhouse gas reduction from the Climate Action Plan

In the climate action plan, Hafslund has identified actions to achieve the Group's climate goals. The measures have been assessed based on their degree of feasibility, as well as potential for emission reduction and the contribution they make to the Group's climate goals. As part of this, Hafslund has estimated costs associated with the measures. The most important measure, carbon capture at Klemetsrud, has already been initiated. Estimates aimed at value chain measures (scope 3) depend on both the type of projects being developed, as well as uncertain developments in the market and technology. The estimates constitute a knowledge base that the projects will continue to work with in their assessments and procurements, but they will vary so much over time and with solution choices that it is not considered relevant information here.

The climate action plan also identifies measures. These are mechanisms that Hafslund uses to facilitate the implementation of climate measures. Emphasis and requirements in procurement, financing, integration in the project manual, competence development, development of new solutions, reporting and business management, are examples of instruments used to trigger the measures in the plan. The following section describes how Hafslund works with the instruments. Furthermore, the different measures are described by measure categories and scope in the greenhouse gas accounts.

Integrating climate considerations into projects

In 2024, Hafslund began work on improving the integration of climate assessments in the project models of the business areas. This is done to ensure that climate considerations are incorporated into decision points throughout the project cycle and in all projects where it is significant. The purpose is that the right assessments are made at the right time so that low-emission solutions are included as an assessment criterion from an early stage. Decisions made in the early stage usually set the framework for what is possible to achieve in terms of emission reductions in later stages. Work on the project models has continued in 2025, with further development of activities and decision-making bases, where climate assessments are increasingly made as an integrated part of the project process. Climate has been part of the assessments in the concept phase in several projects during 2025. In the power generation business area, this has been done, among other things, through the preparation of a climate budget and the identification of climate measures in the concept phase.

Climate requirements and demand in purchasing and acquisitions

Hafslund is seeking low-emission solutions from contractors in larger projects and where technically feasible, including the use of materials and components with low greenhouse gas emissions and fossil- and emission-free construction and transport. Requirements related to the reduction of greenhouse gas emissions have been included in the

contract templates for the power business. The requirements include, among other things, upper limit values for greenhouse gas emissions from steel and concrete, when technically feasible, as well as requirements for the preparation of greenhouse gas budgets and accounts at project level. In 2025, Hafslund has also expanded its work on collecting EPDs[43], including by requiring this in several projects. This is also part of the effort to improve the data quality in Hafslund's climate accounts. The district heating business is subject to the regulations for public procurement and therefore applies a minimum environmental weighing of 30 per cent in procurements.

For several of the measures that cut emissions in the value chain, Hafslund is dependent on the market being able to offer the necessary solutions and materials. Hafslund is therefore actively involved in market development by being an early demander and through dialogue with suppliers. In 2025, Hafslund has experienced that requesting solutions from suppliers creates a positive market development. The infrastructure projects for the district heating business have worked strategically over several years to use electric excavators. Emphasis on climate and environment as an award criterion has led to a gradual escalation of access to and use of emission-free machines. The first project with electric excavators and 100 per cent electric mass transport was completed in 2025. The district heating business is now experiencing that this is offered by all providers.

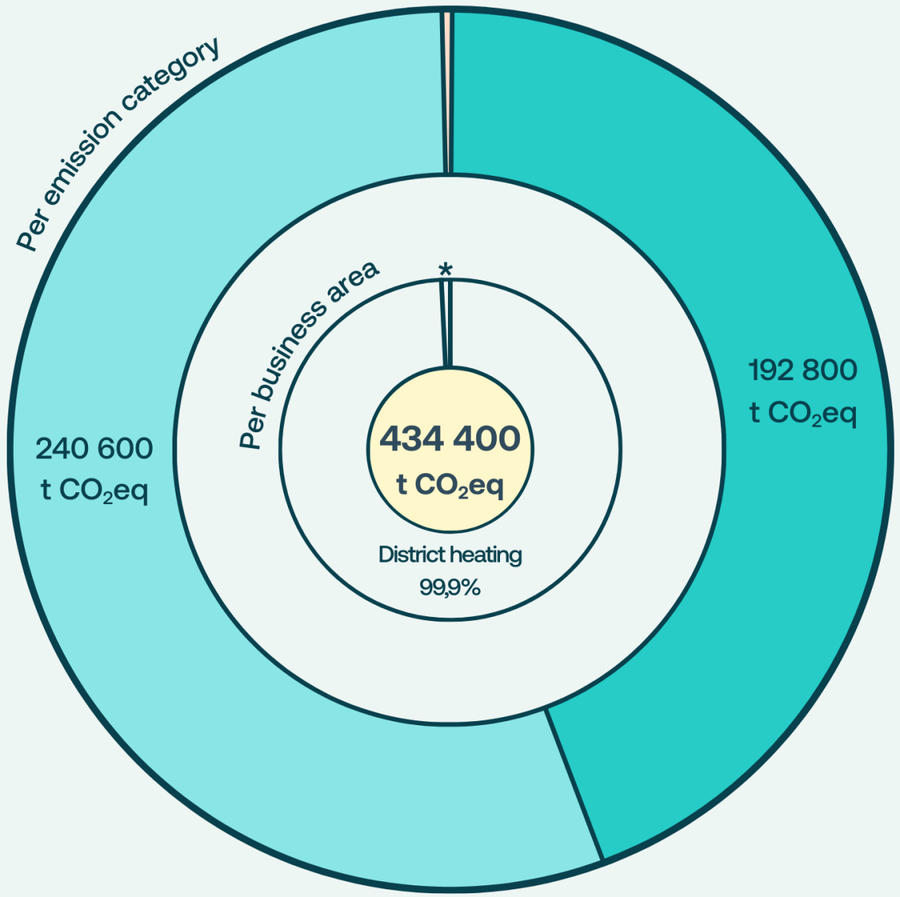
Internal carbon price[44]

In 2024, the Group management decided that Hafslund will carry out pilot projects with an internal carbon price, as a tool to reduce emissions from procurement. In 2025, two projects have been identified in the power business where this will be tested. The model for implementation has been developed in dialogue with suppliers ahead of the competitions and through sharing of experience from other players who have used a similar model. In the district heating business, an investigation has been carried out into how the use of an internal carbon price can have an impact, where it has been concluded that the current practice of environmental weighting through public procurement gives good results in the form of increased provision of climate solutions from suppliers.

Direct and indirect emissions in own operations (scope 1 and 2)

The largest sources of emissions in Hafslund are in the Group's own operations. In 2025, greenhouse gas emissions from scope 1 and 2 accounted for 82 per cent (87 per cent) of total emissions. The climate action plan identifies actions that can collectively contribute to achieving Hafslund's climate goals in scope 1 and 2: reduce emissions in scope 1 and 2 by 90 per cent by 2035.

[43] *Environmental Product Declaration*
[44] *Read more about the work on internal carbon pricing under Internal carbon pricing (E1-8)*



Scope 1: Stationary combustion
Fossil greenhouse gas emissions from waste incineration and district heating, as well as the combustion of LNG.

Scope 1: Mobile combustion and fugitive emissions
Emissions from fossil vehicles as well as emissions of SF6 gas from hydroelectric plants and the refrigerant R143 from district heating.

Scope 2: Purchased electricity
Purchased electricity without guarantees of origin, for heat pumps, electric boilers, and fixed power in district heating (market-based method is used as the basis for the calculation).

***Emissions from Power Production, Growth and Investments and Hafslund AS account for 0.1 percent of total emissions*

The following climate measures have been identified as the most important for achieving the goals:

Carbon capture at Klemetsrud *(Scope 1)*

Fossil greenhouse gas emissions from waste incineration at the Klemetsrud plant account for 83 per cent of the Group's scope 1 emissions. The construction of a carbon capture plant at Klemetsrud has therefore been identified as the most important single measure to reduce Hafslund's greenhouse gas emissions. In January 2025, the investment decision for the realisation of the carbon capture project was taken. The project was initiated during the reporting year, and the plant is planned to be operational by the third quarter of 2029. The plant will be one of the world's first full-scale carbon capture plants for waste incineration.

The carbon capture plant will capture at least 90 per cent of all CO_2 in the flue gas from the waste incineration plant. A local logistics solution will be established that prepares the captured CO_2 for emission-free transport to the Port of Oslo, where it will be picked up and transported to permanent storage under the seabed in the North Sea as part of the national Longship project. In addition to removing fossil CO_2, the plant will also capture CO_2 released from the combustion of biogenic material, thereby permanently removing CO_2 from the natural carbon cycle. This also opens up the possibility of selling carbon removal certificates (CDRs). The carbon capture plant will capture around 350,000 tonnes of CO_2 annually upon completion.

An environmental monitoring plan has been prepared, and a number of climate and environmental requirements have been included in the requirements specification, which is followed up by an environmental consultant. A budget has been set for environmental measures and the use of award criteria for further reduction of climate footprint and environmental impact. In 2025, new measuring equipment was installed that provides continuous measurements of the share of biogenic and fossil CO_2 in the flue gas. This provides knowledge about the emissions that is important for the carbon capture project.

The project has a total cost framework of NOK 9.5 billion. The Norwegian state will contribute NOK 2.5 billion in investment support, the City of Oslo will invest NOK 2.6 billion through preference shares in Hafslund Celsio AS and Hafslund will invest NOK 4.4 billion.

Electrification of own vehicle fleet *(Scope 1)*

Hafslund has been working on electrification of its own vehicle fleet for a long time, and most light vehicles have therefore already been replaced. The measure includes Hafslund choosing non-fossil vehicles where available when renewing lease agreements or purchasing new vehicles. In the base year 2023, emissions from its own vehicle fleet were 595 tCO_2, in 2025 this has been reduced to 432 tCO_2. The share of electric vehicles was 74 per cent in 2025 (58 per cent).

Phase-out of SF_6 gas *(Scope 1)*

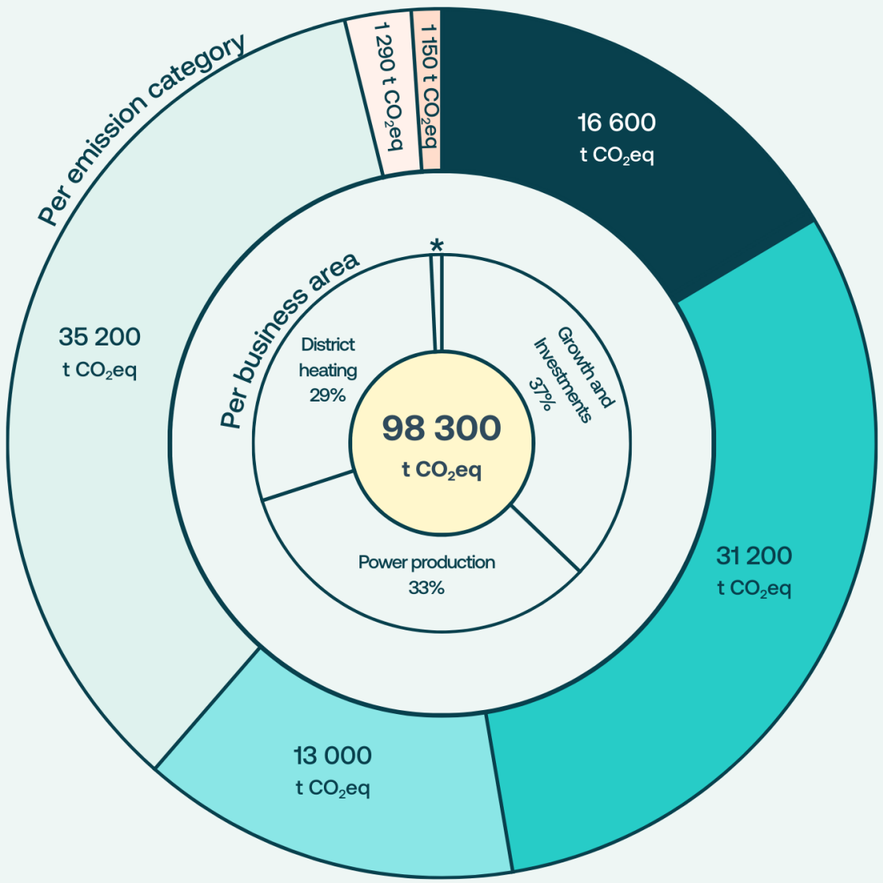
Hafslund has implemented a strategy to select SF_6-free solutions in new construction or rehabilitation of facilities where available, and is working to phase out SF_6 gas in existing facilities where solutions are available. SF_6 gas is currently the second largest source of emissions in scope 1 for the Power production business area. Measured against the base year 2023, emissions from SF_6 gas in 2025 have been reduced from 202 tCO_2 to 12 tCO_2 (43 tCO_2).

Purchase of guarantees of origin *(Scope 2)*

The purchase of guarantees of origin is considered the Group's most important actions for reducing market-based emissions in scope 2. This is currently purchased for the parent company Hafslund AS and the business areas Power production and Growth and investments. The cost of implementing this measure will correspond to the market price for guarantees of origin.

Indirect emissions in the value chain (Scope 3)

Despite the fact that scope 1 and 2 account for the majority of the Group's emissions, the distribution of emissions varies between the business areas in the Group. In the district heating business, direct emissions are the largest, while in the power business, value chain emissions account for more than 96 per cent of the total. Emissions in the Group's own value chain (categories 1-14 in scope 3) can primarily be divided between the development of new renewable energy, maintenance and upgrading of existing electricity and heat production, and input factors for district heating production. Furthermore, scope 1 and 2 emissions from companies in which the Group has ownership interests (category 15) account for a significant share of Hafslund's total scope 3 emissions. The sum of the measures identified for value chain emissions is currently not enough to reach Hafslund's climate target in 2035. Hafslund is therefore working on improving the data basis for calculating scope 3 emissions and further identifying climate measures in 2026



3.1 Purchased goods and services
Purchasing of goods and services primarily related to office operations, operations and maintenance

3.3 Fuel and energy-related activities
Indirect emissions from the production of purchased fuel and electricity consumed, as well as emissions from the production of biogenic fuels.

3.4, 3.5, 3.6, 3.7 Other
Smaller emission items such as purchased transport and distribution, waste from own operations, business travel.

3.8 Upstream leased assets
Rented premises and equipment.

3.2 Capital goods
Purchased materials and components, construction activity and other external items that have been invoiced to a project.

3.15 Investments
Scope 1 and 2 emissions from partially owned companies are consolidated into our climate accounts according to our ownership interest in the companies. Currently, only Eidsiva and Fredrikstad Energi are included, with the latter being included until the sale of Hafslund's 49 percent stake in August 2025.

**Hafslund AS's share of total emissions is 1 percent*

Hafslund is working on the following categories of measures to reduce emissions in scope 3:

Follow-up of climate work in partially owned companies

Through ownership monitoring and board representation, Hafslund is working to address emissions related to waste incineration (scope 1) and grid losses (scope 2) in the partly owned company Eidsiva. Eidsiva has set a target to reduce the Group's CO_2 emissions by 42 per cent by the end of 2030, with 2023 as the base year. From 2023 to 2025, Eidsiva's scope 1 and 2 emissions have been reduced, so that Hafslund's share of this has been reduced from a total of 37,900 tCO_2e to 34,700 tCO_2e (37,030 tCO_2e).

Renewable and emission-free construction activities

Hafslund has estimated the potential for greenhouse gas reductions through full electrification and the use of zero-emission solutions in the projects, instead of fossil-based machinery and vehicles. Several actions have been implemented in 2025 to achieve emission-free construction sites in projects:

- Rehabilitation of dam Nyhellervatn started in 2024 and continued in 2025. Hafslund's mobile energy solutions provide charging infrastructure for the facility, which is located at an altitude of 1,400 metres. Throughout the year, six electric construction machines and an electric crushing plant have been in operation.
- In addition to the electric construction machines, renewable biofuel (volume outside turnover requirements) was used on other construction machines. For the reporting year, this has contributed to avoided greenhouse gas emissions of between 900 and 1,000 tonnes of CO_2e.
- For the rehabilitation of the pipeline at Skjåk 1, a pilot project requested recyclable blowing agent, as well as a rigged connection for electricity for use at the construction site. The measures have in

the reporting year provided an estimated emission reduction equivalent to 92 tCO_2 and have also been cost-saving. For the entire project, the measures will reduce emissions by 270 tCO_2.

- The district heating business is building a new heating plant that will supply district heating to Aker Hospital. The project is being implemented primarily as an emission-free construction site.

On the path towards emission-free construction sites, Hafslund is also working on logistics and efficiency in construction projects to reduce emissions. Hafslund also contributes to emission reductions for other players with Hafslund Mobil Energi, which supplies battery and charging solutions for emission-free construction and construction sites. By 2025, Hafslund Mobil Energi had supplied such solutions to around 50 projects, which had reduced diesel consumption by around 450,000 litres.

Low emissions and efficient use of materials

Hafslund has estimated the potential for emission reduction from the projects by using low-emission materials. The measure involves Hafslund, using instruments such as internal carbon pricing, minimum requirements and weighting in procurement, triggering an increased supply of various solutions such as low-carbon concrete, recyclable blowing agent, low-emission aluminium and fossil-free steel in projects. In order to implement the measure, Hafslund is dependent on the market being able to offer the necessary solutions. Hafslund therefore has regular dialogue with stakeholders about developing new solutions. Efficient material use is already widespread in the Group. Work is underway to improve the collection of activity data for climate accounting in the projects, so that Hafslund can measure the effect of this to a greater extent and monitor status.

Electric heavy transport

Hafslund is actively working to demand electric solutions for heavy transport to the construction site. During the rehabilitation of the Faslefoss power plant, there was a demand for electric transport of components.

This led to the project achieving fossil-free transport of an 18-ton impeller from Finland to Faslefoss in Valdres. This is the heaviest transport ever carried by electric truck in Norway. Compared to transport using fossil fuels, the measure resulted in avoided greenhouse gas emissions equivalent to 95-97 per cent.

Hafslund contributes to electrification and emission reductions in heavy transport through its partly owned company Fastcharge. In 2025, two new large charging stations for heavy vehicles will be completed. In total, there is now a network of five stations in operation. A solar power plant, Furulund solar park, has also been completed, which will supply electricity to a fast charging station for heavy traffic along the E-18. The solar power plant is built on grey land – an area that is already affected by humans. Electrification of heavy vehicles is important for achieving the climate goals of the City of Oslo, where this accounts for 13 per cent of emissions.

Climate adaptation measures

As part of its climate adaptation efforts, Hafslund has strengthened and improved emergency plans to better meet future climate change, such as increased frequency, more intense extreme weather and increased rainfall. To secure existing power plants and critical buildings, precautionary maps and flood maps are used to assess whether new calculations indicate the need for additional security measures at the facilities as part of the risk and vulnerability analyses.

In general, watercourse facilities in Norway are designed with high robustness for floods and other extreme events so that the facilities have sufficient safety with regard to danger to life, the environment and infrastructure. All watercourse facilities subject to the Dam Safety Regulations are regularly assessed against updated calculations of flood magnitudes. The basis includes a surcharge to address the effects of climate change. According to NVE and the Norwegian Centre for Climate Services, surcharges of 0, 20 or 40 per cent are assessed for design floods, respectively.

The power plants are secured in accordance with the Power Emergency Preparedness Regulations, which include handling climate adaptation and flood management through risk and vulnerability analyses and preventive actions such as physical security of facilities.

For new wind projects, NVE's flood risk map is used, with climate change as one of the screening criteria when assessing locations.

Targets and metrics

Targets related to climate change (E1-4)

Hafslund has an ambition to become climate positive by 2035. As part of the strategic focus, the Group has set targets of reducing emissions in scope 1 and 2 by 90 per cent, and emissions in scope 3 by 50 per cent. The climate targets are gross reduction targets, but the ambition of climate positivity will require the purchase of climate credits for residual emissions when the reduction targets have been reached (see further description in the discussion of Carbon credits). For scope 2, a market-based calculation methodology is used for electricity consumption. Progress towards the targets is documented through Hafslund's greenhouse gas accounts. The process for monitoring the development of emissions is in line with processes for following up on climate accounts as described in the section on the restructuring plan.

Hafslund has had targets for reducing greenhouse gas emissions since 2019, and the target was last revised in 2024. Hafslund's revised climate target, as well as the ambition for climate positivity, is anchored in the Group's strategy, and takes 2023 as the base year.

	Reduction target (2023 to 2035)	Measurement value (2035)	Emissions base year (2023)	Emissions this year (2025)
Scope 1 and 2	- 90%	48,000 tonnes CO_2e	479,800 tonnes CO_2e	434,400 tonnes CO_2e
Scope 3	- 50%	47,000 tonnes CO_2e	94,000 tonnes CO_2e	98,300 tonnes CO_2e
Total		**95,000 tonnes CO_2e**	**573,800 tonnes CO_2e**	**532,700 tonnes CO_2e**

Emission figures are rounded to the nearest 100 tonnes of CO_2e.

The climate targets have been set through the involvement of internal stakeholders in the subsidiaries, before being decided by the Group management. Hafslund's ambitions for climate positivity were decided by the Group Board as part of the Group's strategy towards 2035. The targets are in line with a successful transition to a 1.5-degree scenario, climate science and the Paris Agreement. They have been prepared based on SBTi's decarbonisation pathway for the power sector, but are in line with both the sector-specific reduction and the 1.5-degree target. This is because the sector-specific ambition approaches zero in 2040, while Hafslund has the ambition to become climate positive already by 2035. Hafslund follows the ongoing developments in the ESRSs, the international GHG Protocol, and the Science Based Targets Initiative, and assesses changes in these regulations against the Group's climate targets. The targets are consistent with the Group's climate accounts and follow the same consolidation principle as described under Reporting boundaries in this chapter.[45]

Development in 2025

The Group's total greenhouse gas emissions in 2025 have been reduced by 7 per cent compared to the base year 2023 and 23 per cent compared to 2024. Scope 1 emissions in 2025 have been reduced by 38,800 tCO_2e, compared to 2024. The reduction is mainly due to the fact that, from 2025 onwards, direct measurements of fossil CO_2 emissions from the waste incineration plant at Klemetsrud are carried out, in addition to somewhat less incineration of waste in 2025. In 2024, the standard emission factor from the Norwegian Environment Agency was used. The direct

[45] *Science Based Target initiative*

measurements show that the fossil CO_2 emissions in 2025 were lower than if the standard factor from the Norwegian Environment Agency had been used. The market-based scope 2 emissions have been reduced by 35 per cent compared to 2024. The majority of the reduction in scope 2 is due to reduced electricity consumption in district heating production. Lower emission intensity in the emission factor for electricity from NVE according to the market-based method also affects emissions from electricity consumption in district heating production.

The variation in the Group's Scope 1 emissions will, until the CCS plant is completed at Klemetsrud, correlate closely with the volume of waste processed at the waste incineration plant. This highlights the importance of the CCS plant at Klemetsrud, which is scheduled for completion in 2029. It will therefore be developments in emissions outside this source that will have the greatest impact on the Group's broader implementation of the climate action plan.

In the power business, scope 1 emissions have been reduced from 800 tCO_2e in 2023 to 450 tCO_2e (520 tCO_2e) in 2025. The power business's scope 3 emissions have increased significantly. The increase is due to increased activity in the development of new renewable energy, as well as the upgrading and maintenance of power plants. In the district heating business, scope 3 emissions are largely unchanged.

Renewable energy production targets

Hafslund's biggest positive impact related to climate change is the production of renewable energy. The Group has specific and time-bound targets for growth in renewable energy production capacity, but for competitive reasons the targets are not discussed in detail.

Reporting boundaries

Reported data on energy consumption, energy intensity, GHG emissions and GHG intensity includes the same companies that are consolidated in the financial statements for Hafslund, in addition to other power plants for which Hafslund has operational control. For power plants with joint operations for which Hafslund does not have operational control, the metrics below are reported in accordance to share of equity, and 100 per cent of the data is reported for the power plants in which Hafslund has operational control.

Energy consumption and mix (E1-5)

Energy consumption

Energy consumption refers to electricity consumed in operations, in office buildings and for charging electric vehicles, fuel and excess heat used in district heating production, and fuel for vehicles and various other requirements in operations such as emergency generators and snowmobiles.

Presented data is primarily based on direct measurements of consumed electricity or fuel that is converted into MWh[46].

For electricity purchased without guarantees of origin, the standard for the European residual mix is used as the basis for the distribution between the share of fossil, renewable and nuclear consumption. The European residual mix represents the composition of European power production that is not documented with guarantees of origin and therefore has a high fossil share[47].

[46] *Conversion factors and the share of fossil-based and renewable energy for fuels are based on figures from the Norwegian Environment Agency. This is based on the current sales requirements for biofuels for diesel and construction diesel. Conversion factors for fuels for district heating are based on figures from the fuel suppliers. The share of renewables, fossil and nuclear power in electricity consumption is based on NVE's estimates for physically supplied electricity and electricity without guarantees of origin (European residual mix).*
[47] *The majority of the electricity purchased without guarantees of origin is used for electric boilers in district heating production. These are primarily used when electricity prices are low, which coincides with a high surplus of non-dispatchable renewable power in Northern Europe or abundant water in watercourses.*

The district heating production utilises excess heat that would otherwise be lost from data centres, sewage and waste incineration. This excess heat is therefore reported under "Renewable energy production". In the European Commission's guidelines for the implementation of the EU's Renewable Energy Directive and the Energy Efficiency Directive (EED), excess heat from waste incineration (and other sources) is equated with renewable energy. For the same reason, the production of district heating based on this excess heat, and electricity production based on excess steam from waste incineration, are reported under "Renewable Energy Production".

Energy consumption and mix	Unit	2025	2024
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	9,116	11,530
Fuel consumption from natural gas	MWh	34,494	27,868
Fuel consumption from other fossil sources	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	328,239	520,055
Total fossil energy consumption	**MWh**	**371,849**	**559,453**
Share of fossil sources in total energy consumption	Per cent	16%	23%
Consumption from nuclear sources[48]	**MWh**	**80,933**	**61,910**
Share of consumption from nuclear sources in total energy consumption	Per cent	3%	3%
Fuel consumption from renewable sources, including biomass	MWh	211,021	211,643
Consumption of purchased and acquired electricity, heat, steam and cooling from renewable sources[49]	MWh	317,861	309,598
Consumption of self-generated non-fuel renewable energy[50]	MWh	1,365,918	1,275,123
Total renewable energy consumption	**MWh**	**1,894,800**	**1,796,365**
Share of renewable sources in total energy consumption	Per cent	81%	74%
Total energy consumption	**MWh**	**2,347,582**	**2,417,728**

At present, the majority of Hafslund's fossil fuel powered vehicles are vans. Hafslund is working on phasing out fossil fuel powered vehicles for the areas of use where this is possible, and this is a target figure that is monitored. The metric includes vans and regular passenger vehicles.

Share of electric cars in the car fleet	Unit	2025	2024
Share of electric cars in the car fleet	Per cent	74 %	58 %

Energy production and investments in renewable energy

Energy production shows production from companies that are consolidated in Hafslund's financial statements. Power produced from power plants where Hafslund has operational control but not ownership is not included. Hafslund's renewable energy production consists of production of hydropower, wind power and district heating. In addition, electricity production based on excess heat from waste incineration.

Non-renewable energy production consists of the share of district heating produced from the fossil portion of the electricity used in electric boilers[35], and from the combustion of LNG. See chapter Resource use and circular economy for an overview of the various energy sources used in the production of district heating.

Reported production data is based on direct measurements, and renewable energy projects in the planning phase are based on calculations.

"Power losses as a result of regulatory revisions" shows the extent of power loss Hafslund has experienced due to increased environmental flow or reservoir restrictions following revisions of concession terms in 2025.

[48] Applies to the share of energy from nuclear sources in the European residual mix, for electricity purchased without guarantees of origin.
[49] Includes purchased electricity and district heating, purchased excess heat from the City of Oslo, and excess heat from sewage and data centre.
[50] Includes consumption of self-produced hydroelectric power, and excess heat from waste incineration.

Energy production	Unit	2025	2024
Renewable energy production	MWh	20,324,000	21,643,000
Hydropower production, gross before own consumption withdrawal[51,52]	MWh	18,132,000	19,747,000
Wind power production[53]	MWh	545,000	262,000
Production of renewable district heating	MWh	1,524,000	1,485,000
Electricity production based on excess heat from waste incineration	MWh	123,000	149,000
Non-renewable energy production	MWh	262,000	432,000
Total energy production	**MWh**	**20,586,000**	**22,075,000**
Share of renewable energy in total energy production	Per cent	99 %	98 %
Power losses as a result of regulatory revisions	MWh	0	0

In line with Hafslund's vision "For a world in balance, with renewables", the Group is working to increase the production of renewable energy. The metrics below show the development in 2025 and include the same companies that are consolidated in the financial statements for Hafslund, and additional power plants over which Hafslund has operational control.

Investments in renewable energy	Unit	2025	2024
Increased installed power generation capacity	MW	0	0
Reinvestment in production facilities	MWh	10,700	0
Investment in new production	MWh	0	0
Renewable projects under planning (energy)	MWh	1,366,000	800,000
Renewable projects under planning (capacity)	MW	1,420	1,200.00

Energy intensity based on net revenues

The energy intensity is calculated based on energy consumption and net revenues from the power business and district heating business[54]. The growth business is not included, because this business area is not defined as a sector with a high climate impact according to the definition in the CSRD[55].

Energy intensity	Unit	2025	2024
Total energy consumption from activities in high climate impact sectors per net income from activities in high climate impact sectors	MWh/NOK million	144	178

Greenhouse gas emissions (E1-6)

In order to ensure that the emissions figures are as accurate as possible, Hafslund strives to use activity-based data in calculating GHG emissions when available. The calculations of GHG emissions within Scopes 1 and 2 are exclusively based on activity data, while the emissions calculation for Scope 3, with the exception of category 15, is in 2025 based on 40 per cent (37 per cent) activity data and 60 per cent (63 per cent) expense data, see details of this in the separate overview below. Estimates based on expenses are calculated in Morescope[56] and in Position Green[57], where expense amounts are multiplied by an emissions factor for the supplier sector. These estimates have varying levels of accuracy, and Hafslund has begun work on improving the reporting of activity-based data for calculating GHG emissions in development projects and for purchased goods and services.

100 per cent of the electricity in the power business and growth business, as well as Hafslund AS, is purchased with guarantees of origin. This represents 3.2 per cent (1.9 per cent) of the total electricity purchased in the Group in 2025.

[51] Own consumption is related to pumping, and amounts to 382,000 MWh.
[52] Production from the power plants in connection with the acquisition of shares in Sarpsfoss Limited is included from takeover on 11 April.
[53] For 2024, production from the Tonstad wind power plant is included from the takeover on 1 July.
[54] Net revenue is derived from the lines "Sales revenues" and "Other operating revenues" in the Consolidated Financial Statements note 2.1 Segment information.
[55] Sectors listed in sections A to H and section L of "Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council".
[56] MoreScope uses an EE-MRIO algorithm developed by SINTEF, which is based on the OECD ICIO database and uses an "Environmental Extended Input-Output Model" (EEIO or EE-MRIO)
[57] Position Green uses emissions factors from Exiobase version 3.9

Starting with the reporting year 2025, the reported fossil and biogenic CO_2 emissions from the waste incineration plant at Klemetsrud are based on direct measurements. In 2024, the standard emission factor from the Norwegian Environment Agency was used. The direct measurements show that the fossil CO_2 emissions in 2025 were lower than if the standard factor from the Norwegian Environment Agency had been used. This is the main reason for the change in scope 1 emissions compared to the reporting year 2024. For a more detailed description of the developments in greenhouse gas emissions compared with 2024, see Development in 2025.

None of the subsidiaries in the Hafslund Group have activities related to categories 9-14 in scope 3. Hafslund therefore has no emissions within these categories and consequently does not report on them in the climate accounts.

In category 3.15, Hafslund includes scope 1 and 2 emissions from the joint venture Eidsiva Energi. Through board representation, Hafslund has influence on, and participates in, decisions that affect emissions in scope 1 and 2. Eidsiva's emissions from scope 3 are not included in Hafslund's climate accounts.



GHG emissions		**Retrospective**				**Target**	
		The Group consolidated					
	Unit	**2025**	**2024**	**2023**	**2025/ 2024**	**2035[58]**	**Annual % targets / base year**
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions[59]	tCO_2eq	193,800	232,600	210,200	83%		
1 Stationary combustion	tCO_2eq	192,800	231,700	209,300	83%		
Associated with waste incineration	tCO_2eq	*185,900*	*226,100*	*202,400*	82%		
Associated with district heating	tCO_2eq	*6,900*	*5,600*	*6,900*	123%		
2 Mobile combustion	tCO_2eq	440	480	600	93%		
3 Fugitive emissions	tCO_2eq	560	450	280	125%		
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	Per cent	0%	0%	0 %			
Scope 2 GHG emissions							
Gross location- based Scope 2 GHG emissions	tCO_2eq	5,500	9,500	10,800	58%		
Gross market- based Scope 2 GHG emissions	tCO_2eq	240,600	370,900	269,600	65%		
Total gross GHG emissions Scope 1 and 2 (market-based)	tCO_2eq	434,400	603,500	479,800	72%	48,000	8%
Scope 3 GHG emissions[60]							
Total Gross indirect (Scope 3) GHG emissions	tCO_2eq	98,300	88,100	94,000	112%	47,000	4%
1 Purchased goods and services	tCO_2eq	16,600	16,800	16,500	99%		
2 Capital goods	tCO_2eq	31,200	16,400	13,700	190%		
3 Fuel and energy- related activities (not included in Scope 1 or Scope 2)	tCO_2eq	13,000	15,100	21,100	86%		
4 Upstream transportation and distribution	tCO_2eq	270	290	470	91%		
5 Waste generated in operations	tCO_2eq	370	500	2,700	74%		
6 Business travel	tCO_2eq	300	260	190	113%		
7 Employee commuting	tCO_2eq	350	410		85%		
8 Upstream leased assets	tCO_2eq	1,150	510	460	225%		
15 Investments[61,62]	tCO_2eq	35,200	37,900	38,900	93%		
Total GHG emissions (location-based)	**$t CO_2eq$**	**297,700**	**330,200**	**315,000**	90%		
Total GHG emissions (market-based)	**$t CO_2eq$**	**532,700**	**691,600**	**573,800**	77%	**95,000**	7%
Biogenic emissions scope 1[63]	tCO_2eq	215,900	250,100	229,100			

[58] *Hafslund has set targets for reducing greenhouse gas emissions by 2035. The table therefore shows the 2035 targets and not the 2030 targets.*
[59] *Emissions of methane (CH_4) and nitrous oxide (N_2O) from the combustion of biofuels are not included in scope 1, according to the Norwegian Environment Agency's methodology, which considers greenhouse gas emissions from biofuels to be climate neutral. Compared to other emissions in scope 1, these emissions are also insignificant.*
[60] *None of the subsidiaries in the Hafslund Group have activities related to categories 9-14 in scope 3.*
[61] *Includes Hafslund's share of scope 1 and location-based scope 2 emissions from Eidsiva Energi AS and Fredrikstad Energi AS. Hafslund's share of Eidsiva's Scope 3 emissions is 49,600 tCO_2e and is not included in the Group's consolidated climate accounts.*
[62] *Hafslund sold its 49 per cent stake in Fredrikstad Energi AS on 25 August 2025. Fredrikstad Energi AS is included in the reporting up to and including the transaction date.*
[63] *Includes biogenic emissions from waste incineration and biofuels. Hafslund also has other biogenic emissions in scope 2, but these are not included in the reporting due to a lack of data.*

GHG emissions	Unit	2025 The consolidated accounting Group	Units outside the consolidated accounting Group, where Hafslund has operational control	Total
Scope 1 GHG emissions	t CO_2eq	193,770	70	**193,800**
Scope 2 GHG emissions, location-based	t CO_2eq	5,500	30	**5,500**
Scope 2 GHG emissions, market-based	t CO_2eq	240,560	2	**240,600**

GHG emissions	Unit	2024 The consolidated accounting Group	Units outside the consolidated accounting Group, where Hafslund has operational control	Total
Scope 1 GHG emissions	t CO_2eq	232,500	90	**232,600**
Scope 2 GHG emissions, location-based	t CO_2eq	9,500	30	**9,500**
Scope 2 GHG emissions, market-based	t CO_2eq	370,900	2	**370,900**

Greenhouse gas intensity

The GHG intensity is calculated by taking the aggregate total of GHG emissions calculated using the location-based and market-based method and dividing this by consolidated net revenues[64] for the Group. The emission intensity of district heating is based on Hafslund's Environmental Product Declaration (EPD) for the delivery of heat to customers, where the energy mix for 2025 is used as the basis. The EPD includes all direct and indirect emissions related to the production and delivery of district heating. Emissions related to equipment for utilising excess heat from waste incineration are included, while emissions from the treatment of residual waste are allocated to the waste producer (where the waste originates).

Greenhouse gas intensity	Unit	2025	2024
Total GHG emissions (location-based) per net revenue	t CO_2e/NOK million	18.3	24.3
Total GHG emissions (market based) per net revenue	t CO_2e/NOK million	32.7	50.9
District heating emission intensity	g CO_2e/kWh	20.8	18.2

Carbon credits (E1-7)

The purchase of carbon credits has not been used as a basis for achieving Hafslund's climate targets related to the absolute reduction in GHG emissions in Scopes 1, 2 and 3. Hafslund did not purchase carbon removal certificates during the reporting year.

Achieving Hafslund's target for climate-positivity will require the purchase of carbon credits to offset residual emissions in 2035 after the climate targets related to absolute reductions have been achieved. Hafslund's target of climate-positivity shall be achieved through the purchase of BECCS quotas.

Sale of carbon credits

Hafslund Celsio's investment in carbon capture of both fossil and biogenic CO_2 at the Klemetsrud facility enables the sale of carbon removal certificates from BECCS, which contribute to climate positivity through the permanent removal of CO_2 from the atmosphere. During 2025, agreements have been signed for the future sale of carbon removal credits equivalent to 1.2 million tonnes of CO_2. On 1 April 2025, Hafslund Celsio entered into a contract with Frontier to remove a total of 100,000 tonnes of CO_2 in 2029 and 2030. On 30 June 2025, a contract was signed for the sale of 1.1 million tonnes of permanent carbon removal to Microsoft over a 10-year period.

[64] Net revenue is derived from the lines "Sales revenues" and "Other operating revenues" in the Consolidated Financial Statements note 2.1 Segment information.

Internal carbon pricing (E1-8)

In 2025, Hafslund has worked on implementing a pilot project with internal carbon pricing in projects, based on a carbon pricing model developed in 2024. Hafslund wants to investigate how carbon pricing can be used in connection with tender competitions in projects, as an incentive for suppliers to deliver projects with both the lowest estimated climate budget and the lowest emissions in the actual implementation. The use of internal carbon pricing will mainly contribute to triggering climate measures that lead to emission reductions from scope 3 category 2 Capital goods. In 2025, emissions in this category accounted for approximately 30 per cent of the Group's scope 3 emissions, and internal carbon pricing is therefore an important measure.

In the district heating business, the model for internal carbon pricing has been studied against existing practice and it has been concluded that weighting the environment in line with regulations for public procurement yields good results.

In the power business, concrete work has been carried out to conduct a tender competition in one project using an internal carbon price. As part of this, an analysis of expected climate emissions for the construction phase was undertaken prior to the project. The data from the analysis was then used to pre-test the internal carbon pricing model. Extensive dialogue has also been carried out with both contractors and other building owners to exchange experiences. Based on the lessons learned, the ambition is that Hafslund Kraft will, in the first half of 2026, will apply an internal carbon price in the tender competition for one project.



Emission factors and basis for calculating GHG emissions (activity-based share)

Scope 1

1 - Stationary combustion (100%)

LNG, fossil oil, biogenic emissions from biofuels: The Norwegian Environment Agency, Tables for conversion from energy products to emissions (2025).

Waste: The Norwegian Environment Agency, National Standard Factors (2025).

Fossil and biogenic CO_2 emissions from the waste incineration plant at Klemetsrud are based on direct measurements of the flue gas.

Amounts based on actual purchases and quantity of fuel used.

2 - Mobile combustion (100%)

Diesel, construction diesel, gasoline: The Norwegian Environment Agency, Tables for conversion from energy products to emissions (2025).

Amounts based on actual fuel consumption obtained from leasing companies and from power plant areas.

3 - Fugitive emissions (100%)

SF_6 gas, R134a: The Norwegian Environment Agency, Table for conversion to CO_2 equivalents (2024).

Amounts based on procurement and replenishment log.

Scope 2

1 - Purchased electricity (100%)

Location-based electricity (Norway): The NVE Climate Declaration for Physically Delivered Electricity (2024).

Electricity without guarantee of origin: NVE's Product Declaration for Electricity Providers (2024).

Consumption figures obtained from Elhub.

2 - Purchased heating (100%)

District heating for office buildings in Oslo: Specific emissions factor for the district heating business' EPD.

District heating for office buildings in Lillehammer: Average factor for district heating in Lillehammer from Morescope.

Based on actual heating consumption.

Scope 3

Cost-based: Morescope and Position Green[43,44]

1 - Purchased goods and services (2%) and 2 - Capital goods (37%)

Activity-based: Based on climate reporting from certain large projects, from which data pertaining to actual consumed quantities and energy products has been collected, as well as a combination of industry standards and project-specific EPDs.

3 - Fuel and energy-related activities (100%)

Diesel, duty-free auto diesel, gasoline, LNG, fossil oil, bio-oil, biodiesel, pellets: DEFRA, GHG conversion factors, WTT fuels and WTT bioenergy (2025).

WTT + Electricity T&D, Norway CaDi 2024.

Amounts based on actual purchases and quantities of fuel used, as well as actual purchased heating and electricity.

4 - Upstream transport and distribution (2%)

Number of helicopter hours from the invoice, fuel consumption of Airbus AS350, emission factor from HydropowerLCA.

5 - Waste generated in operations (0%)

6 - Business travel (88%)

Vehicles, aircraft: DEFRA, GHG conversion factors, Air travel and Passenger vehicles (2024).

Trains: Chalmers, Klimatsmart semester (2024).

Hotels: Etic hotels (2024) and DEFRA, GHG conversion factors, Hotel (2024).

Travel distances obtained from travel agencies and travel expense reports. Hotel nights obtained from invoices and travel expense reports.

7 - Employee commuting (100%)

Train, tram, metro, bus: Statistics Norway, Emissions from transport work (2022).

Vehicles: DEFRA, GHG conversion factors (2024).

Transport habits and travel distances identified through survey.

8 - Upstream leased assets (0%)

15 - Investments (N/A)

Received directly from partly-owned companies

E2 Pollution

Strategy

Why pollution is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Potentially extensive environmental damage from pollution	ED
R	Potential pollution incidents	ED

NP = Negative impact, R = Risk. ED = Own operation.

Pollution is a material sustainability topic for Hafslund, primarily due to the waste incineration plants in the district heating business. Heat production impacts the external environment in the form of emissions into the air from the incineration of fuels, emissions into the wastewater network from a treatment plant linked to waste incineration at Klemetsrud, and diffuse emissions into the air, soil and water as a result of the Group's general activities. Furthermore, the storage of fuels and chemicals also entails a risk of accidental emissions into the air, soil or water/streams.

The waste incineration plants are large, complex facilities that store chemicals used in the process, including for treating flue gas and water. Other facilities that are only used on the coldest winter days are less complex. All district heating plants have some emissions into the air and all carry the risk of accidental emissions due to the storage of fuels and chemicals.

The risk of emissions into the external environment from the district heating business are primarily linked to operational faults or failures in the air and water treatment systems, as well as from any defective barriers or accidents during the handling of chemicals. In the cleaning process for the waste incineration plants, particles containing pollutants cleaned out of the flue gas, fly ash, and which are defined as hazardous waste, are also removed.

The waste is sent for disposal, but there may be minor spills which carry the risk of ash being spread to the surrounding area. In addition to the risk posed by the emissions themselves, Hafslund's financial situation and reputation could also be adversely affected by any acute emissions.

The emissions into the air originate from waste incineration, incineration of pellets, liquid biofuel, LNG and light heating oil. Through the district heating business, Hafslund has heating plants located at several locations in Oslo to meet the heating needs of the district heating network. These plants vary in terms of their size and complexity. During operation, the boilers where the fuel used is waste, bio-oil/biodiesel, LNG or light heating oil will produce emissions into the air, but within government-defined emission limits. Emission permits for the heating plants are based on the Waste Regulations and Pollution Regulations, which in turn are based on the EU Industrial Emissions Directive. Emissions into the air and water are regulated through BAT (Best Available Techniques) conclusions and emission limits[65]. Any stricter emission requirements could result in consequences and possible costs for Hafslund through upgrades or replacements of treatment systems.

Managing impacts, risks and opportunities

Policies related to pollution (E2-1)

Effective environmental management is part of Hafslund's social responsibility and the district heating business is environmentally certified in accordance with ISO 14001. Measuring, monitoring and reporting systems are used to control the environmental impact. Emissions into the air from the waste incineration plants are measured 24 hours a day, and actions are initiated in accordance with procedures and emergency response plans if the threshold values defined by the emission permits are exceeded.

[65] *"Reduce" in the restriction hierarchy.*

Hafslund's sustainability policy[66] is operationalised through procedures that have been implemented:

- Waste management
- Chemical handling
- Actions in the event of excess emissions into the air
- Environmental monitoring programme for discharge into the wastewater network
- Measuring programmes for controlling emissions from heating plants

Among other things, the procedures describe how pollution is to be prevented and what actions should be initiated in the event of excess emissions or risk of excess emissions, inadequate emission measurements/failure of automatic systems for measuring emissions into the air, and requirements for technical protective measures when unloading chemicals and preventing chemical emissions.

Measurement and environmental monitoring programmes have been established that describe how to comply with emissions permits and regulations, and requirements have been established for following up measuring equipment for monitoring emissions into the air. These also describe requirements for discrepancy management, reporting and notification of incidents.

Hafslund sets requirements for suppliers through the ethical guidelines and requirements for suppliers that relate to pollution. Hafslund expects suppliers to:

- Counteract pollution that negatively impacts the climate and damages marine ecosystems, and soil degradation caused by the use of chemicals.
- Take care to ensure that the production site is not damaged by unnecessary pollution, and that modern and efficient technology that minimises emissions is selected.
- Employ the precautionary principle to implement measures to continuously minimise emissions, as well as limiting the use of harmful chemicals and pesticides.
- Comply with relevant environmental laws and regulations, obtain emission permits and manage harmful chemicals and other substances in a responsible manner.

Actions and resources for managing material IROs (E2-2)

Several continuous actions have been initiated to minimise the risk of emissions exceeding the defined emission limits. This includes visualising emissions on screen. There is 24/7 staffing in control rooms to rapidly detect any excess emissions, as well as preventive maintenance that is an integrated part of the operation of the facilities. In the event of incidents or excess emissions, discrepancies are recorded in accordance with procedures. Risk analyses focussing on the external environment are also carried out to identify potential undesirable incidents, and emergency response plans have been established, including documented annual emergency response exercises with emissions into the external environment as the topic.

Emissions into the air

Treatment facilities have been installed at the waste incineration plants in order to limit emissions into the air. To avoid failures in the treatment system, emphasis is placed on the supervision and maintenance of important components in the treatment process. Smoke density readers have been installed to prevent dust emissions.

[66] *Reference is made to the introductory chapter Environment.*

An electrostatic precipitator has been installed at the Haraldrud wood powder boiler to reduce dust emissions. NOx and CO are reduced with the assistance of air management. At the start of the heating season, a third party performs air and fuel regulation to ensure optimal incineration and low emissions.

Discharge to the wastewater network

Klemetsrud line 3 has a wet treatment system. After passing through an electrostatic precipitator, the flue gas undergoes a cleaning process in a washing tower. The water treatment system purifies the acid water and removes heavy metals and suspended substances before discharge into the wastewater system.

Monitoring of emissions into the air and water

There are requirements at Hafslund's waste incineration plants to continuously monitor emissions of carbon monoxide (CO), total organic carbon (TOC), sulphur dioxide (SO_2), hydrochloric acid (HCl), hydrogen fluoride (HF), nitrogen oxides (NOx), ammonia (NH_3) and total dust. The emissions are monitored 24/7 by control room personnel.

Monitoring of chemicals and hazardous waste

Filling of ammonia, fuels for boilers and collection of fly ash for disposal are monitored and followed up by control room personnel. Internal routines and procedures have been established to ensure that chemicals are properly stored using, among other things, collection tanks and detectors.

Regulations relating to the storage of chemicals are followed when storing chemicals. Hafslund has assessed environmental risks and, based on this, identified preventive measures and emergency response plans. Oil separators have been installed in areas with a risk of oil spillage. To avoid ash spillage into the wastewater network or streams, the use of sweeper trucks for ash spills is part of internal routines.

Targets and metrics

Targets related to pollution (E2-3)

Targets for emissions into the air and water are mandatory and are regulated through emissions permits, Waste Regulations and Pollution Regulations, which in turn are based on the EU Industrial Emissions Directive. Hafslund's defined target for pollution is to operate within the defined emission limits, i.e. zero excess emissions to air, soil and water. During normal operation, emissions are within the defined limits for all components.

	Target	2025	2024
Excess emissions to air and water with very little or no consequence[67]	0	242	241
Excess emissions to air and water with medium or severe	0	0	0

Developments in 2025 are described under Pollution of air, water and soil.

Pollution of air, water and soil (E2-4)

Reporting boundaries

Pollution is a significant sustainability issue for Hafslund, primarily due to the waste incineration plants in the district heating business. The quantitative results in this chapter apply to the district heating business.

Emissions into the air - District heating

Hafslund's district heating business produces emissions into the air from the incineration process. Emissions are reported to the Norwegian Environment Agency, and the information is publicly available[69]. Current emission permits and regulations dictate which components will be measured at the different facilities. The district heating business measures emissions of substances in accordance with the European Pollutant

[67] *Definition of consequences: Very small = minor environmental damage etc., not recordable, Small = minor environmental damage etc. with recovery time < 1 week.*
[68] *Definition of consequences: Medium = environmental damage etc. with recovery time < 1 year, Severe = significant environmental damage with recovery time > 1 year.*
[69] *Full details of all emissions reported to the Norwegian Environment Agency are publicly available at https://www.norskeutslipp.no/*

Release and Transfer Register (E-PRTR) Regulation, Annex II, with varying frequency in accordance with the requirements in the Pollution Regulations and Waste Regulations.

In 2025, there were emissions to air of nitrogen oxides (NOx) that exceeded the applicable limit value as specified in Annex II to Regulation (EC) No 166/2006. The emissions of NOx do not exceed the concentration limits in the emission permits and the Pollution and Waste Regulations.

District heating	Unit	Number of locations	2025	2024	2023
NOx (nitrogen oxides)[70]	Tonnes	12	272.2	253.5	325.0

The emission concentration per operating hour of NOx is relatively stable, so that variations in concentration are mainly linked to the operating time of the combustion plants. The operating time is affected by the outdoor temperature, with warmer winter seasons resulting in lower emissions due to reduced need for combustion due to lower demand for heat.

The district heating business carries out continuous emission measurements of NOx, NH_3, CO, TOC, HCl, SO_2, HF as well as total dust and auxiliary parameters (oxygen, temperature, pressure, water) at all waste incineration plants. Emissions of NOx, CO and total dust are also measured at the wood powder boiler. For continuous measurements, data is processed according to the regulations in the Waste Regulations, Chapter 10 and the Pollution Regulations, Chapter 31, and concentrations and total emissions are reported based on the European standard EN 17255.

An independent third party carries out spot measurements in accordance with the Waste Regulations, Emission Permits and Pollution Regulations on all boilers with emissions of NOx and NH_3. On smaller boilers, where external emission measurements are only carried out in accordance with requirements, for example once a year, the emissions are estimated by multiplying the emissions in kg/h by the number of operating hours. Measuring equipment for continuous emission measurements is checked according to standard NS 14181, and the measurements are accredited.

Reported data is taken from the district heating company's management system and emissions reports from independent third parties.

Emissions into water – District heating

The district heating business has emissions into the wastewater network from the treatment plant at Klemetsrud. Hafslund's emissions into water are regulated through the emission permit from the Norwegian Environment Agency and the discharge permit from the City of Oslo Agency for Water and Wastewater Services. The emission components are analysed by an accredited laboratory based on water samples sent from the facility.

In 2025, none of the emissions into water exceeded the applicable threshold value stipulated in Annex II to Regulation (EC) No. 166/2006.

Incidents of excess emissions and acute emissions into the air and water – District heating

Emissions into the air and water are regulated through Best Available Techniques (BAT) conclusions and emission limits. Under normal conditions, Hafslund's incineration plants operate within emission limits and have an environmental performance level equivalent to Best Available Technique (BAT-AEL). This includes the following facilities:

- Klemetsrud (BAT: Waste)
- Haraldrud (BAT: Waste and BAT: Large Combustion Plant)
- Rodeløkka (BAT: Large Combustion Plant)
- Hoff (BAT: Large Combustion Plant)

Excess emissions into the air are short-term events in which emissions into the air exceed established emission limits and are often caused by

[70] *NOx is measured at all locations.*

operational problems. All excess emissions are registered in the control and discrepancy system, and reported data is retrieved from this system.

In 2025, there have been 242[71] cases of excess emissions into the air and water in 2024. This is at the same level as in 2024 (241 excess emissions). The consequences of these emissions were very small or small. All incidents are handled in accordance with the procedure for excess emissions per location. Most of the excess emissions reported are short-term exceedances of CO (hourly/half-hourly)[72] which occur especially when firing boilers after summer overhaul as there may be a need for adjustment to correct temperatures and excess air. Continuous work is being done to reduce excess emissions to air and water. In the event of a risk of excess emissions and short-term excess emissions, procedures are followed for this. All excess emission incidents in 2025 have been handled in accordance with the procedure for excess emissions per location.

One external inspection has been carried out at Klemetsrud in 2025. Hafslund was not charged environmental fees in 2025.

District heating	Unit	2025	2024
Excess emissions to air and water with very little or little consequence[73]	Number	242	241
Excess emissions to air and water with medium or severe consequences[74]	Number	0	0
Locations where external audits have been carried out	Number	1	2
Environmental fees	Number	0	0

Substances that give rise to concern and substances that give rise to very high concern (E2-5)

Hafslund registers and manages information pertaining to chemicals at the heating plants and its building and construction areas in the district heating business. Before new chemicals are purchased, a substitution assessment is carried out, which is a check of whether other environmentally friendly alternatives can be used. Hazardous chemicals that are on the authorisation[75], candidate and priority lists are considered for substitution as part of the chemical risk assessment.

Hafslund only has immaterial quantities of substances on the candidate list (substances that give rise to concern and very high concern).

[71] Applies to CO, HCl, SO2, and dust to air and Cd, Pb, Zn, Sb and Dowcal 200 to water.
[72] 183 of the 242 excess emissions in 2025 were CO from the commercial waste boiler at Haraldrud, where there is only an hourly limit.
[73] Definition of consequences: Very small = minor environmental damage, etc., not detectable, Small = minor environmental damage, etc. with recovery time < 1 week.
[74] Definition of consequences: Medium = environmental damage etc. with recovery time < 1 year, Severe = significant environmental damage with recovery time > 1 year.
[75] Chemicals on the authorisation list may not be used or marketed without special authorisation from the European Chemicals Agency (ECHA). Applications for approval must be submitted by specific deadlines. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is the European chemical regulation that requires importers or manufacturers to document chemical properties prior to import or manufacture and includes guidelines for risk assessments. Chemicals on the REACH candidate list are substances that provide strong grounds for concern for health and/or the environment, and can be included on the Norwegian candidate list.

E4 Biodiversity and ecosystems

Strategy

Why biodiversity and ecosystems is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Land use and change in water and on land	ED, NVK, OVK
NP	Affects species and ecosystems in water and on land	ED, NVK, OVK
R	Changes in framework conditions and possibility of licence	ED, NVK, OVK
M	Conservation and restoration of biodiversity and ecosystems as a competitive advantage	ED

NP = Negative impact, R = Risk, M = Opportunity. ED = Own operation, OVK = Upstream value chain, NVK = Downstream value chain.

Hafslund relies on natural resources such as wind and water to produce renewable energy. Hafslund directly impacts biodiversity and ecosystems through land use changes on land and in freshwater areas. Hafslund's activities also indirectly impact nature through the purchase of equipment for power plants and the distribution of electricity.

The largest global drivers of biodiversity loss are climate change, land use change and pollution. Hafslund contributes positively to reducing climate change through the production of renewable energy, but its operations contribute indirectly to land use change and pollution through the use of materials and the production of components in the global value chain.

Changes in framework conditions resulting from new regulations may reduce access to land, materials and other natural resources, both for power and grid development. Stricter conditions may lead to cost-increasing measures in the projects. At the same time, if the framework conditions related to nature impact are not aligned with national and international biodiversity objectives, a lack of public trust may arise, reducing acceptance for new renewable energy. Unpredictable framework conditions limit the ability to pursue a long-term strategy for biodiversity and ecosystems.



Value chain (excl. district heating operations)	**Upstream value chain**			**Own operation**				**Downstream value chain**	
Value chain activity	Production of input factors			Development and construction of power plants		Operation of power plants		Transmission/distribution of electricity	
Business activity	Raw material extraction/raw material extraction	Processing/processing of raw materials	Production of components and equipment	Building and construction workers	Development or acquisition of power plants	Hydropower plants (reservoir, pump and run-of-river power plants)	Wind power plant (onshore wind power)	Construction and operation of power grids: regional & distribution grids	Construction and operation of power grids: transmission grid (central grid)

The figure illustrates Hafslund's value chain, including upstream value chain, own operations and downstream value chain, with regard to renewable energy production, which is considered to have a significant impact on biodiversity and ecosystems. It has been mapped how Hafslund's business activities throughout the value chain can affect, or are dependent on, biodiversity and ecosystems based on the LEAP methodology from TNFD.

Impacts

Own operations - Development, construction and operation of power plants

At locations where Hafslund has operational control, the most significant impacts on nature arise from the development of hydro, wind and solar power plants, together with their associated land and resource requirements.

Hydropower production involves damming land areas and diverting river flows, which can affect river ecosystems. In reservoirs, fluctuating water levels over time can wash away nutrients in the regulated zones, potentially reducing the production of benthic organisms and fish. Lower water levels can also affect fish populations by drying out spawning grounds for autumn-spawning species during winter, or by making spring-spawning areas inaccessible due to low water levels. In regulated rivers, reduced flow and altered dynamics can shrink the areas covered by water and lead to habitat loss for both fish and benthic fauna. The absence of natural flood events can also degrade habitat quality over time. Hydropower plants and dams constitute migration barriers for fish, which fragment fish habitats and can prevent fish from accessing important habitats.

Land is also needed for temporary construction activities such as staging areas, access roads, and material storage. These interventions can degrade and fragment habitats used by various species. Construction work may also introduce fine sediments into nearby watercourses, which can harm local flora and fauna. Additionally, the movement of machinery and materials between sites can facilitate the spread of invasive species, especially if equipment is not cleaned properly between uses. Over its lifetime, a power plant occupies land and water areas, both directly and indirectly.

Wind power plants can fragment terrestrial habitats and alter conditions for wildlife in the surrounding area. The rotating blades of wind turbines also pose a collision risk to flying species such as birds and bats.

Overall, power development can lead to habitat loss, degradation and fragmentation, displace local species, and alter ecosystem functions.

Upstream value chain - Raw material extraction and production

The largest impact in the upstream value chain, including purchased goods and services, comes from the extraction of raw materials. This can lead to habitat fragmentation and degradation, as well as pollution to air, soil or water in the production process, which can damage terrestrial and aquatic habitats.

Downstream value chain - Transmission/distribution of electricity

Hafslund also indirectly affects nature through electricity distribution, where the main impact is related to land use change. Hafslund can indirectly impact such land use changes through its ownership in Eidsiva Energi, which in turn owns Elvia, which builds and operates regional and distribution grids.

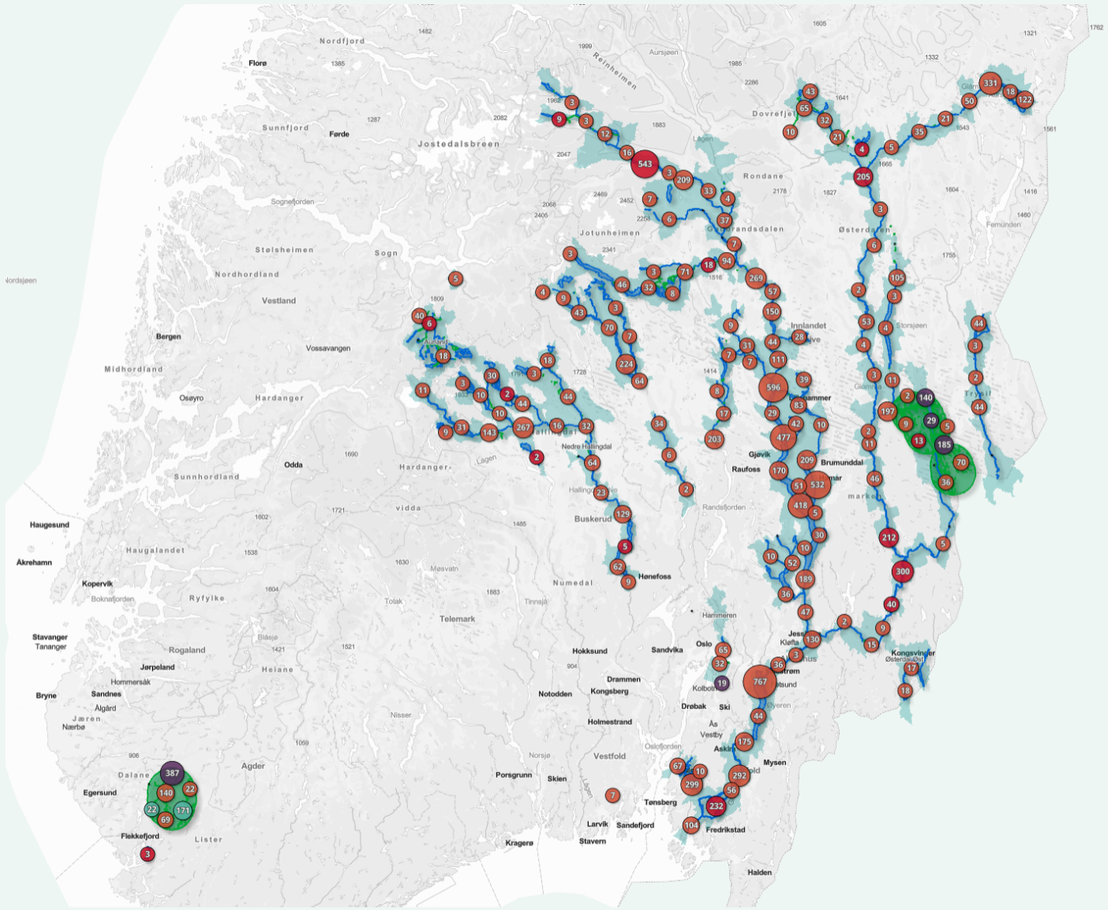
Dependencies

Activities over which Hafslund has operational control that may depend on ecosystem services

The most important ecosystem service dependencies identified for Hafslund's renewable energy production are access to water and areas with wind resources. In addition, the power plants depend on flood and storm mitigation, as well as the regulation of water flows through natural floodplains, vegetation, and wetlands, to protect the infrastructure from damage caused by extreme weather. Protection against erosion is important to maintain stable ground conditions and prevent landslides or other significant erosion. Increasing frequency and intensity of extreme weather events can damage infrastructure and negatively affect operations, which is why climate system regulation is an important ecosystem service for Hafslund.

Overview of material sites

Hafslund has identified locations where the Group has facilities under its operational control that are in or near biodiversity sensitive areas. These areas are considered material because they overlap with important forms of protection or the presence of vulnerable species. This includes wetland areas that can be impacted by hydropower activity or important functional areas for wild reindeer. Five "Key Biodiversity Areas (KBAs)"[76] have been identified in or near Hafslund's power plants. These areas are considered particularly important for the preservation of biodiversity and are therefore specifically highlighted in the list.



Extracts from the assessment of threatened and invasive species in areas impacted by Hafslund's activities.

[76] *Key Biodiversity Areas (KBAs) are geographic areas identified as being of particular importance for preserving biodiversity. These areas are crucial for maintaining ecosystems and species that are endangered or of significant ecological importance. KBAs are identified using global standardised criteria developed by the International Union for Conservation of Nature (IUCN) in collaboration with scientists, conservation groups and governments worldwide.*

Location (power plant cluster/project area)	Type	Nearby sensitive natural areas	Example of endangered species in the areas	Materiality justification
Aurland	Hydropower	Nordfjella	Wolverine	Wild reindeer overlap, known impact
Kjølberget	Wind power	Skjeftkjølen Nature Reserve, Regnåsen and Hisåsen Nature Reserve, Hemberget Nature Reserve	Wolf	Nature reserve
Lillehammer	Hydropower	Åkersvika (KBA)	Matricary grapefern	Number of endangered species
Mossefossen	Hydropower	Vansjo (KBA)	Mackarel tern	Density of endangered species
Nedre Glomma	Hydropower	Storesand Nature Reserve	Noble crayfish	Endangered species
Tonstad	Wind power	Kyrkjevatna Nature Reserve	Northern Lapwing	Endangered species
Østerdal Nord	Hydropower	Dovrefjell (KBA)	Dune Tiger Beetle	Wild reindeer and number of endangered species
Øvre Glomma	Hydropower	Nordre Øyeren and Sørumsneset (KBA), Worm (KBA)	Black-backed Gull, Lapis lazuli	Endangered species and protected areas
Øvre Hallingdal	Hydropower	Nordfjella and Hallingskarvet National Park	Wolverine	Wild reindeer overlap, known impact

The list of Hafslund's significant locations is based on the nature mapping. The list includes plants and clusters of connected plants/production sites (based on power plant names) Hafslund has operational control over. Relevant criteria defined for significant/important locations include protected areas pursuant to Chapter V of the Nature Diversity Act, species of particularly high national management interest, including endangered species cf. the Norwegian Red List of Species, selected habitats and important functional areas for wild reindeer. Data on significant locations is obtained from publicly available sources such as the Norwegian Environment Agency's nature database and the Norwegian Species Data Bank's species map.

Managing impacts, risks and opportunities

Protection of biodiversity and ecosystems in strategy and business model (E4-1)

The development, construction and operation of renewable energy requires land, which affects biodiversity and ecosystems. Therefore, biodiversity considerations are integrated into core areas of the business, from long-term development to operational decisions. The Group is working to achieve strategic targets to limit nature loss from new projects and improve the condition of ecosystems in the existing portfolio (see Targets related to biodiversity and ecosystems).

Hafslund has not conducted its own robustness analysis for environmental impacts, but conducts risk and vulnerability analyses (ROS) of facilities where considerations for the external environment, including conditions in watercourses, are assessed. It is assessed whether knowledge, measures, and monitoring of nature fulfil the Group's obligations. Through hydropower, Hafslund has long experience in safeguarding environmental considerations. Environmental impact assessments ensure a systematic evaluation of environmental effects and form the basis for mitigation measures for nature. Stakeholder dialogue, in which Hafslund involves and collaborates with local communities, authorities, civil society, and research institutions, plays a central role in project development.

The Group 's strategy and business model are nevertheless considered robust because nature considerations are integrated into licensing processes, project development and operational routines. In recent years, Hafslund has also worked to systematise nature work, including by mapping affected areas and species, and by raising and visualising actions implemented in the various power areas. This will strengthen the Group's ability to manage risk and maintain value creation over time.

Policies related to biodiversity and ecosystems (E4-2)

Hafslund's guidelines cover biodiversity, including drivers that contribute to the loss of biodiversity and ecosystems, including land use change, pollution and alien species. The assessment of the Group's impact on species, ecosystems and ecosystem services is based on the nature mapping, which is revised annually. Hafslund is also subject to several regulations that take into account biodiversity and ecosystems through impact assessments and laws, such as the Nature Diversity Act, the Watercourse Regulation Act, the Pollution Act and the Planning and Building Act. Consideration of physical natural risks is considered to be taken into account through requirements in the Dam Safety Regulations. This assesses whether the construction of a facility may cause damage to the surroundings and whether the facility itself is exposed to natural hazards. Social consequences of impacts in connection with biodiversity and ecosystems are considered to be taken into account through S2 Workers in the value chain and S3 Affected communities.

Hafslund's sustainability policy[77] outlines the Group's principles for protecting biodiversity and ecosystems in own operations and through the impact caused by Hafslund. Requirements are set out in ethical guidelines and requirements for suppliers, where Hafslund expects suppliers to:

- Counteracts biodiversity loss and long-term damage to ecosystems
- Does not exploit the local environment at the production site
- Uses the precautionary principle to ensure sustainable resource extraction and management of water, oceans, forests and land, and the conservation of biodiversity

The power business has a policy for watercourse management and the external environment that is the basis for the company's work on sustainable watercourse management. It emphasises environmental protection, safety and responsible power production. Policies and compliance with laws are operationalised through routines, templates and

[77] *See the introduction to the section entitled Environment.*

procedures, as well as orders from the authorities. Some of the most important ones related to biodiversity and ecosystems for the power business are: 1) Guidelines for environmental supervision at watercourse facilities and actions where the power business is the owner or operator, 2) Fish stocking orders (related to selected facilities), 3) Routine for preventing the spread of alien species and infection between watercourses, and 4) Main document for internal control.

The latter document describes how the Group complies with requirements for internal governance and control, including management of the external environment. The document clarifies the division of responsibilities, and a watercourse environmental manager (VMA) has been appointed who is subject to requirements for scientific expertise for each power plant and for all areas where Hafslund Kraft operates or develops new facilities.

For technical hydropower projects, the project manual is used, which describes the project process and provides detailed guidelines for environmental monitoring throughout the project's life cycle. Principles and a common methodology have been developed for the development of wind power projects to ensure the integration of sustainability considerations, including biodiversity and ecosystems, in the early stages. The work includes, among other things, screening criteria for the selection of project areas.

Transition plan on biodiversity and ecosystems (E4-1)

Since autumn 2023, Hafslund has been working on a restructuring plan for biodiversity and ecosystems for the entire the Group, hereinafter referred to as the Nature Action Plan, which was adopted by the Group management in 2024 and continued in 2025. The Nature Action Plan consists of strategic actions and development projects across Hafslund and includes improvement work with the existing production portfolio and development of new renewable energy production. Measures described under E4-3 are included in the restructuring plan.

Although the plan does not build on, or measure long-term robustness against science-based climate (IPCC) and nature loss scenarios (IPBES), it is based on an understanding that hydropower and wind power operations are key technologies in the transition away from fossil energy in Europe and globally, while also entailing interventions in nature. The action plan aims to coordinate measures and governance in line with Hafslund's nature ambition and its associated targets. The table below shows an overall overview of actions in connection with the implementation of the Nature Action Plan.

2024 - Priority actions	2025 - Priority actions	Priority actions ahead
Project development Building experience with nature accounting and quantification of nature impacts in project development: • Piloted Statutory Biodiversity Metric in wind farms • Participated in the development of the test version of the "Nature Points" methodology through Renewable Norway	***Project development*** • Build experience with using the method in several projects and contribute to further developing the method • Testing the method for developing wind power plants in Aremark including concept and design phase • Testing the method in the Hemsil 3 hydropower project	***Project development*** • Further develop the Nature Points method with Renewable Norway • Develop project indicators
Portfolio management • "Nature Mapping 1.0" - Quantification of Hafslund's footprint and presence of natural values (threatened species, alien species and important natural areas) • Methodology for following up on improvement goals for the facility portfolio	***Portfolio management*** • "Nature Mapping 2.0" - Improving data quality, increasing level of detail and linking databases • Develop and test indicators for monitoring strategic nature goals and action plans (nature indicators)	***Portfolio management*** • Establish nature indicators at facility and portfolio level
Action database • Knowledge acquisition and systematization of operational nature measures in our own power plant portfolio, and for energy technologies in our project portfolio	***Action plan for hydropower operations*** • Development of an action plan for hydropower operations based on new environmental requirements following condition revisions, the Water Regulations and ecological capacity	***Action plan for hydropower operations*** • Implementation of actions in affected watercourses in accordance with the action plan • Map restorable land area in the construction portfolio and establish a plan for implementation including wind power plants in the portfolio
Measures and compliance • Integration and strengthening of nature considerations in internal processes, governance, and reporting structures.		

Actions and resources related to biodiversity and ecosystems (E4-3)

Hafslund works systematically to reduce the burden on nature. This includes both strategic initiatives and specific, operational actions in the existing portfolio and in all new developments. Hafslund often works in collaboration with research institutions, local associations and other stakeholders with a particular focus on the areas in which Hafslund operates. The hierarchy of measures forms the basis for how new projects are planned and implemented, and actions to avoid harmful effects, reduce damage and restore degraded nature are systematically assessed throughout the projects. Overall, this contributes to increased knowledge and better adaptation of energy production to ecosystems. The table provides an overview of actions implemented in 2025, in the multi-year measure portfolio and resources allocated for implementation. Internal resources are not included.[78]

Operational measures

New nature initiatives and environmental studies	Unit	2025	2024
Funds allocated during the reporting year	NOK	8,530,000	4,570,000[79]
Biotope initiatives	Number	11	5
New restoration	Decare	56	1.2
Environmental studies, including assessments	Number	12	19
Multi-year operational measures			
Fish migration measures	Number	33	33
Fish migration with monitoring	Number	9	8
Fish ladders	Number	20	20
Fish passage	Number	12	12
Area restored/under restoration (aquatic)	Decare	64	8.1

[78] *The levels in the hierarchy of measures: avoid, limit, restore, compensate.*
[79] *The amount stated for 2024 is somewhat lower than the actual costs in 2024 as reporting for one power plant area is missing.*

Strategic initiatives

Research and knowledge development (R&D)	Unit	2025	2024
Participation in R&D projects	Number	10	8
Funds allocated to R&D projects during the reporting year	NOK	4,250,000	4,670,000

New and existing operational measures

Hafslund continuously implements restoration measures to preserve and enhance biodiversity around the energy infrastructure in which the Group operates. Both digital and physical nature surveys and mapping are carried out annually to build knowledge and plan actions to improve the environmental condition of the watercourses. Several power plants use AI-based monitoring solutions as part of the mapping.

The measures vary in duration, size, scope and capacity, but collectively contribute to improved environmental conditions and better adaptation of energy production to ecosystems. In 2025, Hafslund has implemented improvement measures for nature both related to water level reduction in dammed areas and related to reduced water flow and migration barriers in regulated rivers. Among other things, voluntary water release has been introduced in a river section in Brødbøla that has been dry since 1920, including a monitoring programme on several quality elements to document the changes. Voluntary minimum water flow and nature-based water flow are implemented in several watercourses to adapt the water flow to the needs of species throughout the year. Each power plant area has its own environmental manager who continuously assesses the condition of the watercourses and which actions should be implemented.



Before and after restoration measures at the Brødbølfoss power plant: release of minimum flow

Environmental measures in reservoirs and regulated rivers often fall under the category of "functional restoration". This can, for example, be actions to improve the upstream and downstream migration opportunities for fish past river power plants. Improving a fish ladder provides only a limited direct improve improvement to the physical area, but is intended to restore the opportunities for fish species to migrate between functionally important areas (spawning, feeding and wintering areas). The large proportion of functional restoration measures is also the reason why Hafslund's reported direct area improvements are small. However, these measures lead to the availability of large areas and thus an improvement in the environmental condition of these areas.

Strategic initiatives

In 2024, a mapping of areas down to object level was carried out for all locations where Hafslund has operational control and defined areas beyond these that are affected to varying degrees by the Group's activities. These are mainly lakes and rivers, including reservoir areas. Area and environmental condition constitute the baseline for the goal of improving the plant portfolio, as well as the methodology for measuring progress (see "Targets related to biodiversity and ecosystems"). In 2025, this work has continued. Among other things, data quality has been improved through an increased level of detail on, for example, wind power

plants, and the linking of several databases. Site-specific nature information such as species observations, protected areas, environmental condition, and sources of impact are linked with plant data and action plans to establish indicators for monitoring strategic nature goals and plans.

Hafslund has continued to participate in the development of a method for project-based nature accounting (called "Nature Compass") in 2025. The work, which is coordinated by Renewable Norway, is being carried out together with other actors from the power industry, and with a reference group from administrative bodies and environmental organisations. The method was published as an openly available test version in 2025 and has undergone a phase of piloting and input from stakeholders. Hafslund is testing the method in several projects and will contribute data and experience that will be included in an updated version of the method. Experience with nature accounting in projects has been a priority development area for Hafslund, where the purpose has been to a greater extent to quantify the impact, actions and decisions taken in development projects. In 2025, the method has been tested in the development of wind power plants in Aremark, where the insight is used to reduce the overall nature load by optimising turbine layout. Furthermore, the Nature Points method has been used in the Hemsil 3 hydropower project.

The work on an Action and Measure Plan for Nature in the Hydropower Portfolio has been completed during 2025. All water bodies affected by Hafslund have been assessed, including water bodies with less stringent environmental objectives (MSM). Water bodies where the environmental objective has been achieved have also been assessed. This is partly due to Hafslund continuously obtaining new knowledge about the environmental state of its own water bodies. This is not always captured in the Water Network (Vann-Nett)[80] and the water management plans, which have a multi-year rolling frequency. The Action and Measure Plan is a dynamic document, and the aim is to update the plan annually. The purpose of the plan is to systematise the work on improvements in areas affected by Hafslund and prioritise actions that will have a positive capacity on nature. The plan will make it clear how Hafslund is working to realise its nature objectives.

The action plan has been developed as a management tool to prioritise restoration measures that will improve the environmental condition of the portfolio. The Group's nature mapping in 2024 has laid the foundation for establishing the action plan for nature. In 2026, Hafslund will conduct a mapping of restorable land in the plant portfolio and establish a plan for implementing restoration measures for land.

Research and development projects (R&D)

Hafslund has participated, and is participating, in several research and development (R&D) projects on nature and the environment. Hafslund's contribution to these projects is both financial, professional and administrative. These R&D projects contribute to strengthening knowledge about the impact of energy production on nature, as well as developing technologies and methods that can reduce negative environmental effects in and around hydro and wind power plants. The R&D projects focus on a wide range of issues; including issues and mitigation actions related to two-way fish migrations past power plants, monitoring methodology and mitigation actions in regulation reservoirs and the impact of hydropower on wild reindeer.

In addition to individual projects, Hafslund is also a partner and contributor to RenewHydro, a research centre for environmentally friendly energy (FME). Through projects developed and prepared through this research centre, researchers in technology, biology and economics will collaborate with experts from the hydropower industry and administration to solve key challenges in the energy field, develop solutions for a low-emission society and strengthen the innovation capacity of the business community.

[80] *In Vann-nett, the water environment status for over 30,000 water bodies is available for Norwegian watercourses. Guide 02:2018 (Directorate Group for the Implementation of the Water Regulations, 2018).*

Metrics and targets

Targets related to biodiversity and ecosystems (E4-4)

Hafslund has an ambition to contribute to nature positivity by 2035. The ambition includes the management and development of new renewable energy and infrastructure that, in total for the portfolio, has a positive impact on the biodiversity in the areas in which Hafslund operates. Since 2023, the Group has worked with two strategic targets that cover both the current power plant portfolio and the development of new projects. The goals were operationalised in 2024 by defining and anchoring the baseline, as well as the method for follow-up. Nature accounting methodology will be used to calculate nature losses and gains in new projects.

Hafslund's nature goals, as well as the ambition for nature positivity, are anchored in the Group's strategy, and take 2023 as the base year.

Strategic ambition	**Hafslund will measurably improve the conditions for biodiversity from 2023 levels in the existing plant portfolio.**		**Develop new energy projects that, starting in 2030, will have net zero biodiversity loss.**
Scope	Facilities in power plant portfolio	Acquired production facilities	Large-scale production facility developed by Hafslund
Unit of measurement	Condition in affected areas: • Area (lakes) and ecological potential or ecological condition • Length (rivers) and ecological potential or ecological condition • Area (terrestrial areas) and ecological condition		Nature points: • Unit of measurement based on the project-based nature accounting method Varies per technology, method for calculating nature points to be tested in 2025
Baseline			
Geographical delimitation	Natural area directly affected by Hafslund's power plant.		Project area
Time (From)	2023	The year the transaction is completed	Investment decision
Target			
Value	Not defined	Not defined	Net zero loss
Time (by)	Not defined	Not defined	During the project's lifetime

The nature targets have been set through the involvement of internal stakeholders in the subsidiaries, before being decided by the Group management. Hafslund's ambitions to contribute to nature positivity were decided by the Group Board as part of the Group's strategy towards 2035. Classification of ecological status and potential in water networks is the starting point for the development of the existing portfolio. At present, compensation for biodiversity loss or the hierarchy of constraints is not used in setting targets.

Measuring and effects of actions for biodiversity and ecosystems is a complex field with a need for further knowledge sharing. Challenges include the connection between impact and condition, that the state of nature develops slowly and is subject to natural variations, and that in most cases areas Hafslund influences are also influenced by other actors and sectors at the same time. Therefore, Hafslund is working on knowledge development and experience sharing to develop a robust management system for measuring environmental performance within biodiversity and ecosystems. Action and measure plans are being developed at the operational level to quantify improvement targets and indicators for the facility portfolio. For a description of Hafslund's dialogue with local communities, see S3 Affected Communities.

Development in 2025

In 2025, Hafslund has worked to specify and break down the goals for biodiversity and ecosystems. The aim is to have targets that are able to combine the development of renewable energy with nature-positive development. Hafslund expects to complete the process in 2026.

Impact metrics related to biodiversity and ecosystems (E4-5)

Reporting boundaries

The assessment and reporting of relevant metrics of biodiversity and ecosystems include areas where Hafslund has business activities over which it has operational control. Hafslund also has financial control over Tonstad Vindkraft AS, but is not included as an operator. The associated companies that operate Raskiftet and Kjølberget wind power plants are also included. The reporting does not include hydropower plants with jointly controlled operating arrangements or joint operations over which Hafslund does not have operational control. This applies to 9 hydropower plants.

Relevant categories that have been mapped and reported are land use, locations in or near sensitive nature, species status and ecosystem condition. The indicators are calculated for areas that are considered to be affected by Hafslund's activities. Instead of point areas with buffer zones, it has been chosen to include continuous river stretches that are affected to varying degrees by water flow changes and water regulation.

For freshwater-related land use, the assessment includes regulated reservoirs, rivers with altered flow regimes, and open water channels. For rivers and reservoirs, the area is assessed without applying buffer zones. For land-based infrastructure - including buildings, roads, landfills, soil extraction sites, and other facility-related structures - buffer zones of 10 to 50 metres are applied, depending on the type of infrastructure.

Data is sourced from Hafslund's internal facilities database, the NVE Atlas, the Joint Geospatial Database (FKB), and, in select cases, manual designation based on aerial imagery.

These areas define the geographical scope for Hafslund's land use and form the foundation for its nature risk mapping. The mapped boundaries are used to identify biodiversity-sensitive areas in and around operational zones, in line with CSRD/TNFD. As a result, protected areas and endangered species located within or directly adjacent to the defined buffer zones are included in the analysis.

All reported data is based on the results of Hafslund's nature risk mapping.

Impacted area

Hafslund's activities directly and indirectly affect areas on water and land (see description of impacts earlier in the chapter). The table shows the distribution of this area broken down by object categories. The change from 2024 to 2025 is due to the acquisition of Mossefossen, which includes a larger aquatic area, as well as improved data quality on wind power where roads, turbine locations, etc. are included.

Land use	Unit	2025	2024
Aquatic land use, total	**Hectares (ha)**	**156,424**	**150,986**
River with altered rate of flow	Hectares (ha)	36,041	36,171
Regulation reservoirs	Hectares (ha)	120,326	114,815
Waterway	Hectares (ha)	54	0
Other constructions	Hectares (ha)	3	0
Terrestrial land use, total	**Hectares (ha)**	**7,066**	**6,738[81]**
Onshore wind, plan area	Hectares (ha)	6,142	5,980
Onshore wind physically developed area	Hectares (ha)	162	—[82]
Hydropower physically developed area	Hectares (ha)	762	758

Locations in or near protected areas

Based on the impacted area, the table below shows the overlap with areas and the number of locations in or near protected areas. Protected areas include the following classifications: selected habitats types, key functional areas for wild reindeer, landscape protection areas, nature reserves, national parks, and other protected areas with various less commonly used forms of protection. Some of these protected areas have the status of Key Biodiversity Areas (KBAs). These are explicitly reported.

[81] *Minor change in comparative figures due to changed presentation in table and improved data quality.*
[82] *First reported in 2025 due to improved data quality.*

A higher number of overlapping sensitive areas has been reported than last year. The change is due to a combination of Hafslund having a more granular division of areas. In addition, the Group has increased the buffer zone/influence area for wind power plants to 1 kilometre, so that more areas are captured. Furthermore, a calculation error led to Dovrefjell not being included in the reporting for 2024, and the acquisition of Mossefossen has added new areas to the portfolio.

Areas Hafslund impacts that are "in or near" sensitive nature	Unit	2025	2024
Number of affected waterways and project areas overlapping protected areas	Number	17	9
Area of affected waterways and project areas overlapping protected areas	Hectares (ha)	35,888	27,751
Number of affected waterways and project areas overlapping or near Key Biodiversity Areas (KBA)	Number	5	5
Area of affected waterways and project areas overlapping or near Key Biodiversity Areas (KBA)	Hectares (ha)	11,909	6,510

Species status

The following tables present threatened and invasive species observed within areas defined as being impacted by Hafslund's operations. The tables list distinct species distributed across different locations and according to the status of endangered species and the risk of spread of alien species. The data is based on aggregation of nearly 70,000 observations registered in the Species Data Bank within defined areas. The observations do not represent species that are directly affected by Hafslund's facilities, but that have been observed within the same area.

The increase, from 2024 to 2025, in the number of endangered species observed is due to an increased buffer zone/influence area, and the inclusion of Dovrefjell and Mossefossen in this year's reporting.

Number of distinct threatened species observed[83]	2025	2024
Critically Endangered (CR)	20	16
Endangered (EN)	107	65
Vulnerable (VU)	198	115
Total	**325**	**196**

Number of distinct alien species observed[84]	2025	2024
High risk (HI)	17	22
Potentially high risk (PH)	6	3
Very high risk (SE)	54	56
Total	**77**	**81**

Ecosystem condition

The following tables present the ecological condition of water bodies identified as being impacted by Hafslund's power business. Terrestrial (land-based) areas are not included due to insufficient data availability.

Ecosystem condition is assessed in accordance with the classification system outlined in Appendix V: Classification and Monitoring of the Norwegian Water Regulations[85]. The assessment is based on current chemical and ecological status or, where applicable, the ecological potential of heavily modified water bodies. The impacted water bodies are presented in two separate tables: one for rivers, measured by length (kilometres), and one for lakes, measured by surface area (hectares).

There has been a significant increase in the length of rivers in the indicator. This is because we have expanded the data base with more rivers compared to last year. Furthermore, the acquisition of Mossefossen has contributed to a decrease in the proportion of lakes in the good condition category.

[83] *The presentation of "Number of distinct threatened species observed" has changed from the 2024 Sustainability Report as this year's reporting presents the total and not broken down by area. The change in presentation means that the values in the table in the 2024 Sustainability Report are not directly comparable to the table in the 2025 Sustainability Report.*
[84] *The presentation of "Number of distinct alien species observed" has changed from the 2024 Sustainability Report as this year's reporting presents the total and not broken down by area. The change in presentation means that the values in the table in the 2024 Sustainability Report are not directly comparable with the table in the 2025 Sustainability Report.*
[85] *Appendix V: Classification and Monitoring of the Norwegian Water Regulations*

Condition of rivers	Unit	2025	2024
Total (length of rivers affected by Hafslund)	**Kilometre**	**1,446**	**1,352**
Very bad[86]	Proportion	4.2 %	3.5 %
Bad[87]	Proportion	11 %	12 %
Moderate[88]	Proportion	43 %	45 %
Good[89]	Proportion	41 %	39 %
Very good[90]	Proportion	0.5 %	0.5 %

Condition of lakes[91]	Unit	2025	2024
Total areal	Hectares (ha)	**1,129**	**1,035**
Very bad	Proportion	0%	0%
Bad	Proportion	1 %	1 %
Moderate	Proportion	14 %	17 %
Good	Proportion	84 %	82 %
Very good	Proportion	0%	0%

[86]Severe changes, large parts of biological communities absent.
[87]Extensive changes, significant deviation from pristine conditions.
[88]Moderate deviation from pristine conditions.
[89]Slightly altered by human activity, slightly differing from pristine conditions.
[90]No or insignificant human-induced changes.
[91]See footnotes 86 to 90 for description of condition categories.

E5 Resource use and circular economy

Strategy

Why resource use and circular economy is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Waste from own operations	ED
PP	Circular resource use, reduction of waste volumes and destruction of environmental toxins and infectious agents	ED, OVK
R	Unpredictable and inappropriate framework conditions	ED
M	Further develop existing and explore new opportunities within the circular value chain	ED

NP = Negative impact, PP = Positive impact, R = Risk, M = Opportunity. ED = Own operation, OVK = Upstream value chain.

Two important principles for successfully transitioning to a more circular economy are prioritising renewable resources and utilising local excess energy. This is the core of Hafslund's business, which produces renewable energy from water, wind and uses local excess energy to produce district heating. District heating helps to relieve the power grid and make electricity available for purposes other than heating.

Hafslund operates Norway's largest waste incineration plant and provides environmentally friendly final treatment of residual waste that cannot, should not or ought not, be reused or recycled. The waste heat from waste incineration forms the basis of Hafslund's district heating production. In the waste hierarchy, on which Norwegian and European waste strategies are based, energy recovery is one of the steps and contributes to the transition to a circular economy.

Hafslund's district heating operations play a central role in Oslo's energy system. District heating production uses circular energy sources such as waste heat from waste incineration, data centres and sewage, as well as biofuels, which originate from renewable resources and/or by-products from other processes.

Hafslund processes between 350,000 and 400,000 tonnes of waste annually, of which about 20 per cent is residual products in the form of bottom ash and fly ash from waste incineration plants. Metals are extracted from the bottom ash and recycled into new products by other players. A portion of the ash, the fly ash, is classified as hazardous waste after the incineration process and transported to NOAH at Langøya.

Hafslund has identified several risks related to the district heating business. Any changes in framework conditions, such as the incineration tax, pose a risk to waste incineration plants that use waste incineration as a source of excess heat. Furthermore, the district heating business may be affected by disruptions in global value chains, which could increase if production and transport are affected by climate change.

Hafslund has also identified opportunities in the circular value chain. In particular, this is linked to seeking new opportunities for the utilisation of excess energy from waste incineration with carbon capture and storage (CCS), data centres, sewage and the fjord. Other opportunities are linked to a "holistic thermal energy system" by offering both district heating and district cooling, as well as recycling and recovery of metals and minerals from the outgoing resources from waste incineration.

Managing impacts, risks and opportunities

Polices related to resource use and circular economy (E5-1)

The Group sustainability policy[92] sets principles for how Hafslund will contribute to the circular economy:

- Focus on environmental concerns in procurement processes.
- Strive for a high level of resource utilisation.
- Work to achieve increased energy efficiency and reduced waste in own business activities.
- Always consider the repair, reuse, and recycling of materials throughout the value chain in line with circular economic principles.

By applying these principles, the policy addresses both the transition from virgin[93] raw materials and the use of secondary resources, as well as sustainable procurement and cooperation with suppliers. Through energy utilisation from waste incineration, the waste hierarchy is also integrated into Hafslund's business model.

Through the ethical guidelines and requirements for suppliers Hafslund expects suppliers to:

- Work to achieve safe and environmentally friendly waste management and phase out the use of non-renewable resources.
- Apply the precautionary principle in order by implement measures to ensure sustainable resource extraction.

Actions and resources related to resource use and circular economy (E5-2)

Hafslund uses local excess energy that would otherwise have been lost to produce waterborne district heating. It is primarily excess heat from data centres, sewage and waste incineration that is used.

Through business development, Hafslund identifies activities to further develop existing and explore new opportunities within resource use and circular energy. The measures below show the breadth of Hafslund's implemented and planned actions:

- Skygard, a company owned by Hafslund, Telenor and HitecVision, is building Norway's most energy-efficient and safest data centre. The intention is for the excess heat from the data centre to be supplied to Hafslund's district heating grid. 12,000 apartments in Oslo will be able to be heated with excess heat from the data centre.
- "Optivarme" (formerly "Smart control") is a service that Hafslund began offering from the turn of the year 2025/2026. The service means that the regulation of the customer centre is not only based on the outdoor temperature, but also takes into account factors such as the indoor temperature in the building and weather forecasts. Through smarter regulation of heat supply in buildings with district heating, smart control can provide a better indoor climate, improved resource utilisation, and lower energy consumption.

Sustainability-certified biofuels[94] are used in the production of district heating. Hafslund purchases bio-oil/diesel that is ISSC-certified[95] and pellets that are SBP-certified[96]. The certifications ensure that biofuels which are purchased are sustainable and that there is traceability throughout the entire value chain. Among the common features of the certifications is that the product does not restrict food production nor

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[92] *See introduction in Environment.*
[93] *Virgin raw materials are materials or substances that are extracted directly from nature to be used in the production of entirely new materials or products. The term is often used synonymously with primary raw materials.*
[94] *ISSC-certification and SBP-certification satisfy the requirements in the EU Directive on the promotion of the use of energy from renewable sources (RED II).*
[95] *https://www.iscc-system.org/*
[96] *https://sbp-cert.org/*

contribute to deforestation. The fuels must also not originate from areas with high carbon stocks and/or only originate from areas where the carbon mass is stable or increasing. The input factors must not come from areas that are, or have been, classified as primary forests, wetlands, marshes or other areas of high biological value. The cascade principle is the basis for SBP-certified products, which means that high-quality wood that could instead be used for products with a long lifespan is not used for producing energy.

Targets and metrics

Targets related to resource use and circular economy (E5-3)

Hafslund wants to further develop existing opportunities and explore new opportunities related to resource use and the circular economy:

- Hafslund is actively working to facilitate increased use of local excess heat. By 2050, the ambition is that a significantly larger proportion than today will be covered by the utilisation of excess heat, given framework conditions that facilitate this.
- The district heating business targets to supply at least 50 per cent of the heating needs in Oslo by 2050. Today, just under 30 per cent of the heating needs are covered by district heating. An important part of the initiative is to work for framework conditions that make it profitable to convert all-electric buildings to water-based heating.

The targets are linked to "circular resource use" which is identified as a positive impact and "further develop existing and explore new opportunities within the circular value chain" which is identified as an opportunity, in the materiality assessment. Heat recovery uses energy that already exists and would otherwise be lost. District heating production from excess heat increases the degree of circular material utilisation in society and is an important contribution to the transition to a circular economy. The targets are derived from the district heating business's strategy and are thus not prepared in accordance with the requirements of the ESRS.

Resource inflows and outflows (E5-4, E5-5)

Reporting boundaries

Hafslund produces power and does not use raw materials or other materials in its hydro and wind power production in ordinary operations. It is primarily the district heating business that uses material resources in its production. The quantitative results in this chapter apply to the district heating business. All data presented is based on direct measurements.

Waste incineration

Hafslund has two waste incineration plants in Oslo, one at Klemetsrud and one at Haraldrud. In addition to treating waste that cannot or should not be reused or recycled, Hafslund utilises the excess heat from the waste incineration plants to produce district heating.

Waste inflow and support fuels

The table lists the waste inflow and support fuels associated with the waste incineration plants. Hafslund provides incineration services to waste holders. The quantity of waste treated shows how much waste is treated at the facilities.

Incoming resources waste incineration	Unit	2025	2024
Quantity of waste treated	Tonnes	365,579	377,634
Fossil support fuels used	Tonnes	705	816
Renewable support fuels used	Tonnes	344	383
Firm power	GWh	41	43

Resource outflows - Excess heat and electricity production

The table shows resource outflows from the waste incineration plants. The excess heat produced from waste incineration is supplied to the district heating grid. The Klemetsrud plant also has a turbine that produces electricity from steam from the waste incineration process.

Resource outflows from waste incineration	Unit	2025	2024
Electricity produced by turbine	GWh	123	149
Excess heat supplied to the district heating grid	GWh	873	830
Cooled heat	GWh	82	81

Production of district heating

Hafslund utilises excess heat from data centres, sewage and waste incineration to produce district heating. This is local excess energy that would otherwise have been lost. Detachable electric boilers and sustainability-certified biofuels such as wood pellets and bio-oils are also used. A small proportion of fossil liquefied natural gas (LNG) is also used for purposes that include compliance with emergency response requirements for the district heating network.

Resource inflows in district heating production

The table provides an overview of resource inflows and key figures for Hafslund's district heating production in 2025.

Resource inflows in district heating production	2025		Share of total district heating production 2025
	GWh	Tonnes	
Excess heat from incineration of sorted residual waste, including waste heat from the Agency for Waste	1,044	—	58 %
Detachable electric boilers	313	—	17 %
Ambient heat for heat pumps (sewage, data centre, water purification)	141	—	8 %
Electricity for heat pumps	65	—	4 %
Wood pellets	160	32,734	9 %
Bio-oil and biodiesel	47	4,612	3 %
LNG	34	2,521	2 %
Fossil heating oil	—	4	0 %
Total resource inflows in district heating production	**1,805**	**39,872**	**100 %**
Total inflows of biological material [97]	207	37,347	—
Biological material as a share of total district heating	11 %	—	—
Share of biological material in physical materials[98]	—	94 %	—
Firm power [99]	30[100]	—	—
Heat produced from heat pumps based on excess heat from sewage, data centres and waste incineration	206	—	—

[97] *Biological material includes wood pellets, bio-oil and biodiesel.*
[98] *Physical materials are wood pellets, bio-oil and biodiesel, LNG and fossil fuel oil.*
[99] *Electricity for operation of facilities.*
[100] *In 2025, Firm power is distributed in the tables resource outflows from waster incineration and resource inflows in district heating production*

The table shows an overview of incoming resources and key figures for Hafslund's district heating production in 2024.

Resource inflows in district heating production	2024		Share of total district heating production 2024
	GWh	Tonnes	
Excess heat from incineration of sorted residual waste, including waste heat from the Agency for Waste	1,001	—	52 %
Detachable electric boilers	485	—	25 %
Ambient heat for heat pumps (sewage, data centre, water purification)	148	—	8 %
Electricity for heat pumps	63	—	3 %
Wood pellets	141	28,909	7 %
Bio-oil and biodiesel	66	6,413	3 %
LNG	28	2,037	1 %
Fossil heating oil	0	0	0%
Total resource inflows in district heating production	**1,932**	**37,359**	**100 %**
Total inflows of biological material[101]	207	35,322	—
Biological material as a share of total district heating	11 %	—	—
Share of biological material in physical materials[102]	—	95 %	—
Firm power[103]	29	—	—
Heat produced from heat pumps based on excess heat from sewage, data centres and waste incineration	211	—	—

Outgoing resource from district heating production

Outgoing resource from district heating production is district heating delivered to customers. The table shows the number of GWh of district heating delivered to customers in 2025.

Outgoing resource from district heating production	Unit	2025	2024
District heating delivered to the grid	GWh	1,786	1,917
District heating delivered to customers[104]	GWh	1,623	1,767

Waste

Waste from the waste incineration process

The residual products after waste incineration are bottom ash and fly ash. The bottom ash is considered non-hazardous waste and contains iron, aluminium and other metals depending on what has been burned. The bottom ash is further processed by a third party who extracts the metals and recycles them into new products. In 2025, 4,505 tonnes of metals were extracted from the bottom ash from Hafslund's plant and recycled into new products. The majority of the metal fractions consisted of iron and aluminium, which have a significant climate footprint during primary production. Recycling metals from the bottom ash thus helps reduce the need to produce new, carbon-intensive materials.[105]

Fly ash is dust and similar substances that are captured in filters during the waste incineration process. After the incineration process, the ash is classified as hazardous waste. The fly ash is sent for treatment at NOAH on Langøya, where most of it is processed into a mineral mass. According to NOAH, a large proportion of this mass falls within the criteria for ordinary waste and thus has no environmentally hazardous properties, which opens up the possibilities for recycling and utilisation. NOAH's ambition going forward is to find good uses for the mineral mass that meet needs in society. Examples of possible uses are landscape rehabilitation, sealing layers in landfills and cleaning of other waste fractions. Furthermore, NOAH plans to use residues from the processing of fly ash for the production of gypsum on Langøya. The fly ash from Hafslund also contributes to the stabilisation/neutralisation of dilute acid from Norwegian industry.

The table shows an overview of the waste after the waste incineration process.

[101] Biological material includes wood pellets, bio-oil and biodiesel.
[102] Physical materials are wood pellets, bio-oil and biodiesel, LNG and fossil fuel oil.
[103] Electricity for operating facilities.
[104] The difference between district heating delivered to the grid and district heating delivered to customers is due to heat loss.
[105] Climate savings are difficult to quantify precisely, as emission factors vary between technologies, regions and data sources. A rough estimate shows that the overall climate impact appears to be in the order of 10-15,000 tonnes of CO_2e in avoided emissions.

Waste following the waste incineration process		2025		2024	
	Unit	**Hazardous waste (fly ash)**	**Non-hazardous waste (bottom ash)**	**Hazardous waste (fly ash)**	**Non-hazardous waste (bottom ash)**
Total quantity of waste following waste incineration process	Tonnes	**17,582**	**54,682**	**18,127**	**61,977**
Total quantity of waste not sent for final treatment, comprising:	Tonnes	**0**	**4,505**	**0**	**5,338**
Reuse	Tonnes	0	0	0	0
Recycling of materials[106]	Tonnes	0	4,505	0	5,338
Other	Tonnes	0	0	0	0
Total quantity of waste sent for final treatment, comprising:	Tonnes	**17,582**	**50,177**	**18,127**	**56,639**
Incineration	Tonnes	0	0	0	0
Landfill	Tonnes	17,582	50,177	18,127	56,639
Other	Tonnes	0	0	0	0
Total quantity of non-recycled waste	Tonnes	**17,582**	**50,177**	**18,127**	**56,639**
Percentage of non-recycled waste	Per cent	100 %	92 %	100 %	91 %
Quantity of radioactive waste	Tonnes	0	0	0	0

[106] *Total amount of metals extracted from the bottom ash and recycled.*



Social information

Guidelines for working with social aspects

S1 Own workforce

S2 Workers in the value chain

S3 Affected communities

Social information

Guidelines for working with social aspects

"The best minds" is one of the focus areas in Hafslund's strategy and refers to the importance of safeguarding social conditions in the Group's ambitions and day-to-day operations. Hafslund's values ("open", "responsible" and "innovative") guide how the Group strives to conduct itself. With a presence in approximately 80 municipalities around the country and numerous districts in Oslo, in addition to being a purchaser in a global value chain, good interaction with employees, value chain workers and local communities is crucial.

Open dialogue with stakeholders is essential for ensuring that actual and potential impacts felt by those affected by Hafslund's operations are managed effectively. To reduce negative impacts and risks, as well as explore opportunities related to its own workforce, workers in the value chain and affected communities, Hafslund actively seeks guidance from government authorities:

- The Norwegian Consumer Authority and the OECD's Contact Point for Responsible Business Conduct in Norway concerning the Transparency Act and due diligence.
- The Norwegian Labour Inspection Authority: The Working Environment Act and obligation to provide information and to ensure compliance.
- The City of Oslo when concerning issues relating to the "Oslo Model".
- The General Application Regulations: The parties in the business sector that negotiate the collective agreements which form the basis for the Regulations.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Guidelines for Multinational Enterprises.
- The OECD Due Diligence Guidance.
- The UN Universal Declaration of Human Rights, including the UN International Covenant on Economic, Social and Cultural Rights of 1966, the UN International Covenant on Civil and Political Rights of 1966.
- The International Labour Organisation's (ILO) core conventions on fundamental principles and rights at work.

In order to ensure that the Group remains committed to social conditions, Hafslund has guidelines for protecting people associated with its own operations. The guidelines apply to all of Hafslund's material social topics: S1 Own workforce, S2 Workers in the value chain and S3 Affected communities. The operationalisation of the governing documents is described in the chapters for each of the topics.

Ethical guidelines

Hafslund's ethical guidelines include guidelines for good personal conduct, good business practices, whistleblowing and management of potential breaches. The guidelines provide directions for how employees should interact, both internally and externally. They apply to Hafslund employees and those acting on behalf of the Group, for example, directors and hired suppliers and consultants.

Under the ethical guidelines, Hafslund and Hafslund's employees are obligated to:

- Prevent all forms of discrimination or harassment.
- Ensure equal rights and opportunities for everyone at Hafslund.
- Actively work to identify, prevent, reduce and manage negative impacts on human rights and workers' rights with regard to own workforce, value chain workers and in local communities where the companies operate.
- Conduct risk and due diligence related to human rights and workers' rights in a systematic and appropriate manner.
- Make HSE the top priority.
- Provide sponsorships in line with Hafslund's purpose, vision and ambition.

- Protect privacy, including lawful and fair processing of personal data.
- Select business contacts that share Hafslund's ambition for sustainable and responsible business operations.
- Take responsibility for ensuring that local communities impacted by Hafslund's activities are given a genuine opportunity to be involved in a manner and at a point in time where their input can be taken into account.

The Group sustainability policy

Hafslund's sustainability policy[107] sets the direction for how the Group works with social conditions. The following principles act as guidelines:

- Everyone at Hafslund should be safe at work. Consideration for health, safety and the environment (HSE) must always be prioritised in line with Hafslund's HSE policy.
- Hafslund has zero tolerance for discrimination or harassment.
- Hafslund values diversity and actively works to increase diversity and inclusion. Nobody at Hafslund should be discriminated against on the basis of gender, sexual orientation, functional level, religion or ethnicity.
- Hafslund's employees shall experience equal treatment with regard to pay, tasks and responsibilities.
- Hafslund continually works to minimise the risk of injury or accident to the general public.
- Hafslund shall contribute to local value creation and employment in areas where the Group operates.
- Hafslund will involve local communities and other stakeholders at an early stage and engage in dialogue to ensure they are provided with genuine opportunities to exert influence.
- Hafslund shall respect basic human rights and decent working conditions. Hafslund shall influence business contacts in a manner that ensures human rights and workers' rights are protected.
- Hafslund shall conduct due diligence processes and take steps to address actual and potential adverse consequences.
- Hafslund shall prevent the use of forced labour and child labour in the value chain.
- Hafslund respects the rights of indigenous peoples and adheres to the principles of Free, Prior and Informed Consent (FPIC).

Group HSE policy

The Group HSE (health, safety and environment) policy outlines Hafslund's commitment to protecting life and health, and sets out principles for how the companies must safeguard the working environment, health and safety of everyone who works for or on behalf of Hafslund.

The Group policy lays the foundation for Hafslund's HSE work. Hafslund's vision for HSE is zero serious injuries. All activities shall be carried out in a safe and secure manner and Hafslund shall work systematically to prevent personal injuries and work-related illness. Furthermore, the principles confirm, among other things, that HSE shall be fundamental in planning, implementing and evaluating all activities, that everyone shall work towards continuous improvement of safety and report any non-conformities. The same HSE requirements in our own activities also apply to contractors.

The Group policy is owned by the CEO, with Executive Vice President Corporate Development as the operational policy owner.

In 2025, the Group policy has been operationalised through group-wide HSE guidelines.

Group policy for HR and organisational development

At the core of Hafslund's policy for HR and organisational development is that employee expertise and involvement are crucial for value creation, further development and growth in all parts of the Group. The policy also

[107] *See the chapter entitled General information for more information on the group sustainability policy.*

supports Hafslund's work with diversity, equality and non-discrimination. The goal is for Hafslund to be a diverse, developing and stimulating workplace. Hafslund shall facilitate that employees are given tasks and responsibilities that reflect the competence they have, and have the opportunity to take independent responsibility for their own performance. Hafslund takes responsibility for people in the value chain. Hafslund shall have routines to prevent human trafficking, forced labour, child labour and indecent working conditions - both among its own employees and with business partners and suppliers.

The Group policy is owned by the CEO, with Executive Vice President Corporate Development as the operational policy owner.

Group policy for procurements

The procurement process at Hafslund shall, insofar as possible, take place in a manner that ensures competition. Suppliers must be treated equally and Hafslund shall act in a predictable manner, with requirements and criteria for the selection of suppliers and tenders that are factual and objective. In order to adhere to these principles, Hafslund’s procurement activities shall be organised and implemented in a manner that, among other things, safeguards health, the environment and safety, and makes a contribution to the work on Hafslund’s material sustainability topics. This involves both consideration for workers in own activities and in the value chain.

Group policy for communication and framework conditions

The Group policy describes principles for communication and work with framework conditions at Hafslund that will contribute to achieving the Group’s objectives within business strategy, brand platform to strengthen the Group’s reputation and awareness, as well as assuming a position as market leader under the "Hafslund" brand. The purpose of the policy is to regulate work processes for communication and framework conditions, both internally and externally, directed towards employees, national, regional and local politicians, government employees and political interest organisations.

Hafslund’s Group policy for communication and framework conditions specifically applies to social conditions through the following principles:

- Hafslund communicates openly and clearly with all stakeholders and ensures that important information that can or should be shared is provided at the correct time. Hafslund shall be honest and accommodating in its dealings with actors outside the Group and with society as a whole.
- Unless specific political decision-making processes require confidentiality, Hafslund is transparent and open about dialogue with political authorities.
- Hafslund shall communicate with owners, governing bodies and employees in a manner that enables them to perform their roles as best as possible.
- Hafslund shall communicate in such a way that local communities impacted by business activities are given a genuine opportunity to be involved in a manner and at a point in time where their input can be taken into account.
- Potential and actual crises, unforeseen events, accidents and other situations that may have human, environmental, material and/or corporate and societal consequences are managed in accordance with the Group's own emergency response plans.

The Group policy is owned by the CEO, with Executive Vice President Corporate Development as the operational policy owner.

S1 Own workforce

Strategy

Why own workforce is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Potentially adverse incidents related to health and safety	ED
PP	Competence development	ED
R	Dependence on the right expertise at the right time	ED
M	Being an attractive employer	ED

NP = Negative impact, PP = Positive impact, R = Risk, M = Opportunity. ED = Own operation.

Hafslund employees[108] have a safe and fair working environment with competitive terms and employee benefits. Laws and regulations which regulate the labour market in Norway are considered to cover several of the topics specified in these standards. Hafslund also assists with work–life balance by offering welfare benefits and perks that are intended to benefit as many employees as possible. In addition, the Group's employees are offered training and relevant skills development related to their position and development goals.

Hafslund owns and is responsible for facilities and infrastructure with a high potential for damage, and has both its own employees and external suppliers who operate the production. Work on facilities involves risk, and work processes are characterised by risk factors such as high voltage, pressurised systems and work at height. Shift work, including night work, and extraordinary workload in the event of special incidents are part of the nature of the work.

In line with Hafslund's corporate strategy and sustainability ambitions towards 2035, HSE work is a strategic priority. The Group targets to be a responsible player and owner of critical infrastructure, and works systematically to ensure safe working conditions. Any individual HSE incidents are followed up and used as learning in the systematic preventive HSE work[109].

It can be challenging to get the right expertise at the right time, and to ensure targeted competence development for employees. Attracting and developing good people is one of Hafslund's strategic focus areas.

Hafslund emphasises the work of own workforce, mainly related to:

- Health and safety
- Inclusive and supportive HR processes
- Targeted development of managers and employees

Top risks and actions have been identified through strategy work at the Group and company levels, and through results from employee surveys. Targeted activities have been implemented in 2025, with a focus on promoting positive impact on own workforce.

Health and safety

Hafslund faces safety and security risks due to a wide range of businesses and activities. Much of the work involves accident risks, such as work at power plants and district heating plants. Hafslund is committed to protecting all employees, customers, suppliers and partners by ensuring that all activities are carried out in a safe and secure manner. It should be easy to work safely, and there should be an open and honest dialogue with all employees about health and safety. Systematic work is done to prevent accidents.

The Group's requirements and guidelines shall follow established standards and best practices, and aim to comply with relevant legislation

[108] *See description of what is included in the term under characteristics of Hafslund's employees.*
[109] *Read more about HSE incidents that have occurred in the reporting year under Actual negative consequences.*

and regulations. This means that all activities and businesses are risk assessed in line with the Group's risk management process.

Hafslund's development projects and maintenance activities pose some of the Group's greatest risks to health and safety. A large part of these activities is carried out by contractors. Hafslund targets to promote even closer and better cooperation with its contractors to prevent accidents and injuries. The Group sets the same health and safety requirements for contractors as it does internally.

In 2025, Hafslund has further developed its HSE work by establishing and implementing group-wide guidelines for key HSE processes. This includes new common guidelines for HSE risk management, investigations and follow-up of incidents, and HSE reporting. The goal has been to quality assure and standardise key processes across the Group, so that the companies work according to the same principles and methodology. This facilitates better interaction, learning and continuous improvement across the companies.

A key priority in 2025 has been the introduction of HOP (Human and Organisational Performance) as the operating philosophy for HSE in Hafslund. The HOP principles form the basis for how the Group works with HSE, with an emphasis on openness, trust, involvement and learning. Hafslund recognises that it is human to err, and that safety is not just about the absence of incidents, but about the presence of capacity in the organisation to prevent incidents with serious outcomes. Hafslund works towards a culture where it is safe to speak up, share experiences and learn from mistakes.

In line with HOP, Hafslund has also adjusted its overall HSE target. Previously, Hafslund had a target of zero injuries, but from 2025 the target will be zero serious injuries. This is an important nuance, as Hafslund recognises that mistakes can happen, but that robust systems and barriers should prevent mistakes from having serious consequences.

To enhance learning and improvement, learning groups were introduced as a new tool in HSE work in the reporting year. Learning groups are used both in the aftermath of incidents and to learn from regular work, and help to capture learning potential and share experiences. The principles for investigating incidents have also been further developed, with an emphasis on neutral language, understanding the situation, identifying pitfalls[110] and causes at the system level, and actions high up in the action hierarchy[111].

Within risk management, Hafslund has implemented a common framework for HSE risk management in 2025, based on the ISO 31000 standard. The framework ensures a uniform approach to the identification, analysis and evaluation of HSE risks, and facilitates risk management in a systematic and documented manner throughout the Group. Measures to reduce risk are prioritised according to the hierarchy of measures, with an emphasis on eliminating or reducing risk through technical and organisational actions where possible.

HSE reporting has been strengthened in 2025, with the targets of more robust data that provides a better basis for learning and improvement work. The work continues in 2026, with the targets of improved and more efficient handling of incidents to ensure better HSE data and increased insight into trends and risk areas. At the group level, Hafslund uses the indicators frequency of incidents with absence (H1) and total recordable injury frequency (H2).

Going forward, the goal is to integrate HSE even more clearly into Hafslund's management development programmes. This involves increasing competence and further improving the aforementioned key processes, with a particular focus on preventing serious accidents. Hafslund will continue to build capacity and expertise to manage risk and create lasting improvement, and measure progress not only through the

[110] *Conditions that make it more difficult to work safely and that increase the likelihood of errors*
[111] *When identifying and implementing actions, the hierarchy of measures is used, in line with Hafslund's HSE guidelines. Using the hierarchy of measures helps to identify and implement the actions that have the greatest capacity on the current risk. The levels are elimination, substitution, technical actions, organisational actions, and individual/personal actions.*

absence of incidents, but through the ability to learn and prevent serious outcomes.

Actual negative consequences

In 2025, Hafslund has had two serious accidents.

Fatal accident at Hafslund Kraft

An employee of a supplier was killed in an ATV traffic accident during rehabilitation work at the Skjåk power plant. Hafslund Kraft has conducted a survey with a focus on learning and improvement of the client's role, planned risk management and coordination in the project.

To prevent similar accidents, Hafslund Kraft has introduced a ban on the use of ATVs without a dispensation. The ban applies to everyone who performs work for Hafslund, including suppliers. In addition, actions are being implemented to strengthen client responsibility, supplier management and safety in the supply chain.

Serious accident in Hafslund Celsio

A water leak occurred at the Klemetsrud plant. During troubleshooting, a hatch was opened, and hot water flowed out and hit two operators on the legs. Both suffered burns and were treated in hospital. An investigation has been conducted with a focus on barrier management, role clarification and emergency preparedness in operational operations.

Subsequently, actions are being taken to strengthen safety in operational operations. Minimum requirements for risk assessment before opening hatches and equipment are clarified, including verification of pressure and temperature, isolation of systems and documented training when working with thermal and/or pressurised risks. Roles and responsibilities between HSE, operations and maintenance are clarified in planning, execution and completion of work, and practices are standardised for shift managers. Emergency preparedness work is strengthened through targeted exercises for liquid spills and combustion hazards, with systematic documentation and closure of improvement measures.

Reporting

Hafslund has not received any reports of violations of fundamental human rights and decent working conditions for own workforce during the reporting year.

Individual cases of exceeding overtime rules may occur in Hafslund, but overtime is not defined as a significant risk. Responsibility for following up on overtime lies with the immediate manager, and individual cases that have arisen in 2025 have been handled through dialogue between manager and employee. Ongoing random samples are taken from the timekeeping system. Any deviations are followed up with the responsible manager and reported to the work environment committee. Hafslund has emphasised increased training in working time regulations for managers.

Managing impacts, risks and opportunities

Policies for own workforce (S1-1)

Hafslund is committed to respecting and promoting human rights in all its activities. The company follows international standards such as the UN Guiding Principles on Business and Human Rights. The Group works systematically to identify, prevent and reduce the risk of human rights violations. This is enshrined in the Group's ethical guidelines.

Hafslund follows the OECD Guidelines for Multinational Enterprises and Due Diligence Guidance to avoid human trafficking, forced labour, child labour and indecent working conditions in its own workforce.

The Group is focusing on further process regulation and liability regulation so that in the event of any violation of rights, remedial measures are considered to remedy the damage and ensure that affected parties receive fair treatment.

Procedures for engaging with own employees and employee representatives about impacts (S1-2)

All work at Hafslund must be based on the company's values of "open", "responsible" and "innovative". Hafslund places importance on employee involvement, both via employee representatives and by each individual employee being able to take an active role in influencing their own working day.

Hafslund has a well-established partnership with local trade unions and employee representatives. This involves regular formal and informal dialogue, in addition to annual local pay negotiations. The formal dialogue consists of discussions in accordance with the requirements of the Basic Agreement, for example in the event of organisational changes and other matters affecting employees.

The informal dialogue is carried out, among other things, through monthly contact meetings where the parties exchange information and discuss relevant matters. A forum has also been established where all Group elected representatives meet with representatives of the Group management and HR twice a year.

At Hafslund, there are trade unions (EL & IT, NITO, EP/Fagforbundet and Tekna) which are affiliated with their respective national trade union organisations and principal associations. All employees have the opportunity to join a trade union if they so wish.

The CEO of Hafslund, as well as the managing director of the relevant subsidiary, have ultimate responsibility for ensuring that employees' views are heard and considered as part of decision-making processes.

Hafslund employees have the ability to exert influence through, among other things, safety representatives and elected representatives.

The Boards of Directors of Hafslund AS, Hafslund Kraft AS, Hafslund Vekst AS and Hafslund Celsio AS have employee-elected board members in accordance with the provisions of the Limited Liability Companies Act.

Manager and employee dialogue

Hafslund ensures that all employees have access to good information and the opportunity to take ownership of their own work situation. The most important and effective arena for this is dialogue between manager and employee, where it is required that each manager has regular dialogue with their employees through targets and development discussions and status discussions (1:1).

In 2025, a new HR system was implemented in Hafslund that addresses the documentation needs in these processes.

Processes to remediate negative impacts for own workforce and channels via which own workforce can raise concerns (S1-3)

Hafslund emphasises open communication, collaboration and continuous training to prevent and manage negative impacts. Regular information meetings are held, employee surveys are conducted bi-weekly through the Winningtemp system (with the exception of the district heating business, which conducts surveys every two years via the occupational health service), and target metrics have been established for employee engagement[112]. The results from the surveys are followed up at department level, as well as in the companies through business reviews. If the surveys reveal repeated negative trends, these are escalated to the relevant parts of the Group, and measures are implemented. In 2025, this generally concerned individual cases that were handled internally by the departments.

In order to facilitate the reporting and management of censurable conditions, Hafslund has a dedicated whistleblowing channel[113], that is

[112] *See Targets and metrics (own workforce).*
[113] *See G1 Business Conduct for more information about the reporting channel.*

available to all employees. The whistleblowing channel is also available to external parties. If reports occur outside this channel, they are added to ensure that management and follow-up are in line with the whistleblowing procedures. The process for following up on reported cases has been reviewed with the Group's elected representatives, and based on their feedback, Hafslund concludes that employees have confidence in the whistleblowing procedures.

The Whistleblower Committee has received more inquiries in 2025 than in previous years, which is considered to be related to increased visibility and communication regarding updated ethical guidelines and whistleblowing procedures.

Management and employee representatives work together to create a good working environment through the working environment committee. The committee is mandated by the Working Environment Act and consists of representatives from management and employee representatives, in addition to the occupational health service being represented. The working environment committee shall work towards achieving a fully responsible working environment, participate in the planning of safety and environmental work and closely monitor the development of the working environment. In 2025, there have been working environment committees in all Group companies in Norway. A chief safety representative and an occupational health service have also been established in each company in accordance with the provisions of the Working Environment Act.

Training is an important preventive measure for reducing the risk of negative impacts. The ethical guidelines has been updated and made available to all employees through internal channels. E-learning has been prepared for all employees on the ethical guidelines in the reporting year, and this e-learning contained information about the whistleblowing channel and Hafslund's whistleblowing procedures. Presentations on the ethical guidelines have also been held in department meetings, management programmes, induction programmes and other gatherings.

The various channels for dialogue are important for the Group's governance and improvement efforts, and established procedures are in place for following up the reports. Information about whistleblowing, and representatives involved in safety and Group elected representatives work, is made available on the Group's intranet.

Actions and resources related to own workforce (S1-4)

Hafslund shall ensure an open, safe and secure working environment, and targets to ensure that health, safety and the environment are a fundamental element in all processes and activities. The work to reduce strategic and operational risk and negative impact is described under *Health and Safety (SBM-3)*.

Likewise, Hafslund depends on good processes for managers and employees to achieve the Group's strategic targets.

The following areas of action have been defined as part of the work to take advantage of the opportunities Hafslund has with regard to its own employees:

- Inclusive and supportive HR processes
- Targeted development of managers and employees

Inclusive and supportive HR processes

Hafslund shall have HR processes that are perceived as supportive for all employees. In the reporting year, a new HR system was implemented, with the targets of more efficient implementation, as well as clearer interfaces and responsibilities in onboarding, offboarding and employee development processes. Work has been initiated to highlight gains in terms of compliance, and experienced increased quality of HR services.

Managers have an important role in following up on their employees, and ensuring development and well-being for the individual. In connection with the implementation of the new HR system, all managers with personnel responsibilities have received relevant training in the Group's processes for following up on employees. Emphasis has been placed on giving

managers and employees greater ownership of the processes than previously.

Diversity and inclusion

Hafslund has introduced schemes for employees at different stages of life. In the reporting year, managers have completed courses in following up employees with mental health challenges and managing sickness absence. In addition, a collaboration has been established with Fontenehuset to greater engagement, openness and knowledge about mental health issues.

In 2025, Hafslund's commitment to diversity was clearly demonstrated when the United States Embassy required Hafslund Celsio to discontinue all diversity-related work. Hafslund clearly refused this demand. Signing such an agreement would have been contrary to Hafslund's fundamental values, personnel policy guidelines and Norwegian law. Hafslund stands up for diversity, even when challenged externally. During the reporting year, emphasis was placed on clearly highlighting diversity-related topics throughout the annual cycle.

Targeted development of managers and employees

Development of managers and employees is a priority area at Hafslund. Management development is implemented through continuous management programmes with several annual meetings, where managers receive training in relevant strategic and current topics. The Group has well-established management principles based on the company values, to strengthen the attitudes Hafslund expects managers to demonstrate in their work.

In addition to existing management programmes, a separate programme for team leaders has been introduced at Hafslund Kraft, and work is underway to develop a separate dedicated programme for project managers. The employee engagement model has been introduced in team development.

In addition to employee and leadership development, Hafslund is well underway with the implementation of a job assessment framework, based on Korn Ferry Hay methodology. This was introduced in large parts of the organisation during the reporting year, and will ultimately contribute to clarifying the responsibilities, competencies and complexity associated with different job levels.

System support for learning has been introduced via a learning module in the new HR system. This will help ensure comprehensive access to courses and competence measures for all employees in Hafslund. Work is underway to organise the work of designing courses with the involvement of employees across the Group.

An exit survey was introduced during the reporting year. In addition to ensuring a good end to the employment relationship, Hafslund wants to use this information as a strategic tool to make the organisation better and more attractive to both current and future employees.

Hafslund is an approved training establishment. It is important for the Group to offer apprenticeships. Contributing to the education of skilled workers is essential for Hafslund to be able to recruit skilled employees in the future. The Group targets to have apprentices in training at all times. During the reporting year, 11 apprentices were hired.

Hafslund conducts an annual Summer Internship programme, which receives positive feedback from both the host departments and the students themselves. In 2025, Hafslund welcomed 43 students. The students work on real-life challenges in areas such as facility management, IT and project management.

Breakfast and lunch meetings are arranged in all parts of the Group with professional content that contributes to a culture of sharing. In the reporting year, there have been both external and internal speakers, with presentations on topics such as AKAN, safety and emergency preparedness, and sustainability. For each significant sustainability topic, Hafslund has also established a professional group with representatives

from all companies. The professional groups target to share experiences and raise expertise across the business.

The Group's development programme 'Gnist' was carried out during the reporting year, and received positive feedback. With a total of 30 participants from Hafslund and the Eidsiva Group, as well as contributions from internal and external partners, Gnist contributes to personal and professional development at a high level. The initiative "Spire" brings together employees under the age of 35 to discuss various professional topics outside working hours, fostering a strong sense of community among younger employees across the Group. Seven "Spire" gatherings were held in 2025.

Targets and metrics

Targets for follow-up of IROs (S1-5)

As part of its strategic focus, the Group has set targets of zero serious injuries and engaged employees who enjoy their work. These targets are directly linked to Hafslund's material impacts, risks and opportunities within S1 Own workforce.

Hafslund's targets are rooted in the Group's strategy and are long-term in nature, but are measured through annual indicators. For the target of zero serious injuries, performance and monitoring indicators are applied that include everyone who works for Hafslund, regardless of employment status; that is, the Group's own employees, contracted personnel and suppliers who perform work under the company's control.

In addition to the performance and monitoring indicators, serious accidents and incidents with high injury potential (HIPO) are followed up to ensure a risk-based approach to health and safety. This involves the systematic recording, assessment and follow-up of both actual and potential serious incidents, with the aim of identifying underlying causes and implementing preventive actions.

	Target (annually until	Result (2025)	Result (2024)
Number of serious injuries[114]	0	3	-[115]

For the goal of having engaged employees who enjoy their work, performance and monitoring indicators related to the own workforce are used, based on the employee's participation and well-being at work, as well as a focus on the manager's role in facilitating this.

	Target (annually until 2035)	Result (2025)	Result (2024)
Engagement score in Winningtemp (out of 10)	≥8.0	8.3	8.0
Sick leave	<3.5%	3.4%	3.3%

In addition to monitoring and performance indicators, Hafslund recognises that managers play a key role in achieving the Group's ambition of having engaged employees who enjoy their work. Therefore, all managers are required to conduct annual employee dialogues and participate in leadership development programmes. Through the new HR system, the Group will be able to ensure close follow-up of these activities going forward.

The targets have been set through the involvement of internal stakeholders in the subsidiaries, before being decided by the Group management. Hafslund's ambitions related to its own workforce were adopted by the Group Board as part of the Group's strategy towards 2035.

Development in 2025

The goal of zero serious injuries has been followed up through more systematic HSE work throughout the reporting year. Hafslund follows up

[114] *Serious injury is defined as death, permanent disability or long-term disability.*
[115] *Figures for 2024 are not included. In 2025, Hafslund has further developed its HSE work by establishing and implementing group-wide guidelines for key HSE processes. This includes further formalisation of HSE reporting.*

several HSE indicators to ensure a good working environment, see Working environment measurement indicators (S1-14). In 2024, Hafslund reported on deaths (0 cases), but did not have formal reporting on other cases of serious injuries. Figures for 2024 are therefore not included. In 2025, Hafslund had two serious accidents, which resulted in 3 serious injuries.

To gain insight into whether Hafslund has engaged employees who enjoy their work, Winningtemp is used as a tool. The survey is conducted every two weeks, and Hafslund aims for a score of at least 8 out of 10. Throughout the reporting year, consistently high participation has been maintained, with the results being reviewed, among other forums, in the working environment committees. In 2025, the results show that the average score of 8.3, an increase of 0.3 compared to 2024. However, it is the development over time that provides insight into employee well-being, and Hafslund monitors this across various categories in the survey.

Reporting boundaries

The reporting includes the own workforce of the companies that are consolidated in Hafslund's financial reporting. Hafslund's own workforce includes both employees and non-employees[116]. "Number of employees" refers to the number of individuals, not the number of full-time equivalents. The data represents the status at year-end 2025, unless otherwise specified.

Characteristics of Hafslund's employees (S1-6)

"Employees" include all permanent and temporary employees, as well as employees without guaranteed working hours. Permanent employees include all employees with an open-ended employment contract, including employees on paid/unpaid leave and employees in a notice period. Temporary employees include apprentices, summer students and temporary workers to cover the work tasks of employees on leave.

Employees without guaranteed working hours are on-call temporary workers in connection with events. Part-time employees at Hafslund are primarily employees who have personal needs that make it appropriate for them to have reduced working hours.

Reported data on the number of employees and turnover is based on data from Hafslund's HR system, where all employees are registered with associated information such as gender, form of employment, date of employment and potential resignation, and geographical connection.

Employees in the Group broken down by employment type and gender	Unit	2025 Female	Male	Total[117]
Permanent employees	Head count	240	721	961
Temporary employees	Head count	11	23	34
Non-guaranteed hours employees	Head count	11	3	14
Total number of employees[118]	Head count	**262**	**747**	**1,009**
Full-time employees	Head count	228	710	938
Part-time employees	Head count	12	11	23
Total number of permanent employees	**Head count**	**240**	**721**	**961**

Employees in the Group broken down by employment type and gender	Unit	2024 Female	Male	Total
Permanent employees	Head count	235	667	902
Temporary employees	Head count	8	20	28
Non-guaranteed hours employees	Head count	14	3	17
Total number of employees	**Head count**	**257**	**690**	**947**
Full-time employees	Head count	222	653	875
Part-time employees	Head count	13	14	27
Total number of permanent employees	**Head count**	**235**	**667**	**902**

[116] *Non-employees include both contractors and suppliers working under Hafslund's control.*
[117] *The terms 'woman' and 'man' include all employees in the Group. In the HR system, all employees are registered with gender, and there are no registrations beyond these two categories.*
[118] *See note 2.4 Salaries and other personnel costs for relevant costs related to the number of employees in the consolidated financial statements.*

Turnover	Unit	2025	2024[119]
Number of employees who have left, including retirement	Head count	51	42
Turnover-rate, incl. retirement[120]	Per cent	5.5%	7.4%
Employees who have left, excluding retirement	Head count	40	29
Turnover-rate, excluding retirement[121]	Per cent	4.3%	5.1%

Characteristics of non-employees in Hafslund's own workforce (S1-7)

The number of non-employees in Hafslund's workforce is 165 (147). Non-employees include all external consultants[122], mainly within IT services and consulting. This goes beyond the definition of the standard, which only includes hiring from staffing agencies and self-employed individuals.

Reported data on non-employees are sourced from Hafslund's HR system.

Collective bargaining coverage and social dialogue (S1-8)

Hafslund is a member of the Confederation of Norwegian Enterprise (NHO) and is therefore covered by the associated collective bargaining agreements. In addition, Hafslund has local supplementary agreements, that have been entered into with local trade unions. All companies and associated employees within the Hafslund Group, with the exception of Hafslund Mobil Energi, are covered by these agreements.

61.1 per cent (60.5 per cent) of all employees in Hafslund are members of a trade union to which Hafslund is affiliated, and thus represented by an employee representative. The unions are affiliated with central federations and principal associations.

The reporting is based on information from the payroll system and includes all Hafslund employees.

Diversity metrics (S1-9)

Reported data is obtained from Hafslund's HR system and includes all Hafslund employees.

Gender distribution in management and age distribution	Unit	2025	2024
Women in Group management	Head count	3	4
Women in Group management	Per cent	42.9 %	50 %
Men in Group management	Head count	4	4
Men in Group management	Per cent	57.1 %	50 %
Women in executive positions[123]	Head count	45	47
Women in executive positions	Per cent	33 %	32 %
Employees under 30 years old	Head count	117	116
Employees 30-50 years old	Head count	561	498
Employees over 50 years old	Head count	331	333
Total number of employees	**Head count**	**1,009**	**947**

Adequate wages (S1-10)

All Hafslund employees are paid a salary that is in line with the salary provisions in relevant collective agreements. Collectively agreed minimum wage rates are considered to be an adequate living wage in Norway.

Apprentices are a special group who are undergoing training and are therefore not yet fully qualified employees. Their wages are determined in accordance with separate provisions in collective agreements and they are paid a percentage of the minimum wage rates, depending on how far they have advanced in their training. As of 31 December 2025, Hafslund had 22 apprentices (16 apprentices), which represents 2.2 per cent (1.7 per cent) of the employees.

Hafslund uses the international Korn Ferry Hay method as a comparison for determining salaries in the Group.

[119] *Figures for 2024 have been corrected due to improved data quality and a changed definition of turnover.*
[120] *The turnover rate is calculated using the following formula: number of employees who leave voluntarily or due to termination, retirement or death in service / Average number of employees in the reporting year.*
[121] *The turnover rate is calculated using the following formula: number of employees who leave voluntarily or due to termination or death in service / Average number of employees in the reporting year.*
[122] *Does not include personnel associated with Hafslund through contracts.*
[123] *Management positions are defined as positions with personnel responsibility.*

Social protection (S1-11)

All Hafslund employees in Norway are covered by social benefits provided through the Norwegian National Insurance Scheme for loss of income in connection with illness, unemployment, work-related injuries and acquired disability, parental leave and pensions. Insurance agreements have also been entered into that cover accident, occupational injury, group life, travel and health insurance, albeit with some variations between the companies in the Group.

All employees in Norway are covered by a defined-contribution pension scheme. The pension scheme also has disability coverage. In addition, the Group has a closed pension scheme.

The employees of Hafslund's Swedish subsidiary, Hafslund Vekst AB, are covered by Swedish national insurance benefits, and agreements have also been entered into for accident insurance, life insurance, health insurance and travel insurance. A defined-contribution pension scheme has been established in line with Swedish law.

Health and safety metrics (S1-14)

Hafslund has common governance principles for HSE for the Group's entire workforce, and each segment has its own management system. The HSE management systems include targets and plans, risks and actions, follow-up and controls, and roles and responsibilities. Employees are encouraged to report incidents and hazardous conditions, the purpose of which is to derive learning and strengthen preventive work.

Reported data is primarily obtained from the HSE incident reporting systems and HR system. The number of injuries and instances of work-related poor health are based on reported data, with the associated uncertainty regarding the veracity of this data. Working hours for non-employees are estimated based on the number of non-employees and days worked.

Working environment measurement indicators	Unit	2025	2024
Share of own workforce covered by the HSE system (employees)	Per cent	100%	100 %
Share of own workforce covered by the HSE system (non-employees)	Per cent	100%	100 %
Fatalities as a result of work-related injuries and work-related ill health (employees)	Number	0	0
Fatalities as a result of work-related injuries and work-related ill health (non-employees)[124]	Number	1	0
Fatalities as a result of work-related injuries and work-related ill-health (other workers at Hafslund's production sites)	Number	0	0
Work-related accidents (employees)	Number	5	6
Work-related accidents (non-employees)	Number	17	8
Lost time injury frequency (employees)	H1 value	1.7	2.1
Lost time injury frequency (non-employees)	H1 value	7.4	9.0
Total recordable injury rate (employees)	H2 value	2.9	4.1
Total recordable injury rate (non-employees)	H2 value	18.0	14.4
Recordable cases of work-related ill health (employees)[125]	Number	0	0
Days lost (absence days) due to work-related injuries and fatalities as a result of work-related accidents, work-related ill health and deaths as a result of ill health (employees)	Number	102	170

Work-life balance metrics (S1-15)

All employees are entitled to parental leave in accordance with the rules in the Working Environment Act, the National Insurance Act and local special agreements. Provided that the statutory requirements are satisfied, all employees are entitled to full pay during the parental benefit period, including if this exceeds the maximum National Insurance amount of 6G (G being the National Insurance base amount). Pursuant to the Norwegian Working Environment Act, employees are also entitled to an additional year of unpaid leave beyond the parental benefit period. 7.1 per cent (8.1 per cent) of all female employees and 5.1 per cent (5.3 per cent) of all male employees have met the conditions for parental leave and have exercised their right to parental leave during 2025. Reported data is obtained from the payroll system.

[124] *Non-employees include both contractors and suppliers working under Hafslund's control.*
[125] *We do not have access to employee health information. Data for this indicator is based on self-reporting from employees.*

Remuneration metrics (pay gap and total remuneration) (S1-16)

The gender pay gap rate shows the average difference in pay levels as a percentage of men's pay levels, and is calculated using base salaries, any overtime, shift allowances and other variable allowances. The remuneration rate shows the ratio between total remuneration for the highest paid person and the median total remuneration for all other employees

The calculations of both metrics include all Hafslund employees, and are based on transaction data from Hafslund's payroll system and data from and data from Hafslund's HR system.

Compensation metrics	Unit	2025	2024
Gender pay gap[126]	Per cent	1.3%	-0.1%
Remuneration rate[127]	Ratio	6.5	6.6

The gender pay gap rate was 1.3 per cent in 2025. This means that male employees on average earned marginally more than female employees in 2025, when all benefits are included. The remuneration ratio shows that the highest paid person in the Group in 2025 had a total remuneration that was 6.5 times higher than the median remuneration of all other employees.

Incidents, complaints and severe human rights impacts (S1-17)

Reporting of cases related to discrimination, human rights violations and other whistleblowing is based on data from Hafslund's whistleblowing system.

The reporting covers Hafslund's entire workforce.

Incidents, complaints and serious human rights violations	Unit	2025	2024
Reported cases of discrimination, including harassment	Number	0	0
Cases of discrimination or harassment that have been processed and an action plan established	Number	0	0
Cases reported through channels for expressing concerns (including whistleblowing channel)	Number	8[128]	6
Total amount of fines, penalties and compensation for damages resulting from incidents and complaints related to discrimination	NOK	0	0
Severe human rights incidents connected to own workforce	Number	0	0
Total amount of fines, penalties and compensation for damages resulting from incidents and complaints related to human rights violations	NOK	0	0

[126] *(Average remuneration male employees - average remuneration female employees) / average remuneration for male employees.*
[127] *Total compensation of the highest paid person / median total compensation for all other employees.*
[128] *The eight cases have been reported in Hafslund's reporting channel.*

S2 Workers in the value chain

Strategy

Why workers in the value chain is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Potential negative impact on health and safety, labour rights and human rights	OVK
R	Legal, financial and reputational consequences	ED

NP = Negative impact, R = Risk. ED = Own operation, OVK = Upstream value chain.

Hafslund is particularly exposed to the risk of negative impacts on workers in the value chain through 1) working conditions in Norway and 2) complex global value chains for products and materials.

The core of Hafslund's business model is the development and production of renewable energy. The work is done by workers at facilities where there is a risk of harm to health and safety. In some industries in Norway, there is a high risk of workplace crime. General industries such as construction, electrical, transport, as well as cleaning and canteen services are particularly at risk. Hafslund has the greatest risk of causing or contributing to negative impacts on employees working at the Group's own facilities, but the business is also indirectly exposed to the risk of negative impacts in global value chains.

Hafslund operates in complex global value chains with low transparency and high risk of negative impacts on human rights and working conditions in the extraction of raw materials and production of components. Hafslund's risk assessments of vulnerable value chain workers are based on publicly available knowledge of industries and geographic risk[129].

In the event of any involvement in forced labour, human trafficking or other violations of labour and human rights, Hafslund faces the risk of corporate penalties and fines, as well as negative reputational consequences.

Employees working at Hafslund locations

Hafslund's greatest risk of causing or contributing to significant negative impacts to employees in the value chain involves those who work at Hafslund's own facilities or projects in Norway. This applies to services related to the construction, operation and maintenance of facilities/ projects such as building and construction, electrical engineering, processing plants, transport and ICT services.

Among Hafslund's business partners that work at the Group's facilities and offices there is a high inherent risk of breaches of pay and working conditions within the areas of cleaning, canteen services, gardening services, waste management and recycling, security services, snow removal, transport services and professional services such as consulting and the like.

General industries in Norway[130] have statutory requirements for minimum wages and working conditions due to the high inherent risk of social dumping in the form of foreign workers. Depending on the nature of the work, there may be a high risk of inadequate health and safety measures. The risk of negative impacts within ICT services often depends on whether the work is carried out in high-risk countries.

Hafslund may be at risk of causing or contributing to breaches of pay and working conditions, for example if unrealistic deadlines and unfair prices are set or if Hafslund itself does not comply with HSE requirements and thereby negatively affects value chain workers. In addition, the Group is

[129] *Obtained from Norwegian and foreign authorities (such as DFØ's high-risk list, generalised industries in Norway, the US Department of Labor's list of products with a risk of child labour and forced labour), civil society organisations, news reports, industry collaboration and Hafslund's own experience. Risk assessments are also based on country risk indicators including the Global Rights Index, the Labour Rights Index, the Global Slavery Index and the Corruptions Perceptions Index.*
[130] *Building and construction, electrical engineering, transport, cleaning, canteen services and gardening services.*

indirectly exposed to the risk of negative impact through conditions outside Hafslund's control in the supply chain and with business partners.

Risk drivers for employees at Hafslund's locations:

- Type of work
- Transportation is included in the delivery/product
- Employment agreements
- Number of subcontractors
- Foreign workers
- Foreign (sub)contractors

High risk services

Procurement categories[131]	Parent company Hafslund AS	Power business	District heating business	Growth business
Building and construction	X	X	X	X
Electrical engineering	X	X	X	X
Processing plants			X	
Freight transportation	X	X	X	X
ICT services	X	X	X	X
Industrial cleaning (sand blasting etc.)		X	X	
Cleaning and catering*	X	X	X	X
Gardening services*	X	X	X	
Security services*		X	X	
Waste management and recycling*	X	X	X	
Snow removal*	X	X	X	
Professional services	X	X	X	X

Employees in the upstream value chain

The renewable energy industry's biggest challenge in terms of social sustainability is being dependent on high-risk countries' materials that are critical for the production of electromechanical equipment (turbines etc.), other materials made of steel (boilers etc.) and aluminium (fastening materials for solar panels etc.), new energy sources such as solar panels and storage systems for battery energy storage systems (BESS), and materials such as workwear, protective equipment and ICT products.

The industry is indirectly exposed to material risk of violations of basic human rights and decent working conditions in connection with the extraction or processing of raw materials, production and transport. Complex global value chains with low traceability make it challenging to obtain an insight into production and working conditions. This particularly applies to Chinese working conditions, including Uyghurs who are subjected to state-sanctioned forced labour, and child labour in the Democratic Republic of the Congo in connection with the extraction of conflict minerals used in, for example, ICT products and battery storage systems.

Inadequate insight into supply chains makes it difficult to select ethical suppliers and to follow up suppliers. At the same time, Hafslund accounts for a small proportion of the total revenues generated by these supply chains, a factor which limits the influence the Group alone can have over these conditions.

Hafslund is, first and foremost, indirectly exposed to the risk of negative impacts on these workers in the upstream value chain. Purchases of goods made to the buyer's specifications, whereby the Group influences

[131] * *Business partners as defined by the Norwegian Transparency Act. Other categories may be both business partners and suppliers depending on what is being supplied.*

the selection of, for example, raw materials, component parts or deadlines, increase the risk of causing or contributing to negative impacts.

Materials with high inherent risk

Materials[132]	Parent company Hafslund AS	Power business	District heating business	Growth business
Electromechanical materials		X	X	
Building and construction materials	X	X	X	X
Pipes and piping materials		X	X	
Chemicals		X	X	
Electrical infrastructure*	X	X	X	X
Boiler systems			X	
Input factors for waste incineration plants (biofuel, waste, natural gas, wood pellets)			X	
Solar panels, inverters and fastening materials				X
Battery energy storage systems (BESS)		X		X
Food and beverages*	X			
Furniture and textiles*	X			
Workwear and protective equipment	X	X	X	X
ICT products	X	X	X	X

[132] **Hafslund Hovedgård og konferansesenter*

Risk drivers for workers in the upstream value chain:

- Geographic risk
- Number of subcontractors
- Industry risk, including low-cost industries
- Unrealistic delivery deadline
- Unknown origin or country of manufacture
- Transport is included in the delivery/product

Business partners that do not work at Hafslund's locations

Business partners that do not work at Hafslund's facilities/offices and where there is a high inherent negative impact on employees include professional services such as consultants, lawyers, auditing services and the like. These services are associated with a high risk of breaches of rules governing working hours. Hafslund may be at risk of causing or contributing to breaches of pay and working conditions if unrealistic deadlines are set. In addition to this, Hafslund is indirectly linked to risk through its business partners.

Businesses owned jointly with others

Power production

Hafslund has ownership interests in several joint operations within hydropower. The negative impact on employees from these companies is the same as the negative impact described under S1 Own workforce.

Growth and investments

Hafslund has several ownership interests within Growth and investments, that are jointly owned with others (associates and joint ventures), including solar power, data centres, electricity grids, district heating production, broadband, fibre and charging solutions in the transport sector. Negative

impact on employees is limited to HSE risks for operational roles in the relevant businesses.

The relationship between negative impact and Hafslund's material risks, strategy and business model

Hafslund's business model focuses on the development, construction and operation of renewable energy, with respect for human rights and good working conditions integrated into the company's governing documents. As part of the strategy towards 2035, Hafslund is continuously working to prevent the risk of negative impacts on human rights and decent working conditions by implementing actions through own operations and when following up suppliers. Management receives regular progress updates. The actions implemented in 2025 are described in Violations of human rights and decent working conditions and Actions and resources related to workers in the value chain.

Risk of human rights violations is an important part of the risk assessments in both the Group and its subsidiaries. Hafslund risks fines and penalties if complicit in breaches of statutory pay and working conditions or breaches of HSE requirements that negatively impact workers in the value chain. This is particularly relevant when value chain workers work at Hafslund's facilities or projects.

Conducting due diligence of goods and services that have a high risk of violations of basic human rights and working conditions can increase administrative costs both internally and for suppliers. If Hafslund does not conduct due diligence in line with the Transparency Act, the Norwegian Consumer Authority may impose administrative fines of up to four per cent of annual turnover or NOK 25 million. Administrative sanctions and penalties can also damage Hafslund's reputation, which can result in lost customers and investment opportunities.

Actual negative consequences

Whistleblowing

Hafslund did not any receive reports via the whistleblowing channel of violations of basic human rights and decent working conditions for workers in the value chain in 2025.

Violations of human rights and decent working conditions

The parent company Hafslund AS and the growth business have not identified actual negative impacts on value chain workers at suppliers and business partners.

Reporting on occupational accidents among value chain workers at Hafslund's facilities can be found under S1 Own workforce. The information below covers other human rights and pay and working conditions.

The power business

The power business has carried out audits of 8 suppliers, in addition to audits of 36 suppliers carried out by the Achilles network. The Achilles UNCE supplier register carries out audits of suppliers registered in the system, based on nominations from Achilles customers. Achilles prepares audit reports and follows up on deviations. It is not clear from the Achilles reports whether any findings were made in connection with work for Hafslund.

Of 44 supplier audits, non-conformities were found at 15 suppliers. In addition, one non-conformity was found at one other supplier in connection with general supplier follow-up. Findings at these 16 suppliers are distributed among the following types of non-conformities:

Type of fracture	Number of suppliers
Minimum requirements for an employment contract	7
Violation of working hours regulations	7
Lack of overview of working hours	4
Lack of valid agreement on averaging	3
Lack of overtime payment	3
Lack of reporting routine for critical matters	2
Violation of hourly wage requirements	1
Lack of wage gap analysis required by the Equality and Discrimination Act	1
Lack of routines required by the Personal Data Act	1

The power business is not considered to have caused or contributed to these rights violations, where this has been possible to assess.

Minimum requirements for an employment contract

Hafslund has discovered that seven suppliers had employment agreements that do not meet the minimum requirements of the Working Environment Act. All suppliers have been recommended to ensure that their employment agreements meet the requirements of the Act.

Violation of working hours regulations

In 2025, the power business identified violations of the working hours provisions of Chapter 10 of the Working Environment Act at seven suppliers. The violations included exceeding the maximum total working hours, failure to comply with daily and weekly working hours, and deviations from applicable rotation arrangements. Remedial measures for such violations include, among other things, overtime pay and the implementation of preventive actions.

At one supplier, overtime pay had already been paid, and the supplier had established an agreement on average calculation and updated internal routines to prevent recurrence. Another supplier had mistakenly been without a valid rotation scheme for over two years before a new scheme was established. Employee representatives were informed. A third supplier had not followed the agreed rotation scheme, but had subsequently paid overtime and implemented preventive actions. A fourth supplier lacked the necessary consent from the Norwegian Labour Inspection Authority for its rotation scheme, and violated the requirement for weekly days off. The supplier has been recommended to obtain the necessary consent from the Norwegian Labour Inspection Authority when required. The fifth supplier had worked in rotation without the necessary approval from the Norwegian Labour Inspection Authority. The Norwegian Labour Inspection Authority had rejected an application for rotation. Hafslund ordered the supplier to stop using the rotation scheme until the necessary approval was obtained. The supplier then received approval for a new rotation scheme from a trade union with central nomination rights.

The other two suppliers had violated working hours regulations and have been recommended to ensure compliance. No overtime payment was found at these suppliers.

Lack of overview of working hours

A lack of overview of working hours was discovered at four suppliers, which makes it difficult to control working hours. All suppliers have been recommended to ensure that timesheets are kept in line with the requirements of the Working Environment Act.

Lack of valid agreement on averaging

Three suppliers lacked valid rotation arrangements, all of which are discussed under "Breach of working time regulations".

Lack of overtime payment

Three suppliers had not paid the correct overtime pay, two of which are discussed under "Breach of working time regulations".

The third supplier had not paid overtime for hours that they believed were not approved. The audit showed that there was still a basis for a claim for overtime payment. The supplier has been recommended to rectify the situation.

Lack of reporting routine for critical matters

A lack of reporting procedures for objectionable matters was discovered at two suppliers. Both have been recommended to put such procedures in place.

Violation of hourly wage requirements

One supplier had not paid the correct apprentice wage after the rate change. Due to an error by the service provider, the rate was not updated. The difference has been paid as a result of the audit.

Lack of wage gap analysis

A lack of a pay gap analysis, required by the Equality and Discrimination Act, was discovered at one supplier. The supplier has been recommended to ensure this.

Lack of routines for personal data

A lack of procedures for personal data according to the Personal Data Act was discovered at one supplier. The supplier has been recommended to ensure this.

District heating business

The district heating business has sent self-reporting forms to 33 (sub)suppliers, of which four were selected for spot checks and six were followed up through written dialogue. Two of the four spot checks were completed in 2025, while two checks continue in 2026. The Achilles network has also carried out audits of 26 suppliers.

The district heating business has built on the 2024 audit to conduct more targeted and in-depth audits in the 2025 audit. The aim is to strengthen the understanding of the actual conditions and ensure compliance with statutory requirements for minimum wage, overtime pay and decent working conditions. Although Hafslund does its utmost to identify violations and ensure redress to affected parties, experience shows that foreign subcontractors have varying degrees of willingness to share information and understanding of Norwegian laws.

Non-conformities were found at 11 suppliers, distributed across the following types of non-conformities:

Type of fracture	Number of suppliers
Violation of working hours regulations	4
Lack of reporting routine for critical matters	3
Lack of overtime payment	1
Lack of wage gap analysis required by the Equality and Discrimination Act	1
Lack of routines required by the Personal Data Act	1
Violation of hourly wage requirements	1
Minimum requirements for an employment contract	1
Violation of paycheck requirements	1
Possible debt bondage	1

The district heating business is not considered to have caused or contributed to these violations of rights, where this has been possible to assess.

Violation of working hours regulations

In 2025, the district heating business identified violations of the working hours provisions in Chapter 10 of the Working Environment Act at four suppliers, two of which were foreign.

Violations of working time regulations were identified for two suppliers. The suppliers have been recommended to ensure compliance with the regulations. The audits did not reveal any lack of overtime payment.

The third supplier, which is foreign, had already paid overtime pay after its internal control, but wanted further guidance on Norwegian working time regulations.

The subcontractor of this supplier also had several violations of the working time regulations. The subcontractor also had violations of:

- Minimum wage requirements
- Minimum requirements for employment contracts
- Pay check requirements

The inspection also revealed that one employee at the subcontractor appeared to be in an extensive debt relationship with the employer, which poses a risk of debt bondage.

Due to lack of cooperation and absence of credible documentation, it is not considered possible to ensure recovery for the workers at this subcontractor. The main contractor will not use this subcontractor any further.

Although the district heating operation is not considered to have caused or contributed to violations of working time regulations, preventive actions are planned for 2026.

Violation of reporting requirements under the Working Environment Act

A lack of reporting procedures for objectionable matters was discovered at three suppliers. The suppliers have been recommended to put such procedures in place.

Violation of overtime pay

In addition to the foreign subcontractor mentioned under "Breach of working time regulations", the district heating business has followed up with five additional foreign suppliers in an attempt to clarify compliance with the requirement for 40 per cent overtime pay.

One of these six has confirmed that they do not pay overtime due to high hourly wages in their home country and that they claim they cannot afford it. For the remaining five, this has not been possible to clarify due to lack of cooperation on their part. This will be followed up further in 2026 if the suppliers are to be used again.

Violation of wage gap analysis requirements

A lack of a pay gap analysis, required by the Equality and Discrimination Act, was discovered at one supplier. The supplier has been recommended to ensure this.

Violation of requirements for routines for personal data under the Personal Data Act

A lack of procedures for personal data according to the Personal Data Act was discovered at one supplier. The supplier has been recommended to ensure this.

Violation of requirements for employee health screening and violation of requirements for a cooperation plan with the occupational health service

One supplier has not performed the statutory health screening of employees, and lacks a statutory cooperation plan with the occupational health service. The supplier has been recommended to ensure this.

Managing impacts, risks and opportunities

Guidelines for workers in the value chain (S2-1)

Hafslund has policies and guiding principles on respect for fundamental human rights and decent working conditions in the value chain, including due diligence assessments in line with the OECD Guidelines for Multinational Enterprises and the UN Principles for Responsible Business. The interests of value chain workers are a fundamental consideration in the documents. Policies that address negative impacts on value chain workers are considered a management measure to address significant risk for Hafslund.

Relevant guidelines governing the work with value chain workers are Hafslund's sustainability policy, procurement policy, ethical guidelines, and ethical guidelines and requirements for suppliers[133], as well as the Oslo Model. The principles in the guidelines are operationalised through:

- Group procedure for due diligence assessments of suppliers
- Group policy for HSE and associated governance in the subsidiaries
- Procurement processes and supplier follow-up in subsidiaries

[133] *See General Information and Introduction to Social Relations for more information about the guidelines.*

- Contract follow-up
- The Group's framework for ownership follow-up

The Oslo Model

Hafslund will base its procurement process and contract follow-up on the Oslo Model. This model is used by the City of Oslo and sets a number of requirements for suppliers regarding decent working conditions and human rights, including requirements to conduct due diligence. The purpose of the seriousness requirements is to combat labour market crime and social dumping. The due diligence requirements are intended to safeguard basic human rights, decent working conditions[134] and international humanitarian law, and prevent environmental destruction and corruption.

There are also requirements for mandatory membership with StartBANK or an equivalent supplier register. The Hafslund Group uses Achilles UNCE[135] and requires suppliers to be registered in this system.

Hafslund's ethical guidelines and requirements for suppliers

The guidelines refer to the internationally recognised human rights that appear in, among other things, the UN's International Covenant on Economic, Social and Cultural Rights of 1966, the UN's International Covenant on Civil and Political Rights of 1966, and the International Labour Organisation's (ILO) core conventions on fundamental principles and rights at work. This means, among other things, that suppliers shall not allow any form of human trafficking, child labour, any form of forced labour, discrimination or allow any form of physical abuse. Suppliers shall respect the right to join or establish trade unions, and to conduct collective bargaining. The guidelines contain requirements for pay and working conditions, permanent employment, occupational injury insurance, mandatory pension scheme, requirements for electronic payment of employees, HSE, EHS and internal controls.

Work on new governing documents in 2025

Hafslund adopted a new corporate procedure for due diligence assessments of supply chains and business partners in November 2025, with accompanying practical guidance.

Hafslund is working to establish new systems that ensure systematic due diligence assessments of wages and working conditions for value chain workers. Supplier categories with high risk or frequent use are prioritized first, in line with a risk-based approach.

The power business has begun work on strengthening systematic due diligence assessments in 2025. In 2026, the business will continue its work on integrating the corporate procedure into the procurement and project processes. The district heating business has updated its procurement routines in line with the corporate procedure for due diligence assessments of suppliers and business partners and related guidance. The growth business has developed a social sustainability guide for its projects.

Hafslund has previously lacked routines to ensure compliance with the information and supervision obligations in generalised industries. In 2025, a recommended routine with supporting documents was prepared that the companies can use. Hafslund has chosen recommended routines rather than a group procedure to provide flexibility to adapt internal processes and organisation.

In 2025, the power business established a pilot project to test the routine and supporting documents in supplier follow-up, which will continue in 2026. The routine will be implemented in procurement and project routines in 2026. The district heating business has implemented the routine in its procurement routines and tested supporting documents in supplier follow-up. The growth business has followed up on the information and supervision obligation in one project.

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[134] *Decent working conditions mean work that safeguards basic human rights and health, safety and the environment in the workplace, and which provides a living wage.*
[135] *Qualification solution for suppliers to the energy supply industry that has been established in line with EU directives, as well as laws and regulations governing procurements in the energy industry. The requirements for registration were expanded in 2024 and include suppliers having to provide information about HSE, working conditions, human rights and ethical business practices.*

Procedures for contact with workers in the value chain regarding impacts (S2-2)

In 2025, Hafslund has established a corporate guide for stakeholder dialogue related to S1 Own workforce, S2 Workers in the value chain and S3 Affected communities. Direct dialogue with value chain workers has not been carried out, but the Group has prioritised supplier controls at the company level and initiated discussions with two Norwegian interest organisations about risk factors, actions against social dumping and future opportunities for stakeholder dialogue. Hafslund also obtains relevant knowledge about negative impacts through public information from authorities, research groups and civil society.

Processes to remediate negative impacts and channels for workers in the value chain to raise concerns (S2-3)

Mitigation

Mitigation requirements are included in Hafslund's corporate procedure for due diligence assessments of supply chains and business partners, and related practical guidance. Read more above about guidelines related to workers in the value chain.

Whistleblowing channel

Hafslund's ethical guidelines require suppliers to report any objectionable matters related to the agreement with Hafslund and to have good whistleblowing procedures. The procedures must be available and known to everyone working on the agreement, and suppliers' employees can also use Hafslund's whistleblowing channel. It is important that those who report violations of legislation or guidelines are protected from retaliation.

Value chain workers can report both verbally and in writing, as well as in Hafslund's digital reporting system[136]. The whistleblowing channel is available in Norwegian and English. In 2025, Hafslund has not implemented a separate routine for reporting concerns from value chain workers, but handles such inquiries through the Group's existing reporting routines. The work to develop the whistleblowing channel has not yet included stakeholder dialogue.

The whistleblowing channel has not been expanded to include more languages in 2025. However, information work at the power business and district heating business has continued with multilingual information posters at plants and information directly to workers at plants.

Actions and resources related to workers in the value chain (S2-4)

In 2025, Hafslund continued to work on various actions towards suppliers regarding pay and working conditions in the supply chain. The testing of actions is necessary to build internal experience and expertise, as well as to determine which roles should be responsible for various actions.

Information and inspection obligations

In 2025, the power business started a pilot project to test the information and monitoring obligation. The purpose is to assess how wage and working conditions can best be followed up in projects through self-reporting forms and an assessment of the need for spot checks carried out by the power business. No deviations were identified at the main contractor, but observations provided a basis for suggestions for improvements to the supplier's routine for information and monitoring obligations.

In the pilot project, it was discovered that the main contractor was also acting as a subcontractor in another project. For this project, the Norwegian Labour Inspection Authority had rejected the application for a working time arrangement, as the arrangement was not considered to be appropriate. The power business therefore ordered the subcontractor to follow normal working hours until a valid working time agreement was in place, which was put in place shortly afterwards.

[136] *Read about the whistleblowing channel in Business Conduct.*

Supplier verification tools

The work on supplier controls of wages and working conditions has led to the development of internal tools such as training materials, checklists and timesheet control tools, which can be used in other internal supplier controls.

Risk assessments in procurement strategies

In 2025, the district heating business has integrated risk assessments for violations of human and labour rights as a permanent part of its procurement strategies. The power business has tested this in one project. The purpose of the measure is to document risk, as well as ensure that the correct contract and qualification requirements are set in the procurement process. It also helps to prioritise which potential bidders and suppliers should be investigated more closely before and/or after the conclusion of the contract.

Qualification requirements for due diligence assessments

The power business has begun testing qualification requirements for due diligence assessments in 2025, while this has been implemented in the district heating business and growth business. The purpose of the measure is to ensure compliance with contractual requirements for due diligence assessments in Hafslund's ethical guidelines, which follow from the Oslo Model. Experience so far is that the requirement helps ensure that suppliers have the necessary policies and routines in place, which provide a good basis for contract follow-up.

Traceability in the supply chain

The growth business has conducted due diligence assessments of the supply chain of solar panels and inverters in the procurement process for solar projects in 2025, where procurement has been completed in one project. In collaboration with the general contractor, information on solar manufacturers and supply chains has been obtained and assessed against available information on the risk of forced labour in China.

The growth business has performed due diligence assessments of batteries and inverters in the procurement process for a BESS facility, where both the supply chain and manufacturer have been investigated, particularly with regard to the risk of forced labour in China, as well as other geographical risks associated with critical minerals in batteries.

In 2025, Hafslund participated in a collaboration between Renewable Norway and the Directorate for Administration and Financial Management (DFØ). The collaboration was about finding a common industry standard for the renewable sector for requirements and criteria for the procurement of batteries, including an award criterion on traceability. The criteria guide was launched in June 2025 and is publicly available on DFØ's website.

The power business has requested information about the supply chain in two procurement processes.

Due diligence assessments of waste suppliers to incineration plants

The district heating business has established a new process for due diligence assessments of waste suppliers to incineration plants, which is being gradually implemented and tested to ensure continuous improvement.

Enhanced due diligence assessments in the event of a risk of violation of international law

The Oslo Model requires that businesses not trade with suppliers whose activities may be linked to serious violations of fundamental human rights, labour rights, or international humanitarian law. This also includes not trading with suppliers who directly or indirectly contribute to maintaining illegal occupation.

Hafslund has internally shared recommendations from the government regarding enhanced due diligence assessments and information about relevant sources with the procurement functions in the companies in 2024 and 2025. Hafslund has also raised the significance of the conflict for procurement in the renewable energy industry with relevant industry organisations and the Confederation of Norwegian Enterprise (NHO).

Hafslund has investigated whether the company's business relationships are accused of contributing to violations of international law through the delivery of goods and services that contribute to the illegal occupation of Palestinian territory and other human rights violations related to the conflict. The investigation has been conducted against both the UN lists of companies, but also other reports and databases prepared by civil society actors and Norwegian banks' exclusion lists.

Hafslund does not have contracts with suppliers mentioned in these sources, but has contracts with some companies that are part of the same group structures as the mentioned businesses. The Group collaborates with two international banks that offer financial services, and through global index funds, Hafslund's pension fund has a minor exposure to companies mentioned in the sources.

The district heating business has followed up on one subcontractor in connection with the conclusion of a contract, where the Group's connection to such participation has been raised in discussions with both the main supplier and the subcontractor. The contract was concluded, on the condition that the main supplier continues to follow up on the subcontractor. The district heating business is also following up on the issue in transport contracts, where vehicles are to be specially built. The issue is also being followed up on in other contracts where it applies.

Hafslund has not found any basis for rejecting suppliers or terminating existing business relationships.

Resources allocated to managing significant impacts

All employees in the Hafslund Group who plan, implement or follow up on suppliers are responsible for preventing and managing negative consequences. Each business area has designated people responsible for due diligence assessments.

To strengthen capacity and expertise in procurement, supplier audits and contract follow-up, Hafslund's power business and district heating business have hired more people in the procurement departments.

Representatives from Hafslund regularly participate in events on due diligence, human rights and working conditions. In 2025, Hafslund participated in courses on the Construction Client Regulations, conferences and seminars organized by civil society organisations, businesses, the Norwegian Consumer Authority and the Norwegian Contact Point for Responsible Business and the Responsible Business Network under the auspices of the City of Oslo and other businesses.

Approach to conflicts between business considerations and social sustainability

Hafslund's ambitions for profitability and growth may conflict with considerations of social sustainability in the value chain. Social sustainability is included in the strategy as a means of managing in such cases, with a strategic focus on a safe and secure working environment. Furthermore, Hafslund's owner, the City of Oslo, has expectations that fundamental human rights and decent working conditions are safeguarded.

The strategy is reflected in the company's requirements for planning its own work and projects, and for suppliers with regard to basic human rights and decent working conditions. These requirements can be costly and unprofitable in the short term, but are nevertheless implemented to prevent rights violations in the value chain. The work on improving competence and incorporating a corporate procedure for due diligence assessments will help to increase such knowledge and prevent negative consequences.

Any decisions to terminate business relationships shall be assessed in line with the OECD Due Diligence Guidance. This is included in the Group Due Diligence Procedures Guide, and otherwise follows from Hafslund's obligation to comply with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Targets and metrics

Targets related to workers in the value chain (S2-5)

It is Hafslund's objective for there to be no instances in which the Group directly causes or contributes to human rights violations

Key indicator	Description	Unit of measure ment	Target year	Target
Rights violations	No instances in which Hafslund causes, contributes to or is directly linked to human rights violations.	Number	2025	0

HSE targets for value chain workers who work at Hafslund's locations align with the Group's targets for its own workforce.

In 2025, Hafslund has clarified its metrics and targets related to workers in the value chain. Hafslund previously had a target of no cases where Hafslund causes, contributes to, or is directly linked to human rights violations.

Hafslund's assessment is that the Group has not caused or contributed to violations of rights where this has been possible to determine. However, in six cases, there was insufficient information available at the time of reporting to make such an assessment. In four cases, this was due to a lack of cooperation from the suppliers. In two cases, it was due to the supplier audit being carried out by Achilles, and it is not clear whether the findings are related to work performed for Hafslund.



S3 Affected communities

Strategy

Why affected communities is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Changed landscape and nature management practices	ED, NVK
NP	Damage to third parties	ED
NP	Potential negative impact on local communities in the supply chain	OVK
PP	Local value creation	ED, NVK
PP	Contributes to community preparedness and safeguarding critical infrastructure (including flood protection, electricity and heating)	ED, NVK
R	Local interests slow down development	ED
M	Stakeholder dialogue	ED

NP = Negative impact, PP = Positive impact, R = Risk, M = Opportunity. ED = Own operation, OVK = Upstream value chain, NVK = Downstream value chain.

Hafslund is part of socially critical infrastructure and accounts for a significant part of the power and heat supply in Southern Norway. Hafslund has full or part ownership in 83 hydropower plants and three wind power plants that are spread over much of Southern Norway, as well as Norway's largest waste incineration plant and district heating plant with associated heating plants, which cover 28 per cent of Oslo's heating needs. Hafslund thus has a significant presence in municipalities and local communities in Norway.

Hafslund Kraft is indirectly partly owned[137] by a large number of municipalities in Innlandet county. These municipalities receive dividends corresponding to their ownership interests. In addition, the power production contributes positively to municipal economies and local communities through property tax, resource rent tax, concessionary power and taxes to host municipalities, as well as financial compensation to landowners and rights holders.

Hafslund's external risk and threat landscape requires active and ongoing preventive work with cybersecurity, information security and physical security. Hydropower also acts as a flood barrier that contributes to ensuring the safety of the local community and limits flood damage. Regulated hydropower is expected to play an increasingly more important role in the management and prevention of flooding when there is heavy rainfall, something that is expected to occur more frequently as a consequence of climate change. District heating has an important social role through relieving the load on the electricity grid and ensuring the supply of heat to Oslo's residents.

Hafslund maintains a close relationship with the host municipalities and boroughs in which its power plants operate. Hafslund seeks to engage in close dialogue with local communities, and endeavours to use local service providers and partners when this is possible. Using local service providers places less strain on the environment and local infrastructure, while also safeguarding local jobs.

Hafslund is constructing one of the world's first full-scale carbon capture plants at the waste incineration plant at Klemetsrud. The carbon capture plant is being built on its own site, but during the construction period the project depends on areas surrounding the plant for storage and rigging. The establishment of carbon capture plant and the CO_2 terminal is taking place in two of Oslo's districts and is being carried out in close dialogue with the affected districts and involved agencies.

Power production causes changes to landscapes that may impact local interests such as outdoor activities, tourism and agriculture. Being on, or in the immediate vicinity of, Hafslund's facilities may also involve an elevated risk of injury or other unwanted incidents. This includes the risk of accidents related to live electrical systems, exposure to very hot water under high pressure, unsafe ice and falls into water reservoirs, as well as

[137] *Hafslund owns 56.5% of Hafslund Kraft and Eidsiva Energi owns 43.5%. The company is therefore 100% publicly owned with the City of Oslo, 27 inland municipalities, and Innlandet county municipality as the underlying owners.*

the risk of physical harm to people or infrastructure in the event of a dam failure. There is also some risk that pollution may occur, with impacts on people and the environment. Power and district heating production is therefore subject to extensive impact assessments which ensure that affected communities are taken into consideration through mitigation of consequences, compensatory measures and follow-up investigations.

The purchase of components and materials (products) manufactured from raw materials and under production conditions that may affect local communities[138] in the global value chain also means that Hafslund has an indirect negative impact on local communities.

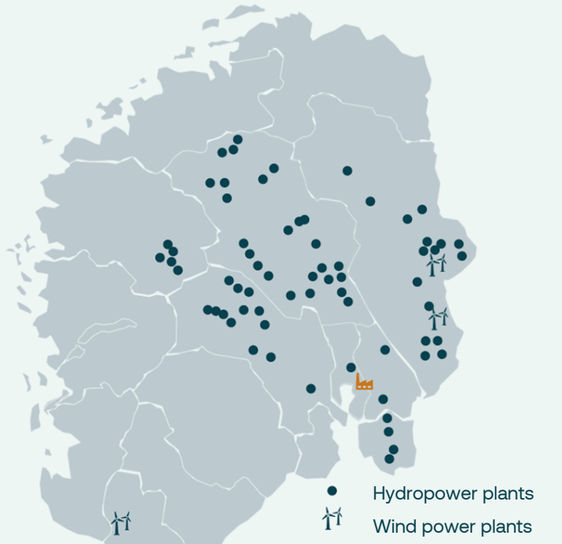
Hafslund works to develop additional renewable energy and further develop existing facilities. Constructive dialogue with host municipalities and local teams and associations is an important foundation for understanding and taking local communities into account. In the licensing process for new power production, the authorities weigh the benefits against the disadvantages for public and private interests. Hafslund also makes its own assessments to safeguard affected parties and nature in projects, and sees great value in involving local communities and civil society at an early stage.

How Hafslund's facilities affect communities

- Hydropower plants impact the rate of flow in watercourses and water levels in regulated bodies of water.
- Hydropower regulations and transfers strengthen protection against damaging floods.
- Power plants produce high voltage electricity. Electrical systems on and around the power plants may present a risk of personal injury.
- Regulation of watercourses and hydropower reservoirs impact fishing, movement, ice formation and other use of freshwater deposits.
- Power plants require roads that are in themselves a physical encroachment on nature, but which can also improve access to mountains and nature.
- Power plants have employees who live, work and pay tax locally. The construction, operation and maintenance of power plants require procurements of goods and services.
- Regulating watercourses can result in variations in the rate of flow, which may in turn cause damage.
- Power plants are large physical installations, which can be visible and impact outdoor experiences, and can limit movement.
- The production of district heating is largely based on excess energy. Intermediate load and peak load are required when there are low temperatures and customers have greater demand for heating. This production involves increased heavy transport to local energy centres.

[138] *See Chapter S2 Workers in the value chain for more information concerning the risk of negative impact on local communities in the value chain.*

Hafslund's power production and district heating production are mainly present in Southern Norway. The map shows the Group's hydropower, wind power, and district heating facilities. The hydropower plants are where Hafslund has operational control. The facilities highlight where Hafslund's impact on local communities is greatest.



Actual negative consequences

Hafslund is not aware of any actual negative consequences in the form of violations of basic human rights in local communities.

Managing impacts, risks and opportunities

Policies for affected communities (S3-1)

Being part of the power sector, Hafslund operates within a comprehensive regulatory framework designed to safeguard private and public interests. The Group's operations require authorisation - a licence - from the government, and there are usually conditions linked to this authorisation that apply to local interests. Local communities and municipalities are afforded clear rights in the legislation, including both decision-making power and the right to be heard. These government processes are the foundation for Hafslund's engagement with affected communities.

Hafslund also seeks general dialogue with civil society organisations and other affected stakeholders to map and understand their views, and further develop the business in a way that handles the risks and opportunities identified through the dialogue.

Some of the most important laws, regulations and administrative bodies that regulate the impact on affected stakeholders are:

Regulations on environmental impact assessments:	Shall ensure that environmental and social considerations are taken into account during the preparation of plans and actions, and when deciding whether and under what conditions plans or actions can be implemented.
The Energy Act, including the Power Emergency Management Regulations and the Dam Safety Regulations:	Shall ensure that the production, transformation, transmission, sale, distribution and use of energy takes place in a socially rational manner, with regard to both public and private interests that are affected.
Water Resources Act:	Shall ensure socially responsible use and management of watercourses and groundwater.
The Watercourse Regulation Act:	The country's hydropower resources shall be managed and utilised for the benefit of the general public. The Act shall ensure that watercourse regulations and transfers collectively contribute to good security of supply for electrical energy in Norway.
Waterfall Rights Act:	The country's hydropower resources belong to and shall be managed for the benefit of the general public. This shall be ensured through public ownership at the state, county and municipal levels.
Planning and Building Act:	Shall promote sustainable development for the benefit of society and future generations. Planning shall ensure transparency, predictability and participation for all affected interests and authorities.

In addition, the Cultural Heritage Act, the Pollution Act, the Natural Diversity Act, the Land Acquisition Act and the Emergency Preparedness Regulations guide Hafslund's work with and around affected communities.

Hafslund's sustainability policy[139] is intended to ensure that the Group operates in line with international social standards. Hafslund has not identified any violations of human rights or other social rights (minimum social safeguards) in affected communities in 2025. The Group's work on

[139] *See introduction Social conditions*

human rights in the value chain is further described in S2 Workers in the value chain.

In addition to the Group sustainability policy, the principles in the Group policy on communication and framework conditions are particularly guiding. The guidelines build on the framework set for Hafslund by the above regulations. Local communities shall be given the opportunity to provide input on business activities that concern them, in a manner and at a time that ensures their views can be taken into account.

In 2025, Hafslund has established a group-wide guide for stakeholder dialogue across S1 Own workforce, S2 Workers in the value chain and S3 Affected communities, to make it easier to work with stakeholder dialogue in practice in line with OECD guidelines.

Internal control

Owners of watercourse installations are obligated to establish internal controls and engage in continuous improvement work, cf. Section 1 of Regulations relating to internal quality control to comply with watercourse legislation, and Section 3-7 of the Energy Act Regulations. The objective of a large part of this system of rules is to safeguard public interests, with a particular focus on safety and the environment. Hafslund complies with these obligations through its own internal control routines, which are regularly revised. The internal controls include, among other things, an overview of applicable regulations and its own governing documents, as well as an overview of roles and responsibilities.

Processes for engaging with affected communities about impacts (S3-2)

Hafslund is a social actor in the areas where the Group operates, and this requires continuous dialogue with the municipalities related to its own operations, both for formal reasons and for practical coordination. Trust and openness are fundamental to the interaction with the host municipalities for the Group's power plants.

Interaction takes place both with members of the local communities, and with representatives such as mayors and municipal and district administrations. It is important to have local acceptance of the way Hafslund operates its facilities and of the Group's plans for new and upgraded power plants.

Hafslund has limited dialogue with affected communities associated with the value chain, and it has not been a prioritised area for improvement in 2025.

Dialogue meetings

Hafslund holds regular dialogue meetings with elected officials and administration in districts and host municipalities. Participants in the district meetings depend on the topic, but vary between the project owner, representatives from the current project, representatives from communications or framework conditions in the district heating business. In meetings with the host municipalities, either the CEO or deputy CEO of the power business participates.

In 2025, Hafslund held five dialogue meetings with a total of 30 municipalities. The meetings are well-announced, and agendas are distributed in advance. Hafslund's organisation, leaders, values and plans are presented in the meetings. The purpose is to facilitate the exchange of views and provide an opportunity to raise relevant issues.

Hafslund's approach to new projects

Hafslund sees the municipality as an important partner for the development of new renewable energy. The Group wants to inform the municipality as early as possible, in order to develop projects that are welcome in the local community.

When Hafslund works on developing new projects for power production, it is important for the Group that:		
• Development of new renewable energy production shall mainly take place on the landowner's premises	• Hafslund shall be available to landowners, neighbors and the municipality through a named contact person.	• Hafslund will inform the municipality as soon as a concrete idea for new renewable energy production is found.
• Hafslund listens to the municipalities' views	• Hafslund assists the municipality with its own knowledge and participates in open meetings with representatives of user interests.	• Hafslund is open about its own considerations and assessments
• Hafslund will facilitate dialogue on the preparation of factual information, and will work towards transparency about the knowledge base.	• Hafslund collaborates with partners that provide increased local understanding, anchoring and value creation	• Hafslund, together with partners, has ambitions to own wind projects that are developed, so that landowners and the municipality can deal with the same owner throughout the life of a project.

New hydropower

The hydropower potential in Norway is severely limited, and most investments in the hydropower sector take place in existing power plants. In the development of new hydropower, Hafslund engages with the municipality at an early stage, before the formal processes begin.

Example: Following a request from Aurland municipality, Hafslund has in 2025 investigated the possibility of gentle utilisation of increased water volumes in the Flåm Watercourse, to contribute to flood mitigation and prevent local damage. The Flåm Watercourse is a protected watercourse. Such actions will therefore only be relevant if the municipality is positive, the conservation values can be safeguarded and the flood mitigation is significant.

New production – wind power

Hafslund develops projects within new wind power through partnerships with companies with values that are close to Hafslund. Power projects can have major impacts, negative and positive, on local communities and municipalities. In Norway, this is also reflected in the authorities' approach to the statutory involvement of municipalities and other local stakeholders. Hafslund believes that early involvement of municipalities and local communities results in socially better projects. Hafslund therefore works actively in dialogue with landowners, municipalities and other interests in the Group's projects, from the early concept phase to construction, and further into the operational phase.

Wind power is a particularly relevant and discussed topic in Norway. In wind power projects, the municipality is therefore contacted early on for dialogue about the work. Development of new renewable energy takes place on the landowner's terms, and in dialogue with local communities and other local user interests. Involvement of local communities takes place through ongoing meetings with political parties in the municipality, meetings with the administration, and through widely advertised and open information meetings with the local population. Hafslund has also chosen to arrange dialogue meetings before the regulatory processes have started. Input from these meetings influences how the projects are further developed.

Example: Hafslund and Eidsiva have started an impact assessment of a wind power project in the south of Aremark municipality in Østfold. As part of this process, Hafslund has arranged regular open offices in Aremark, so that local residents can come by whenever they want and get information about the project, and not least provide input on the design or impact assessment. Input from local residents has contributed to how Hafslund designs the road and turbine location in the wind power plant, and has also provided a better basis for assessing the consequences.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

Flood management, dam safety and emergency response

Hafslund is a preparedness organisation that manages watercourse regulations and power plants that are important for the robustness of the

power system. Watercourse regulators have a particular responsibility to help reduce floods. The dams managed by Hafslund represent both opportunities in the form of power production, balancing services and flood mitigation, but also risks for local communities. A dam failure can be serious, and dam safety is a very high priority at Hafslund. The business is subject to strict regulations in this area.

As a result of the extreme weather "Hans" in 2023, the dam at Braskereidfoss power plant broke. Subsequently, Hafslund has maintained close dialogue with the municipality in the work to rebuild the power plant, particularly concerning the restoration of the road connection across the dam, which was important for the local residents. The dam and the road connection are under reconstruction.

Hafslund is subject to strict laws and regulations that place high demands on the protection of information, services and systems, power stations and production facilities. Digital and physical security, including cybersecurity, is a prerequisite for ensuring confidence that Hafslund has a continuous power supply to society and maintains trust in host municipalities, owners, customers, partners and its own employees. Everyone should be confident that Hafslund meets its obligations under laws and regulations, and that the Group has established actions that ensure the protection of confidentiality, integrity and availability for the Group's information, services, systems and production facilities.

The district heating business's interaction with neighbours

Hafslund's operations with waste incineration and district heating production facilities are often located in close proximity to residential areas. The company targets to cause as little inconvenience as possible to neighbours. The business is subject to regulations and requirements relating to environmental impact, and must report any violations to relevant authorities. If neighbours or other stakeholders experience inconvenience around the locations, the company has its own channels and procedures available for such incidents[140]. All enquiries received are registered, reported and followed up.

In 2025, the district heating business received inquiries about odour and noise at the facilities at Klemetsrud and Haraldrud, as well as at ship calls. All inquiries have been registered in the business's deviation system.

There have also been a few cases of leakage in the secondary network in Oslo that have caused damage by moisture penetration into homes and storage rooms. Hafslund has followed up by carrying out repairs after damage or by paying compensation based on a report from an appraiser where the customer has preferred to undertake repair themselves. None of the cases have resulted in legal action or consumer disputes, and all have been resolved directly between the customer and Hafslund.

Reporting of concerns from affected communities

Hafslund has a whistleblowing system for identifying, reporting and investigating concerns related to affected communities, and the system is designed to safeguard this stakeholder group. In addition, Hafslund has established dialogue with the local communities surrounding its facilities. Reporting of critical matters can be submitted via Hafslund's whistleblowing channel, which is available to external parties on the Group's website. Whistleblowers are protected according to the whistleblowing procedures. It is uncertain to what extent local communities are aware of the whistleblowing channel and the opportunities to raise concerns. The whistleblowing channel and related procedures are further discussed in G1 Business Conduct.

The Group does not have a common process for systematic follow-up and consideration of input from local communities. In 2025, Hafslund established a common guide for stakeholder dialogue across the Group to ensure compliance with the OECD guidelines. Hafslund's most important stakeholders and how stakeholders influence the business are described in the introductory chapter of the sustainability statement (How Hafslund takes the views and expectations of stakeholders into account).

[140] *Publicly available on Hafslund's website.*

Actions and resources related to affected communities (S3-4)

Information security and privacy management system

The world is increasingly characterised by high uncertainty and unpredictability. International conflicts and a heightened security situation require stronger preparedness and increased vigilance, both physically and digitally. At the same time, the digital transformation and the industry's rapid rate of change make the Group interesting for criminal actors. The external risk and threat landscape therefore requires active and continuous preventive work on information security and physical security. This work is intended to reduce the risk of loss of life and health, impact and loss of the external environment and local communities, loss and failure of power and heat supply, as well as reputational damage.

Hafslund has continuously worked on improving cybersecurity, information security and emergency preparedness in 2025. Several major digitalisation initiatives and security projects have been implemented that facilitate and ensure the Group continued high innovative power and competitiveness, while the Group secures production facilities and power supply to society.

Information security and privacy management is carried out through a management system based on the internationally recognised standard IEC/ISO27001. This defines and describes Hafslund's policy and strategy for cyber, information security and emergency preparedness. The management system also sets out the framework for how the Group will meet its obligations in legislation and regulations, currently adopted security targets and reduce the risk of unwanted incidents, cyber attacks, sabotage, damage and vandalism. By ensuring this, Hafslund also helps to meet the demands and expectations of society and citizens.

Considering input from local communities in the project model in the growth business

One measure to ensure that input from affected local communities is taken into account is the development of a methodology for new wind power projects (see E4 Biodiversity and ecosystems). Local communities connected to the projects must be involved to ensure that their input is captured and addressed appropriately in all projects. Hafslund has found that early involvement of local communities contributes to better project development. This is particularly linked to the local community's need to protect nature and maintain opportunities for use of their local areas.

Example: In 2025, Hafslund established a consultation group with the closest local stakeholders for the wind power project in Aremark. Meetings with the consultation group provide an opportunity to discuss input from the local community, as well as present visualisations from the project linked to specific points in the terrain where desired.

Local value creation, including employment and sponsorships

Operation of power plants creates significant value, which is distributed between the state, county council and municipality. Hafslund sponsors causes that support its vision, values or strategic targets. Priority is given to teams and associations within sports, culture and outdoor activities in the areas where Hafslund operates. The Group aims for its sponsorship activities to help create positive experiences and safe and healthy communities, with a particular focus on children and young people. Hafslund also supports environmental-focused activities that contribute to sustainability, as well as actors that promote competence and innovation at recognised educational institutions.

In 2025, Hafslund had sponsorship collaborations with, among others:

- *Hafslund Clean Arena:* Hafslund, in collaboration with the Norwegian Sports Federation and the environmental organisation Zero, has initiated a project in which Hafslund helps sports to make their buildings more economical and environmentally friendly. Sports currently have about 55,000 buildings that use a total of 4.5 TWh per year. Through measures such as additional insulation, solar panels, load management, and heat pumps, consumption can be nearly halved. Together with NIF, Hafslund collects information about the facilities and helps sports teams with sustainable alternatives so that they have better finances and reduced energy use.
- *LICC:* Hafslund is a contributor to Large Ice Cream Company being able to offer young people aged 13-17 jobs in its ice cream kiosks across the country, and bring valuable experience that includes sales, service and responsibility to new jobs. In 2025, Hafslund has contributed, among other things, to developing training courses on sustainability.
- *Cousins:* Cousins is a social entrepreneur where young people, aged 18 to 25 with a refugee background, learn Norwegian while producing and serving food and drinks. They become part of a social network, make friends and gain work experience that is important for integration.
- *Vinjerock:* Hafslund has helped Vinjerock reduce emissions by: replacing the fossil bus from Bergen to Vinjerock with an electric bus, replacing all diesel heaters (8 pcs) with electric heat pumps, replacing the organiser's fossil cars with electric ones that they borrowed from Hafslund, and replacing diesel generators with mobile battery trailers.
- *The Association for the Promotion of Skiing/The Ski Association (Skiforeningen):* Hafslund is the main sponsor of the Ski Association, collaborating on initiatives for more sustainable operations of Marka. In 2025, a solar cell system was installed at Vangen Skistue in Østmarka, which thanks to this installation is now self-sufficient in renewable energy.
- *Klemetsrud IL:* The waste incineration plant at Klemetsrud is a large process industry player close to a residential area. Over time, a constructive dialogue has been established with the volunteers and sports teams in the local area, and Hafslund has become the main sponsor of Klemetsrud IL, as well as continuing the Hafslund Academy - a free football academy for children in 5th-7th grade to offer a safe and positive meeting place after school. Sport plays an important role in the local community, and Hafslund also contributes to other events.
- *SF Grei:* Hafslund is the main sponsor of the Hafslund Cup, a football cup organised by SF Grei in Groruddalen for boys and girls aged 8-13.

Hafslund has also contributed smaller sponsorship amounts to Kraftkvinnene, Natur & Ungdom, Green Producers Club, Energi & Klima and Paadriv/Fjorden vår. In addition, the Group has entered into a partnership with the environmental foundation Zero in 2025 to promote climate solutions.

Targets and metrics

Targets related to monitoring impacts, risks and opportunities (S3-5)

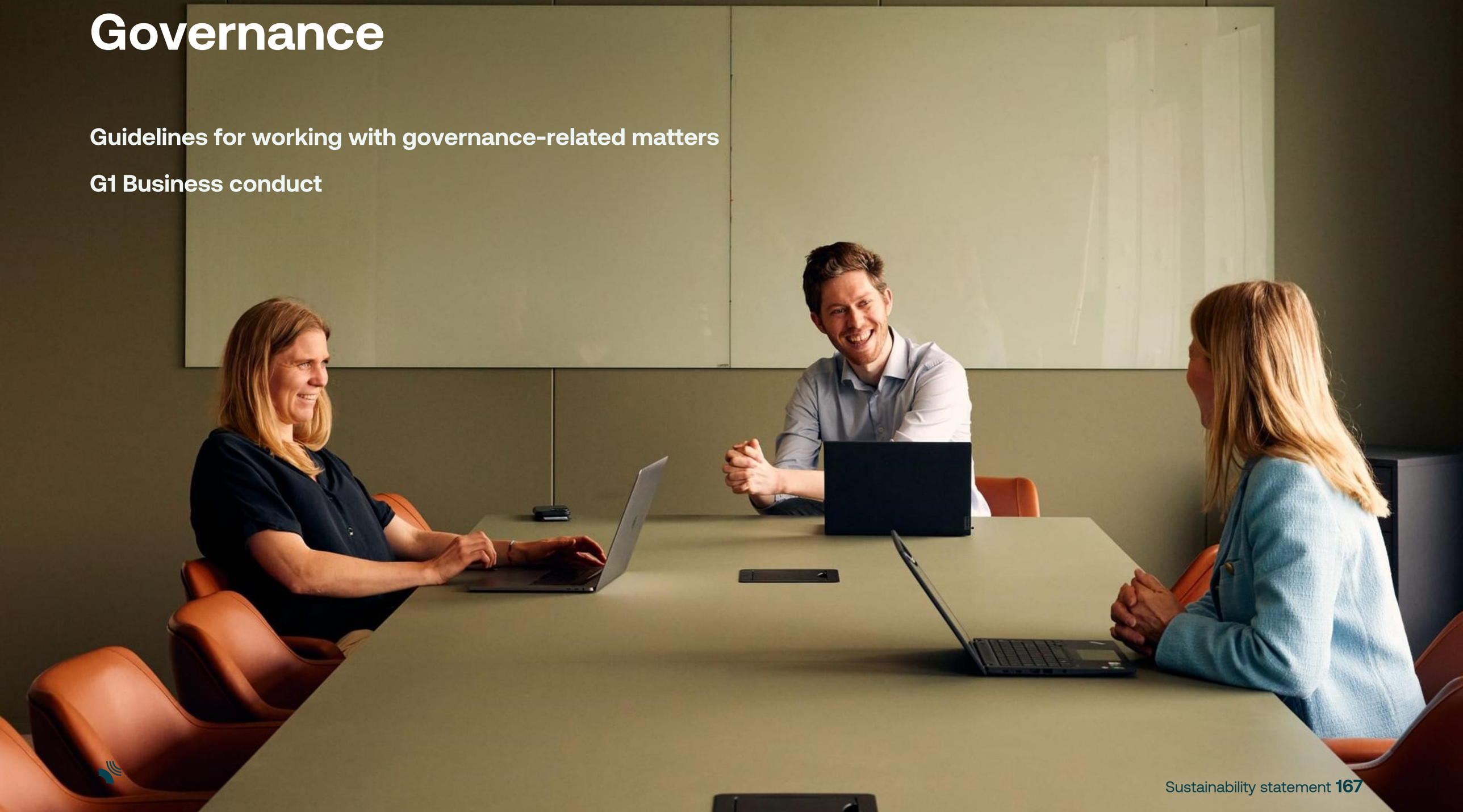
Hafslund's principle is to maintain constructive dialogue and interaction with stakeholders, and to contribute to creating lasting value in the local communities it affects[141]. The Group has no formal targets related to monitoring the impact of policies and actions for S3 Affected Communities and has assessed that it has not been appropriate to formulate such targets. However, the obligations arising from the Group's governing documents are reflected in the daily operations and in the monitoring of the company's affected communities, based on what Hafslund considers to be a value-based approach. This approach is largely based on the regulatory processes followed[142] and Hafslund's experience with project implementation and operation[143].

[141] *See General information and introduction to Social conditions for more information about the obligations in Hafslund's ethical guidelines.*
[142] *See Guidelines for Affected Communities for the government processes Hafslund bases its approach on.*
[143] *See Procedures for contacting affected communities about impacts.*

Governance

Guidelines for working with governance-related matters

G1 Business conduct



Governance

Guidelines for working with governance-related matters

To ensure the Group's commitment to governance-related matters, Hafslund has established guidelines that steer its work on business conduct. These guidelines apply to the topic G1 Business conduct, and set out how Hafslund shall act in accordance with laws, regulations and ethical principles.

Ethical guidelines

Hafslund is obligated to act in a sustainable, profitable, ethical, safe and responsible manner. The ethical guidelines clarify the Group’s obligations to comply at all times with laws and regulations, and act in accordance with the framework conditions for the business. The following principles are of key importance to business conduct:

- Conflicts of interest and challenges relating to impartiality must be identified and handled in a responsible manner.
- Hafslund has a zero-tolerance policy towards corruption and other forms of financial misconduct.
- Hafslund’s main rule is to refrain from receiving, giving or offering commercial benefits.
- Hafslund shall be part of a responsible and sustainable value chain, and expects business associates to share these attitudes towards ethics and compliance, to comply with applicable legislation, and to combat corruption and fraud.
- Hafslund does not make any financial or other contributions to political parties, party members or election candidates. However, Hafslund may still be a member of special interest groups that are relevant to the industry and promote Hafslund’s interests in public discourse.

Ethical guidelines and requirements for suppliers

Hafslund requires that the Group's suppliers comply with the applicable regulations in the countries in which they operate, and that no legal violations are committed. Suppliers must specifically adhere to competition laws and comply with obligations pertaining to tax. Hafslund is committed to high professional integrity, sound business conduct and a responsible and sustainable business. The Group works to prevent corruption and expects the same from its suppliers.

Hafslund specifically expects its suppliers to demonstrate high professional integrity, ethical standards and sound business conduct, to act professionally and responsibly, to ensure impartiality, to safeguard privacy and information security, and to have effective whistleblowing procedures for reporting critical matters. Any production by suppliers must not contribute to destroying the resource and income base of marginalised population groups.

Group sustainability policy

Hafslund’s sustainability policy sets the direction for how the Group works with governance-related matters. The following principles act as guidelines[144]:

- Hafslund shall not employ the use of aggressive tax planning to pay less tax, nor shall the Group have a presence in tax havens.
- Failure to comply with Hafslund’s policies can be reported to one’s immediate supervisor, safety representative or anonymously through the company’s whistleblowing channel.

The operationalisation of the governing documents is described in the Guidelines for good business conduct and corporate culture.

[144] *In addition to the principles in General information (ESRS 2).*

G1 Business conduct

Strategy

Why business conduct is a material topic for Hafslund (SBM-3)

IRO	Description	Value chain
NP	Potential cases of corruption	ED, NVK, OVK
PP	Open and constructive political engagement through advocacy and work on framework conditions	ED
R	Incidents of non-compliance with legal requirements, standards or stakeholders' expectations	ED
R	Unfavourable framework conditions	ED, NVK
M	Favourable framework conditions	ED, NVK

NP = Negative impact, PP = Positive impact, R = Risk, M = Opportunity. ED = Own operation, OVK = Upstream value chain, NVK = Downstream value chain.

Hafslund takes its social mission seriously and shall act in a way that ensures the Group meets its responsibilities. Emphasis is placed on high integrity, good business practices and a responsible and sustainable business. Hafslund's activities shall take people, society and the environment into account in the same way as financial profitability. The corporate culture is based on the Group's values ("open", "responsible" and "innovative") which guide how the Group acts. Hafslund shall maintain high ethical standards in all business operations, have zero tolerance for corruption and shall work actively with ethics and anti-corruption.

The Group has no known cases of corruption to date. Corruption can be linked to the supply chain, internal operations or partnerships through bilateral agreements.

Hafslund works systematically with relevant framework conditions towards authorities and other stakeholders. Successful work with framework conditions that facilitate increased renewable energy production, waste management, district heating and cooling, carbon capture and storage, and the development of grid capacity will affect Hafslund's profitability and long-term value creation.

Managing impacts, risks and opportunities

Guidelines for good business conduct (G1-1)

Hafslund's ethical guidelines has been made known throughout the Group, through the Group's digital collaboration platform and various forms of training and implementation activities. All employees must review and sign Hafslund's ethical guidelines upon joining the Group, and annually thereafter. Training and dilemma training related to business ethics have been carried out in a number of units in the business during the reporting period.

In order to identify, report and investigate concerns about illegal conduct and conduct contrary to the Group's ethical guidelines, Hafslund has established a whistleblowing system. All employees are encouraged to report suspected violations of Hafslund's ethical guidelines and other matters of concern. Employees can report to their manager, a more senior manager, HR, the Group's compliance function, safety representative or employee representative. Reporting can also be made via Hafslund's digital whistleblowing channel, which is also available to external parties. Hafslund's whistleblowing channel is administered and operated by an independent third party and is made available on both Hafslund's intranet and Hafslund's website.

Hafslund handles and follows up on all reports in line with internal reporting procedures. Hafslund's reporting committee is a centralised body that processes and handles received reports in the Group. The reporting committee consists of the Group Compliance Manager, Director HR and Organisational Development and two representatives of the HR

department. The members of the reporting committee always assess their impartiality when handling and investigating specific whistleblowing cases. All inquiries are treated confidentially, regardless of anonymity and reporting channel. Anyone who reports in line with the regulations is protected against all forms of negative actions as a result of or as a reaction to the report. Hafslund does not tolerate any form of retaliation against a person who has expressed a concern related to objectionable conditions in Hafslund's operations. In 2025, significant efforts were made to professionalise the Group's handling of whistleblowing cases.

Managing connections with suppliers (G1-2)

Hafslund's management of supplier relationships is maintained by the Group's procurement departments. Hafslund's procurement principles are regulated in Hafslund's ethical guidelines and Group procurement policy[145]. Procurements must take place in line with the principles of equal treatment and predictability, and must safeguard competition. Requirements and criteria for the selection of suppliers and tenders shall be factual and objective. Risk assessments and due diligence must be carried out for the supply chain. These assessments include human rights and workers' rights. Climate and environmental considerations must be considered in all procurements. Only biofuel suppliers with sustainability certification are used in the district heating supply chain. More detailed information can be found in the section E5 Resource use and circular economy.

Hafslund has established ethical guidelines and requirements for suppliers. These must be signed by all suppliers for procurements of more than NOK 100,000 per year. The guidelines were revised in 2024, and set requirements for the supplier's safeguarding of fundamental human rights and decent working conditions, climate and environment as well as business ethics and responsible business. The guidelines ensure Hafslund's right to audit and on-site inspection of the supplier. See information in chapter S2 Workers in the value chain.

The finance departments across Hafslund's business areas have established guidance intended to ensure that payments are made at the right time, to the correct recipients and for the correct amount.

Prevention and detection of corruption and bribery (G1-3)

Hafslund has a zero-tolerance policy towards corruption and bribery and actively works with ethics and anti-corruption. The principle of zero tolerance for corruption and bribery is established in Hafslund's ethical guidelines and Group sustainability policy[146]. The ethical guidelines also include rules for gifts, hospitality, conflicts of interest and challenges relating to impartiality. The guidelines apply to all companies in the Hafslund Group and to all people working for Hafslund, irrespective of location. This includes employees at all levels, board members, contracted personnel, advisors and others acting on behalf of or representing Hafslund. The ethical guidelines have been adopted by the Board of Directors and the Hafslund Group Board of Directors has ultimate responsibility for ensuring that Hafslund operates in line with the ethical guidelines. The CEO of Hafslund is responsible for ensuring that the business is operated in line with these guidelines, and that the Group's employees comply with the guidelines.

Hafslund conducts risk assessments and due diligence of its value chain that include assessing the risk of corruption, and has established ethical guidelines and requirements for suppliers that include requirements for ethical business operations, including requirements for measures to combat corruption. All suppliers and their subcontractors must conduct their activities in accordance with nationally and internationally recognised principles and guidelines relating to corruption. Hafslund has implemented the Oslo Model, which is a collective term for a number of good practice provisions that are incorporated into contract terms for the purchase of goods and services, and building and construction. The use of prequalified suppliers and framework agreements helps reduce the risk of corruption

[145] *See introduction in Social information.*
[146] *Read more about Hafslund's overarching governing documents in the General Information chapter.*

and bribery. The power trading business has established and implemented specific procedures for counterparty control when approving new contract counterparties.

In 2025, Hafslund has implemented a number of actions to strengthen its work against corruption and financial irregularities. Particular emphasis has been placed on basic training and implementation activities related to ethical guidelines and the Group's whistleblowing system. The topics have been integrated into mandatory training programmes for all new employees and all new managers in the Group, and digital dilemma training has been implemented for all employees. It is also prioritised to provide guidance in specific cases and upon request. In 2025, the Group's ethics week was established and implemented for the first time, with various activities to strengthen the focus on ethical business operations and culture.

All Hafslund employees are encouraged to report suspected corruption and other violations of Hafslund's ethical guidelines. Employees can report to their manager, a more senior manager, HR, the Group compliance function, safety representative or employee representatives. Reporting can also be made via Hafslund's whistleblowing channel.

Hafslund handles and follows up on all whistleblowing in line with Hafslund's whistleblowing routine. According to routine, the CEO and the CEO of the respective subsidiary shall be informed and consulted in whistleblowing cases. In cases of a serious nature, the Group and/or the respective subsidiary board may also be involved. The compliance function in the parent company informs the Group management and the Group Board of the status of whistleblowing cases in its semi-annual reporting.

Targets and metrics

Instances of corruption or bribery (G1-4)

Hafslund had no confirmed incidents of corruption or bribery during the reporting period.

Political influence and lobbying activities (G1-5)

Hafslund is politically neutral. However, Hafslund still recognises the importance of interacting with government authorities and other relevant stakeholders when concerning the business' framework conditions, for understanding the ongoing social debate within relevant fields, as well as developing various political initiatives that are of relevance to the business and sector. Hafslund has contact with political decision-makers and authorities to ensure understanding and support for the business, express the Group's position on relevant issues and promote Hafslund's interests in the social debate. Hafslund does not make financial or other contributions to political parties, but promotes its views either through direct interaction with public authorities, players or other interest groups, or via various industry organisations.

In Hafslund, the work of interacting with authorities and political decision-makers is delegated to the framework conditions units, which report to Group management. Hafslund maintains dialogue with relevant authorities through the Group's Board Chair, CEO and Group management, as well as the framework conditions units, and also provides input in consultation processes and through initiatives across the industry. Hafslund's contact with political decision-makers primarily concerns the development of competitive, stable and predictable framework conditions, including taxes, dividend policy and regulations that affect Hafslund's operations.

Hafslund has a transparent approach to its advocacy work and practices full openness about meetings and processes. Hafslund is registered in the EU Transparency Register, with identification number 679523249026-20.

The district heating business is registered in the EU Transparency Register with no. 557147049763-45.

Hafslund was involved in the following matters during the reporting period:

District heating and framework conditions

The following topics have been particularly important for Hafslund in 2025:

- **Energy labelling scheme for buildings:** Hafslund has argued for changes to the energy labelling scheme for buildings so that district heating is treated on an equal footing with local electricity-based heating solutions. In April, the government adopted amendments to the energy labelling scheme to reward heating solutions that relieve the pressure on the power system in line with what the industry has requested.
- **The CO_2 tax:** In anticipation of waste incineration being included in the EU's emissions trading system (EU ETS), Hafslund has argued for reducing the waste incineration tax to a level that does not exceed the actual Swedish tax level. This will ensure more equal competition and provide the Norwegian incineration industry with more reasonable framework conditions. In the revised national budget for 2025 and in the state budget for 2026, the waste incineration tax was reduced to approximately the Swedish tax level.
- **Electricity support scheme and Norway Price for district heating customers**: Hafslund has argued that district heating customers must be treated equally to electricity customers by being included in the Norway Price and electricity support schemes, without the costs of this being borne by the district heating companies. The government's bill to the Storting included this, and from 1 October 2025, the state has also covered electricity support and Norway Price for district heating customers.
- **Coverage for reduced revenues as a result of reduced electrical power tax:** Reductions in electrical power tax in the revised national budget 2025 and state budget 2026 reduce the revenues of district heating companies. According to the Energy Act, the district heating price cannot be higher than the total electricity price, so when the electricity price is reduced through reduced electrical power tax, the district heating companies' permitted revenues are also reduced accordingly. Hafslund has argued that the state must compensate the district heating industry for the loss of revenue resulting from the reduction in electrical power tax.

Hafslund has become involved in the framework conditions for district heating because these are currently, collectively and individually, unfavourable for both Hafslund and the industry as such. The fact that district heating is part of the energy mix provides great social benefits through, among other things, increased energy readiness and relief from the power grid.

Power and climate

The following themes have been particularly important for Hafslund in 2025:

- **Facilitate the development of profitable power production:** Hafslund has participated in the debate on what framework conditions are needed to develop more renewable power production to realise Norwegian climate goals. Among other things, Hafslund has, through consultation responses, advocated for efficient and coordinated government processes, the central role of municipalities in facilitating the achievement of climate goals, as well as input on appropriate requirements for power production from both Norway and the EU. Hafslund wants to increase understanding that there is a need for more renewable energy production and grids in Norway to achieve climate goals, as well as to ensure sufficient energy for industry.
- **Norway Price:** In hearings on the Norway Price, Hafslund has emphasised, among other things, that predictability regarding the level at which the Norway Price will be set is important for the power

system, and that the framework for the annual adjustment of Norway Price must ensure predictability and transparency.

Hafslund has engaged in this topic because it lies in the core of the Group's business. Hafslund has furthermore been involved in order to meet the Group's business objective of expanding further renewable energy production towards 2035, both hydropower and wind power.

Nature policy

The global nature agreement, the Kunming-Montreal Agreement, requires that new policies and frameworks must be established at both national and regional levels to achieve the goals. Hafslund is committed to ensuring that these framework conditions contribute to predictability and long-term sustainability for the business community.

The Group welcomes an ambitious nature policy which is necessary to strengthen the legitimacy of industries that utilise natural resources to create value. At the same time, it is essential that nature policy provides a predictable framework, enabling Hafslund to develop new renewable energy and upgrade existing power plants in a sustainable manner. In 2025, Hafslund submitted consultation responses on, among other things, the proposed ban on the demolition of bogs, and on amendments to the EU taxonomy related to the environmental targets for hydropower.

Carbon capture and storage (CCS)

In January 2025, Hafslund signed a renewed support agreement with the Ministry of Energy for the realisation of carbon capture at the waste incineration plant at Klemetsrud. This enabled the largest investment decision in the Group's history, with a cost framework of nearly NOK 9.5 billion. Once the carbon capture facility is completed in 2029, it will reduce approximately 20 per cent of Oslo's fossil CO_2 emissions and at the same time contribute to large-scale CO_2 removal due to the substantial share of biogenic waste, opening up a new business area for Hafslund Celsio. In addition to the state support agreement, the project was made possible through the world's first sale of carbon removal certificates from waste incineration combined with carbon capture and storage.

In addition to the carbon capture plant at Klemetsrud, Hafslund Celsio will construct a CO_2 terminal at the Port of Oslo for the shipment of CO_2 for geological storage, and aims for the terminal also to function as a receiving terminal for subsequent projects in the Oslo region. Hafslund is therefore an active advocate towards Norwegian and European authorities for strengthened regulatory frameworks and support schemes for carbon capture, utilisation and storage, as well as carbon removal. Hafslund Celsio was, in 2025, among the founding partners of the carbon capture cluster Oslo Carbon Cluster.



Hafslund AS

Oslo,26 March 2026

The Board of Directors

Jarle Roth
Chair of the Board

Bjørn Erik Næss

Halvor Kr. Halvorsen

Stian Berger Røsland

Hilde Veum-Wahlberg

Håkon Rustad

Maria Tallaksen

Kristin Færøvik

Finn Bjørn Ruyter
CEO

Definitions and alternative performance measures (APM)

Definitions and alternative performance measures

Measure	Definition
EBITDA	Operating profit/loss + depreciation + amortisation
Net interest-bearing debt	Gross interest-bearing debt - interest-bearing receivables - bank deposit - market-based financial instruments
Capital employed	Equity + net interest-bearing liabilities + tax payable
ROE	Profit after tax/ equity
ROCE	Operating profit/ capital employed
Debt/EBITDA	Net interest-bearing debt / EBITDA
FFO/debt	(EBITDA - net interest paid - taxes paid) / net interest-bearing debt
Hydropower production	Total power production in hydro and wind power plants and from waste incineration in TWh
Achieved power price	Hydropower production sold in the spot and regulated power market, bilateral contracts and concessionary power, as well as realised results from financial hedging
Area price	Average spot price in the production areas
Direct heating sales	Total district heating and cooling sold, in GWh
Underlying results	Result corrected for non-recurring items and unrealised changes in value

NOK million	31.12.2025	31.12.2024
GROSS AND NET INTEREST-BEARING DEBT		
Long-term interest-bearing debt	23,348	18,498
Value change loan portfolio	92	129
Short-term interest-bearing debt	3,067	4,369
Gross interest-bearing debt incl subordinated debt	**26,508**	**22,997**
Other long-term interest-bearing receivables	501	740
Market-based financial instruments [1]	3,169	1,982
Cash and cash equivalents [1]	7,503	6,324
Net interest-bearing debt	**15,335**	**13,951**
CAPITAL EMPLOYED		
Equity	50,450	47,930
Net interest-bearing debt	15,335	13,951
Taxes payable	5,672	5,068
Capital employed	**71,456**	**66,949**

[1] Short-term liquidity investments have been reclassified from bank deposits to market-based financial instruments. Comparative information has been restated accordingly.

Definitions and alternative performance measures *(cont.)*

NOK million	2025	2024
UNDERLYING PROFIT		
Operating profit (EBIT)	11,196	9,130
Value changes in power price and foreign exchange contracts	-285	56
Value adjustments on financial liabilities related to power production	257	3
Result share Eidsiva Energi - higher or lower revenue after tax	237	-71
Underlying operating profit	**11,404**	**9,119**
Profit after tax	4,201	3,757
Value changes and one-offs operating profit	208	-11
Value changes and one-offs in financial items	23	3
One-off transaction – sale of business	-275	-419
Tax effects adjustments and one-offs	-78	-73
Underlying profit after tax	**4,080**	**3,257**
ROCE		
Operating profit	11,196	9,130
Capital employed	71,456	66,949
ROCE / return on capital employed	**15.7%**	**13.6%**
ROE		
Profit after tax	4,201	3,757
Equity	50,450	47,930
ROE / return on equity	**8.3%**	**7.8%**

NOK million	2025	2024
DEBT / EBITDA		
Net interest-bearing debt	15,335	13,951
EBITDA	12,542	10,321
Debt / EBITDA	**1.2**	**1.4**
FFO / DEBT		
EBITDA	12,542	10,321
Net interest paid	-1,023	-714
Taxes paid	-5,050	-7,117
Net interest-bearing debt	15,335	13,951
FFO / debt	**42%**	**18%**

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Consolidated statement of comprehensive income

1 January - 31 December

NOK million	Note	2025	2024
Sales revenue	2.2	15,513	13,395
Other gains/losses	2.2	430	580
Other operating income	2.2	762	196
Revenues and other income	2.2	**16,706**	**14,172**
Energy purchases and transmission costs	2.3	-1,223	-1,254
Salary and other personnel costs	2.4	-1,378	-1,221
Property tax and other imposed costs	2.5	-835	-762
Other operating costs	2.6	-1,047	-970
Profit/loss from associates and joint ventures	3.5, 3.6	319	356
EBITDA		**12,542**	**10,321**
Depreciation and amortisation	3.1 - 3.4	-1,346	-1,191
Operating profit (EBIT)		**11,196**	**9,130**
Interest income	5.14	365	356
Interest expense	5.14	-1,329	-1,104
Other finance income/costs	5.14	255	347
Net financial items	5.14	**-708**	**-401**
Profit before tax		**10,488**	**8,729**
Income taxes	6.1	-6,286	-4,972
Profit after tax		**4,201**	**3,757**
PROFIT ATTRIBUTABLE TO			
Owners of the parent company		3,418	2,955
Non-controlling interests	8.2	783	802

NOK million	Note	2025	2024
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Hedging reserve	5.6	48	890
Income tax effects	5.6	-222	-337
Translation differences		5	1
Translation differences on associates	3.5	3	7
Total items that may be reclassified to profit or loss		**-166**	**562**
ITEMS THAT MAY NOT TO BE RECLASSIFIED TO PROFIT OR LOSS			
Actuarial gains (losses) on defined benefit plans		108	169
Income tax effects		-73	-98
Actuarial gains (losses) on defined benefit plans in joint ventures	3.5	47	112
Total items that may not to be reclassified to profit or loss		**82**	**183**
Other comprehensive income		**-84**	**745**
Total comprehensive income		**4,118**	**4,502**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of the parent company		3,364	3,554
Non-controlling interests	8.2	754	948

Consolidated statement of financial position

31 December

NOK million	Note	2025	2024
ASSETS			
Deferred tax assets	6.1	216	181
Intangible assets	3.1	44,716	41,548
Property, plant and equipment	3.2	32,776	29,693
Right-of-use assets	3.4	408	312
Associates and joint ventures	3.5	11,445	11,158
Non-current financial derivatives	5.1, 5.6	661	756
Other non-current receivables	5.9, 7.2	1,624	1,637
Non-current assets		**91,847**	**85,285**
Inventory		42	60
Trade receivables	5.10	622	669
Other interest-bearing current receivables	5.1	263	496
Other non-interest-bearing current receivables	5.10	918	653
Market-based financial instruments [1]	5.11	3,169	1,982
Current financial derivatives	5.1, 5.6	101	341
Cash and cash equivalents [1]	5.12	7,503	6,324
Current assets		**12,618**	**10,526**
Assets		**104,465**	**95,811**

NOK million	Note	2025	2024
EQUITY AND LIABILITIES			
Paid-in capital	5.8	23,594	23,594
Other equity		15,517	14,113
Non-controlling interests	8.2	11,339	10,223
Equity		**50,450**	**47,930**
Non-current interest-bearing debt	5.2	23,348	18,498
Lease liabilities	3.4, 5.2	347	269
Deferred tax liabilities	6.1	12,364	11,295
Pension liabilities	7.2	71	46
Non-current financial derivatives	5.1, 5.3, 5.6	99	176
Other liabilities	4.1	5,875	5,806
Non-current liabilities		**42,104**	**36,089**
Current interest-bearing debt	5.2	3,067	4,369
Lease liabilities	3.4, 5.2	76	55
Trade payables	5.13	861	462
Tax payables	6.1	5,672	5,068
Current financial derivatives	5.1, 5.3, 5.6	40	60
Other current non-interest-bearing liabilities	5.13	2,195	1,777
Current liabilities		**11,911**	**11,792**
Equity and liabilities		**104,465**	**95,811**

[1] Short-term liquidity investments have been reclassified from bank deposits to market-based financial instruments. Comparative information has been restated accordingly.

Consolidated statement of cash flows

1 January - 31 December

NOK million	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**10,488**	**8,729**
Adjustments from:			
Depreciations, amortisations and impairments	3.1 - 3.4	1,346	1,191
Gains/losses from divestments and disposals of assets		-2	87
Accrual of long-term contracts		-247	-9
Profit/loss from associates and joint ventures	3.5	-319	-356
Unrealised changes in derivatives		-29	60
Changes in inventories		18	5
Changes in trade receivables and other non-interest-bearing receivables		201	343
Changes in trade payables and other non-interest-bearing liabilities	5.1	668	-437
Net settlement of futures contracts		-78	544
Net financial items	5.14	708	401
Other non-cash income and expenses		-56	-80
Cash flows from operating activities		**12,699**	**10,477**
Taxes paid		-5,050	-7,117
Net cash flows from operating activities		**7,649**	**3,360**

NOK million	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment		-2,744	-1,502
Cash paid through share issue to associates and joint ventures		-505	-373
Net disbursement on transactions	1.6	-3,512	-1,033
Dividend received from associates and joint ventures		651	719
Cash received upon sale of shares in subsidiaries, associates and joint ventures		683	724
Interest received		252	326
Cash payments for investments in market-based financial instruments[1]	5.11	-1,700	-1,114
Cash receipts from investments in market-based financial instruments[1]	5.11	614	961
Other investment activities		151	39
Cash flows from investing activities		**-6,110**	**-1,254**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds	5.2	9,611	6,746
Loan repayments	5.2	-5,856	-6,068
Dividends paid	5,8	-3,281	-3,824
Interest paid		-1,275	-1,070
Proceeds from the issuance of preference shares	8,2	540	114
Other financing activities		-117	-122
Cash flows from financing activities		**-378**	**-4,223**
Changes in cash and cash equivalents		**1,161**	**-2,117**
Cash and cash equivalents at 1 January [1]	5.12	6,324	8,440
Currency exchange rate effects on cash and cash equivalents		18	1
Cash and cash equivalents at end of period [1]	**5.1**	**7,503**	**6,324**

[1] Short-term liquidity investments have been reclassified from cash and cash equivalents to market-based financial instruments. Comparative information has been restated accordingly. For further information, see Note 1.2 General Accounting Policies.

Consolidated statement of changes in equity

NOK million	Note	Share Capital	Share premium	Other equity	Equity attributable to owners of the parent	Non-controlling interests	Preference shares non-controlling interests[1]	Total non-controlling interests	Total equity
Equity at 31 December 2024		**110**	**23,484**	**14,113**	**37,707**	**10,101**	**122**	**10,223**	**47,930**
Profit for the year		-	-	3,418	3,418	783	-	783	4,201
Other comprehensive income		-	-	-54	-54	-30	-	-30	-84
Total comprehensive income for the year		**-**	**-**	**3,364**	**3,364**	**754**	**-**	**754**	**4,118**
TRANSACTIONS WITH OWNERS									
Dividends		-	-	-2,514	-2,514	-795	-	-795	-3,309
Effect of dividends from Hafslund Kraft AS to Eidsiva Energi AS	3.5	-	-	564	564	-	-	-	564
Non-controlling interest's share of assets acquired	1.5	-	-	-	-	426	-	426	426
Capital increase		-	-	-	-	9	722	731	731
Total transactions with owners		**-**	**-**	**-1,950**	**-1,950**	**-360**	**722**	**362**	**-1,588**
Other changes in equity		-	-	-9	-9	-	-	-	-9
Equity at 31 December 2025		**110**	**23,484**	**15,517**	**39,111**	**10,495**	**844**	**11,339**	**50,450**

[1] Preference shares – non-controlling interests comprise the issuance of preference shares in Hafslund Celsio AS. See note 4.1 Other liabilities and note 8.2 Non-controlling interests for further information. The movement for the year comprises the issuance of preference shares in 2025 and the impact of the reclassification of preference capital to equity, with effect from 2025, as preference capital is classified entirely as equity from that date. From 2025, preference capital is presented in a separate column within equity as part of non-controlling interests. Comparative information for 2024 in the statement of changes in equity has been restated accordingly

Consolidated statement of changes in equity
(cont.)

NOK million	Note	Share Capital	Share premium	Other equity	Equity attributable to owners of the parent	Non-controlling interests	Preference shares non-controlling interests	Total non-controlling interests	Total equity
Equity at 31 December 2023		**110**	**23,484**	**13,169**	**36,763**	**9,943**	**-**	**9,943**	**46,706**
Profit for the year		-	-	2,955	2,955	802	-	802	3,757
Other comprehensive income		-	-	599	599	146	-	146	745
Total comprehensive income for the year		**-**	**-**	**3,554**	**3,554**	**948**	**-**	**948**	**4,502**
TRANSACTIONS WITH OWNERS									
Dividends		-	-	-3,096	-3,096	-787	-	-787	-3,883
Effect of dividends from Hafslund Kraft AS to Eidsiva Energi AS	3.5	-	-	496	496	-	-	-	496
Capital increase		-	-	-	-	-	122	122	122
Total transactions with owners		**-**	**-**	**-2,600**	**-2,600**	**-787**	**122**	**-666**	**-3,266**
Other changes in equity		-	-	-10	-10	-2	-	-2	-12
Equity at 31 December 2024		**110**	**23,484**	**14,113**	**37,707**	**10,101**	**122**	**10,223**	**47,930**

Oslo, 26 March 2026

The Board of Directors of Hafslund AS

Jarle Roth
Chair of the Board

Halvor Kr. Halvorsen

Bjørn Erik Næss

Maria Tallaksen

Kristin Færøvik

Stian Berger Røsland

Håkon Rustad

Hilde Veum-Wahlberg

Finn Bjørn Ruyter
CEO

Note 1.1 General information

Hafslund is a renewable energy group. The headquarters is located in Oslo. The group consists of three business areas;

- Power Production, with Norway's second largest hydropower operation,
- District Heating, representing the largest provider of district heating in Norway, and
- Growth and Investments, which brings together the group's industrial ownership and growth initiatives, including ownership in Eidsiva Energi (50 per cent stake) that includes Elvia, Norway's largest grid company.

The parent company Hafslund AS is 100 per cent owned by the City of Oslo.

The consolidated financial statements were adopted by the company's Board of Directors on 26 March 2026.

Note 1.2 General accounting policies

Basis for preparation of the annual financial statements

The consolidated financial statements for Hafslund for 2025 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. In addition, Norwegian disclosure requirements are provided in accordance with the Norwegian Accounting Act (Regnskapsloven).

The consolidated financial statements have been prepared on the historical cost basis, with the exception of some assets and liabilities that are measured at fair value. Please see note 5.5 Fair value for a more detailed description. Preparation of financial statements in accordance with IFRS requires the use of estimates and judgements. Items significantly impacted by judgements or assumptions and significant estimates are described in the relevant notes.

All amounts are stated in NOK million unless otherwise stated.

Currency

The consolidated financial statements are presented in Norwegian kroner (NOK). For the subsidiary Hafslund Vekst AB the functional currency is Swedish kroner (SEK), while for the parent company and the other subsidiaries, the functional currency is Norwegian kroner. For the associated companies Austri Raskiftet and Austri Kjølberget, the functional currency is euro (EUR).

Income and expenses in a subsidiary with a different functional currency than the parent company are converted into the group's presentation currency using the average exchange rate for the month. Financial position items in the subsidiary are translated at the exchange rate at the reporting date. Translation differences from subsidiaries and non-controlling interests are recognised in other comprehensive income.

Change of comparable numbers

Hafslund has placed surplus liquidity in short- term liquidity funds and classified this as short-term financial instruments in the balance sheet. The short- term investments in liquidity funds were classified as cash and cash equivalents as of 31 December 2024. In the comparative figures for 2024, NOK 1,982 million has been reclassified from cash and cash equivalents to short-term financial instruments. For further information, see note 5.12

Note 1.2 General accounting policies
(cont.)

Cash and cash equivalents and note 5.11 Market-based financial investments.

Similarly, in the cash flow statement as of 1 January 2024, NOK 1,799 million has been reclassified from cash and cash equivalents to short- term financial investments. Cash receipts and cash payments from liquidity funds have been classified as market-based financial instruments and are presented on a gross basis under investing activities in the consolidated cash flow statement. For further information, see the consolidated statement of cash flows.

Note 1.3 Climate risk

Climate change involves both physical and transition risks to Hafslund's operations and power production. Physical risk refers to impacts resulting from climate change and altered weather patterns, while transition risk refers to direct and indirect effects on the Group as a result of the transition to a low-emission society.

Results from the climate risk analysis

Physical Climate Risk	
Chronic	Increased unpredictability for production and planning due to changes in climate and weather patterns
	Market shifts caused by changes in weather and climate
Acute	Greater risk of infrastructure damage and collapse as a result of more frequent extreme weather
Transition Risk	
Market	Increased costs/decreased availability of raw materials and inputs
	Increased volatility in energy prices due to a larger share of variable energy production
Technology	Failed investments in technology
Policy and Regulations	Increased taxation of power production
	Unpredictability and expenses resulting from future climate regulations

Physical Climate Risk

Parts of the Group's infrastructure are located at low geographical levels, making them susceptible to rising sea levels. Increased occurrences of extreme weather events and floods may pose a higher risk of damage and breakdowns in the Group's facilities.

Scenario analyses have been conducted to model the effects of climate change on the areas where the Group has physical facilities, and a risk assessment has been made. This work is considered in the evaluation of the expected useful life of the Group's facilities and is taken into account when estimating recoverable amounts in impairment testing.

Transition Risk

Hafslund is exposed to changes driven by political measures to reduce emissions from the power sector, district heating operations, waste incineration, and other industrial sectors. This may involve changes in taxes and fees or market changes that have the potential to affect the Group's results and investment in renewable energy.

Further analysis of climate risk is outlined in section E1 Climate change in the Sustainability Report.

Note 1.3 Climate risk
(cont.)

Long-term power price curves
Management's best estimate of long-term power price curves is used to estimate the fair value of industrial contracts and financial power agreements, as well as power obligation, and is also a key assumption in the Group's impairment tests in calculating value in use.

The basis for the Group's long-term price curves is prepared by the analysis department in Hafslund Kraft, and is benchmarked against prices from external analysis agencies and other players in the power market. Expected effects due to climate change are reflected in the long-term price curves.

The consolidated financial statements include estimates that may be affected by the effects of climate change, including:

- For estimates of the useful life of the Group's assets, please see note 3.2 Property, Plant and Equipment.
- Inputs used to estimate fair value at level 3 for financial instruments, please see note 5.5 Fair Value.
- Inputs involved in estimating recoverable amounts in impairment testing, please see note 3.3 Impairment testing.
- Inputs used to justify the recognition of deferred tax assets, including negative resource rent income incurred before 2007, please see note 6.1 Taxes.

Management has considered the effects of climate risk in the preparation of the 2025 consolidated financial statements, including the risks outlined in the 2025 Sustainability Report and the group's transition plan to become climate-positive by 2035. The impacts of climate risk, including physical climate risk and transition risk, have not significantly affected the judgements and estimates in the preparation of the consolidated financial statements for 2025.

Note 1.4 Changes in accounting policies

There are no changes in accounting policies that have a significant effect on the 2025 financial statements.

Note 1.5 Changes in standards and interpretations with future effect

Certain new standards and interpretations that have been issued but are not yet effective have not been early adopted by the Group. The Group's intention is to implement the relevant amendments on the effective date, provided that the amendments are endorsed by the EU prior to the issuance of the consolidated financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

This new standard will replace IAS 1 Presentation of Financial Statements. The objective of IFRS 18 is to increase comparability and improve communication in the annual financial statements.

The standard sets requirements for how information is aggregated in the financial statements, affecting both the primary financial statement and

Note 1.5 Changes in standards and interpretations with future effect

(cont.)

notes. Revenues and expenses must be classified in the income statement in one of five categories: operating, investing, financing, income taxes and discontinued operations. The first three categories represent new categories compared to IAS 1. IFRS 18 does not change how Hafslund recognises and measures revenues and expenses, but it does change the presentation of the income statement.

IFRS 18 also introduces the concept of management-defined performance measures, a set of financial measures that somewhat overlap with alternative performance measures currently used outside the financial statements.

IFRS 18 has been endorsed by the EU and will be effective from 1 January 2027 or later. Hafslund does not plan to implement the standard at an earlier date.

Hafslund launched a project in the autumn of 2025 to identify the changes required for the implementation of the new standard, and the work is ongoing, covering both process-related and system-related adjustments. Hafslund expects to present the 2027 quarterly results, together with the corresponding comparative figures, in accordance with the new standard as part of its first IFRS 18 reporting in the first quarter of 2027. The Group expects changes in how information in the financial statements is classified and grouped, but it is too early to comment on the extent of changes.

Amendments to IFRS 9 for Nature Dependent Electricity Contracts

The amendments to IFRS 9 were introduced in December 2024 and were endorsed by EU on 30 June 2025. The amendment will be effective for accounting periods beginning on or after 1 January 2026, but early adoption is permitted.

The objective of the amendment is to address challenges in accounting for electricity contracts that are affected by uncontrollable natural factors, such as weather conditions. A consequence of the changes is that power contracts, such as industrial contracts with variable volumes, can be hedge accounted.

Hafslund does not expect the amendments to have a material impact on the financial statements.

Note 1.6 Transactions and events

Key accounting principles

The acquisition method is used in business combinations. The consideration is measured at fair value at the transaction date, which is also the date for measuring the fair value of identifiable assets, liabilities and contingent liabilities assumed in the transaction. The transaction date is when risk and control are transferred and normally coincides with the date of completion. Transaction costs are expensed under Other operating expenses.

In step acquisitions, the previously held equity interest is measured at fair value at the time of acquisition and any gain or loss is recognized in the income statement.

Non-controlling interests are valued at their proportionate share of net identifiable assets and liabilities.

When acquiring assets that are not considered to be a business combination, all individual assets and liabilities must be identified. The carrying amount represents the fair value of the identified assets and liabilities at the date of the transaction.

Key estimates and assumptions

Hafslund applies judgement in assessing whether an acquisition is classified as a business combination or an asset transaction. The classification may have a significant impact on the consolidated financial statements.

Acquisitions involving management and development organisations are classified as business combinations. For manufacturing entities, the assessment depends, among other things, on access to critical labor.

The purchase price is allocated to acquired assets and liabilities based on estimated fair value. The valuation involves the use of judgment and uncertain estimates related to method choices, assumptions and useful lives.

Transactions and events in 2025

Sarpsfoss Limited

On 11 April 2025, Hafslund AS completed the acquisition of 90 per cent of the shares in Sarpsfoss Limited from Orkla ASA. The remaining 10 per cent was acquired by Svartisen Holding AS. Sarpsfoss Limited consists of Borregaard power plant, Mossefossen power plant and 50 per cent of Sarp power plant, and will add 536 GWh of annual normal production to Hafslund's power production. The transaction is accounted for as an asset acquisition, resulting in a net addition to the Group of NOK 4,262 million.

Sale of ownership interest in Fredrikstad Energi AS

On 25 August 2025, Hafslund sold 49 per cent of the shares in Fredrikstad Energi AS to Å Energi AS. The sale resulted in a gain for the Group of NOK 275 million, which is presented in the income statement as Other finance income/costs. Following the transaction, Hafslund has no shares in Fredrikstad Energi AS.

Industrial contracts with Norsk Hydro Energi AS

In November and December 2025, three industrial contracts were signed between Hafslund Kraft AS and Norsk Hydro Energi AS for the delivery of electric power in NO3, where the three contracts together have delivery between 2026 and 2034. The contracts are measured at fair value, and is hedged as cash flow hedge ("All-in-one hedges"). See note 5.6 Derivatives and hedging for more information.

Note 1.6 Transactions and events
(cont.)

Transactions and events in 2024

Tonstad Vindkraft AS

On 1 July 2024, Hafslund Kraft AS acquired 100 per cent of the shares in Tonstad Vindkraft AS from the Swiss investment company SUSI Partners. Tonstad Vindkraft AS is from this date recognised in Hafslund's consolidated financial statements.

Tonstad Vindkraft AS is located in the municipalities of Sirdal and Flekkefjord and is Norway's fifth largest land-based wind power plant measured in GWh. The wind power plant has 51 turbines and an installed capacity of 208 MW, with an annual production of around 670 GWh. The power plant has a concession lasting through 2045.

Tonstad Vindkraft has entered into an industrial contract with Hydro Energi for the sale of power production until 2044, with a portion of the power sold at a fixed price. Additionally, a fixed price agreement has been entered into with ENGIE Energy Management for the sale of guarantees of origin until 2028.

In connection with the transaction, a syndicated bank loan agreement of NOK 2.8 billion was entered into with a term until November 2025. The loan was drawn down in July 2024. Existing debt in Tonstad Vindkraft AS was settled at the same time as the closing of the transaction.

Purchase price allocation

The transaction is considered to be a business combination. The results of the purchase price allocation are summarised in the table to the right.

Tonstad Vindkraft AS per 1 July 2024:

NOK million	Effect on financial position
Identified assets and liabilities	
Goodwill	753
Concessions	3,493
Property, plant and equipment	1,791
Other non-current non-interest-bearing receivables	41
Cash and cash equivalents	314
Assets	**6,392**
Equity	1,345
Deferred tax liabilities	246
Other liabilities	3,214
Non-current interest-bearing debt	1,546
Current interest-bearing debt	41
Equity and liabilities	**6,392**

The line-item Concessions consist mainly of excess values resulting from the concession from NVE, lease agreements entered into and grid connection. The excess values are amortised over the remaining duration of the concession.

Other liabilities mainly relate to a negative fair value adjustment of the power purchase agreement with Hydro Energi and the fixed price agreement with ENGIE Energy Management AS. Provisions have also been made for decommissioning obligations.

Note 1.6 Transactions and events in 2025
(cont.)

Goodwill
Recognised goodwill mainly consists of technical goodwill of NOK 727 million. The remaining NOK 26 million is related to the value of real options for capacity-extending and life-extending measures (repowering). The recognised goodwill is not expected to be tax deductible.

Costs related to the transaction
Hafslund's total costs in connection with the transaction amount to NOK 15 million. The transaction costs are included in other operating costs in the operating profit for 2024.

Trade receivables
Gross trade receivables at the time of acquisition amounted to NOK 25 million. The receivables were paid in full following the transaction.

Operating revenue and profit in Tonstad
Tonstad Vindkraft AS has contributed NOK 106 million to Hafslund's operating revenues, and NOK -107 million to profit before tax in the period from the acquisition to 31 December 2024.

If the acquisition had been completed on 1 January 2024, Hafslund's total operating revenues for the period 1 January to 31 December 2024 would have been NOK 14 432 million, and profit before tax NOK 8 541 million.

Hafslund Fiber AS
On 8 July 2024, the subsidiary Hafslund Celsio AS sold 100 per cent of the shares in Hafslund Fiber AS to Eidsiva Bredbånd AS, a subsidiary of Eidsiva Energi AS. The sale resulted in a gain for the Group of NOK 419 million, which is presented in the income statement as Other finance income/ costs.

In July 2024, an extraordinary dividend of NOK 550 million was approved and paid from Hafslund Celsio AS to the owners.

Industrial contracts with Elkem ASA
In December, an industrial contract was signed between Hafslund Kraft AS and Elkem ASA for the delivery of power in NO3 in the period 2028-2035. The contract is measured at fair value and is hedged as a cash flow hedge ("All-in-one hedge"), please see note 5.6 Derivatives and hedging for more information.

Note 2.1 Segment information

Operating segments are reported according to the same structure as the management reporting to the group's top decision maker - the senior executives. The Group has three operating segments; Power production, District heating and Growth and investments.

The different segments are mainly linked to three different companies, Hafslund Kraft with its hydropower business, Hafslund Celsio with its district heating business and Hafslund Vekst, which brings together the ownership of Eidsiva Energi and the other growth initiatives, including the development of onshore wind and solar energy.

Power production

The power production business operates and wholly or partially owns 81 hydropower plants. The power plants are mainly located in Vestland, Akershus, Buskerud, Oslo, Østfold and Innlandet and consist of both reservoir and run-of-river power plants. In 2025, Hafslund's share of the production was 18.3 TWh, including 1.0 TWh (0.3 TWh) from structural growth through the acquisitions of Tonstad Vindkraft AS and Sarpsfoss Limited in 2025. This is 3 per cent lower than the production in a normal year. Wind power consists of Tonstad Vindkraft AS with a total normal production of about 670 GWh in addition to the ownership of 20 per cent in the wind power plants Raskiftet and Kjølberget.

District heating

The district heating business owns and operates plants in the value chain from the final treatment of waste to the production, sale, and distribution of district heating. In 2025, the company sold 1.6 TWh (1.8 TWh) of district heating. The board of Hafslund Celsio took the final investment decision for the realisation of a carbon capture storage facility in Klemetsrud, Oslo in January 2025.

Growth and investments

The operating segment works with established and new growth initiatives within the renewable sector. Growth and investments engages in developing companies and new business opportunities within renewable energy using alternative technologies in Norway and the Nordics, in addition to industrial ownership in companies where Hafslund is not the majority owner.

In addition to the above-mentioned operating segments, the segment reporting includes Other businesses, consisting of Group eliminations and parts of the group that are not included in the other segments. Results from affiliated companies are presented in the respective operating segments Power production, District heating and Growth and investments, under operating profit. Transactions between the business areas are carried out in accordance with the arm's length principle.

Group management assesses the business areas' performance and profitability based on EBITDA, operating profit (EBIT) and profit after tax.

Specification of different revenue types per segment is given in note 2.2 Revenues and other income.

Note 2.1 Segment information
(cont.)

1 January - 31 December

	Power production		District heating		Growth and investments		Other		Group	
NOK million	2025	2024	2025	2024[1]	2025 [2]	2024	2025 [3]	2024	2025	2024
Sales revenue	13,098	11,047	2,415	2,349	-	-	-	-	15,513	13,395
Other gains/losses	441	600	-11	-21	-	-	-	-	430	580
Other operating income	702	105	32	60	34	23	-6	9	762	196
Revenues and other income	**14,242**	**11,751**	**2,436**	**2,388**	**34**	**23**	**-6**	**9**	**16,706**	**14,172**
Energy purchases and transmission costs	-294	-251	-928	-997	-2	-6	-	-	-1,223	-1,254
Salary and other personnel costs	-810	-671	-315	-317	-80	-93	-174	-139	-1,378	-1,221
Property tax and other imposed costs and compensations	-833	-757	-1	-4	-	-	-1	-1	-835	-762
Other operating costs	-482	-391	-510	-475	-58	-62	3	-42	-1,047	-970
Profit/loss from associated and joint ventures	34	25	-2	-2	289	330	-2	3	319	356
EBITDA	**11,857**	**9,707**	**681**	**592**	**183**	**192**	**-179**	**-170**	**12,542**	**10,321**
Depreciation and amortisation	-907	-770	-428	-415	-6	-2	-5	-4	-1,346	-1,191
Operating profit (EBIT)	**10,950**	**8,937**	**253**	**177**	**177**	**190**	**-184**	**-174**	**11,196**	**9,130**
Interest income	359	363	35	30	21	13	-49	-50	365	356
Interest expense	-800	-720	-345	-355	-349	-356	166	328	-1,329	-1,104
Other finance income/costs	-18	-31	-6	412	308	-30	-28	-4	255	347
Net financial items	**-460**	**-389**	**-317**	**87**	**-21**	**-374**	**89**	**274**	**-708**	**-401**
Profit before tax	**10,491**	**8,549**	**-64**	**265**	**157**	**-184**	**-95**	**100**	**10,488**	**8,729**
Income taxes	-6,298	-4,978	12	22	77	102	-77	-118	-6,286	-4,972
Profit after tax	**4,192**	**3,571**	**-52**	**286**	**234**	**-82**	**-172**	**-18**	**4,201**	**3,757**

[1] The result includes a gain from the sale of the Hafslund Fiber business amounting to 419 million NOK (Other financial income/expenses).
[2] Other financial income/costs include an accounting gain of NOK 275 million from the sale of the associate company Fredrikstad Energi AS (see note 1.6 Transactions and events in 2025).
[3] Negative revenue in the Other segment is due to elimination of group sales between the segments

Note 2.1 Segment information

(cont.)

31 December

NOK million	Power production 2025	Power production 2024	District heating 2025	District heating 2024	Growth and investments 2025	Growth and investments 2024	Other 2025	Other 2024	Group 2025	Group 2024
ASSETS										
Intangible assets	32,563	29,721	13,538	13,524	227	163	-1,396	-1,678	44,932	41,729
Property, plant and equipment	24,335	21,876	8,208	7,609	68	45	165	163	32,776	29,693
Associates and joint ventures	402	423	16	16	11,018	10,683	9	36	11,445	11,158
Other non-current assets	1,751	1,518	299	186	65	223	578	778	2,694	2,705
Non-current assets	**59,052**	**53,538**	**22,061**	**21,335**	**11,378**	**11,113**	**-645**	**-701**	**91,847**	**85,285**
Market-based financial instruments [1]	3,169	1,982	-	-	-	-	-	-	3,169	1,982
Cash and cash pool agreement	6,410	5,824	767	387	627	139	-302	-27	7,503	6,324
Other current assets	1,358	1,720	532	533	161	321	-105	-355	1,946	2,220
Current assets	**10,938**	**9,526**	**1,299**	**921**	**788**	**460**	**-407**	**-382**	**12,618**	**10,526**
Assets	**69,990**	**63,064**	**23,361**	**22,256**	**12,166**	**11,574**	**-1,052**	**-1,083**	**104,465**	**95,811**

NOK million	Power production 2025	Power production 2024	District heating 2025	District heating 2024	Growth and investments 2025	Growth and investments 2024	Other 2025	Other 2024	Group 2025	Group 2024
EQUITY AND LIABILITIES										
Equity	26,929	21,963	16,157	16,044	5,943	5,351	1,420	4,573	50,450	47,930
Non-current liabilities	35,131	34,100	6,293	5,561	6,006	6,004	-5,326	-9,576	42,104	36,089
Current liabilities	7,930	7,002	910	651	217	219	2,854	3,920	11,911	11,792
Equity and liabilities	**69,990**	**63,064**	**23,361**	**22,256**	**12,166**	**11,574**	**-1,052**	**-1,083**	**104,465**	**95,811**

[1] *Short-term liquidity investments have been reclassified from cash and cash equivalents to market-based financial instruments. Comparative figures has been restated accordingly.*

Note 2.2 Revenues and other income

Key accounting policies

The Group's revenues mainly comprise revenue from the sale of power in the wholesale market, concessionary power, industrial contracts, and results from financial power hedging.

The main principles for accounting of Hafslund's revenue streams are described below.

Sales revenue

Power revenue

Produced power is mainly sold through the Nord Pool spot exchange. In addition, the Group had a bilateral agreement with Fortum Hedging AS which ended in February 2024. The performance obligation is mainly power, and the transaction price is the consideration the Group expects to receive, at either spot price, regulated price or contractual price. The performance obligation is fulfilled over time, which means that the revenue is recognised for each unit delivered, at the transaction price. Hafslund applies a practical approach where power revenue is recognised at the amount that the entity is entitled to invoice. The right to invoice arises when the power is produced and delivered, and the right to invoice will normally correspond directly to the value for the customer. The Group takes the view that Nord Pool should be regarded as the customer since the Group has an enforceable contract with Nord Pool AS. The same was applied to Fortum Hedging AS. Power revenues from own production are presented gross in the income statement.

Power revenue also include sold guarantees of origin that Hafslund receives from qualifying production of electrical power. Revenue from the sales of guarantees is recognised at the time of delivery.

Concessionary power

The Group is obliged to deliver concessionary power to municipalities and county authorities at either a regulated Ministry of Energy price or at full cost. Concessionary power is recognised upon delivery based on the same principle as for other power sales.

Industrial contracts and fixed-price contracts to commercial customers

Hafslund has entered into fixed-price contracts for physical delivery of power - both bilateral agreements to industrial companies and fixed-price contracts to commercial customers. These industrial and fixed-price contracts to commercial customers are recognised upon delivery based on the same principles as for other power sales.

District heating revenue

Hafslund supplies residential and commercial buildings in Oslo with district heating. The performance obligation is the production and supply of district heating, which is considered fulfilled when it is received by the customer. Revenue from district heating is recognised in accordance with customers' measured consumption of district heating. For commercial buildings, condominiums and housing cooperatives, meter readings are made every hour. For private customers, monthly meter readings are made. District heating revenues are calculated by multiplying the measured consumption to customers by the current district heating tariffs for the period. Hafslund is responsible for the delivery of the entire service and has concluded that the distribution and sale of district heating are not separate delivery obligations.

Note 2.2 Revenues and other income
(cont.)

Connection fee
Connection fee is considered a separate delivery obligation and is recognised as income when heating is applied. Until the customer becomes connected, the fee is recognised in the statement of financial position as deferred income. Expenses related to the connection are capitalised until connection, and are expensed simultaneously with income recognition.

Waste management revenue
Revenues from waste management come from the fee the customer pays for Hafslund to receive waste. The fee is mainly calculated based on the quality and volume of waste received and there are variable elements in the pricing. Hafslund has an obligation to manage the waste, and this delivery obligation is fulfilled when the waste has been processed.

Delivery obligations and revenue recognition principles:

Performance obligation	**Revenue recognition principle**
Power revenue	Based on the right to invoice the customer (at the time of delivery)
District heating revenue	Based on the right to invoice the customer (at the time of delivery)
Waste treatment revenue	The time when the waste has been processed
Connection fee	The time of heat application (at the time of delivery)

Other gains/losses

Hedging of financial power contracts and foreign currency derivatives
Hafslund uses financial contracts to hedge future revenues from sale of hydropower in euro, and foreign currency derivatives to exchange settlements from hedges in euro to NOK. The Group applies hedge accounting on the basis portfolio for hedging of power revenues and district heating revenues, please see note 5.6 Derivatives and hedging.

Hedging inefficiencies and results from contracts that are not subject to hedge accounting are measured at fair value through profit or loss as Other gains/losses.

Financial power contracts
The group has a financial power contract as compensation for lost production at the Lutufallet power plant from Fortum. Hafslund receives financial compensation calculated based on 75.7 per cent of current annual production at the Lutufallet power plant multiplied by the actual spot price, less production costs. Lutufallet Power Plant has a normal annual production of 73 GWh. Revenue from the contract is presented as Other operating income. The contract is measured at fair value through profit and loss, and value adjustments are presented as Other gains/losses.

Note 2.2 Revenues and other income

(cont.)

1 January - 31 December

	Power production		District heating		Growth and investments		Other business		Group	
NOK million	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
REVENUES AND OTHER INCOME										
Power revenue	11,941	9,924	103	100	-	-	-	-	12,044	10,024
Concessionary power	225	200	-	-	-	-	-	-	225	200
Industrial contracts	407	509	-	-	-	-	-	-	407	509
Fixed-price contracts	526	413	-	-	-	-	-	-	526	413
Heat sales	-	-	1,970	1,902	-	-	-	-	1,970	1,902
Waste treatment sales	-	-	341	347	-	-	-	-	341	347
Sales revenue	**13,098**	**11,047**	**2,415**	**2,349**	**-**	**-**	**-**	**-**	**15,513**	**13,395**
Realised gains/losses power derivatives and foreign currency derivatives	226	627	-12	-135	-	-	-	-	214	492
Value adjustments power derivatives	-107	152	-	114	-	-	-	-	-107	266
Value adjustments currency derivatives	298	-181	-	-	-	-	-	-	298	-181
Trading	24	3	-	-	-	-	-	-	24	3
Other gains/ losses	**441**	**600**	**-11**	**-21**	**-**	**-**	**-**	**-**	**430**	**580**
Other operating income	702	105	32	60	34	23	-6	9	762	196
Other operating income	**702**	**105**	**32**	**60**	**34**	**23**	**-6**	**9**	**762**	**196**
Revenues and other income	**14,242**	**11,751**	**2,436**	**2,388**	**34**	**23**	**-6**	**9**	**16,706**	**14,172**

Note 2.3 Energy purchases and transmission costs

1 January - 31 December

NOK million	2025	2024
ENERGY PURCHASES AND TRANSMISSION COSTS		
Energy purchases and raw material costs	953	1,020
Transmission costs	271	234
Energy purchases and transmission costs	**1,223**	**1,254**

Energy purchases and raw material costs mainly consist of power and fuel consumed in the district heating segment. Transmission costs primarily relate to feed-in costs to the transmission grid.

Note 2.4 Salaries and other personnel costs

1 January - 31 December

NOK million	2025	2024
SALARIES AND OTHER PERSONNEL COSTS		
Wages and salaries	1,082	943
Employers national insurance contributions	150	141
Pension costs	124	117
Other personnel costs	23	20
Salaries and other personnel costs	**1,378**	**1,221**
Average number of full-time equivalents employed in the Group	927	856

Pension costs are discussed in more detail in note 7.2 Pensions.

Note 2.5 Property tax and other imposed costs

Key accounting policies

Property tax

Property tax is classified and recognised as operating expenses in the income statement in the year it is levied.

Concession fees

Concession fees are paid annually to the government and local authorities for the right to use waterfalls. Such fees are recognised as costs in the period to which they relate.

Fair value adjustment financial power obligations

Please see note 4.1 Other liabilities for a more detailed description of financial power obligations.

Regulation costs and financial power obligations

Please see note 4.1 Other liabilities for a more detailed description of financial power obligations.

1 January - 31 December

NOK million	2025	2024
PROPERTY TAX AND OTHER IMPOSED COSTS		
Property tax	347	327
Concession fees	124	121
Fair value adjustment financial power obligations	178	131
Regulation costs and financial power obligations	187	183
Property tax and other imposed costs	**835**	**762**

Property tax is calculated based on valuations determined in accordance with Section 8 of the Norwegian Property Tax Act. The tax rate is a maximum of 0.7 per cent.

Note 2.6 Other operating costs

1 January - 31 December

NOK million	2025	2024
OTHER OPERATING COSTS		
Maintenance [1]	614	526
Purchase of external services [1]	519	464
Office expenses	120	119
Insurance	62	46
Sales and marketing expenses	31	36
Reimbursement of operating expenses from part-owners [1]	-230	-190
Capitalised internal hours	-207	-141
Other items	138	109
Other operating expenses	**1,047**	**970**

[1] Costs related to maintenance and the purchase of external services should be considered in conjunction with the reimbursement of operating expenses to the co-owner. The net cost for 2025 amounted to NOK 903 million (NOK 800 million in 2024).

1 January - 31 December

NOK thousand	2025	2024
AUDITOR'S FEES		
Mandatory audit	6,086	6,609
Other assurance services [1]	3,918	1,827
Other non-audit fees	201	1,795
Total auditor's fees	**10,205**	**10,230**
Of which fees to group auditor [2]	9,794	7,895

[1] The *increase in other assurance services is mainly due to attestation according to EUs Corporate Sustainability Reporting Directive (CSRD).*
[2] *Hafslund changed its group auditor in 2025. Audit remuneration for the year comprised NOK 5,240 thousand payable to Deloitte (current auditor) and NOK 4,554 thousand payable to PwC (former auditor)*

The specification includes audit fee for the Group. Value added tax is not included in the specified audit fee.

Note 3.1 Intangible assets

Key accounting policies

Intangible assets are recognised at cost. Intangible assets with an indefinite useful life are not amortised but tested for impairment each year.

For detailed principles relating to the impairment of intangible assets, see note 3.3 Impairment testing.

Key estimates and assumptions

The hydropower business mainly has perpetual licences (no right of reversion to state ownership). Perpetual waterfall rights and wind power concessions are deemed to be perpetual and are not amortised. Non-perpetual licences are amortised. Concessions capitalised in the statement of financial position are wholly related to wind power. The waterfall rights are classified as intangible assets since the Group takes the view that acquired waterfalls do not have physical substance but that the Group has paid for the right to utilise future precipitation and snow melt to generate power.

Note 3.1 Intangible assets
(cont.)

NOK million	Note	Waterfall rights	Goodwill	Concessions	Other intangible assets	Intangible assets
2025						
Balance at 1 January		**17,480**	**20,609**	**3,410**	**49**	**41,548**
Additions		548	-	-	-	548
Addition Sarpsfoss	1,6	2,794	-	-	-	2,794
Transfer from facilities under construction	3,2	1	-	-	18	18
Amortisation		-20	-	-166	-7	-193
Other changes		-	-	-	1	1
Balance at 31 December		**20,804**	**20,609**	**3,244**	**61**	**44,716**
Cost		20,933	20,609	3,493	76	45,111
Accumulated amortisation		-124	-	-249	-15	-388
Accumulated impairment		-6	-	-	-	-6
Balance at 31 December		**20,804**	**20,609**	**3,244**	**61**	**44,716**
Depreciation period (number of years)		10-48/No depreciation	No depreciation	21	10	
2024						
Balance at 1 January		**17,500**	**20,121**	**-**	**6**	**37,626**
Additions		-	-	-	58	58
Addition Tonstad	1,6	-	753	3,493	-	4,246
Disposals		-	-264	1	-8	-271
Amortisation		-20	-	-83	-8	-111
Balance at 31 December		**17,480**	**20,609**	**3,410**	**49**	**41,548**
Cost		17,590	20,609	3,493	58	41,751
Accumulated amortisation		-104	-	-83	-9	-197
Accumulated impairment		-6	-	-	-	-6
Balance at 31 December		**17,480**	**20,609**	**3,410**	**49**	**41,548**
Depreciation period (number of years)		10-48/No depreciation	No depreciation	21	10	

Note 3.2 Property, plant and equipment

Key accounting policies

Property, plant and equipment is measured at cost less accumulated depreciation and impairment. Depreciation starts when the asset is available for use as management intended. Facilities under construction are reclassified to district heating plants, power stations and dam facilities when the asset is considered available for use, normally after successful test operation.The cost of property, plant and equipment is the purchase price, including levies/taxes and costs directly related to making the asset available for use.

Borrowing costs directly attributable to the procurement, design or production of qualifying assets are added to the cost. A qualifying asset is an asset that requires a long time to be prepared for its intended use or sale, for example a hydropower plant.

Expenses incurred after an operating asset has been taken into use, such as ongoing maintenance, are recognised in profit or loss, while other expenses (periodic maintenance) that are expected to generate future economic benefits are capitalised. The carrying amount of replaced parts is deducted and recognised in profit or loss.

Government grants are accounted for in accordance with IAS 20. Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the company will comply with the conditions attached to the grant.

Government grants are recognised at fair value when there is a reasonable assurance that the grant will be received, and the Group will comply with all relevant conditions. Government grants are deferred and recognised in the income statement to match with the related costs. Reimbursements and grants related to investments are accounted for as a reduction of investment cost and recognised in the income statement through reduced depreciation of the related asset. In 2025, the district heating business received government grants of NOK 260 million from Gassnova in relation to a carbon capture project. The grant has been recognised as a deduction from the cost of the related asset. In addition, the district heating business received grants from Enova in 2025 amounting to NOK 13 million, relating to certain other projects

The depreciation method and period is assessed annually, and any changes are recognised as changes in estimates.For details of impairment policies for property, plant and equipment, please see note 3.3 Impairment testing.

Key estimates and assumptions

Property, plant and equipment is depreciated over the asset's expected useful life. Expected useful lives are estimated based on experience, history and discretionary judgements relating to technical use and profitability and are adjusted to reflect any changes in expectations. Residual value is taken into account in determining depreciation, and assessment of residual value is also subject to estimates. Estimates of the useful lives of the Group's assets may be affected by the impacts of climate change, please see note 1.3 Climate risk

Provisions are not recognised for asset retirement obligations since there is no right of reversion to state ownership for the Group's hydropower plants. The exception applies in the case of relocation of dam facilities where there is an obligation to remove the existing facilities. For wind power plants a decommission obligation is recognised. Decommissioning cost is estimated and recognised as part of the cost at initial recognition, and is depreciated over the wind power plants expected useful life. Decommissioning cost represents Hafslund's best estimate to remove an asset at the end of its useful life and to restore the site on which it has been located.

Note 3.2 Property, plant and equipment
(cont.)

The extent of contractual commitments

The Group has entered into contractual commitments for the acquisition of property, plant and equipment and related assets. Within the power segment, contractual commitments are estimated to approximately NOK 4 000 million as of year-end 2025, with the largest commitment related to the Hemsil 3 project. In the district heating segment, contractual commitments are estimated to approximately NOK 4 900 million as of year-end 2025, primarily related to the carbon capture project.



Note 3.2 Property, plant and equipment

(cont.)

Discussion of key matters

The tables below also includes shareholdings in facilities that are owned through joint operations. Details of joint operations are given in note 3.6 Joint operations.

NOK million	Note	Power facilities	District heating facilities	Technical equipment and fixtures	Other property	Facilities under construction	Property, plant and equipment
2025							
Balance at 1 January		**18,638**	**4,165**	**4,314**	**558**	**2,018**	**29,693**
Additions		156	-2	22	66	2,742	2,984
Additions Sarpsfoss	1,6	1,217	-	-	20	35	1,272
Disposals		-4	-	-	-1	-59	-64
Transfer from facilities under construction	3,1	145	156	346	8	-672	-18
Depreciation		-576	-175	-316	-9	-1	-1,077
Impairment (-) / Reversal of impairment (+)		1	-	-10	-	-3	-11
Other items		-	-	-1	-	-2	-2
Balance at 31 December		**19,577**	**4,143**	**4,355**	**642**	**4,058**	**32,776**
Cost		33,260	4,749	5,610	816	4,251	48,686
Accumulated depreciation		-13,483	-605	-1,197	-175	-1	-15,461
Accumulated impairment		-200	-	-58	-	-191	-448
Balance at 31 December		**19,577**	**4,143**	**4,355**	**642**	**4,058**	**32,776**
Depreciation period (number of years)		40-100	10-40	3-30	100/No depreciation	No depreciation	

Note 3.2 Property, plant and equipment
(cont.)

NOK million	Note	Power facilities	District heating facilities	Technical equipment and chattels	Other property	Facilities under construction	Property, plant and equipment
2024							
Balance at 1 January		**17,023**	**4,068**	**4,482**	**562**	**1,465**	**27,600**
Additions		90	1	61	2	1,428	1,582
Addition Tonstad	1,6	1,791	-	-	-	-	1,791
Disposals		-88	-13	-91	-	-	-192
Transfer from facilities under construction		373	279	214	2	-868	-
Depreciation		-511	-170	-283	-9	-	-973
Impairment (-) / Reversal of impairment (+)		-41	-	-12	-	-	-53
Other items		-	-	-56	-	-7	-63
Balance at 31 December		**18,638**	**4,165**	**4,314**	**558**	**2,018**	**29,693**
Cost		31,750	4,596	5,243	721	2,206	44,515
Accumulated depreciation		-12,912	-431	-881	-163	-	-14,386
Accumulated impairment		-201	-	-48	-	-188	-437
Balance at 31 December		**18,638**	**4,165**	**4,314**	**558**	**2,018**	**29,693**
Depreciation period (number of years)		40-100	10-40	3-30	100/No depreciation	No depreciation	

Note 3.3 Impairment testing

Key accounting policies

Intangible assets with indefinite useful lives and goodwill acquired in business combinations are tested annually for impairment based on their carrying amounts as of the end of the third quarter. Impairment testing is performed at the asset level for those assets that generate independent inflows of cash, otherwise, impairment testing is performed for the cash-generating unit (the CGU), which is the smallest unit that has independent inflows of cash.

Other assets are monitored for indications of impairment at the end of each quarter, with a particular focus on those CGUs that have previously had limited robustness. If there are indications of impairment, an impairment test is performed. Whether there are indicators of impairment is a judgmental assessment where typical indicators of impairment may be negative permanent shifts in future power prices, increased discount rates, technological or regulatory changes.

Impairment testing is performed by estimating the recoverable amount, which is the higher of fair value less costs of disposal and value in use. Carrying amounts that exceed the recoverable amount are written down. An assessment is also made of whether there is a basis for reversing previously recorded impairment losses. Previous impairment losses of goodwill are not reversed.

Key estimates and assumptions

Cash-generating units (CGUs)

The Group's assets are split as follows into CGUs:

Business areas	Number of CGUs	Description
Hydropower	31	Hydropower plants located in the same watercourse and managed collectively to optimise power production are part of the same CGU. Beyond this, each individual power plant constitutes a separate CGU.
Onshore wind	3	Tonstad Vindkraft, Austri Raskiftet and Austri Kjølberget each constitute their own CGU.
District heating	1	The CGU consists of the district heating operations in Celsio and Hovinbyen Energy Hub.
Growth and investments	1	Eidsiva Energi AS constitutes the majority of the book values for the segment.

Estimates and assumptions

Estimating value in use

Value in use is estimated by projecting future cash flows after tax and discounting them using a discount rate after tax (WACC) for the relevant business area. The cash flows are normally explicitly projected for 5 years, based on management-approved forecasts, and then a terminal value is calculated with a long-term growth rate of 2 per cent, which corresponds to Norges Bank's long-term inflation target. For the district heating business, future cash flow are projected through 2040, as the carbon capture plant will become operational in 2029, and the project will receive government support during the first ten years of operation. The terminal year is set to 2040, which is considered the first year with normalised cash flows.

Note 3.3 Impairment testing
(cont.)

Projections of cash flows are based on the Financial Plan for the relevant business area with the exception of:

- future restructurings that the Group has not committed to, or communicated to those affected
- future unapproved investments that will increase earnings

The projection of cash flows is based on assumptions that constitute Management's best estimate. The assumptions involve the use of judgment and are subject to estimation uncertainty.

For the hydropower production business the most important inputs are future power prices, discount rate, future production volumes, prices for guarantees of origin and the level of operating costs. Future production volumes are based on the Group's long-term production plans.

For the district heating business assumptions related to regulatory conditions are also important inputs, such as the level of the incineration tax on fossil waste.

The Group prepares long-term price curves on a semi-annual basis that are reviewed by Group management. The long-term price curves are based on extensive analysis, and the results are benchmarked against external analysis agencies and other players in the power market. The process is under continuous development to capture developments in the Nordic and European power markets.

Effects that may result from climate change are reflected in the Group's long-term price curves. However, the effects of climate change are not considered to be significant for the estimation of value in use within an explicit projection period of 5 years.

The estimation of value in use uses observable prices 3 years ahead from the Nasdaq power exchange (system price and EPAD contracts), and then an interpolation to the Group's long-term price curves. The price curves are subject to estimation uncertainty.

Estimating costs of disposal
Estimating fair value is primarily based on multiples for comparable transactions. The Group uses observable multiples to the extent that these are available.

Estimating sales value is subject to estimation uncertainty. The multiples express the value of comparable assets, but not necessarily identical assets. For example, multiples for the value of a wind farm could be affected by which long-term power contracts have been entered into.

Expected costs of disposal are deducted from fair value to determine the estimated selling price.

Discount rates and estimation method

Business areas	Hydropower	Onshore wind	District heating	Growth and investments
Discount rate	5.9 % (5.9 %)	6.4% (6.4%)	5.8 % (5.8 %)	I/A
Estimation method	Value in use	Sales value/ Value in use	Value in use	Sales value

Note 3.3 Impairment testing
(cont.)

Results of impairment testing per business area

Hydropower
The impairment test shows that the carrying amounts of hydropower can be justified for all 31 CGUs, in most cases with considerable robustness. Sensitivity analyses do not indicate a need for impairment for 29 of the 31 CGUs in the event of either a 20 per cent decrease in power prices or a 10 per cent increase in required returns. For two smaller CGUs, the sensitivity analyses indicate limited robustness, although the carrying amount can still be supported.

Onshore wind
The impairment test shows that the carrying amounts of onshore wind are justified with reasonable robustness in the values. The valuation is based on the average transaction multiples observed in recent onshore wind transactions, measured per GWh. The sensitivity analysis indicates no sign of impairment even if the multiple is reduced by 10 per cent. A value in use assessment has also been carried out for the onshore wind assets, which supports that the carrying amounts can be sustained. Tonstad Vindkraft AS, which was acquired on 1 July 2024, accounts for the majority of the carrying amount.

District heating
The impairment test includes the cash flows from the carbon capture plant at Klemetsrud. The project was formally approved in January 2025. The test shows that the book values can be justified with reasonable robustness. In a scenario where the power price is reduced by 10 per cent, no impairment is indicated. In a scenario where the discount rate is increased by approximately 1.15 percentage points, the test indicates a decrease in value of around NOK 900 million.

Management follows up on indicators of impairment for the district heating business on a quarterly basis, and in particular factors related to changes in key framework conditions.

Growth and investments
The impairment test shows that the book values for Growth and investments can be justified with significant robustness in the values.

The overview below shows recognised values of at the end of the financial year:

NOK million	2025	2024
Property, plant and equipment	32,776	29,693
Goodwill	20,609	20,609
Waterfall rights	20,803	17,480
Onshore wind concessions	3,244	3,410
Right-of-use assets	408	312
Associates and joint ventures	11,445	11,158
Other intangible assets	61	49
Sum recognised value of tested assets	**89,346**	**82,711**

NOK million	2025	2024
GOODWILL ALLOCATION PER SEGMENT		
Hydropower	6,361	6,361
Onshore wind	753	753
District heating	13,474	13,474
Other	21	21
Sum goodwill	**20,609**	**20,609**

Intangible assets with indefinite useful lives consist of waterfall rights related to the hydropower business area and onshore wind concessions related to the onshore wind business area.

Note 3.4 Leases

Hafslund leases office premises, cars, other operating assets, and buildings for storing production equipment.

NOK million	Note	2025	2024
RIGHT-OF-USE ASSETS			
Right-of-use assets at 1 January		**312**	**311**
Adjustments		5	21
Additions		154	33
Depreciation		-64	-54
Right-of-use assets at 31 December		**408**	**312**
LEASE LIABILITIES			
Lease liabilities at 1 January		**324**	**321**
Adjustments		5	21
Additions		154	32
Lease payments		-71	-58
Interest		10	9
Lease liabilities at 31 December		**423**	**324**
Hereof current liabilities		76	55
Hereof non-current liabilities		347	269



Note 3.5 Associated and joint ventures

Key accounting policies

The Group's associates are entities over which Hafslund has significant influence, but not control. Significant influence will generally exist when the Group has a shareholding of between 20 and 50 per cent of the voting rights. Joint ventures are entities where Hafslund has joint control with one or more other owners. Associates and joint ventures are accounted for using the equity method in the consolidated financial statements.

The Group has 50 per cent ownership in the joint venture Eidsiva Energi AS and has two subsidiaries, Hafslund Kraft AS and Hafslund Invest AS, where a proportion of the subsidiaries is owned through the joint venture. The Group has chosen to apply the "look-through approach" when calculating non-controlling interests (see note 8.2 Non-controlling interests) and the recognition of the share of profit from the subsidiaries coming from the joint venture is treated consistently with this approach.

This means that the share of profit that applies to Hafslund Kraft AS and its subsidiaries Hafslund Kraft Innlandet AS and Tonstad Vindkraft AS, and Hafslund Invest AS is eliminated before the share of profit from the joint venture is included in the consolidated financial statements. Hafslund's opinion is that the "look-through approach" gives a more accurate picture of the Group's results and financial position, since under this approach double counting of results of subsidiaries where the joint venture has ownership interests is avoided.

None of the Group's associates or joint ventures are listed or have observable market values.

31 December 2025

Company name	Acquisition date	Registered office	Share-holding	Voting rights	Type of investment
Austri Kjølberget DA	2019	Våler	20%	20%	Associate
Austri Raskiftet DA	2019	Trysil/Åmot	20%	20%	Associate
Dingelsundet Energy AS	2022	Oslo	50%	50%	Joint venture
Eidsiva Energi AS	2019	Hamar	50%	50%	Joint venture
Eidsiva Hafslund Vind DA	2023	Hamar	50%	50%	Joint venture
Elaway AS	2021	Oslo	20%	20%	Associate
FastCharge AS	2023	Oslo	48%	48%	Associate
Hafslund Magnora Sol AS	2022	Oslo	40%	40%	Associate
NGK Utbygging AS	2014	Oslo	25%	25%	Associate
NorthConnect AS	2010	Kristiansand	22%	22%	Associate
NorthConnect KS	2011	Kristiansand	20%	20%	Associate
OF Energi AS	2022	Oslo	50%	50%	Joint venture
Skygard Holding AS	2023	Oslo	32%	32%	Associate
Smartwatt AS	2023	Oslo	20%	20%	Associate
Springboard Energy Systems AS	2022	Oslo	50%	50%	Joint venture
Utiliifeed AB	2025	Gøteborg	30%	30%	Associate
Volte AS	2022	Bergen	50%	50%	Joint venture

Note 3.5 Associated and joint ventures

(cont.)

NOK million	Eidsiva Energi AS	Other	Total
2025			
BALANCE AT 1 JANUARY	**9,760**	**1,398**	**11,158**
Share of profit after tax	413	-65	348
Depreciation excess values	-29	-	-29
Profit/loss from associates and joint ventures	**384**	**-65**	**319**
Associates and joint ventures' share of OCI	**47**	**3**	**50**
Additions	-	480	480
Disposals	-	-408	-408
Dividends received	-704	-13	-716
Dividends from Hafslund Kraft to Eidsiva Energi (treated as capital increase)	564	-	564
Other equity changes	-9	8	-1
Balance at 31 December	**10,043**	**1,403**	**11,445**

NOK million	Eidsiva Energi AS	Other	Total
2024			
BALANCE AT 1 JANUARY	**9,503**	**1,055**	**10,557**
Share of profit after tax	417	-33	384
Depreciation excess values	-29	-	-29
Profit/loss from associates and joint ventures	**389**	**-33**	**356**
Associates and joint ventures' share of OCI	**112**	**7**	**119**
Additions	-	386	386
Dividends received	-729	-	-729
Dividends from Hafslund Kraft to Eidsiva Energi (treated as capital increase)	426	-	496
Other equity changes	-10	-17	-27
Balance at 31 December	**9,760**	**1,398**	**11,158**

Eidsiva Energi is one of Norway's largest energy and technology groups, with operations in large parts of southern Norway. Eidsiva Energi owns 43.5 per cent of Hafslund Kraft and is the owner of Norway’s largest grid business, Elvia. The headquarters is located in Hamar. The company is owned by Hafslund Vekst AS (50 per cent), Innlandet Energi Holding AS (49.4 per cent) and Åmot municipality (0.6 per cent).

Note 3.5 Associated and joint ventures

(cont.)

The table on the right summarises the financial information of Eidsiva Energi, as presented in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. Hafslund applies the "look-through approach" when recognising the ownership in Eidsiva Energi under the equity method. This means that the effect of the indirect ownership of subsidiaries is eliminated to avoid double counting in Hafslund's consolidated financial statements. The table also shows a reconciliation of the Group's carrying amount of its ownership interest in Eidsiva Energi.

NOK million	2025	2024
Non-current assets	**43,838**	**42,011**
Cash and cash equivalents	1,216	1,453
Short-term receivables and financial current assets	3,502	2,971
Current assets	**4,718**	**4,424**
Non-current financial liabilities	-17,375	-15,903
Other non-current liabilities	-5,975	-6,206
Non-current liabilities	**-23,350**	**-22,109**
Current financial liabilities [1]	-2,414	-1,517
Other current liabilities	-2,707	-3,289
Current liabilities	**-5,121**	**-4,806**
Net assets (100 %)	**20,085**	**19,520**
Carrying amount of interest (50 %) in Eidsiva Energi at 31 December	**10,043**	**9,760**
Revenues and other income	10,212	10,133
Depreciations and amortisation	-1,728	-1,657
Interest income	216	124
Interest expense	-906	-906
Income taxes	-236	-236
Profit after tax	**769**	**778**
Other comprehensive income	94	224
Total comprehensive income	**863**	**1,002**
The Group's share (50 %) of total comprehensive income 1 January - 31 December	**431**	**501**

[1] Excluding accounts payable

Note 3.6 Joint arrangements and Joint operations without joint control

Key accounting policies

The Group co-operates with other parties in the development and operation of power plants which are arranged as either a company with divided liability or as a co-ownership. These joint arrangements are split between joint ventures, joint operations and joint operations without joint control. For the two latter arrangements, the owner companies are entitled to dispose of their relative share of the power production after the deduction of commitments to deliver concessionary power and the like.

Joint arrangements

A joint arrangement is an arrangement where two or more parties have joint control. Joint control is achieved when decisions about relevant activities require unanimity between the parties that share control. Investments in joint arrangements are classified as either joint operations or joint ventures. Joint ventures are arrangements where the joint venturers are entitled to the net assets and dividends of the arrangement instead of rights to dispose of their proportionate share of the power production and the obligation to cover a share of the costs. Here, the owner companies do not dispose of their proportionate share of the power production. Joint ventures are accounted for using the equity method, please see note 3.5 Associates and joint ventures.

Joint operations are arrangements under which the joint operators have rights to the assets and a responsibility for the obligations, and the right to dispose of their share of the power production and the obligation to cover a share of the costs so that there is a gross settlement of revenues and costs from the arrangement.

For joint operations, the Group accounts for its interest in the arrangement's assets, liabilities, revenues and costs. The Group's interest normally coincides with the ownership share.

Joint operations without joint control

Some power plants are organised as either a company with shared liability (DA) or as a co-ownership without joint control. Ownership in these power plants entails that the Group has the right to dispose its share of the power production and an obligation to cover its share of the costs and owns a share in the assets and a share of the liabilities. These arrangements are referred to as joint operations without joint control, and are accounted for in the same manner as joint operations.

Significant estimates and assumptions

The Group considers the rights and obligations that arise from each arrangement and especially evaluates if there is a net or gross settlement of revenues and costs. The Group also assesses whether there is joint control if unanimity is required. The considerations sometimes require judgement and the interpretation of underlying agreements, but the Group also considers how the arrangements are operated in practice.

Note 3.6 Joint arrangements and Joint operations without joint control

(cont.)

The Group has an interest in the following joint operations and joint operations without control:

31 December 2024/2025

Company name	Registered office	Shareholding	Voting rights	Classification
The Glommens og Laagens Water Management association [1]	Lillehammer	-	74%	Joint operations w/o joint control
The Hallingdal Watercourse Water Management Association	Oslo	-	65%	Joint operations w/o joint control
The Bægna Watercourse Water Management Association [2]	Hønefoss	-	41%	Joint operations w/o joint control
The Aurland power plants [3]	Oslo	93%	-	Joint operations w/o joint control
Storbrofoss Kraftanlegg DA [4]	Lillehammer	80%	-	Joint operations w/o joint control
Opplandskraft DA	Lillehammer	75%	-	Joint operations w/o joint control
Rosten Power Plant	Lillehammer	72%	-	Joint operations w/o joint control
Lya Power Plant	Oslo	70%	-	Joint operations w/o joint control
Solbergfoss Power Plant	Oslo	67%	-	Joint operations
Usta Power Plant	Oslo	57%	-	Joint operations w/o joint control
Nes Power Plant	Oslo	57%	-	Joint operations w/o joint control
Øvre Otta DA	Lillehammer	55%	-	Joint operations
Nedre Otta DA [5]	Lillehammer	50%	-	Joint operations
The Embretsfoss Power Plants DA	Drammen	50%	-	Joint operations
Power Plants in Orkla	Rennebu	12%	-	Joint operations w/o joint control
The Uvdal Plants	Porsgrunn	10%	-	Joint operations w/o joint control

[1] The voting right includes the companies Hafslund Kraft AS, Hafslund Kraft Innlandet AS, Hafslund Produksjon AS, Sarp Kraftstasjon AS, Sarpsfoss Ltd and interests in the jointly owned companies Opplandskraft DA, Vinstra Kraftselskap DA and Øvre Otta DA.
[2] The voting right includes the company Hafslund Kraft Innlandet AS and Storbrofoss Kraftanlegg DA.
[3] The Group has announced that it wishes to redeem the option for 7 per cent shareholding from Statkraft in 2029 at market price.
[4] The Group has an 80 per cent ownership in Storbrofoss Kraftanlegg DA but has rights to 100 per cent by agreement until 2050. Storbrofoss Kraftanlegg has a 20 per cent ownership in Bagn Kraftverk DA.
[5] Sel and Vågå municipality has a withdrawal right in Hafslunds which makes Hafslund's actual share 47 per cent. Sel and Vågå municipality do not have ownership in the joint operation.

Note 4.1 Other liabilities

Key accounting policies

Liabilities related to power production

Under various agreements, the Group is obliged to pay compensation and supply free power to compensate for the inconvenience of using the waterfall and the land for hydropower production. The liabilities for annual compensation and free power are classified as non-current liabilities in the line-item Other liabilities. The contra entry is waterfall rights, which are classified as intangible assets. The effect from changes in the liability is presented in the income statement as Property tax and other imposed costs, please also see note 2.5 Property tax and other imposed costs.

Power obligations – net financial settlements
Power obligations which depend on the power price and are settled financially, are recognised at fair value with subsequent measurement at fair value through profit or loss. The liability includes grid rentals for those contracts where the Group also is committed to covering those costs for the recipient, and value added tax where this becomes a cost for the Group.

Power obligations – settled in kind
Contracts related to the physical delivery of power at NOK 0 are not financial instruments. The Group recognises a provision equal to the present value of the full cost of delivering the power.

Power obligations with financial settlement that are CPI-adjusted
The Group has financial power obligations with fixed annual amounts that are CPI-adjusted. The liabilities are recognised at fair value with subsequent measurement at amortised cost.

Concessionary power
The Group has been awarded perpetual licences relating to the development and operation of hydropower plants and, as a result of this, the Group has annual obligations to supply concessionary power to municipalities and counties. Parts of the commitment are covered by physical deliveries, while parts have established a practice involving a financial settlement, where the Group pays the difference between the spot price and the concessionary power price to the party entitled to concessionary power. At the end of 2025, concessionary power supplied in return for financial consideration added up to a total volume of 111 GWh (99 GWh). Concessionary power is not recognised as a liability in the statement of financial position.

Other liabilities

CCS Finansiering AS, a company wholly owned by the City of Oslo, has invested preference capital in Hafslund Celsio. As of 31 December 2024, 60% of the preference capital (corresponding to the Hafslund Group's ownership share in Hafslund Celsio AS) was classified as a liability under the line item 'Other liabilities'. From the 2025 financial year onwards, the preference capital is presented in full as equity under 'Preference shares – Non- controlling interests'. Comparative figures have not been restated. See the Consolidated statement of changes in equity and note 8.2 Non- controlling Interests for further information.

Other liabilities that do not depend on the power price are recognised at fair value with subsequent measurement at amortised cost.

Note 4.1 Other liabilities

(cont.)

31 December

NOK million	2025	2024
FINANCIAL LIABILITIES TO LANDOWNERS		
Free power - settled in cash	1,273	590
Cash compensation to landowners	1,465	1,418
Financial liabilities to landowners	**2,739**	**2,009**
INDUSTRIAL CONTRACTS AND OTHER LIABILITIES		
Industrial contracts	2,912	3,492
Removal obligation	102	23
Other liabilities	77	256
Industrial contracts and other liabilities	**3,091**	**3,771**
PROVISIONS FOR LIABILITIES TO LANDOWNERS		
Free power - settled in kind	46	26
Provisions for liabilities to landowners	**46**	**26**
Total other liabilities	**5,875**	**5,806**

Other liabilities are mainly industrial contracts measured at fair value, with a negative value. Please see note 5.5 Fair value for a more detailed description.

Note 4.2 Guarantees

The Group purchases bank guarantees to secure certain liabilities. As of 31 December 2025, these guarantees amounted to NOK 77 million in employee tax deduction guarantees (NOK 74 million) and NOK 49 million in other guarantees (NOK 30 million).

Hafslund AS has issued parent company guarantees on behalf of Hafslund Celsio AS and Hafslund Produksjon AS which amounted to NOK 1 598 as of 31 December 2025 (NOK 1 680 million). Further, Hafslund Kraft AS has issued parent company guarantee on behalf of Tonstad Vindkraft AS which amounted to NOK 592 million as of 31 December 2025 (NOK 590 million).

Note 5.1 Financial instruments

Key accounting policies

Financial instruments are recognised when the Group becomes a party to the contractual terms of the instrument.

Classification and measurement

Financial assets and liabilities are classified into three categories:

- amortised cost,
- fair value through other comprehensive income and
- fair value through profit or loss.

The classification depends on the method of initial recognition and the valuation is based on the Group's business model for management of its financial instruments and the characteristics of the cash flows for the individual financial instrument. Financial instruments are not reclassified after initial recognition unless the Group changes its model for the management of its financial assets.

Amortised cost

Financial assets that the Group holds to collect contractual cash flows are recognised at fair value and subsequently measured at amortised cost. The main instruments in this category are trade receivables, other receivables and cash and cash equivalents.

Financial liabilities are recognised at fair value and as a main rule subsequently measured at amortised cost. Financial liabilities such as CPI-adjusted cash compensations to land owners, trade payables, bond loans, commercial papers and other loans are classified as amortised costs.

Fair value through other comprehensive income

The financial instruments that are measured at fair value with changes in value through other comprehensive income are part of the Group's hedge accounting. This includes the Group's hedging of sales from hydropower and district heating, industrial contracts that do not qualify for the own-use exemption, and contracts for swapping currency for loans denominated in foreign currency to Norwegian kroner. For all these instruments changes in value that are considered to be effective hedging are presented through other comprehensive income. Hedge accounting is further described in note 5.6 Derivates and hedging.

For financial liabilities, changes in fair value attributable to changes in inherent credit risk are recognised through other comprehensive income, while the remaining change in value is recognised through profit or loss.

Fair value through profit or loss

Financial assets that are neither measured at amortised cost nor at fair value through other comprehensive income are measured at fair value through profit or loss. This primarily applies to financial power contracts and currency futures that are not a part of the Group's hedge accounting.

Financial liabilities that are not classified at amortised cost or that are not designated as hedging instruments are initially recognised at fair value and subsequently at fair value through profit or loss. This mainly applies to an industrial contract with variable volume, financial liabilities that vary with the price of electricity and currency futures that are not included in the Group's hedge accounting.

Note 5.1 Financial instruments
(cont.)

Derecognition of financial instruments

A financial asset is derecognised if one or more of the following criteria applies:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to collect cash flows from the asset and the Group has transferred all substantive risks and rewards relating to the instrument.
- The Group has transferred its rights to collect cash flows from the asset and the Group has not transferred or retained all substantive risks and rewards relating to the instrument but has transferred control of the asset.

A financial liability is derecognised when it has been redeemed, cancelled or matures. When an existing financial liability is replaced by another liability to the same lender on materially different terms, or the provisions for an existing liability have changed significantly, this is treated as a cancellation of the original liability and a new liability is recognised. The difference between the carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset, and there is an intention to settle the asset and liability net.

31 December

NOK million	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
2025				
FINANCIAL ASSETS				
Other non-current receivables	674	116	363	1,153
Non-current derivatives	109	552	-	661
Current derivatives	72	30	-	101
Trade receivables	-	-	622	622
Other interest-bearing current receivables	-	-	263	263
Other current receivables	-	19	899	918
Market-based financial instruments	3,169	-	-	3,169
Cash and cash equivalents	-	-	7,503	7,503
Financial assets	**4,023**	**717**	**9,649**	**14,390**
FINANCIAL LIABILITIES				
Current interest-bearing debt	-	-	3,067	3,067
Non-current interest-bearing debt	-	-	23,348	23,348
Current derivatives	39	1	-	40
Non-current derivatives	99	-	-	99
Other liabilities	1,273	31	1,369	2,673
Trade payables	-	-	861	861
Short-term lease liabilities	-	-	76	76
Long-term lease liabilities	-	-	347	347
Other current non interest-bearing liabilities	-	7	2,181	2,188
Financial liabilities	**1,412**	**39**	**31,248**	**32,699**

Note 5.1 Financial instruments
(cont.)

31 December

NOK million	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
2024				
FINANCIAL ASSETS				
Non-current receivables	875	-	416	1,291
Non-current derivatives	-	756	-	756
Current derivatives	25	316	-	341
Trade receivables	-	-	669	669
Other current receivables	-	-	653	653
Market-based financial instruments	1,982	-	-	1,982
Cash and cash equivalents	-	-	6,324	6,324
Financial assets	**2,882**	**1,072**	**8,559**	**12,513**
FINANCIAL LIABILITIES				
Current interest-bearing debt	-	-	4,369	4,369
Non-current interest-bearing debt	-	-	18,498	18,498
Current derivatives	51	9	-	60
Non-current derivatives	114	62	-	176
Other liabilities	3,709	373	1,600	5,682
Trade payables	-	-	462	462
Short-term lease liabilities	-	-	55	55
Long-term lease liabilities	-	-	269	269
Other current non interest-bearing liabilities	-	-	1,777	1,777
Financial liabilities	**3,874**	**444**	**27,031**	**31,349**

Offsetting futures derivatives

The table below shows the gross values of futures derivatives and futures settlements offset in the statement of financial position.

31 December

NOK million	2025	2024
FUTURES DERIVATIVES AND FUTURES SETTLEMENTS		
Fair value futures derivatives	327	404
Futures settlements	-327	-404
Recognised value futures derivatives and futures settlements	**-**	**-**

Note 5.2 Interest-bearing debt

31 December

NOK million	2025	2024
Interest-bearing debt, long-term		
Bank loans	3,870	2,870
Bond loans	9,285	4,950
Private placement in foreign market	5,340	5,861
Subordinated loans	3,347	3,347
Lease obligations	347	269
Other long-term loans	1,600	1,600
Total interest-bearing loans, long-term	**23,788**	**18,897**
Interest-bearing debt, short-term		
Bank loans	249	629
Certificate loans and bond loans	490	1,000
Private placement in foreign market	252	-
Subordinated loans	2,075	2,075
Lease obligations	76	55
Other short-term loans	-	665
Total interest-bearing loans, short term	**3,142**	**4,424**
Carrying amount of interest- bearing debt related to fair value hedges	-92	-130
Interest-bearing debt, balance at 31 December	**26,838**	**23,191**

Loans denominated in foreign currency are hedged into Norwegian kroner by entering combined interest and currency swaps which exchange the principal payments in foreign currency to principal payments in Norwegian kroner. The table above shows the value of the loan translated at the exchange rates at the reporting date, before the effect of combined interest and currency swaps.

The Group has three subordinated loans from CCS Finansiering AS, a company 100 per cent owned by the City of Oslo. Please also see note 9.1 Related party transactions. The Group has three subordinated loans from CCS Finansiering AS, including a subordinated loan of NOK 2,075 million maturing in 2042. This loan is different from the other two loans as the creditor can make a claim for payment of an extraordinary instalment corresponding to any payment obligation that the City of Oslo or CCS Finansiering AS has in connection with the external financing of the CCS project. For this reason, the loan is classified as current interest-bearing debt as of 31 December 2025.

NOK million	2025	2024
CHANGES IN INTEREST-BEARING DEBT		
Interest-bearing debt at 1 January	**23,191**	**20,785**
Loan proceeds	9,611	6,746
Repayment of interest-bearing debt	-5,856	-6,068
Sum of changes cash flow from financing activities	**3,755**	**678**
Changes without cash effect		
Increase in interest-bearing debt without cash effect	-	1,546
Effect of currency fluctuations (without cash effect)	-237	198
Effect of fair value hedges (without cash effect)	38	-20
Additions/disposals leasing	99	3
Other changes without cash effect	-8	1
Sum changes without cash effect	**-108**	**1,728**
Interest-bearing debt at 31 December	**26,838**	**23,191**

As of 31 December 2025, Hafslund had interest-bearing debt of NOK 26,415 million (excluding. leasing), of which NOK 3,067 million was current. In 2025, the Group repaid interest-bearing debt of NOK 5,856 million and raised new interest-bearing debt of NOK 9,611 million.

Other movements are related to foreign currency effects by translating loans in foreign currency to NOK in addition to effects of fair value hedges.

Note 5.3 Maturity structure financial liabilities

The table shows undiscounted cash flows by interval. Combined interest rate and currency exchange contracts that swap payments of principal amounts in foreign currency with payments of principal amounts in Norwegian kroner are included in the table regardless of whether the agreements are classified as a liability or an asset in the statement of financial position. Consequently, the table shows the net principal amount paid in Norwegian kroner.

The maturity structure for liabilities relating to landowner compensation and free power has not been included in the table below since these are mainly perpetual contracts. Industrial contracts with a negative fair value is excluded from the maturity structure below as the contracts entail physical delivery of power.

31 December

NOK million	Within 12 months	1 to 3 years	3 to 5 years	From 5 years	Total
2025					
FINANCIAL LIABILITIES RELATED TO DERIVATIVES					
Combined interest and currency derivatives	-109	-61	-26	-342	-538
Interest swaps	42	85	59	107	294
Power derivatives	16	-1	-	-	16
Currency futures	30	43	34	2	109
Derivative financial liabilities	**-20**	**66**	**67**	**-233**	**-120**
OTHER FINANCIAL LIABILITIES					
Non-current interest-bearing debt	-	4,796	4,395	14,260	23,450
Current interest-bearing debt	3,066	-	-	-	3,066
Interest payments	1,285	2,444	2,017	6,904	12,651
Trade payables and other current liabilities	3,056	-	-	-	3,056
Lease liabilities	85	143	79	255	562
Non-derivative financial liabilities	**7,491**	**7,383**	**6,491**	**21,419**	**42,784**

Note 5.3 Maturity structure financial liabilities *(cont.)*

31 December

NOK million	Within 12 months	1 to 3 years	3 to 5 years	From 5 years	Total
2024					
FINANCIAL LIABILITIES RELATED TO DERIVATIVES					
Combined interest and currency derivatives	-	-141	-126	-500	-767
Interest swaps	18	35	27	-	80
Power derivatives	4	-	-	-	4
Currency futures	57	80	76	24	238
Derivative financial liabilities	**79**	**-25**	**-24**	**-475**	**-446**
OTHER FINANCIAL LIABILITIES					
Non-current interest-bearing debt	-	2,764	3,596	12,268	18,628
Current interest-bearing debt	4,369	-	-	-	4,369
Interest payments	1,135	2,094	1,829	6,853	11,911
Trade payables and other current liabilities	2,239	-	-	-	2,239
Lease liabilities	64	89	79	140	372
Trade payables and other current liabilities	-	-	-	182	182
Non-derivative financial liabilities	**7,807**	**4,947**	**5,505**	**19,442**	**37,702**



Note 5.4 Financial risk management

Hafslund's business is exposed to risk in several areas across the portfolio. Risk management is an integral part of the Group's business activities and is designed to secure achievement of strategic and operational goals. Guidelines and frameworks are established for the management of risk in the different business segments. The Group's overall risk is assessed by the Risk and Audit Committee and the Board of Directors. The purpose of risk management is to take the right risk based on the Group's risk capacity and ability, expertise, solvency and development plans.

Market risk

As a power producer and district heating provider, Hafslund is exposed to fluctuations in market prices as part of the business model. Managing this risk involves actively participating in the power market.

Power price fluctuations, together with factors that affect production volumes, will be of significant importance for financial results. The Group manages risk through utilisation of water resources in the reservoirs, optimisation of district heating production and from entering physical and financial contracts. Strategies, systems and reporting routines have been established to manage market risk on the Group level and in Group companies. Exposure shall be kept within defined limits and risk management is followed up through reporting to Management and the Board of Directors.

Prices for part of the future hydropower production and district heating sales are hedged within approved limits. Trading with the aim of making a profit is subject to its own limits. Hedge ratios may vary, based on an overall assessment of risk tolerance, market prices and developments in factors that may impact production. Both contracts for physical delivery, as well as financial contracts, are used in power price hedging. Physical contracts that meet certain criteria are included in the calculation of the resource rent tax for the Group's hydropower companies. Financial contracts are not eligible for the same exemption. The Group's hedging strategy takes into account current tax laws for resource rent taxation. An increase in the spot price for power should have a neutral or positive effect on expected cash flows after taxes.

Financial instruments that may be used to hedge future power production include bilateral price hedging agreements, futures and forward contracts, EPADs (Electricity Price Area Differentials) and options. Hafslund achieves area prices for physical power sales. The use of hedging instruments with other price references could reduce the effectiveness of hedges due to deviations between price reference and the area price where the Group has power production.

The foreign exchange market is used to manage market risk derived from hedging where the value of hedged production can be fully or partly hedged from euro to Norwegian kroner using currency futures.

The Group has the following exposure and sensitivity from financial power contracts at +/- 30 per cent change in power prices:

31 December

Financial power contracts	**Fair value**		
NOK million	**2025**	**+30 %**	**-30 %**
Financial power contracts [1]	383	-1,045	1,045
Industrial contracts	98	-1,012	1,012
Other financial power contracts	553	195	-195
Total effect on profit after tax		**108**	**-108**
Total effect on equity		**-1,097**	**1,097**

[1] The figure shows fair value of power derivatives before offsetting futures settlements. Please see note 5.1 Financial instruments for futures derivatives and futures settlements offset in the statement of financial position.

Note 5.4 Financial risk management
(cont.)

Regulatory risk

Hafslund is impacted by changes to framework conditions within a number of areas. Changes in Group companies' framework conditions could have a significant impact on the Group's financial results. The structure of the tax system is particularly important for the Group's future investments. The power production business is highly vulnerable to changes in tax legislation and market regulation.

The district heating business is tightly regulated, and pricing of district heating is governed by the Energy Act. District heating businesses that utilize waste heat from waste incineration are subject to an incineration tax. In 2025, the incineration tax on fossil waste varied during the year, with a rate of NOK 908 per tonne of CO_2 until 31 July and NOK 830 per tonne of CO_2 from 1 August. The government has announced that any further increase in the tax will be considered in connection with a review of the framework conditions for waste incineration and the EU Commission's assessment of including the sector in the emissions trading system. Changes in the tax level may have a material impact on the profitability of the companies.

Interest rate risk

Hafslund is mainly exposed to interest rate risk through its financing activities in Norwegian kroner and foreign currency (note 5.2 Interest-bearing debt). The Group's operating revenues and cash flows from operations are also to some degree sensitive to interest rate fluctuations. The Group is exposed to fluctuations in interest rates because some of its interest-bearing debt has floating interest rates. This exposure is primarily managed by borrowing with either fixed or floating interest rates, and/or using interest rate swaps from fixed to floating interest rates or vice versa.

The Group's loan portfolio has the following distribution of floating and fixed interest rates:

31 December

Distribution of fixed and floating interest rate on the Group's loan portfolio [1]	**Nominal amounts**	**Nominal amounts**
NOK million	**2025**	**2024**
FIXED INTEREST RATE		
Debt with fixed interest rate	10,431	7,044
Effect of interest rate swaps	-3,400	-2,263
Loan amount with fixed interest rate after effect of interest rate swaps at 31 December	**7,031**	**4,781**
FLOATING INTEREST RATE		
Debt with floating interest rate	8,285	7,535
Effect of interest rate swaps	3,400	2,263
Loan amounts with floating interest rate after effect of interest swaps	**11,685**	**9,798**

[1] *The table above is exclusive of subordinated loans and shareholder loans.*

Based on the Group's interest rate exposure at 31 December 2025, a change in interest rates of +/- 0.5 percentage points over the entire curve would result in a change in the Group's profit after tax of approximately -/+ NOK 46 million (NOK 38 million).

At year-end 2025, NOK 11,685 million (NOK 9,798 million) of the Group's debt was quoted with NIBOR as reference rate including the effect of interest rate swaps. This means that a change from NIBOR to an alternative reference rate would impact the Group's interest rate exposure. The Group monitors the ongoing discussion and will consider the consequences closely if a more detailed suggestion regarding NIBOR emerges.

Note 5.4 Financial risk management
(cont.)

Hafslund is exposed to a limited scope of indirect interest rate risk in relation to currency and power derivatives. No correlation has been observed between the interest rate level and prices in the power market.

Currency risk

The Nordic power markets use euro as a trading and clearing currency. This means that the Group receives most of its power revenues from physical and financial trading in euro. Revenues from district heating and most of the Group's incurred costs are in Norwegian kroner. Hafslund uses foreign exchange forwards to reduce/hedge the consequences of mismatches in euro revenues and costs in Norwegian kroner. Foreign exchange hedging is performed for the future sales of power that is hedged. Spot sales of power are recognised at the foreign exchange rate at the time of the transaction. Other transactions denominated in foreign currency are recognised using the transaction rate. Power production is mainly sold via the Nord Pool Spot exchange. Power is sold in euro which is converted to Norwegian kroner on an ongoing basis. In the event of major investments in foreign currency, currency hedging is assessed on the basis of total currency exposure and other relevant factors.

Principal payments for non-current loans denominated in foreign currency are hedged into principal payments in Norwegian kroner by entering combined interest rate and currency swap agreements at the time of initial borrowing. Monetary items and borrowings in foreign currency are measured at the rate at the balance sheet date. Currency losses or gains are recognised in profit or loss as a currency gain or currency loss, unless the item is part of an accounting hedge, and the hedge is effective (see note 5.6 Derivatives and hedging). Any ineffectiveness is recognised in profit or loss. The Group has entered combined interest rate and currency swaps to reduce currency exposure on borrowings in foreign currency. Fluctuations in foreign currency against Norwegian kroner will therefore not materially impact the Group's borrowing costs.

Credit risk

The Group is exposed to credit risk mainly through trade and other current receivables within its core activities (note 5.10 Trade and other receivables) as well as counterparty risk on entering derivative contracts (note 5.6 Derivatives and hedging).

The Group's main counterparties for continuous physical power transactions are Nord Pool and Statnett. Hafslund also sells district heating and incineration services to a large portfolio of customers, both public and private. Historically, losses on receivables for the business have been very low. The Group has also entered long term bilateral industrial contracts with physical delivery to Norwegian industrial players. Hafslund offers physical fixed-priced contracts with duration of 3, 5 or 7 years to commercial customers either directly or through third parties. Trading in power derivatives consists of both bilateral trading and cleared trading on organised marketplaces (Nasdaq OMX Commodities / Euronext Nordpool and the European Energy Exchange). For bilateral financial power derivatives, agreements have been entered into that allow for offsetting gains against losses with all counterparties. The Group also sell green certificates related to power production directly, or through third parties. In the district heating business, bilateral agreements are entered into with future delivery of various fuels, which implies risks related to defaults on deliveries. Agreements have also been entered into for the sale of certificates for capture and storage of CO_2.

Credit risk is limited through diversification and by determining a lower limit for approving the creditworthiness of counterparties. Strategies, systems and reporting routines have been established to manage counterparty risk on the Group level and in group companies.

Note 5.4 Financial risk management

(cont.)

The Group assesses credit risk for its actual exposures on an ongoing basis. Counterparties in new contractual arrangements are subject to counterparty assessments. Interest rate and currency derivatives are only entered into with banks with a minimum “investment grade” rating.

Project risk

Hafslund manages project risk across several parts of the business, with a broad portfolio of investments in renewable energy, as well as rehabilitation and further development of existing hydropower plants. Over time, the project portfolio has developed in scope and complexity, which places increased demands on capital allocation and execution capability. In 2025, the Group continued several dam rehabilitation projects, reached final investment decision and commenced building of the hydropower plant Hemsil 3, and new initiatives within hydropower and related infrastructure were developed. Hafslund has ownership interests in several hydropower projects in various stages of planning and development. Through its ownership interest in Hafslund Celsio AS, the Group is currently building a full-scale carbon capture plant in Oslo.

High activity levels in the energy sector, limited supplier capacity and increased requirements related to documentation, standards and safety may contribute to an increased risk of cost overruns, delays and changes in project assumptions. To address increasing project activity and complexity, Hafslund has further developed its approach to project risk management and project control. Project execution is based on established project execution models within the individual subsidiaries, adapted to different project types, supporting predictability in both financial outcomes and project progress. Increased emphasis is systematically placed on clear maturity requirements and decision gates prior to investment decisions, as well as ongoing prioritization and portfolio management of projects.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to service its financial liabilities as they mature. The Group is exposed to liquidity risk to the extent that cash flows from operations do not correspond with financial liabilities. Cash flows fluctuate in line with factors such as market prices, seasonal variations, and investment levels. Through Eidsiva Energi, Hafslund has 50 per cent ownership in Norway's largest grid company Elvia, which over time contributes to stable earnings.

The Group’s strategy for managing liquidity risk is always to maintain sufficient liquid funds and unused credit lines so that financial liabilities can be redeemed at maturity, including for extraordinary events, without risking unacceptable financial or reputational loss. Liquidity risk arising from participation in trading financial derivatives on organized marketplaces is subject to separate frameworks. Hafslund has certain drawing rights and purchases services from third parties to help mitigate ongoing needs for cash collateralization.

The maturity structure for debt and other financial liabilities, including derivatives and other current liabilities are presented in note 5.3 Maturity structure financial liabilities. Liquidity risk is reduced through analysing expected cash inflows and outflows and implementation of short- and long-term borrowing. In order to reduce refinancing risk, i.e. the risk of not being able to refinance a loan or cover a short-term liquidity requirement on normal commercial terms, the Group has established long-term, committed credit facilities to secure availability of liquidity, also when financing may be difficult to obtain. As of 31 December 2025, unused credit facilities amounted to NOK 4,000 million (NOK 2,500 million).

Note 5.4 Financial risk management

(cont.)

To reduce liquidity risk, the Group also holds a liquidity reserve in the form of bank deposits and market-based financial instruments (note 5.11 Market-based financial instruments and note 5.12 Cash and cash equivalents). As additional security against turbulence in the finance markets and potential losses of financing sources, credit lines of NOK 1,000 million (NOK 1,000 million) which was unused as of year-end 2025, has been established. In addition, the group has a line of credit of EUR 50 million (EUR 50 million) to cover daily settlements of futures on Nasdaq Clearing AB which was unused at year-end 2025.

Note 5.5 Fair value

Key accounting policies

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy:
Fair value measurements are classified at the following levels:

- Level 1: Valuation is based on listed prices in active markets for identical assets or liabilities
- Level 2: Valuation is based on inputs other than listed prices covered by Level 1 that are observable for the asset, either directly or indirectly
- Level 3: Valuation is based on non-observable inputs for the asset or liability

The Group endeavours to maximise the use of observable data where possible.

Key estimates and assumptions

Contracts entered into with power exchanges are valued by applying quoted closing prices on the balance sheet date.

Futures contracts with net cash settlement are accounted for according to the mark-to-market settlement principle (settled-to-market). This means that ongoing margin calls received or paid are considered continuous settlement of the contract, as these payments at all times reflect the market value. The margin requirements and the underlying derivative are not considered separate units, which results in a carrying amount of zero in the balance sheet.

For other bilateral power contracts, the expected future cash flow is determined based on available prices on the balance sheet date.

When there is no quoted market price in an active market, fair value is calculated by discounting future cash flows. Future cash flows are discounted based on the market interest curve. The market interest curve is in turn derived from available swap rates.

For the valuation of financial power contracts and compensation to landowners that depend on power price, the Group has applied the Group's long-term power price curves which represent the Management's best estimate. See further description in note 3.3 Impairment testing. For the valuation of industrial power contracts, price curves from the commodity exchange Nasdaq are used.

The reasonableness of the estimated present value of forward exchange contracts, interest rate and currency swaps, as well as interest rate swaps, are assessed against valuations from contract counterparties.

Note 5.5 Fair Value
(cont.)

Financial instruments measured at fair value:

31 December

NOK million	Level 1	Level 2	Level 3	Fair value	Booked value
2025					
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
Shares	-	-	105	105	105
Other long-term receivables	-	-	569	569	569
Interest and currency derivatives	-	446	-	446	446
Currency futures	-	241	-	241	241
Power derivatives [1]	6	68	-	74	74
Industrial contracts	-	-	136	136	136
Marked based financial instruments	-	3,169	-	3,169	3,169
Total financial assets measured at fair value	**6**	**3,925**	**810**	**4,741**	**4,741**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
Power derivatives	-	16	-	16	16
Currency futures	-	124	-	124	124
Industrial contracts	-	-	38	38	38
Compensation to landowners and free power	-	-	1,273	1,273	1,273
Total financial liabilities measured at fair value	**-**	**139**	**1,311**	**1,451**	**1,451**

[1] The figure shows power derivatives net after futures settlements offsetting. Please see note 5.1 Financial instruments for futures derivatives and futures settlements offset in the statement of financial position.

31 December

NOK million	Level 1	Level 2	Level 3	Fair value	Booked value
2024					
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
Shares	7	-	102	110	110
Other long-term receivables	-	-	765	765	765
Interest and currency derivatives	-	646	-	646	646
Currency futures	-	22	-	22	22
Power derivatives	12	417	-	429	429
Marked based financial instruments	-	1,982	-	1,982	1,982
Total financial assets measured at fair value	**19**	**3,067**	**868**	**3,954**	**3,954**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
Power derivatives	-	4	-	4	4
Currency futures	-	214	-	214	214
Interest rate swaps	-	18	-	18	18
Industrial contracts	-	-	3,491	3,491	3,491
Compensation to landowners and free power	-	-	590	590	590
Total financial liabilities measured at fair value	**-**	**236**	**4,082**	**4,317**	**4,317**

Please see note 5.2 Interest-bearing debt for more information about the Group's interest-bearing debt.

For other financial liabilities measured at amortised cost, the value is approximately equal to fair value. Financial assets measured at amortised cost primarily consist of accounts receivable and other receivables where amortised cost is approximately equal to fair value.

Note 5.5 Fair Value
(cont.)

31 December

NOK million	Level 1	Level 2	Level 3	Fair value	Booked value
2025					
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST					
Other current non-interest bearing liabilities	-	-	2,181	2,181	2,181
Trade payables	-	-	861	861	861
Interest bearing debt	-	26,178	-	26,178	26,415
Compensation to landowners and free power	-	-	1,465	1,465	1,465
Total financial liabilities measured at amortised cost	**-**	**26,178**	**4,507**	**30,684**	**30,922**

31 December

NOK million	Level 1	Level 2	Level 3	Fair value	Booked value
2024					
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST					
Other current non-interest bearing liabilities	-	-	1,777	1,777	1,777
Trade payables	-	-	462	462	462
Interest bearing debt	-	22,500	-	22,500	22,868
Other liabilities	-	-	182	182	182
Total financial liabilities measured at amortised cost	**-**	**22,500**	**2,421**	**24,921**	**25,289**



Note 5.6 Derivatives and hedging

Key accounting policies

Introduction

The Group hedges spot revenue from both future power production and district heating sales in addition to swapping of interest rate terms and hedging of currency exposure in connection with borrowings.

Revenue from future power production and district heating sales is hedged financially through system price contracts and electricity price area differentials (EPADs). For the hedging of power production, the Group's portfolio for base hedging of the Nordic system price, in addition to EPADs entered into from the third quarter of 2023, are subject to hedge accounting. Other financial power hedging instruments and currency hedging of power hedging are not accounted for as hedging instruments in the financial statements.

For the hedging of district heating sales, both system price contracts and EPADs are hedged accounted from the point the district heating business became part of the group on 19 May 2022.

Additionally, the Group hedges revenue from hydropower production by entering industrial power contracts with physical delivery. Industrial contracts with delivery in price areas where the Group has sufficient power production hour-by-hour, are treated under the own-use exemption and are not recognised in the statement of financial position. If such contracts are denominated in euro where the functional currency of the counterparty is not euro, an embedded currency derivative is separated from the host contract for accounting purposes. The embedded currency derivatives are measured at fair value with changes in value recognised in the Other gains/losses in the operating profit.

Industrial power contracts with physical delivery in price areas where the Group does not have sufficient production hour-by-hour are recognised as financial instruments and measured at fair value in the statement of financial position. These contracts are accounted for as all-in-one hedges measured at fair value through other comprehensive income. Day 1 gains/losses are amortised over the duration of the contract. Currency futures entered into to hedge settlement from industrial contracts in euros to Norwegian kroner are hedged as cash flow hedges.

For onshore wind, the group has an industrial contract with variable volume effective from 2024. As of 2025, this industrial contract is classified according to the own-use exemption, not recognised as a financial instrument per 31 December 2025.

The Group has secured long-term loans in foreign currencies. For each of these loans, combined interest rate and currency swaps agreements have been established, swapping principal and fixed interest in foreign currencies for principal payments and floating interest rates in Norwegian kroner. The swap from fixed to floating interest in foreign currencies is a fair value hedge, while the swap of principal payments and floating interest rates in foreign currencies to Norwegian kroner is treated as a cash flow hedge.

The accounting treatment of associated gains and losses depends on whether the derivatives are designated as hedging instruments and whether the hedging relationship is deemed to be a cash flow hedge or a fair value hedge. For cash flow hedges, changes in value representing effective hedging are recognised in the hedging reserve through other comprehensive income. Effective hedging is booked as cash flow hedging reserve until:

1. the contracts are delivered, or
2. the hedged transactions are no longer likely to occur.

Note 5.6 Derivatives and hedging
(cont.)

Hedge accounting

General about hedge accounting
The criteria for entering a hedging relationship are determined in the Group's risk management strategy and involve a qualitative and forward-looking approach to assessing hedge effectiveness. Both the hedged item and the hedging instrument are designated and documented when hedging relationships are established and sources of ineffectiveness are identified.

The Group only designates contracts with external parties as hedging instruments.

1. Hedge accounting of financial power contracts for hydropower production
The Group's basis portfolio for hedging of system price, as well as EPAD contracts included in the same portfolio from the third quarter of 2023, are designated as hedging instruments in a cash flow hedge. The portfolio contains financial forward and futures contracts. The counterparty for the financial hedge is predominantly the Nasdaq power exchange.

Certain portfolio transfers of hedge accounting positions have been made from Nasdaq to bilateral counterparties. Portfolio transfers have been made by closing the original hedge on Nasdaq to secure gain/loss, and simultaneously establishing a new hedging position with a bilateral counterparty. In these cases, the bilateral hedge is designated as a hedging instrument in a new cash flow hedge, and the locked-in gain/loss is normally held in the hedging reserve until the position is delivered. It is assessed that there is no significant credit risk related to the bilateral counterparties.

Hedge-accounted contracts have been repurchased by entering into purchase contracts on Nasdaq. Purchase contracts are matched with sales contracts based on a LIFO principle, and locked-in gain/loss on the net position typically remains in the hedging reserve until delivery.

The hedging instrument, net of repurchase, can be summarised as follows, where contract value represents the hedged volume multiplied the by hedged price for each delivery year:

	Contract value:	
EUR million	**EPAD**	**System price**
2026	-6	-111
2027	-1	-84
2028	1	-85
2029	-	-14
2030	-	-6
2031-2032	-	-8
Total per 31 December 2025	**-6**	**-308**
2025	-14	-119
2026	-2	-59
2027	-1	-65
2028	-	-62
2029-2032	-	-38
Total per 31 December 2024	**-18**	**-343**

	Fair value of hedging instruments:		
NOK million	**Assets**	**Liabilities**	**Net**
2025			
Financial power contracts	279	-	278
Total per 31 December 2025	**279**	**-**	**278**
2024			
Financial power contracts	868	-2	866
Total per31 December 2024	**868**	**-2**	**866**

Note 5.6 Derivatives and hedging

(cont.)

Effects on profit and loss and the statement of financial position on the hedge instrument can be summarised as follows:

NOK million	Hedging instrument	Efficient part/ hedging reserve before tax	Inefficient part
2025			
Fair value per 1 January	**866**	**703**	**163**
Delivered in 2025	-444	-338	-106
Change in fair value in 2025	-144	-94	-51
Fair value per 31 December	**278**	**272**	**6**
2024			
Fair value per 1 January	**189**	**210**	**-21**
Delivered in 2024	33	3	30
Change in fair value in 2024	644	491	154
Fair value per 31 December	**866**	**703**	**163**

The designated hedging item is not recognised in the statement of financial position.

The designated hedging item is the highly probable future sales of power in the spot market. The available hedging area is defined as the highly probable future production of hydropower less physical commitments such as industrial power contracts, fixed-price contracts to commercial customers and concessionary power.

The hedging object is built up on an hourly basis beginning from the first hour of the month. A volume equivalent to the hedged volume is distributed over the available hedging area per hour starting from the first hour of the month. EPADs under hedge accounting are tied to system price contracts based on a FIFO principle. Both the hedging instrument and the hedging object are denominated in euros.

Historically, there has been a strong correlation between system price and area price, demonstrating an economic connection between the instrument and the object. Changes in cash flows from financial power contracts where settlements quote the system price are expected to closely match the changes in cash flows from the highly probable future sale of hydropower. There is an even stronger connection for financial hedging with both system price and EPAD, which together constitute area price.

A quantitative assessment of hedging effectiveness is carried out for each reporting period where changes in value of the hedging item is compared to changes in value of the hedging instrument for each month. The hedge is effective when the gain or loss on the hedging instrument is less than the change in value of the hedged item measured in absolute terms. Similarly, ineffectiveness arises when the gain or loss on the hedging instrument is greater than the change in value of the hedged item in absolute terms.

The effective part of the hedge is recognised through other comprehensive income whilst the ineffective part of the hedge is presented as Revenues in Other gains/losses.

Note 5.6 Derivatives and hedging

(cont.)

Inefficiencies in the hedge are mainly caused by:

1. Differences between the system price attributed to the hedging instrument and the area price attributed to the hedging item when only the system-price is designated as the hedge instrument. Historically there has been a strong correlation in prices between the price areas NO1 and NO5 and the Nordic system price.
2. Differences in price profiles as the hedging instrument is delivered evenly for each hour of the month, whilst the hedging item is a per-hour allocation starting from the first hour of the month. Effects attributed to differences in price profiles can be the result of price differences between day and night, weekends, and weekdays and between holidays and weekdays.

Over-hedging occurs if the hedging instruments exceeds the available hedging item. Any potential over-hedging is presented in profit or loss in the same manner as inefficient part of hedging.

2. Hedge accounting of industrial contracts and related currency futures

The Group has an industrial contract denominated in euro subject to the own-use exemption, but was designated as fair value measurement in the statement of financial position through 2024. As of 2025, this contract is classified according to the own-use exemption, and no longer recognised as a financial instrument. This contract entails the physical delivery of power for the period 2021-2030 with a total remaining contract value of euro 59 million as per 31. December 2025 (euro 70 million). Of this amount, euro 29 million (euro 35 million) has been swapped to NOK 317 million (NOK 376 million) using currency swaps. The Group has applied hedge accounting for currency futures. The currency futures are designated as the hedging instrument, while the euro exposure arising from the contract is designated as hedging objects in cash flow hedges. There is not considered to be significant credit risk against the banks which are the counterparties. There is a match in critical terms between the instrument and object, and hedging effectiveness is therefore assessed qualitatively.

In addition, the Group has hedge accounted for industrial contracts denominated in euro for the delivery of power to Hydro from 2024 until 2040, and one contract to Elkem in the NO3 price area. In 2025, the group also entered into three industrial contracts with Hydro in the price area NO3, which also is recognised as all-in-one hedge. The total remaining contract value in NO3 was EUR 393 million as per 31. December 2025 (euro 133 million per 31 December 2024).

The industrial contracts providing secure cash flows in euros are designated as hedging instruments in cash flow hedges. The hedging item is the future sales of power in euro arising from the contracts. There is not considered to be significant credit risk related to the contracts. The industrial power contracts hedge themselves, and are all-in-one hedges. It has been assessed that there is no significant credit risk associated with the counterparties in the industrial contracts.

These hedging instruments can be summarised as follows:

	Fair value of hedging instruments:		
NOK million	**Assets**	**Liabilities**	**Net**
2025			
Industrial contracts	136	-38	98
Currency futures	-	-40	-40
Total per 31 December 2025	**136**	**-78**	**58**
2024			
Industrial contracts	4	-377	-373
Currency futures	-	-51	-51
Total per 31 December 2024	4	**-428**	**-424**

Note 5.6 Derivatives and hedging
(cont.)

Effects on profit and loss and the statement of financial position from the hedge accounting can be summarised as follows:

NOK million	Hedging instrument	Efficient part of hedge instrument	Inefficient part of hedge instrument
2025			
Fair value per 1 January	**-424**	**-424**	**-**
Delivered in 2025	32	32	-
Change in fair value in 2025	451	451	-
Fair value per 31 December	**58**	**58**	**-**
2024			
Fair value per 1 January	**-722**	**-722**	**-**
Delivered in 2024	179	179	-
Change in fair value in 2024	119	119	-
Fair value per 31 December	**-424**	**-424**	**-**

The designated hedging item is recognised in the statement of financial position.

3. Hedge accounting of financial power contracts for district heating revenues

For hedging revenue from district heating sales, the Group's hedging portfolio consisting of both system price contracts and EPADs are designated as hedging instruments in a cash flow hedge. The hedging instruments include contracts denominated in both Norwegian kroner and euros.

The hedging instruments are either financial contracts with Nasdaq as counterparty or bilateral positions. Credit risk is in any case not considered to be significant. The hedge accounting for the Group started when the Group acquired Hafslund Celsio in 19 May 2022, thus only value changes after this date are hedge accounted.

Hedge accounted positions have been closed by entering into purchase positions. The purchase positions are matched against sales positions based on a LIFO principle, and the locked-in gain/loss on the net position will remain in the hedge reserve until the delivery date.

The hedging instrument, net of repurchase, can be summarised as follows, where contract value represents hedged volume multiplied by hedged price:

	Contract value:	
NOK million[1]	EPAD	System-price
2026	-4	-115
Total per 31 December 2025	**-4**	**-115**
2025	-7	-73
Total per 31 December 2024	**-7**	**-73**

[1] *The contract value in NOK includes both contract values in NOK and contract values in EURO converted to NOK.*

	Fair value of hedging instruments:		
NOK million	Assets	Liabilities	Net
2025			
Financial power contracts	2	-	2
Total per 31 December 2025	**2**	**-**	**2**
2024			
Financial power contracts	11	-	11
Total per 31 December 2024	**11**	**-**	**11**

Note 5.6 Derivatives and hedging

(cont.)

Effects on profit and loss and the statement of financial position on the hedge accounting can be summarised as follows:

NOK million	Hedging instrument	Efficient part/ hedging reserve before	Inefficient part of hedge instrument
2025			
Fair value per 1 January	**11**	**3**	**7**
Delivered in 2025	4	-4	8
Change in fair value in 2025	-13	4	-17
Fair value per 31 December	**2**	**3**	**-1**
2024			
Fair value per 1 January	**-113**	**-107**	**-6**
Delivered in 2024	108	99	9
Change in fair value in 2024	15	11	4
Fair value per 31 December	**11**	**3**	**7**

The designated hedging item is not recognised in the statement of financial position.

The designated hedging item is highly probable future district heating sales to commercial customers and is based on historical sales data combined with management's volume forecasts. Volume forecasts are updated at least annually in connection with the preparation of the financial plan.

To ensure reliable measurement of the hedging item, the hedging item is defined as an interval in the hedging area starting from the first hour of the month. A volume corresponding to the hedged system price volume is allocated to the next available hedging slot per hour beginning with the first hour of the month. EPADs are linked to system price contracts based on a FIFO principle. The hedging object is denominated in Norwegian kroner.

The revenues from the district heating business follow the area price for the price area NO1. Changes in the cash flows from the hedging instruments, both system price and NO1-EPAD, are expected to closely match the changes in cash flows from highly probable sales of district heating to commercial customers. This means that there is a strong economic relationship between the object and the instrument.

In subsequent periods, the effectiveness of the hedge is measured by comparing changes in value of the hedging instrument with changes in value of the hedged item per month. The hedge is effective when the gain or loss on the hedging instrument is less than the change in value of the hedged item measured in absolute values. Similarly, ineffectiveness occurs when the gain or loss on the hedging instrument exceeds the change in value of the hedged item measured in absolute values.

Changes in the fair value of the effective portion of the hedge are recognised in other comprehensive income. The ineffective portion of the hedge is expensed as Other gains/losses.

Note 5.6 Derivatives and hedging

(cont.)

Inefficiencies in the hedge are mainly caused by:

1. Differences between the system price attributed to the hedging instrument and the area price when only system price contracts are entered into.
2. Differences in price profiles as the hedging instrument is delivered evenly for each hour of the month, whilst the hedging item is a per-hour allocation starting from the first hour of the month. Effects attributed to differences in price profiles can be the result of price differences between day and night, weekends, and weekdays and between holidays and weekdays.

Over-hedging occurs if the hedging instruments exceeds the available hedging item. Over-hedging is presented in profit or loss the same way as inefficiency.



Note 5.6 Derivatives and hedging
(cont.)

4. Hedge accounting of interest rate and currency swaps

The Group has the following hedging relationships between interest-bearing debt and the relating interest rate and currency swaps (nominal value: "+" indicates the principal amounts paid, and "-" indicates the principal amounts received by the Group):

31 December 2024/2025

			Nominal amount			
Reference	**Hedged item**	**Due date**	**Million**	**Currency**	**Interest rate**	**Line-item in statement of financial position** [1]
A	Fixed rate loan	2026	25	USD	4.95%	Current interest-bearing debt
B	Fixed rate loan	2028	5,000	JPY	1.51%	Non-current interest-bearing debt
C	Fixed rate loan	2028	600	SEK	2.59%	Non-current interest-bearing debt
D	Floating rate loan	2028	400	SEK	3M STIBOR +0,55%	Non-current interest-bearing debt
E	Fixed rate loan	2029	5,000	JPY	1.38%	Non-current interest-bearing debt
F	Fixed rate loan	2029	250	NOK	4.40%	Non-current interest-bearing debt
G	Fixed rate loan	2031	125	USD	3.14%	Non-current interest-bearing debt
H	Fixed rate loan	2031	30	EUR	4.63%	Non-current interest-bearing debt
I	Fixed rate loan	2035	500	NOK	4.76%	Non-current interest-bearing debt

[1] *Instalments that fall due within the next year are classified as Current interest-bearing debt, regardless of the loan's Due date.*

Note 5.6 Derivatives and hedging
(cont.)

31 December 2024/2025

			Nominal amount			
Reference	**Hedging instrument**	**Due date**	**Million**	**Currency**	**Interest rate**	**Line-item in statement of financial position**
A	Combined interest rate and currency swap	2026	-25	USD	4.95%	Current financial derivatives
A	Combined interest rate and currency swap	2026	143	NOK	3M NIBOR +0,86%	Current financial derivatives
B	Combined interest rate and currency swap	2028	-5,000	JPY	1.51%	Non-current financial derivatives
B	Combined interest rate and currency swap	2028	301	NOK	6M NIBOR +0,92%	Non-current financial derivatives
C	Combined interest rate and currency swap	2028	-600	SEK	2.59%	Non-current financial derivatives
C	Combined interest rate and currency swap	2028	637	NOK	3M NIBOR +0,51%	Non-current financial derivatives
D	Combined interest rate and currency swap	2028	-400	SEK	3M STIBOR +0,55%	Non-current financial derivatives
D	Combined interest rate and currency swap	2028	425	NOK	3M NIBOR +0,54%	Non-current financial derivatives
E	Combined interest rate and currency swap	2029	-5,000	JPY	1.38%	Non-current financial derivatives
E	Combined interest rate and currency swap	2029	296	NOK	6M NIBOR +0,87%	Non-current financial derivatives
F	Interest rate swap	2029	-250	NOK	4.40%	Non-current financial derivatives
F	Interest rate swap	2029	250	NOK	3M NIBOR +2,4 %	Non-current financial derivatives
G	Combined interest rate and currency swap	2031	-125	USD	3.14%	Non-current financial derivatives
G	Combined interest rate and currency swap	2031	1,036	NOK	3M NIBOR +1,52%	Non-current financial derivatives
H	Combined interest rate and currency swap	2031	-30	EUR	4.63%	Non-current financial derivatives
H	Combined interest rate and currency swap	2031	237	NOK	6M NIBOR +1,1%	Non-current financial derivatives
I	Interest rate swap	2035	-500	NOK	4.76%	Non-current financial derivatives
I	Interest rate swap	2035	500	NOK	3M NIBOR +0,78%	Non-current financial derivatives

Note 5.6 Derivatives and hedging
(cont.)

The Group's hedging instruments are presented in the line-item Current and Non-current financial derivatives, and are recognised in the statement of financial position with the following amounts:

	Fair value of hedging instruments:		
NOK million	**Assets**	**Liabilities**	**Net**
2025			
Combined interest rate and currency swaps	428	-	428
Interest rate swaps	18	-	18
Total per 31 December	**446**	**-**	**446**
2024			
Combined interest rate and currency swaps	646	-	646
Interest rate swaps	-	-18	-18
Total per 31 December	**646**	**-18**	**629**

Currency risk

The Group's policy is to reduce currency risk by swapping the payments of principal amounts and fixed interest in foreign currency to Norwegian kroner in a 1:1 ratio using combined interest rate and currency swaps. Under the combined swaps, payments of fixed interest are also exchanged for payments of floating interest so that the Group receives fixed interest in foreign currency and pays floating interest in Norwegian kroner.

The exchange from fixed to floating interest in foreign currency is treated as a fair value hedge, see separate discussion under interest rate exposure. The exchange from floating interest payments and principal payments in foreign currency to floating interest and principal payments in Norwegian kroner is treated as a cash flow hedge. Cash flows from payments of principal amounts and floating interest rates in foreign currency are designated as hedging items, and cash flows from the combined swaps are accordingly designated as hedging instruments. The basis spread is excluded from the designated hedging instrument.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms for exchanging from foreign currency to Norwegian kroner matches. Hedge effectiveness is assessed on a qualitative basis.

Changes in the fair value of the effective portion of the hedge are recognised in other comprehensive income until the period when changes in the value of the hedged item affects profit or loss. The ineffective portion of the hedge is expensed as Other finance income/costs. The hedge was effective in its entirety for 2025 and 2024.

Interest rate exposure

The exchange from fixed to floating interest rate is accounted for as fair value hedges. For bond loans denominated in Norwegian kroner, interest rate swaps from fixed to floating NIBOR rate have been entered into. The hedged risk is changes in the value of the fixed interest payments caused by changes in NIBOR rates.

For loans denominated in foreign currency, the conversion from fixed to floating interest rates in foreign currency is designated as a fair value hedge. The hedged risk is the change in value of the fixed interest payments caused by changes in swap rates (OIS) for the respective foreign currencies.

Note 5.6 Derivatives and hedging
(cont.)

There is an economic relationship between the hedged item and the hedging instrument because the critical terms for exchanging from fixed to floating interest rates are identical. Hedge effectiveness is assessed on a qualitative basis.

The fair value of the hedged risk is included in the book value of the respective loans to which the hedges apply, please see note 5.2 Interest-bearing debt. Changes in value for both the hedged item and the hedging instrument are recognised in the income statement in the line item Other finance income/costs.

Any ineffectiveness in the hedge is also recognised in the line item mentioned above, and may arise from differing settlement times for interest payments/establishment of interest rates between the hedged item and the hedging instrument, as well as the fair value of credit risk affecting the hedging instrument, but not the hedged item. The fair value hedge was fully effective in 2025 and 2024.

The hedging item and hedged instrument affect other comprehensive income and the profit and loss from the inception of the hedge as follows (accumulated effects):

NOK million	Change in fair value hedge instrument	Efficient hedging through other comprehensive income	Inefficiency through P&L
31 December 2025	446	446	-
31 December 2024	629	629	-

The hedging item is not recognised in the statement of financial position.



Note 5.6 Derivatives and hedging
(cont.)

5. Summary of movements in the cash flow hedging reserve:

NOK million	Financial power contracts hydropower	Industrial contracts and currency futures	Financial power contracts district heating	Interest rate and currency swaps[1]	Total
31 December 2023	**163**	**-255**	**-83**	**-6**	**-182**
Reclassified to P&L as a result of delivered in 2024	3	179	99	-	281
Effective share of change in fair value	491	119	11	-14	607
Deferred tax	-109	-206	-24	3	-336
31 December 2024	**549**	**-163**	**3**	**-17**	**371**
Reclassified to P&L as a result of delivered in 2025	-338	32	-4	-	-310
Effective share of change in fair value	-94	451	4	-3	358
Deferred tax	95	-318	-	1	-222
31 December 2025	**212**	**1**	**2**	**-19**	**196**

[1] *NOK -3 million in 2025 (NOK -14 million in 2024) shows net change in and out of the hedging reserve connected to combined interest rate and currency swaps.*

Note 5.7 Capital management

Hafslund's capital management shall ensure that the Group has financial flexibility in the short and long term and maintains a high credit rating. The Group aims to achieve cash flows that ensure competitive returns for the owners through dividends and increases in share value without disadvantaging the Group's creditors.

In addition to cash and short term liquidity funds, the Group's liquidity reserve consists of unused long-term, committed credit facilities. Hafslund has access to diversified loan sources and primarily uses the Norwegian bond market, the bank market and international private placement markets.

The Group has long-term financing and unused credit facilities that together ensure financial room to manoeuvre even when it is difficult to obtain financing in the markets.

The loan portfolio (excluding subordinated loans) comprises a balanced mix of loans with a maturity structure of up to 12 years, with a weighted average term of 5.5 years. The maturity structure of the Group's interest-bearing debt and other financial liabilities are shown in note 5.2 Interest-bearing debt and note 5.3 Maturity structure financial liabilities.

At the end of 2025 the Group had unused credit facilities considered sufficient to cover the Group's refinancing requirements over the next 12 months. External borrowing is as a general rule centralized at parent company level in Hafslund AS, in addition to the loans from the minority owners in Hafslund Celsio AS. The capital needs of the subsidiaries are normally covered through internal loans and through corporate cash pooling systems, in combination with equity. The capital structure in the subsidiaries is adapted to commercial, legal and tax-related considerations. The Group attaches importance to ensuring a balanced and reasonable capital composition that maintains adequate equity based on the risk and scope of the business.

The Group's loan agreements contain negative pledge clauses. Some loan agreements also stipulate that material assets cannot be disposed of without approval, and one ownership clause requiring more than 50 per cent of shares issued by Hafslund AS to be directly or indirectly owned by the City of Oslo. The Group's loan agreements do not impose any financial covenants.

In January 2025, S&P Global Ratings assigned Hafslund AS A- long-term credit rating with stable outlook. The rating was affirmed in February 2026.

In June 2025, Scope Ratings upgraded Hafslund AS' issuer rating to A with stable outlook (from A- with positive outlook).

Hafslund aims to maintain an "investment grade" credit profile and monitors quantitative and qualitative factors that affect creditworthiness by following, among other things, the development of its equity ratio, net interest-bearing debt and cash flows from operations.

The Group is not subject to any external requirements with regards to the management of its capital structure other than following market expectations and the owner's dividend requirement.

Note 5.7 Capital management
(cont.)

31 December

NOK million	2025	2024
NET INTEREST-BEARING DEBT		
Current interest-bearing debt	3,067	4,369
Non-current interest-bearing debt	23,348	18,498
Fair value adjustment loan portfolio/fair value hedges	92	130
Non-current interest-bearing assets	-501	-740
Marked based financial instruments	-3,169	-1,982
Cash and cash equivalents	-7,503	-6,324
Net interest-bearing debt	**15,335**	**13,951**
Unused drawing rights	**5,592**	**4,078**
EQUITY SHARE		
Equity	50,450	47,930
Assets	104,465	95,811
Equity share	**48%**	**50%**

Note 5.8 Share capital and shareholder information

31 December

NOK million	Number of shares	Share capital	Premium fund	Paid-in capital
PAID-IN CAPITAL				
2024	100,000	110	23,484	23,594
2025	100,000	110	23,484	23,594

All shares are owned by the City of Oslo. For Hafslund Group dividends paid during 2025 were NOK 3,281 million, of which NOK 1,950 million were paid to the City of Oslo.

For 2025, the board of directors of Hafslund AS has decided to propose a dividend of NOK 2,300 million to the City of Oslo.

Note 5.9 Non-current receivables

Key accounting policies

All non-current receivables mature more than one year from the reporting date. Non-current receivables are recognised at fair value.

31 December

NOK million	2025	2024
OTHER NON-CURRENT RECEIVABLES		
Other non-current interest-bearing receivables	248	259
Other long-term non-interest-bearing receivables	800	923
Net pension funds	471	346
Non-current equity investments	105	110
Other non-current receivables	**1,624**	**1,637**

Note 5.10 Trade receivables and other current receivables

Key accounting policies

Trade receivables arising from contracts with customers are recognised at the agreed amount, reduced by expected credit loss. Other receivables and accruals are recognised at fair value and measured in subsequent periods at amortised cost.

Key estimates and assumptions

Inaccurate assessment of the customers' ability to pay could result in losses on receivables that subsequently must be written down through profit or loss.

31 December

NOK million	2025	2024
TRADE RECEIVABLES		
Trade receivables	622	669
Trade receivables 31 December	**622**	**669**
RECEIVABLES		
Dividend from associates and joint ventures	150	98
Other non-interest-bearing current receivables	485	232
Accrued other income/prepaid expenses	284	324
Other non-interest-bearing current receivables	**918**	**653**

Please see note 2.2 Revenues and other income for further discussion of revenues.

Note 5.11 Market-based financial instruments

Key accounting policies

In line with internal guidelines, Hafslund has placed surplus liquidity in creditworthy liquidity funds with a weighted average maturity of one year or less. As disclosed in note 1.2 General accounting policies, comparative figures for 2024 have been adjusted, and NOK 1,982 million has been reclassified from Cash and cash equivalents to Market-based financial instruments. The reason is that the funds are invested in instruments with a weighted average maturity of more than three months, which do not meet the criteria for classification as cash equivalents.

Liquidity funds are classified as financial instruments and measured at fair value and are recognised at fair value through profit and loss. Hafslund bases the valuation on published values from the funds. As of 31 December 2025, the market value was NOK 3,169 million.

NOK million	2025	2024
MARKET-BASED FINANCIAL INSTRUMENTS		
Balance at 1 January	**1,982**	**1,799**
Additions from the purchase of liquidity funds	1,700	1,114
Disposal from the sale of liquidity funds	-614	-961
Interest income for the reporting period	101	31
Balance at 31 December	**3,169**	**1,982**

Note 5.12 Cash and cash equivalents

31 December

NOK million	2025	2024
CASH AND CASH EQUIVALENTS		
Bank deposits	7,326	8,024
Restricted cash	177	282
Cash and cash equivalents [1]	**7,503**	**6,324**

[1] Short-term liquidity investments have been reclassified from Cash and cash equivalents to Market-based financial instruments. Comparative figures have been restated accordingly. For further information, see note 1.2 General accounting policies and note 5.11 Marked-based financial instruments.

Key matters

The Group's available cash and cash equivalents consist of bank deposits and short-term liquidity investments. The Group also has an overdraft facility of NOK 1,000 million, which was unused per 31 December 2025. Furthermore, the Group has an overdraft facility of EUR 50 million (unused per 31 December 2025) to cover the daily mark to market settlements for futures contracts at Nasdaq Clearing AB.

Hafslund AS has a syndicated credit facility of NOK 4,000 million maturing in May 2030. The credit facility serves as back-stop for loan maturities and as general liquidity reserve and was unused per 31 December 2025.

The Group has corporate cash pooling systems with DNB, Nordea and SEB. A corporate cash pooling system entails joint liability among the participating companies. Hafslund AS's accounts constitute single, direct accounts for transactions with the bank, while deposits and overdrafts on the subsidiaries' accounts are intercompany balances with Hafslund AS.

The Group's other restricted funds, NOK 177 million (NOK 282 million) refers to collateral for power trading activities. The Group purchases bank guarantees as security for employee tax deduction and other liabilities. Refer to note 4.2 Guarantees, for further information.

Note 5.13 Trade payables and other current non-interest-bearing liabilities

Key accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The main rule is that trade and other current payables are classified as current if they fall due within one year. Trade and other current payables are measured at fair value in the statement of financial position on initial recognition and subsequently at amortised cost.

31 December

NOK million	2025	2024
TRADE PAYABLES		
Trade payables	861	462
Trade payables	**861**	**462**
OTHER CURRENT LIABILITIES		
Value added tax	582	478
Charges related to salaries	135	126
Accrued interest	601	529
Other accrued costs	58	55
Other short-term liabilities	655	452
Dividend not paid per 31 December	164	137
Other current liabilities	**2,195**	**1,777**

Note 5.14 Financial items

Key accounting policies

Currency gains and losses that derive from operational hedging of power sales are reported as revenues in other gains/losses. Value adjustments of receivables and liabilities in foreign currency are recognised as currency gains/losses in other financial income/ financial costs, respectively.

1 January - 31 December

NOK million	2025	2024
INTEREST INCOME		
Interest income	365	356
Interest income	**365**	**356**
INTEREST EXPENSE		
Interest expense	-1,438	-1,144
Capitalised interest expense	119	50
Interest expense lease liability	-10	-9
Interest expense	**-1,329**	**-1,104**
OTHER FINANCIAL INCOME/COSTS		
Currency gains or losses	3	-27
Change in financial instruments recognised at fair value	-23	-9
Profit from investments in shares	275	447
Other financial income or costs	-20	13
Fair value adjustment investments	21	-77
Other financial income/costs	**255**	**347**
Net financial items	**-708**	**-401**

Note 6.1 Taxes

General information

Apart from ordinary income tax, Hafslund's power production activities are subject to separate rules for taxation of hydropower and land wind production. The Group is therefore also charged resource rent tax, production fees and natural resource tax.

Ordinary income tax

The tax expense primarily consists of taxes payable and changes in deferred tax. Payable income tax is calculated at 22 per cent (22 per cent). Deferred tax is calculated based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, as well as the tax loss carried forward, where a tax rate of 22 per cent (22 per cent) is applied.

Resource rent tax, hydropower

The resource rent tax depends on the profit and amounts to nominal 57.7 per cent (57.7 per cent) of the net resource rent income for each power plant. The nominal resource rent tax rate is 57.7 per cent, while allowing for the deduction for a resource rent related income tax of 22 per cent. Net resource rent tax is thus 45 per cent (45 per cent).

The resource rent income is calculated based on each power plant's production per time interval, multiplied by the spot price for each time interval. For concessionary power, fixed-price contracts to commercial customers, industrial contracts under certain conditions actual prices achieved are used. Income from issued guarantees of origin and electricity certificates is included in the resource rent income.

The resource rent income is reduced by operating expenses, tax-related depreciation and non-taxable income to arrive at net resource rent income. Non-taxable income is stipulated based on the average tax-related value of production equipment for the year for each power plant, multiplied by a prescribed interest rate. The prescribed interest rate was 3.1 per cent for 2025 (3.4 per cent). As of 2021 the resource rent tax regime is a cash flow tax, where new investments are directly expensed and thereby not included in the basis for non-taxable income.

Income and expenses in the resource rent related income tax are the same as those included in the resource rent tax, except for new investments which are capitalised and depreciated.

Negative resource rent income that has arisen in a power plant from and including 2007 can be coordinated with positive resource rent income from other power plants. The negative resource rent income that arose prior to 2007, with interest, can be offset against positive resource rent income from the same power plant only. Negative resource rent income is included in the calculation of deferred tax/deferred tax assets in resource rent taxation along with deferred tax/tax assets in the resource rent tax to the extent this can feasibly be offset within a 10-year period.

The resource rent tax in the profit or loss consists of this year's payable resource rent tax plus the change in deferred resource rent tax. Deferred resource rent tax is calculated using a nominal resource rent rate of 57.7 per cent (57.7 per cent) reduced by resource rent related income tax of 22 per cent.

Natural resource tax

Natural resource tax is calculated based on the individual power plant's average power production over the past seven years without regard to profitability. The tax rate is set at 1.34 øre (1.30 øre) per kWh. Natural

Note 6.1 Taxes
(cont.)

resource tax can be offset against taxes payable from ordinary income tax. Natural resource tax carried forward is offset against deferred tax in the statement of financial position.

Property tax

Power production operations are also subject to property tax, which is up to 0.7 per cent of the taxated value.

Property tax is recognised as an operating expense. See note 2.5 Property tax and other imposed costs.

Resource rent tax, land based wind

With effect from 2024, a resource rent tax is introduced on land-based wind power consisting of more than five turbines or with a combined installed capacity of 1 MW or higher. The resource rent tax functions as a joint operation tax, where the nominal rate for resource rent tax is set at 32.1 per cent, but where a deduction is allowed for a resource rent-related corporate tax of 22 per cent. The net resource rent tax rate will be around 25 per cent.

Resource rent income is calculated based on production per time interval, multiplied by the spot price for each time interval. For fixed-price contracts to commercial customers, contracts entered into with independent parties before 28 September 2022, or for projects established in the period 2024-2030, the calculation of resource rent income is based on the contract price. Income from issued guarantees of origin and electricity certificates is included in the resource rent income. The tax is designed as a cash flow tax where new investments are directly expensed.

For investments made before 1 January 2024, deductions are granted for depreciations of an adjusted initial value by a factor of 1.4, but the adjustment cannot result in the new initial value surpassing 85 per cent of the total acquisition cost. The basis for the adjustment is the acquisition cost reduced by the maximum rates for ordinary balance depreciation until 2024. The adjusted initial value is depreciated linearly over 5 years in the resource rent tax. A deduction is also granted for a waiting interest amounting 3.1 per cent (3.4 per cent), which is the standard interest rate multiplied by the average of the tax values.

The income and expense items in the resource rent-related corporate tax are essentially the same as in the resource rent tax, with the exception of new investments that are capitalised and depreciated.

In the event of negative land rent income for the wind power plant, it can be carried forward to the next year with interest.

Production fee (Land based wind power plants)

The production fee is a profit-independent tax that amounts to 2.37 øre (2.30 øre) per produced kWh for concession-required wind power plants. The production tax can be deducted from the determined payable resource rent tax attributable to the wind power plant. If it is likely that the production fee represents a final payment, where offsetting is not probable, it is expensed in the income statement.

Global minimum tax

The regulations for global minimum taxation, OECD Pillar II, are being introduced with effect from 2024. Hafslund will be subject to the requirement of minimum taxation, which means that the Group will be subject to additional tax for subsidiaries with an effective tax rate below 15 per cent.

Note 6.1 Taxes

(cont.)

Hafslund applies the mandatory exemption in IAS 12 and does not recognise or disclose deferred tax related to minimum taxation in the financial statements for 2025. However, Hafslund operates only in Norway and Sweden where tax rates exceed the minimum taxation threshold, and the Group does not trigger additional tax as a result of the requirements for minimum taxation at the end of 2025.

Key accounting policies

Deferred tax and deferred tax assets are offset as far as the Group has a legally enforceable right to set off assets and liabilities, and these are levied by the same tax authority. The same applies for deferred tax and deferred tax assets related to resource rent tax. Deferred tax positions related to ordinary income tax cannot be offset against tax positions related to resource rent tax, and deferred resource rent tax on land based wind cannot be offset against resource rent tax on hydropower production.

Key estimates and assumptions

Management continuously assesses the validity of material assumptions made in the tax assessments where applicable tax laws are the object of interpretation. Provisions are recognised based on the Management's assessment of expected tax payments where this is deemed necessary.

Deferred tax assets arising from negative resource rent income from before 2007 is recognised in the statement of financial position as a deferred tax asset for the portion that is expected to be deductible during a 10-year period. The timing for when negative resource rent income can be offset is estimated based on the expectation of normal production volumes and forward curves.



Note 6.1 Taxes

(cont.)

1 January - 31 December

NOK million	2025	2024
TAX EXPENSE		
Income tax payable	2,285	2,075
Changes in deferred tax	35	-188
Resource rent tax payable	3,327	2,883
Changes in deferred resource rent tax	703	26
Natural resource tax hydropower	224	217
Natural resource tax hydropower offset against income tax	-224	-217
Too little/much tax set aside in previous years	-61	191
Other	-3	-15
Tax expense for the year	**6,286**	**4,972**

NOK million	2025	2024
DEFERRED TAX THROUGH OTHER COMPREHENSIVE INCOME		
Hedging reserve 22 % (22 %)	11	197
Hedging reserve 45 % (45 %)	212	140
Actuarial gains and losses 22 % (22 %)	24	37
Actuarial gains and losses 45 % (45 %)	49	61
Deferred tax through other comprehensive income	**295**	**435**
RECONCILIATION OF NOMINAL TAX RATE AGAINST EFFECTIVE TAX RATE		
Profit before tax	**10,488**	**8,729**
Profit/loss from associates and joint ventures	319	356
Profit before tax adjusted - basis for calculation of effective tax rate	**10,168**	**8,374**
22 % (22 %) of profit before tax adjusted	2,444	1,842
22 % (22 %) of permanent differences	-118	59
22 % (22 %) of actuarial gains and losses	-72	-97
Payable resource rent tax	3,327	2,883
Change in deferred resource rent tax	736	81
Too little/much tax set aside in previous years	-61	191
Other	32	14
Tax expense for the year	**6,286**	**4,972**
Effective tax rate	62%	59%

Note 6.1 Taxes
(cont.)

31 December

NOK million	2025	2024
DEFERRED TAX		
General income tax		
Property, plant and equipment	25,141	24,450
Derivatives	472	642
Receivables	465	524
Power contracts	-2,759	-3,511
Provisions for liabilities	-2,195	-1,540
Pensions	402	300
Other	-63	-77
Tax losses carried forward	-1,600	-1,239
Total	**19,864**	**19,549**
Tax rate	**22%**	**22%**
Deferred tax liability/-asset	**4,391**	**4,320**
DEFERRED TAX		
Resource rent tax on hydropower		
Property, plant and equipment	19,181	16,308
Receivables	53	-
Pensions	420	314
Industrial contracts	311	-338
Provisions for liabilities	-1,857	-1,449
Total	**18,109**	**14,836**

NOK million	2025	2024
Deferred resource rent related income	-4,599	-2,883
Basis for deferred resource rent tax	**13,510**	**11,953**
Tax rate	**57.7%**	**57.7%**
Deferred resource rent tax (tax asset)	**7,795**	**6,897**
Resource rent tax carried forward, including interest	-288	-314
Sum resource rent tax carried forward, expected utilisation within 10 years	**-288**	**-314**
Deferred resource rent tax (tax asset)	**-166**	**-181**
Resource rent tax on land based wind		
Property, plant and equipment	4,569	4,487
Provisions for liabilities	-2,947	-3,868
Basis for deferred resource rent tax land wind	**1,622**	**619**
Deferred resource rent tax land wind related to ordinary income tax	-721	-136
Negative resource rent tax, including interest	-501	-241
Basis for resource rent tax land wind	**400**	**242**
Tax rate	**32.1%**	**32.1%**
Deferred resource rent tax (tax asset)	**128**	**78**
Carrying amount of deferred tax liability/-asset		
Deferred tax asset	-216	-181
Deferred tax liability	12,364	11,295
Total	**12,148**	**11,114**

Note 7.1 Remuneration to senior executives and Board members

The overview below shows the remuneration to senior executives in the Hafslund Group for 2025 and 2024 stated in NOK.

Remuneration to senior executives in Hafslund in 2025

From date	Up to and including date	Name	Position	Salaries, holiday pay and fees	Benefits in kind	Pension costs	Borrowings 31 December
01.01.2025	31.12.2025	Finn Bjørn Ruyter	CEO	5,843,335	329,445	887,069	-
15.09.2025	31.12.2025	Knut Ansten	CFO	945,064	3,293	60,408	-
01.01.2025	31.12.2025	Kristin Lian	CEO Hafslund Kraft	4,480,515	330,932	662,947	-
01.01.2025	31.12.2025	Knut Inderhaug	CEO Hafslund Vekst	3,305,546	171,313	188,513	43,750
01.01.2025	31.12.2025	Martin S. Lundby	CEO Hafslund Celsio	3,914,949	166,967	552,501	-
20.05.2025	31.12.2025	Elise Horn	EVP Corporate Development	1,867,194	23,728	252,234	-
01.01.2025	19.05.2025	Eirik Folkvord Tandberg	Acting EVP Corporate Development	1,089,946	64,690	94,315	-
01.01.2025	31.12.2025	Berit Sande [1]	CEO projects	3,080,889	150,344	445,932	-
01.01.2025	31.05.2025	Toril Benum	CEO projects	1,612,837	127,392	217,807	-

[1] Effective 15 September 2025, Berit Sande moved from the position as CFO to the role as CEO projects.

Remuneration to senior executives in Hafslund in 2024

From date	Up to and including date	Name	Position	Salaries, holiday pay and fees	Benefits in kind	Pension costs	Borrowings 31 December
01.01.2024	31.12.2024	Finn Bjørn Ruyter	CEO	5,590,886	380,735	839,234	-
01.01.2024	31.12.2024	Berit Sande	CFO	2,699,198	137,624	377,286	-
01.01.2024	31.12.2024	Kristin Lian	CEO Hafslund Kraft	4,280,012	318,693	626,787	-
01.01.2024	31.12.2024	Toril Benum	CEO projects	2,905,977	280,619	439,049	-
01.01.2024	31.12.2024	Knut Inderhaug [1]	CEO Hafslund Vekst	3,168,806	119,037	170,495	78,750
01.01.2024	05.11.2024	Elise Horn	EVP Corporate Development (maternity leave)	2,172,856	33,106	290,211	-
01.01.2024	31.12.2024	Martin S. Lundby [2]	CEO Hafslund Celsio	3,558,497	163,638	513,440	-
06.11.2024	31.12.2024	Eirik Folkvord Tandberg	Acting EVP Corporate Development	474,828	27,685	37,829	-

[1] On 1 September 2024, Martin S. Lundby and Knut Inderhaug swapped roles. Martin S. Lundby took on the role as CEO of Hafslund Celsio and Knut Inderhaug took on the role as CEO of Hafslund Vekst.

Note 7.1 Remuneration to senior executives and Board members

(cont.)

Board remuneration and remuneration for work in the audit and compensation committee apply to Hafslund AS, and are stated in NOK.

Remuneration to Board members of Hafslund AS

From date	Up to and including date	Name	Position	2025	2024
01.01.2024	31.12.2025	Jarle Roth [1, 3]	Chair	626,500	491,125
01.01.2024	04.07.2025	Bård Vegar Solhjell [1, 3]	Acting chair / Board Member	167,500	359,376
01.01.2024	31.12.2025	Bjørn Erik Næss [2]	Board Member	406,000	381,000
01.01.2024	31.12.2025	Maria Tallaksen [2]	Board Member	371,000	207,000
01.01.2024	01.06.2024	Mari Thjømøe	Board Member	-	162,583
14.01.2025	31.12.2025	Kristin Færøvik [2]	Board Member	318,084	-
04.07.2025	31.12.2025	Stian Berger Røsland [3]	Board Member	153,500	-
01.01.2024	31.12.2025	Håkon Rustad [3]	Board Member (employee representative)	321,000	293,500
01.01.2024	04.04.2024	Vegar Kjos Andersen	Board Member (employee representative)	-	34,417
01.01.2024	04.04.2024	Ingvild Marie Rikoll Solberg	Board Member (employee representative)	-	34,417
04.04.2024	31.12.2025	Halvor Kr. Halvorsen [2]	Board Member (employee representative)	371,000	296,083
04.04.2024	31.12.2025	Hilde Veum-Wahlberg	Board Member (employee representative)	291,000	241,083

[1] Bård Vegar Solhjell was acting chair until Jarle Roth took over the position as chair on 4 April 2024.
[2] Includes remuneration for work in the Risk and Audit Committee.
[3] Includes remuneration for work in the Compensation and Organisation Committee.

Note 7.1 Remuneration to senior executives and Board members

(cont.)

Senior executives in 2025:

Name	Position	Comment
Finn Bjørn Ruyter	CEO	
Knut Ansten	Group CFO	As of 15 September 2025
Kristin Lian	CEO Hafslund Kraft	
Knut Inderhaug	CEO Hafslund Vekst	
Martin S. Lundby	CEO Hafslund Celsio	
Elise Horn	EVP Corporate development	As of 20 May 2025
Eirik Folkvord Tandberg	Acting EVP Corporate development	Until 20 May 2025
Berit Sande	CEO projects	Group CFO until 15 September 2025
Toril Benum	CEO projects	Until 1 June 2025

The Board's Compensation and Organisation Committee

The Board of Hafslund AS has a dedicated Compensation and Organisation Committee. The Compensation and Organisation Committee provides recommendations to the Board on all matters relating to the remuneration of the CEO. The Committee must remain informed of, and propose guidelines for, the determination of remuneration for senior executives within the business. In addition, the Committee serves as the advisory body to the CEO regarding compensation schemes that essentially cover all employees. The Committee also advises the Board on matters concerning organisational development and employees in Hafslund AS.

Remuneration of senior executives' contribution to Hafslund's long-term interests

Hafslund works to promote a world in balance, and seeks to maintaining an balance between investments that supports long-term value creation, financial resilience to manage demanding times, and contributing to stable dividends for the owner, the City of Oslo. In recent years, the power industry has seen increased investments and increased activity in project development, as well as rising expectation related digitalisation and sustainable business operations. In order to deliver on Hafslund's and the owner's long-term strategic goals, it is essential to recruit and retain good executives throughout the organisation. Hafslund requires broad expertise in technical, strategic and administrative fields. The company must therefore offer competitive terms, compared to the power sector and other industries that recruit in the same market. At the same time, Hafslund must take moderation into account and not be salary-leading. Performance criteria such as financial results, productivity, competitiveness and future prospects form the basis for assessing adjustments to the senior executives remuneration in Hafslund. As a general principle, remuneration growth for senior executives shall not exceed the average increase for other employees. Any deviations are explained in the company's executive remuneration report, which is publicly available on Hafslund's website.

Remuneration Report

Remuneration to senior executives at Hafslund complies with the guidelines on determination of salaries and other remuneration paid to senior executives. The Board issues a Remuneration Report on covering the determination of salaries and other remuneration paid to the CEO and senior executives.

Note 7.1 Remuneration to senior executives and Board members

(cont.)

Guidelines for remuneration of senior executives in the Hafslund Group

These guidelines form the basis for determining remuneration to the CEO and the senior executives in the Hafslund Group. The guidelines are aligned with the City of Oslo's guidelines for compensation schemes for senior executives in limited companies that are majority owned by the City of Oslo.

The Board of Directors

The Board approves the terms and conditions of the CEO, and oversees the general terms and conditions of other senior executives in the Group. These terms are reviewed and approved by the Board annually. If the CEO wishes to offer members of Group management or other senior executives' remuneration that exceeds these guidelines, this must be presented to the Board for approval. In such cases, any deviations from the guidelines must be justified and recorded in the Board minutes.

Terms and conditions, CEO

The remuneration of the CEO must be competitive in relation to responsibilities, the industry, and reflect the employee's experience and level of expertise. The remuneration in 2025 comprised a fixed salary and a pension plan in accordance with the Group's prevailing schemes for Group management, and a car allowance. The CEO receives benefits in kind at the same level as other senior executives in the Group. The retirement age is 70, and the CEO is a member of the Group's mandatory occupational pension plan (OTP) which provides 6 per cent of salary between 1 and 7.1 times the National Insurance Scheme's basic amount (G) and 18 per cent of salary between 7.1 and 12 G.

Pension compensation providing a gross additional income of 16 per cent will be paid for basic salary over 12 G on the condition that the CEO is a member of the defined contribution scheme. In 2023, the scheme with pension compensation over 12 G was discontinued. The CEO has the right to early retirement under the AFP scheme, in accordance with the prevailing regulations. The CEO has a disability pension plan providing compensation of 66 per cent of salary over 12 G, and is also covered by a collective accident insurance plan.

The CEO has a six-month notice period. On leaving the company, he is entitled, on certain conditions, to 12 months of severance pay in addition to the notice period. Severance pay is reduced by any salary received from a new employer during the severance pay period. In such cases, severance payments are reduced by 66 per cent of the lower of the monthly severance pay and the new salary.

Terms and conditions, other Group management

Remuneration for other Group management in 2025 comprised a fixed salary, car allowance, and pension under the Group's prevailing schemes for Group management. Group management receives benefits in kind on a par with other senior executives. Group management covered by the defined contribution plan receive pension compensation providing a gross additional income of 16 per cent for salary over 12 G. The plan is similar to the plan for other employees in the Group with salaries over 12 G and a defined contribution plan. In 2023, the scheme with pension compensation over 12 G was discontinued. Group management receives a disability pension providing compensation of 66 per cent of salary between 12 G and 50 G. Group management has a six-month notice period. On leaving the company, Group management is entitled, on certain conditions, to continue receiving salary payments for up to 12 months (after the end of the notice period). Severance pay is reduced by any salary received from a new employer during the severance pay period. In such cases, severance payments are reduced by 66 per cent of the lower of the monthly severance pay and the new salary.

Note 7.1 Remuneration to senior executives and Board members

(cont.)

Fixed salary

Group management's fixed salary is based on the duties performed and level of responsibility, as well as the employee's expertise and tenure. Salaries shall be competitive in relation to responsibilities and industry levels.

Bonus

Senior executives and Board members of Hafslund do not have bonus schemes. Certain employees within the Group may have bonus schemes where it is expedient, for example in power trading and sales.

Pensions

Senior executives and other executives participate in the pension plan applicable within the Group. Group employees who are members of the mandatory occupational pension are covered by an additional pension plan for salaries over 12 G. Pension compensation providing a gross additional income of 16 per cent will be paid for salary over 12 G. In 2023, the scheme with pension compensation over 12 G was discontinued. The retirement age for managers is 70. Managers are entitled to early retirement in accordance with the prevailing AFP-agreement at any one time. Group management has a disability pension providing compensation of 66 per cent of salary between 12 G and 50 G.

Period of notice and severance pay

Senior executives and other executives have a notice period of six months. In certain cases, depending on the position, severance pay of 6 to 12 months beyond the ordinary notice period may be granted. Severance pay is not included in the basis for calculation of holiday pay or pension benefits. If the employee receives salary from new employment during the severance period, severance payments will be reduced by 66 per cent of the lower of the monthly severance payments and the new monthly salary. If a manager assumes new employment before the end of the notice period, the reduction mechanism applies to the entire severance period.

Benefits in kind

Benefits in kind primarily include mobile phone, broadband, insurance and fixed car allowance.

Holidays

Senior executives are entitled to holidays in accordance with the Norwegian Annual Holidays Act and the Group's prevailing internal guidelines. Holiday pay is calculated based on fixed salary. Additional benefits are not included in the calculation basis.

Note 7.2 Pensions

Hafslund is obligated to have pension schemes for its employees according to the Occupational Pensions Act. The Group's pension schemes, which include both defined benefit and defined contribution plans, satisfy the requirements of the law. As of 31 December 2025, 961 employees were covered by the Group's pension schemes, of which 67 in public defined benefit plans, 14 in private defined benefit plans and 880 employees in defined contribution plans. The defined benefit plans entitle employees to defined future benefits. These are mainly depending on the number of years of service and the salary level at retirement age. The pension schemes are organised in Hafslund Pension fund and insurance companies. In addition, some pensions are provided directly from the companies.

31 December

NOK million	2025	2024
CARRYING AMOUNT PENSION LIABILITIES		
Present value of accrued pension liabilities for funded defined benefit plans	2,060	2,013
Fair value of pension assets	-2,495	-2,334
Actual net pension liabilities for funded defined benefit plans	**-434**	**-320**
Present value of pension liabilities for unfunded plans	34	20
Net pension liabilities recognised (incl. Employer's National Insurance contributions)	**-400**	**-300**
Carrying amount pension liabilities	-71	-46
Carrying amount pension assets [1]	471	346

[1] The carrying amount pension assets is included in the line item Other long-term receivables.

NOK million	2025	2024
CHANGES IN DEFINED PENSION LIABILITIES DURING THE YEAR		
Pension liabilities at 1 January	**2,034**	**2,122**
Employer's National Insurance contribution	2	2
Present value of accrued pension entitlements for the year	16	16
Interest cost	78	64
Plan modification	13	14
Changes in estimates	47	-88
Benefits paid	-97	-98
Pension liabilities at 31 December	**2,093**	**2,034**

NOK million	2025	2024
CHANGE IN FAIR VALUE OF PENSION ASSETS DURING THE YEAR		
Fair value of pension assets at 1 January	**2,334**	**2,238**
Interest income	91	70
Changes in estimates	155	81
Total contributions	10	40
Total payments from fund	-95	-94
Fair value of pension assets at 31 December	**2,495**	**2,334**

Note 7.2 Pensions
(cont.)

The following financial assumptions have been applied:	**2025**	**2024**
Discount rate	3.90%	3.90%
Yield	3.90%	3.90%
Annual salary increase	4.00%	4.00%
Adjustment of National Insurance Scheme's basic amount (G)	3.75%	3.75%
Adjustment of current pensions, public plan	2.75%	3.00%

Applied assumptions follow recommendations provided by the Norwegian Accounting Standards Board as of 31 December 2025.

Demographic assumptions used in the calculations are based on the IR73 disability rate converted to intensity method and K2013BE mortality table.

1 January - 31 December

NOK million	**2025**	**2024**
Accrued pension liabilities for the year	17	16
Net interest cost	-12	-6
Employer's National Insurance contribution	2	2
Plan modification	13	14
Pension costs	**19**	**27**
Pension costs defined contribution plans	**104**	**89**
Total pension costs	**124**	**117**

Sensitivities of pension liabilities to changes in the weighted financial assumptions are:

31 December

	Impact on gross pension liabilities		
Financial assumptions	**Change**	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.5%	-6.1%	6.7%
Salary increase	0.5%	0.3%	-0.3%
Adjustment of National Insurance Scheme's basic amount (G)	0.5%	5.9%	-5.4%
Life expectancy	1 year	4.8%	-4.2%

Note 7.2 Pensions

(cont.)

Pension funds are invested in bonds, money market placements, shares and real estate. The bonds and money market instruments are issued by Norwegian and foreign states, municipalities, finance institutions and enterprises. Bonds in foreign currency are currency hedged to NOK. Equity investments include both Norwegian and foreign shares.

The real estate investments are in Norwegian commercial property. Any estimate deviation is distributed proportionally between the individual asset classes.

Pension assets comprise:

31 December

NOK million	2025		2024	
Equity instruments	906	36%	947	41%
Interest-bearing instruments	1,414	57%	1,223	52%
Property	175	7%	163	7%
Fair value of pension assets	**2,495**	**100%**	**2,334**	**100%**

In 2025, plan contributions were invested as follows:

NOK million	Level 1 Listed prices	Level 2 Observable prices	Level 3 Non-observable prices	Total
Equity instruments	-	906	-	906
Interest-bearing instruments	-	1,414	-	1,414
Property	-	-	175	175
Total	**-**	**2,320**	**175**	**2,495**

In 2024, plan contributions were invested as follows:

NOK million	Level 1 Listed prices	Level 2 Observable prices	Level 3 Non-observable prices	Total
Equity instruments	-	947	-	947
Interest-bearing instruments	-	1,223	-	1,223
Property	-	-	163	163
Total	**-**	**2,170**	**163**	**2,334**

Note 8.1 Consolidated companies

Key accounting policies

The consolidated financial statements include Hafslund AS and its subsidiaries. Subsidiaries are all companies over which the Group exercises control.

Hafslund normally deems that it has control when the Group holds at least 50 per cent of the voting rights in a company.

31 December 2025

Subsidiaries directly owned by Hafslund AS	Registered office	Ownership interest	Voting rights
Hafslund Celsio AS	Oslo	60%	60%
Hafslund Kraft AS	Oslo	57%	57%
Hafslund Produksjon Holding AS	Oslo	90%	90%
Hafslund Sarpfoss Holding AS	Oslo	100%	100%
Hafslund Vekst AS	Oslo	100%	100%
Oslo Lysverker AS	Oslo	100%	100%

Hafslund AS owns 56.5 per cent of the shares in Hafslund Kraft AS, while Eidsiva Energi AS owns the remaining 43.5 per cent. Through its 50 per cent ownership in Eidsiva Energi AS, Hafslund has an effective ownership stake of 78.2 per cent in Hafslund Kraft AS. Please also see note 3.5 Associates and joint ventures for how ownership is reflected in the consolidated financial statements.

On 11 April 2025, Hafslund AS completed the acquisition of 90 per cent of the shares in Sarpsfoss Limited from Orkla ASA. In connection with the transaction, Hafslund Sarpfoss Holding AS was established as a wholly owned subsidiary of Hafslund AS, with the purpose of pooling and structuring the Group's ownership in the power business related to Sarpfossen and its associated power plants. Sarpsfoss Limited includes 50 per cent of Sarp power plant as well as 100 per cent of Borregaard power plant and Mossefossen power plant. Please refer to note 1.6 Transactions and events in 2025 for further information.

31 December 2025

Parent company	Companies controlled by subsidiaries	Registered office	Ownership interest	Voting rights
Hafslund Celsio AS	Hovinbyen Energy Hub AS	Oslo	51%	51%
Hafslund Kraft AS	Hafslund Kraft Innlandet AS	Lillehammer	100%	100%
Hafslund Kraft AS	Hallingfisk AS	Ål	100%	100%
Hafslund Kraft AS	Mork Kraftverk AS	Oslo	67%	67%
Hafslund Kraft AS	Tonstad Vindkraft AS	Oslo	100%	100%
Hafslund Produksjon AS	Sarp Kraftstasjon AS	Askim	100%	100%
Hafslund Produksjon Holding AS	Hafslund Produksjon AS	Askim	100%	100%
Hafslund Sarpfoss Holding AS	Sarpsfoss Limited	Sarpsborg	90%	90%
Hafslund Vekst AS	Hafslund Mobil Energi AS	Oslo	100%	100%
Hafslund Vekst AS	Hafslund Vekst AB	Stockholm	100%	100%
Sarpsfoss Limited	Mossefossen AS	Sarpsborg	100%	100%
Sarpsfoss Limited [1]	Mossefossen ANS	Sarpsborg	100%	100%

[1] *Sarpsfoss Limited owns 39% indirectly through Mossefossen AS.*

In June 2025, Hafslund Hav Utsira Nord AS changed its name to Hafslund Mobil Energi AS. In November 2025, Hafslund Handel AS was merged into Hafslund Vekst AS.

Note 8.2 Non-controlling interests

Key accounting policies

IFRS does not regulate how to treat instances where a parent company owns a subsidiary where a share of the subsidiary is owned through a company that is recognised using the equity method.

The Group has chosen to use the “look-through approach” – meaning that the share that is owned indirectly is included in the share of the parent company when calculating the non-controlling interests.

There is a non-controlling interest in Hafslund Kraft AS amounting to 21.8 per cent (21.8 per cent) as of 31 December 2025, which is calculated as follows using the “look-through approach”:

Non-controlling interests (NCI) using the "look-through approach"	Shareholding
The Group's direct shareholding	56.5%
The Group's shareholding through 50 % shareholding in Eidsiva Energi	21.8%
The Group's shareholding, "look-through approach"	78.2%
Total shareholdings	100.0%
Non-controlling interests, "look-through approach"	**21.8%**

CCS Finansiering AS' preferred shares

CCS Finansiering AS, a company wholly owned by the City of Oslo, has as of 31 December 2025 invested NOK 844 million (NOK 304 million in 2024) as preference capital into Hafslund Celsio AS, of which NOK 540 million was paid in during 2025 (NOK 114 million in 2024).

At the end of 2024 the Group classified 60 per cent of the preference capital (equivalent to Hafslund Group's ownership share in Celsio) as Other liabilities, and 40 per cent were classified as equity. Please see note 4.1 Other liabilities and note 9.1 Related party transactions for more information. As of financial year 2025 the preference capital is presented in its entirety as equity under "Preference shares Non-controlling interests". Comparative figures have not been restated.

Note 8.2 Non-controlling interests

(cont.)

The table below presents an overview of information related to the Groups' subsidiaries where there are substantial non-controlling interests, before Group eliminations. Hafslund Kraft, Hafslund Produksjon, Sarpsfoss and Hafslund Celsio are subgroups of Hafslund Group, and the disclosed amounts are for each subgroup.

31 December

NOK million	Hafslund Kraft	Hafslund Produksjon	Sarpsfoss	Hafslund Celsio	Other	Group
2025						
NCI percentage	**21.8%**	**10.0%**	**10.0%**	**40.0%**		
Non-current assets	44,059	10,782	4,085	22,061		
Current assets	8,234	2,287	459	1,299		
Non-current liabilities	-31,708	-3,377	-25	-6,293		
Current liabilities	-6,514	-1,479	-246	-910		
Net assets	**14,070**	**8,213**	**4,273**	**16,157**		
Net assets attributable to NCI	3,066	885	430	6,174	-59	10,495
Preference shares NCI	-	-	-	844	-	844
Total net assets attributable to NCI	**3,066**	**885**	**430**	**7,018**	**-59**	**11,339**
Revenue	10,325	2,372	-	2,415		
Profit	3,341	715	26	-53		
OCI	-134	-	-	-1		
Total comprehensive income attributed NCI	**3,207**	**715**	**26**	**-54**		
Profit allocated to NCI	**726**	**74**	**9**	**-23**	**-3**	**783**
OCI allocated to NCI	**-29**	**-**	**-**	**-**	**-**	**-30**
Dividends paid to NCI[1]	**-1,100**	**-65**	**-6**	**-160**	**-**	**-1,331**

[1] *Dividend paid constitutes the non-controlling interest's share of total dividends. For Hafslund Kraft this is 43.5 per cent (not as with the "look-through approach").*

Note 8.2 Non-controlling interests

(cont.)

31 December

NOK million	Hafslund Kraft	Hafslund Produksjon	Hafslund Celsio	Other	Group
2024					
NCI percentage	**21.8%**	**10.0%**	**40.0%**		
Non-current assets	42,711	10,705	21,335		
Current assets	8,236	1,748	925		
Non-current liabilities	-30,699	-3,249	-5,546		
Current liabilities	-6,788	-1,054	-651		
Net assets	**13,461**	**8,150**	**16,063**		
Net assets attributable to NCI	2,933	876	6,349	-56	10,102
Preference shares NCI	-	-	122	-	122
Total NCI	**2,933**	**876**	**6,471**	**-56**	**10,223**
Revenue	9,158	1,831	2,349		
Profit	2,803	623	340		
OCI	584	-	48		
Total comprehensive income	**3,388**	**623**	**388**	**-**	**-**
Profit allocated to NCI	**608**	**65**	**135**	**-6**	**802**
OCI allocated to NCI	**127**	**-**	**19**	**-**	**146**
Dividends paid to NCI[1]	**-932**	**-71**	**-220**	**-**	**-1,224**

[1] *Dividend paid constitutes the non-controlling interest's share of total dividends. For Hafslund Kraft this is 43.5 per cent (not as with the "look-through approach").*

Note 9.1 Related party transactions

All subsidiaries, associates and joint arrangements as specified in the notes 8.1 Consolidated companies, 3.5 Associates and joint ventures and 3.6 Joint operations are deemed to be related parties of the Group. The Group's management and Board are also defined as related parties, as specified in note 7.1 Remuneration to senior executives and Board members. Transactions with subsidiaries are eliminated in the consolidated financial statements and are not disclosed in this note.

The City of Oslo owns 100 per cent of Hafslund AS.

Subordinated loan from CCS Finansiering AS

Hafslund AS has three subordinated loans from CCS Finansiering AS, a company 100 per cent owned by the City of Oslo. The loans have no instalments and have a clause stating that if the annual result for the Group shows a deficit after charged interest, the interest shall be reduced by either the deficit or to zero. The reduction is final, and the interest amount shall not be paid at a later date.

The first loan had an outstanding balance as of 31 December 2025 of NOK 2,347 million (NOK 2,347 million). Accrued interest on the loan was NOK 170 million (NOK 166 million) as of 31 December 2025. The loan had an interest rate of 7.3 per cent and matures on 31 December 2037.

The second loan had an outstanding balance as of 31 December 2025 of NOK 1,000 million (NOK 1,000 million). Accrued interest on the loan was NOK 60 million (NOK 59 million) as of 31 December 2025. The loan had an interest rate of 6.0 per cent and matures on 31 December 2041.

The third loan had an outstanding balance as of 31 December 2025 of NOK 2,075 million (NOK 2,075 million) and was established in 2022 in connection with the Hafslund Celsio transaction. Accrued interest on the loan was NOK 134 million (NOK 131 million) as of 31 December 2025. The loan had an interest rate of 6.5 per cent and matures on 19 May 2042. This loan differs from the two other loans as the debtor can make a claim for the payment of an extraordinary instalment that corresponds to any payment obligation the City of Oslo or CCS Finansiering AS receives in connection with the external financing of the CCS project. This loan is thus classified as a current loan. For more information, see note 5.2 Interest-bearing debt.

CCS Finansiering AS' preferred shares

As of 31 December, 2025, CCS Finansiering AS had injected NOK 844 million (NOK 304 million) as preference capital into Hafslund Celsio, of which NOK 540 million has been paid in 2025.

The preference shares are entitled to a share of any excess return in the CCS project for up to 25 years after the start of regular operations, but do not confer voting rights, rights to ordinary dividends, or other economic benefits. CCS Finansiering AS will inject preference capital in line with the capital needs of the Carbon Capture and Storage project, up to a maximum of NOK 2.1 billion (in 2022 NOK).

See further details in note 4.1 Other Liabilities, note 5.2 Interest-bearing debt and note 8.2 Non-controlling interests.

Fredrikstad Energi AS

Hafslund Handel AS sold 49 per cent of the shares in Fredrikstad Energi AS on 28 August 2025 to Å Energi AS. Hafslund Handel AS had a long-term receivable of NOK 49 million from Fredrikstad Energi AS which was settled on 27 June 2025.

Note 9.2 Contingencies

Significant accounting policies

The Group is involved in certain matters that may give rise to financial obligations at a later date. Based on the information available at the balance sheet date, it is not likely that these matters will result in a material loss for the Company. Material matters are discussed below.

Hafslund Energy Trading

Hafslund Energy Trading LLC (“HET”), which is owned by Hafslund Produksjon Holding, performed power trading activities in California (USA) between 1999 and 2001. During this period, a power crisis occurred, and since 2001 HET and the public authorities in California (“California Parties”) have been in dispute, with the latter claiming that HET must repay capital. The Group's assessment is that there is a low probability that the Norwegian parent company will be held liable, and has consequently not recognised a provision in the financial statements.

Note 9.3 Events after the reporting period

The financial statements are considered authorised for issue once they have been approved by the Board of Directors. After this point, the General Meeting and regulatory authorities may refuse to approve the financial statements but may not change them. Events that take place before the financial statements are authorised for issue and related to matters that were known at the end of the reporting period, will be included in the information basis for determining accounting estimates and therefore be fully reflected in the financial statements. Events relating to matters that were not known at the end of the reporting period are disclosed if they are material

Other

At the time of the authorisation of the financial statements, there were no known material events after the reporting period that were expected to have an impact on the Group’s income statement for 2025 or its statement of financial position as of 31 December 2025.

HAFSLUND AS

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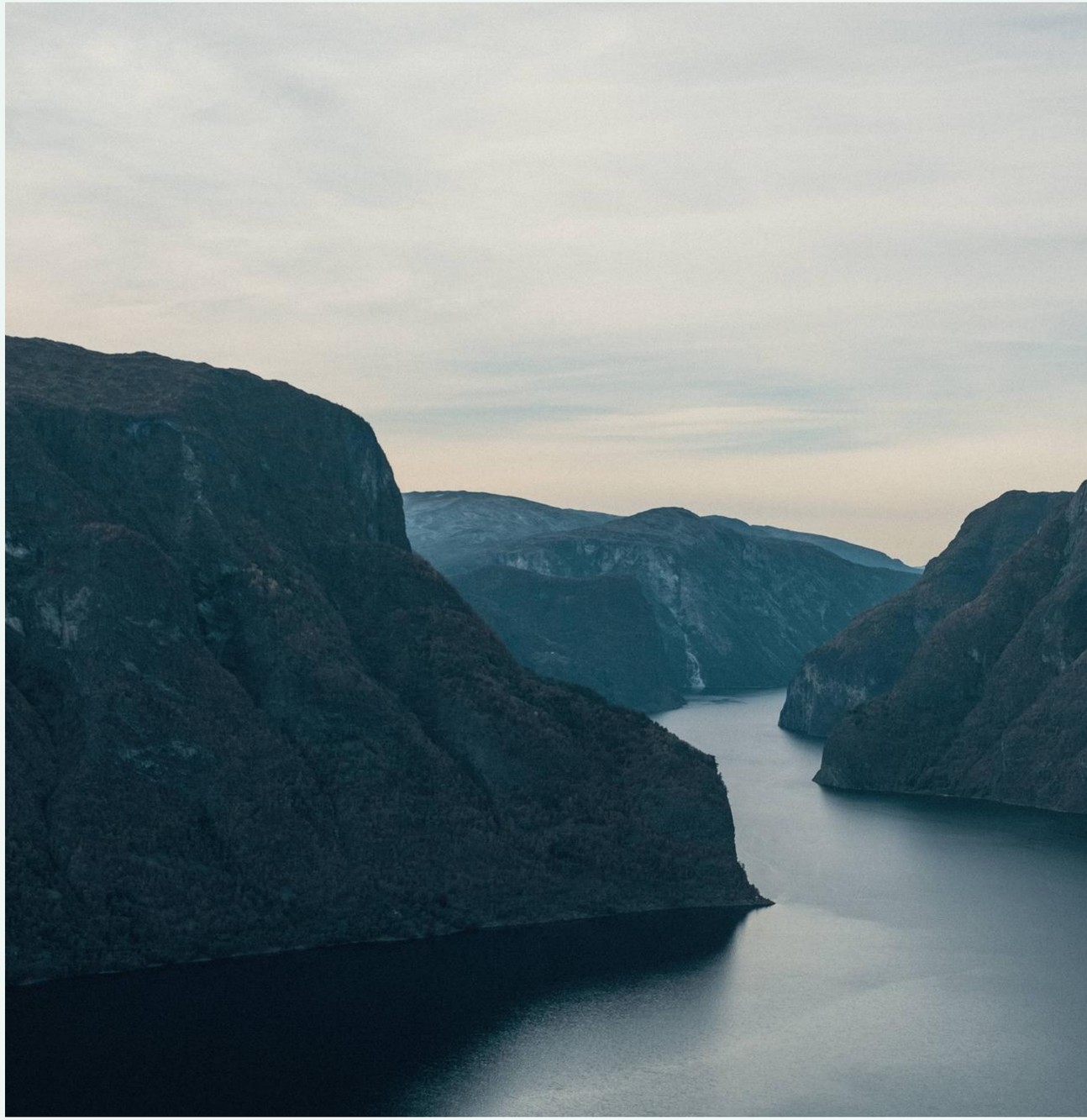
Note 17 Related party transactions

Note 18 Events after the reporting period

Income Statement

1 January - 31 December

NOK million	Note	2025	2024
Other operating income	4	139	123
Revenues and other income		**139**	**123**
Salary and other personnel expenses	5	-174	-139
Other operating costs	6	-143	-156
Profit/loss from associated companies		10	3
Depreciation and amortisation		-5	-4
Operating profit (EBIT)		**-172**	**-174**
Interest income	7	1,654	1,675
Interest expenses	7	-1,537	-1,408
Dividend from subsidiaries	7	2,488	2,283
Other financial income/costs	7	-28	65
Net financial items	7	**2,577**	**2,616**
Profit before tax		**2,405**	**2,442**
Income taxes	8	-77	-129
Profit after tax		**2,329**	**2,313**



Balance sheet

31 December

NOK million	Note	2025	2024
ASSETS			
Intangible assets		21	21
Property, plant and equipment		165	163
Shares in subsidiaries	9	33,683	30,111
Investments in associated companies		21	36
Other non-current assets	10, 11	25,796	25,126
Non-current assets		**59,685**	**55,457**
Other current receivables		10	3
Current receivables from group companies	11	2,077	2,370
Cash and cash equivalents	12	7,223	5,928
Current assets		**9,310**	**8,301**
Assets		**68,995**	**63,758**

NOK million	Note	2025	2024
EQUITY AND LIABILITIES			
Paid-in capital	13	23,594	23,594
Other equity	13	10,731	10,701
Equity	13	**34,325**	**34,295**
Non-current interest-bearing debt	14	21,414	16,255
Deferred tax liabilities	8	8	5
Other non-current liabilities		8	11
Non-current liabilities		**21,430**	**16,270**
Current interest-bearing debt	14	2,708	3,886
Trade payables		5	9
Current liabilities to group companies	11	7,568	6,745
Tax payables		74	78
Other current non-interest-bearing debt	13, 15	2,884	2,475
Current liabilities		**13,240**	**13,193**
Equity and liabilities		**68,995**	**63,758**

Cash flow statement

1 January - 31 December

NOK million	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,405**	**2,442**
Adjustments from:			
Depreciations, amortisations and impairments		5	4
Profit/loss from associates and joint ventures		-10	-3
Changes in trade receivables and other non-interest-bearing receivables	11	-60	82
Changes in trade payables and other non-interest-bearing liabilities	11, 15	-205	-74
Net financial items	7	-2,577	-2,616
Other non-cash income and expenses		11	-
Cash flows from operating activities		**-431**	**-165**
Taxes paid	8	-78	-
Net cash flows from operating activities		**-509**	**-165**

NOK million	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment		-6	-
Capital contribution to subsidiary	9	-3,812	-
Changes in cash pool arrangement - receivable		537	-500
Dividend received from subsidiaries		2,313	2,002
Payment of loan to subsidiaries	11	-670	-1,850
Interest received from subsidiaries		1,409	1,385
Interest received		231	279
Cash receipts from investments in market-based financial instruments[1]		-	559
Other investment activities		258	348
Cash flows from investing activities		**260**	**2,222**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds	14	9,600	6,740
Loan repayments	14	-5,621	-4,444
Changes in cash pool arrangement - debt	11	1,033	-2,300
Dividends paid	15, 17	-1,950	-2,600
Interest paid		-1,428	-1,331
Other financing activities		-90	-49
Cash flows from financing activities		**1,545**	**-3,985**
Changes in cash and cash equivalents		**1,295**	**-1,928**
Cash and cash equivalents at 1 January [1]	12	5,928	7,856
Currency exchange rate effects on cash and cash equivalents		-	1
Cash and cash equivalents at end of period [1]	12	**7,223**	**5,928**

[1] Short-term liquidity investments have been reclassified from bank deposits to market-based financial instruments. Comparative information has been restated accordingly.

Oslo, 26 March 2026

The Board of Directors of Hafslund AS

Jarle Roth
Chair of the Board

Bjørn Erik Næss

Halvor Kr. Halvorsen

Stian Berger Røsland

Hilde Veum-Wahlberg

Håkon Rustad

Maria Tallaksen

Kristin Færøvik

Finn Bjørn Ruyter
CEO



Note 1 Accounting policies

The financial statements of Hafslund AS have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway (NGAAP) for large enterprises. The company's headquarters is located in Oslo.

Revenue recognition

Hafslund AS's operating revenues consist mainly of services provided to group companies and are recognised as revenue when the service is delivered. Interest income consists of interest income from group companies and is recognised as income when earned. Dividends that are declared in the subsidiaries are recognised as revenue in the same year as the dividend is declared.

Classification

Assets intended for permanent ownership or use are classified as non-current assets. Receivables that are repaid within one year, as well as assets that are not intended for permanent ownership or use for the business, are classified as current assets. Debt maturing later than one year after the end of the financial year is classified as long-term debt. Other debt is classified as current liabilities.

Measurement principles

Intangible assets

Intangible assets consist entirely of technical goodwill related to Hafslund Hovedgård. Technical goodwill is recognized at acquisition cost and is amortized in line with the underlying assets.

Trade and other receivables

Trade and other receivables are measured at nominal value less provisions for expected losses. Provisions for losses are made based on an individual assessment of the individual receivables. The majority of the company's trade receivables are receivables from companies in the same group.

Investments in subsidiaries

Investments in subsidiaries are measured in accordance with the cost method. Investments in subsidiaries are written down to fair value when impairment is due to reasons that cannot be assumed to be temporary, and it must be considered necessary in accordance with generally accepted accounting practice. Impairment losses are reversed when the basis for impairment is no longer present. Dividends received and other profit distributions from subsidiaries are recognised as financial income.

Investments in associates and joint ventures

Investments in associates are measured in accordance with the equity method. Dividends received are recognised in the balance sheet against the associates' balance.

Income taxes

The tax expense is based on the profit or loss before tax. The tax expense comprises taxes payable and changes in deferred tax liabilities/ deferred tax assets. Taxes payable is calculated based on the taxable profit for the year. Deferred tax recognised in the balance sheet is calculated in accordance with the offset method, with full provision for net tax-increasing temporary differences based on tax rates and nominal amounts at the balance sheet date. Deferred tax assets relating to net tax-reducing temporary differences and tax losses carried forward are recognised based on an assessment of the probability of there being sufficient future earnings or ability to utilise tax positions that can be offset through group contributions.

Note 1 Accounting Polices
(cont.)

Interest-bearing liabilities
Interest-bearing liabilities are measured at amortised cost using the effective interest method.

For all loans denominated in foreign currency, the principal payments and fixed interest in foreign currency have been swapped in a 1:1 ratio into principal payments in Norwegian kroner (NOK) and floating interest payments in Norwegian kroner by entering into combined interest rate and currency swap agreements. The hedging instruments have the same duration and maturity as the loans and there is an economic relationship between the hedging instruments and the hedged items. The hedges are accounted for as fair value hedges under NRS 18.20 (alternative 2B), and the book value of loans in the balance sheet shows the principal in Norwegian kroner. Similarly, both interest costs and accrued interest reflect the floating interest rate the company pays in Norwegian kroner.

Furthermore, terms on bond loans in Norwegian kroner have been swapped from fixed to floating interest rates using interest rate swaps. These hedges are also treated as fair value hedges in accordance with NRS 18.20 (alternative 2B). The hedging instruments have the same duration and maturity as the loans and there is an economic relationship. Both interest costs and accrued interest reflect the floating interest rate the company pays in Norwegian kroner.

The derivatives are not recognised in the balance sheet. Unrealised loss/gain on the derivatives offset the gain/loss from the hedged risk.

The consideration of hedge accounting could potentially be affected by the uncertainty of a possible change from NIBOR to a reformed NOWA rate.

The company has for the time being continued hedge accounting despite this uncertainty, cf. the statement from the Norwegian Accounting Foundation of 31 January 2020 “Accounting effect of the IBOR reform”.

Impairment testing

Property, plant and equipment, investments in associated companies and investments in subsidiaries are monitored on an ongoing basis for indications of impairment. Please see note 3.3 Impairment testing in the consolidated financial statements.

Basis of preparation of statement of cash flows

The cash flow statement has been prepared in accordance with the indirect method. This means that the starting point of the statement is the Company’s profit before tax in order to be able to present cash flows from ordinary operating activities, investing activities and financing activities, respectively.

Change in comparative figures

In the cash flow as of 1 January 2024, NOK 559 million has been reclassified from bank deposits etc. to short-term liquidity investments. Payments from market-based financial instruments have been presented on a separate line in the cash flow statement for 2024. For further information, see The cash flow statement and note 1.2 General accounting policies Group.

Note 2 Climate Risk

Reference is made to note 1.3 Climate risk in 2025 in the consolidated financial statements.

Note 3 Transactions and events

Reference is made to note 1.6 Transactions and events in the consolidated financial statements.

Note 4 Operating income

Hafslund AS' operating income consist primarily of services provided to group companies and are recognized as income when the service is delivered.

Note 5 Salaries and other personnel costs

1 January - 31 December

NOK million	2025	2024
SALARIES AND OTHER PERSONNEL COSTS		
Wages and salaries	131	104
Employers' national insurance contributions	19	16
Pension costs	15	12
Other personnel costs	9	7
Salaries and other personnel costs	**174**	**139**
Average number of FTEs (Full-time equivalents)	94	78

For remuneration to senior executives, please see note 7.1 Remuneration to senior executives and Board members in the consolidated financial statements.

Note 6 Other operating costs

1 January - 31 December

NOK million	Note	2025	2024
OTHER OPERATING COSTS			
Maintenance		17	16
Purchase of external services		48	64
Office expenses		5	5
Sales and marketing expenses		26	28
Insurance		2	3
Other items		14	13
Other items - Group Companies	11	30	27
Other operating costs		**143**	**156**

NOK thousand	2025	2024
AUDITOR'S FEES SPECIFICATION		
Mandatory audit [1]	1,346	1,121
Other assurance services [1, 2]	3,450	1,093
Other non-audit fees	-	259
Total auditor's fees (excl. VAT)	**4,796**	**2,473**

[1] Hafslund changed its group auditor in 2025. The auditor's fees in 2025 therefore consist of fees to both Deloitte (current auditor) and PwC (former auditor).
[2] Increase in other assurance services is mainly due to attestation resulting from the EU's Corporate Sustainability Reporting Directive (CSRD).

Value-added tax is not included in the specified audit fee.

Note 7 Financial items

1 January - 31 December

NOK million	Note	2025	2024
INTEREST INCOME			
Interest income		231	258
Interest income from Group companies	11	1,423	1,417
Interest income		**1,654**	**1,675**
INTEREST EXPENSE			
Interest expense		-1,211	-1,026
Interest expense to Group Companies	11	-327	-382
Interest expense		**-1,537**	**-1,408**
OTHER FINANCIAL INCOME/ EXPENSES			
Dividends from subsidiaries		2,488	2,283
Other financial income		6	80
Other financial cost		-34	-15
Other financial income/expenses		**2,460**	**2,348**
Net financial items		**2,577**	**2,616**

Of the company's interest expenses, NOK 365 million (NOK 356 million) are interest on subordinated loans from the City of Oslo and CCS Financing AS. Reference is also made to note 14 Interest-bearing debt.

Income from dividends from subsidiaries in 2025 consists of dividends of NOK 1,647 million from Hafslund Kraft AS, NOK 675 million from Hafslund Produksjon Holding AS, NOK 75 million from Hafslund Sarpfoss Holding AS and NOK 91 million from Hafslund Vekst AS.

Other financial income/expenses mainly consist of unrealised value changes and realised losses from a power and currency hedging agreement that the company has entered into with its subsidiary Hafslund Kraft AS.



Note 8 Income taxes

1 January - 31 December

NOK million	2025	2024
TAX EXPENSE		
Income tax payable	74	123
Deferred tax on actuarial gain/loss against equity	-	-2
Change in deferred tax liability/asset	3	8
Tax expense for the year	**77**	**129**

NOK million	2025	2024
RECONCILIATION OF TAX RATE		
Profit before tax	**2,405**	**2,442**
22 % (22 %) of profit before tax	529	537
22 % (22 %) of permanent differences	-453	-406
22 % (22 %) actuarial gains and losses	-	-2
Other	2	-
Tax expense for the year	**77**	**129**

NOK million	2025	2024
DEFERRED TAX		
General income tax		
Property, plant and equipment	119	121
Receivables	-90	-90
Pensions	13	8
Provisions	2	4
Other	-7	-21
Total	**37**	**22**
Tax rate	22%	22%
Deferred tax liability (asset)	**8**	**5**

Note 9 Shares in subsidiaries

31 December

NOK million	Registered office	Shareholding/ voting rights	Carrying amount
2025			
Shares in Hafslund Vekst AS	Oslo	100%	7,686
Shares in Hafslund Kraft AS	Oslo	57%	5,784
Shares in Hafslund Produksjon Holding AS	Oslo	90%	7,148
Shares in Oslo Lysverker AS	Oslo	100%	245
Shares in Hafslund Celsio AS	Oslo	60%	9,008
Shares in Hafslund Sarpfoss Holding AS	Oslo	100%	3,812
Shares in subsidiaries			**33,683**

In the financial year 2025, Hafslund AS received a distribution from Hafslund Celsio AS of NOK 240 million. The distribution is considered to represent repayment of paid-in capital and is therefore not recognised as income as a dividend, but as a reduction in the carrying amount of the investment in the subsidiary

On 11 April 2025, Hafslund AS completed the acquisition of 90 per cent of the shares in Sarpsfoss Limited from Orkla ASA. In connection with the transaction, Hafslund Sarpfoss Holding AS was established as a wholly-owned subsidiary of Hafslund AS, with the purpose of consolidating and structuring the Group's ownership in the power operations related to Sarpefossen and associated power plants.

31 December

NOK million	Registered office	Shareholding/ voting rights	Carrying amount
2024			
Shares in Hafslund Vekst AS	Oslo	100%	7,686
Shares in Hafslund Kraft AS	Oslo	57%	5,784
Shares in Hafslund Produksjon Holding AS	Oslo	90%	7,148
Shares in Oslo Lysverker AS	Oslo	100%	245
Shares in Hafslund Celsio AS	Oslo	60%	9,248
Shares in subsidiaries			**30,111**

Please see note 3.3 Impairment testing in the consolidated financial statements for assessments related to Hafslund Celsio AS.

Note 10 Other non-current receivables

31 December

NOK million	2025	2024
OTHER NON-CURRENT RECEIVABLES		
Non-current interest bearing loans to Group Companies	25,663	24,993
Other non-current non-interest- bearing receivables	116	118
Pension assets	17	15
Other non-current receivables	**25,796**	**25,126**

At the end of 2025, long-term interest-bearing loans to group companies consist of loans to Hafslund Vekst AS, Hafslund Kraft AS and Hafslund Celsio AS.

The loans to Hafslund Vekst AS are a total of NOK 6,006 million (NOK 6,006 million), of which NOK 3,135 million is a subordinated loan. The loan arrangement with Hafslund Vekst was fully restructured in January 2026. See note 18 Events after the reporting period for further details.

The loans to Hafslund Kraft AS are a total of NOK 15,815 million (NOK 15,815 million) and mature in 2029.

The loans to Hafslund Celsio AS are a total of NOK 3,842 million (NOK 3,172 million), of which NOK 2,400 is an ordinary loan which matures in 2047. NOK 1,442 million (NOK 772 million) represents a drawdown on a loan facility which was established in connection with the Hafslund Celsio transaction in May 2022. The loan facility has a limit of NOK 10,000 million, will be used to partially finance designated investments in Hafslund Celsio AS and has a term to maturity until 2052 with the possibility of extension. Interest on the loan facility can, under certain conditions, be added to the principal instead of being paid in cash.



Note 11 Intercompany

31 December

NOK million	2025	2024
CURRENT RECEIVABLES FROM GROUP COMPANIES		
Receivables from group companies	72	21
Other current receivables from group companies	4	-
Dividend from group companies	1,707	1,532
Receivables in cashpool-agreement for group	19	556
Accrued interest income	275	262
Total current receivables from group companies	**2,077**	**2,370**

NOK million	2025	2024
NON-CURRENT RECEIVABLES TO GROUP COMPANIES		
Loan to group companies	25,663	24,993
Total non-current receivables to group companies	**25,663**	**24,993**

NOK million	2025	2024
CURRENT DEBT WITH GROUP COMPANIES		
Trade payables to group companies	24	23
Group contribution	-	211
Debt in cashpool-agreement for group	7,544	6,511
Total current liabilities to group companies	**7,568**	**6,745**

Current receivables to group companies mainly consist of dividends from subsidiaries. In 2025, Hafslund AS has receivables on dividends of NOK 865 million from Hafslund Kraft AS, NOK 675 million from Hafslund Produksjon Holding AS, NOK 75 million from Hafslund Sarpfoss Holding AS and NOK 91 million from Hafslund Vekst AS.

1 January - 31 December

NOK million	2025	2024
INTERCOMPANY-TRANSACTIONS		
Operating income from group companies	134	114
Operating costs to group companies	-30	-27
Total operating income from group companies	**104**	**86**
Other financial income	4	57
Other financial cost	-	-1
Interest income from group companies	1,423	1,417
Interest income to group companies	-327	-382
Net financial income from group companies	**1,100**	**1,091**

In 2025, Hafslund AS invoiced NOK 134 million to its subsidiaries (NOK 114 million). The subsidiaries have also invoiced Hafslund AS, with the largest amount related to Hafslund Kraft AS, which invoiced NOK 20 million to the parent company (NOK 26 million).

Note 12 Cash and cash equivalents

Hafslund AS is the account holder of corporate cash pooling systems with Nordea, DNB and SEB, respectively. A corporate cash pooling system entails joint liability among the participating companies. The Group account holder's, Hafslund AS', deposits or overdrafts constitute the only direct balance with the bank, while the respective subsidiaries' accounts are regarded as intercompany balances with Hafslund AS.

Deposits on the top account in the cash pooling system that Hafslund AS has directly with the bank are presented in the line Bank deposits in the balance sheet. Intra-group balances in the cash pooling systems are presented as intercompany receivables or intercompany liabilities. Please refer to note 11 Intercompany for more information on balances related to the cash pooling arrangements.

Reference is also made to note 5.12 Cash and cash equivalents in the consolidated financial statements.

Note 13 Equity

NOK million	Share Capital	Share premium	Other equity	Total equity
Equity at 31 December 2023	**110**	**23,484**	**10,328**	**33,922**
Actuarial gains and losses	-	-	10	10
Profit for the year	-	-	2,313	2,313
Dividend 2024	-	-	-1,950	-1,950
Equity at 31 December 2024	**110**	**23,484**	**10,701**	**34,295**
Actuarial gains and losses	-	-	2	2
Profit for the year	-	-	2,329	2,329
Dividend 2025	-	-	-2,300	-2,300
Equity at 31 December 2025	**110**	**23,484**	**10,731**	**34,325**

The total number of shares is 100,000 and the nominal value of the shares is NOK 1,100 per share. City of Oslo owns all the shares.

Note 14 Interest-bearing debt

Hafslund AS has three subordinated loans from CCS Finansiering AS, a company 100 per cent owned by the City of Oslo. The subordinated loan of NOK 2,075 million was established in connection with the Hafslund Celsio transaction in 2022. The loan has an interest rate of 6.5 per cent with maturity date on 19 May 2042. According to the loan agreement, the creditor may make a claim for payment of extraordinary instalments corresponding to any payment obligation the City of Oslo or CCS Finansiering AS receives in connection with the external financing of the Carbon Capture and Storage project. Hence, the loan is classified as current interest-bearing debt.

The other two subordinated loans of NOK 2,347 million (NOK 2,347 million) and NOK 1,000 million (NOK 1,000 million) has an interest rate of 7.3 and 6.0 per cent respectively.

If the Group's profit for the year shows deficit after charged interest on these subordinated loans, the interest rate shall be reduced by either the deficit or to NOK zero. Any reduction is final, and the interest amount shall not be paid later.

Hafslund AS has an overdraft facility of NOK 1,000 million and a syndicated credit facility of NOK 4,000 million maturing in May 2030. Both were unused as of 31 December 2025. Hafslund AS also has an overdraft facility of EUR 50 million to cover daily market settlement for futures contracts on Nasdaq Clearing AB which was unused as of 31 December 2025.

31 December

NOK million	2025	2024
NON-CURRENT INTEREST-BEARING DEBT		
Bank loans	3,870	2,870
Bond loans	9,262	4,950
Private placement in foreign market	4,951	5,094
Subordinated loans	3,347	3,347
Total non-current interest-bearing loans	**21,430**	**16,261**
CURRENT INTEREST-BEARING DEBT		
Bank loans	-	811
Certificate loans and bond loans	490	1,000
Private placement in foreign market	143	-
Subordinated loans	2,075	2,075
Total current interest-bearing loans	**2,708**	**3,886**
Total interest-bearing debt	**24,137**	**20,147**
Amortisation of fees	-15	-6
Total interest-bearing debt in Balance sheet	**24,122**	**20,141**

The maturity profile of interest-bearing debt can be summarised as follows:

31 December

NOK million	2025	2024
Within 12 months	2,708	1,805
1 to 3 years	4,743	4,330
3 to 5 years	4,369	7,290
From 5 years	12,318	6,722
Total	**24,137**	**20,147**

Note 15 Other current non-interest-bearing liabilities

31 December

NOK million	Note	2025	2024
OTHER CURRENT NON-INTEREST-BEARING LIABILITIES			
Accrued interest		535	484
Accrued dividend	17	2,300	1,950
Other tax liabilities		32	23
Other current liabilities		17	18
Other current non-interest-bearing liabilities		**2,884**	**2,475**



Note 16 Guarantees

As security for certain obligations, the Company purchases bank guarantees. As of 31 December 2025, these guarantees amounted to NOK 11 million in guarantees for employee withholding tax (NOK 8 million).

Hafslund AS has issued parent company guarantees on behalf of Hafslund Celsio AS and Hafslund Produksjon AS. As of 31 December 2025, parent company guarantees amounted to NOK 1 598 million (NOK 1 680 million).

Note 17 Related party transactions

Transactions with subsidiaries

Please refer to note 11 Intercompany for an overview of intercompany balances between Hafslund AS and other companies in the Group.

Subordinated loan from CCS Finansiering AS, a company owned 100 per cent by the City of Oslo

Hafslund AS has three subordinated loans from CCS Finansiering AS, which is a 100 per cent owned company by the City of Oslo. The loans were transported from the City of Oslo to CCS Finansiering AS on 15 December 2022. The total outstanding loan amount as of 31 December 2025 is NOK 5,421 million.

For more information regarding the loans and terms, please refer to note 14 Interest-bearing debt and note 9.1 Related party transactions in the consolidated financial statement.

Dividend to The City of Oslo

At the end of 2025, NOK 2,300 million was allocated for ordinary dividends to the City of Oslo. For the financial year 2024 total dividend to the City of Oslo was NOK 1,950 million.

Note 18 Events after the reporting period

Debt conversion Hafslund Vekst AS

As of 31 December 2025, loans to Hafslund Vekst AS amounted to NOK 6,006 million. On 15 January 2026, NOK 3,644 million of the loan to Hafslund Vekst AS was converted into equity. Prior to the debt conversion, Hafslund Vekst AS made a repayment of NOK 730 million on the loan.

Reference is made to note 9.3 Events after the reporting period in the consolidated financial statement.

Statement pursuant to Norwegian Securities Trading Act Section 5-5

Oslo, 26 March 2026

The Board of Directors of Hafslund AS

We declare to the best of our knowledge that:

- The consolidated financial statements for 2026 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, including additional disclosures pursuant to the Norwegian Accounting Act.
- The parent Company's 2026 annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.
- The accounting information provides a true and fair view of the company's and the Group's assets, liabilities and financial position and performance as a whole.
- The Report from the Board of Directors provides a true and fair picture of the development, performance and position of the company and the Group, as well as a description of the most important risk factors and uncertainties facing the business and the Group.
- The annual report has been prepared in accordance with the standards for sustainability reporting established pursuant to section 2-6 of the Norwegian Accounting Act, and in accordance with rules established under the Taxonomy Regulation article 8 paragraph 4.

Jarle Roth
Chair of the Board

Halvor Kr. Halvorsen

Kristin Færøvik

Stian Berger Røsland

Hilde Veum-Wahlberg

Bjørn Erik Næss

Håkon Rustad

Maria Tallaksen

Finn Bjørn Ruyter
CEO

Auditor's report

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To the General Meeting of Hafslund AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hafslund AS, which comprise:

- The financial statements of the parent company Hafslund AS (the Company), which comprise the balance sheet as at 31 December 2025, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The financial statements of Hafslund AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Hafslund AS for one years from the election by the general meeting of the shareholders on 15 April 2024 for the accounting year 2025.

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Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for financial Instruments used to hedge power revenue

Description of the Key Audit Matter	**How the matter was addressed in the audit**
To manage operational risk from the Group's power production, Hafslund uses energy contracts. Hafslund hedges portions of its future power production within approved frameworks and the Group's financial strategy. The accounting treatment of energy contracts falls under IFRS 9 – *Financial Instruments*, and is measured at fair value through profit or loss, or through other comprehensive income if it qualifies as an accounting hedge. However, several of the Group's contracts qualify under the own use exemption under IFRS 9. Such contracts are not treated as financial instruments, but are accounted for under IFRS 15 – *Revenue from Contracts with Customers*. Own use contracts may contain separate elements related to, for example, currency exchange, which must be separated from the host contract for accounting purposes and treated as embedded derivatives under IFRS 9. There is inherent risk associated with both the classification and valuation of energy contracts, including contracts designated as hedging instruments, which may result in material misstatement in the financial statements. The risk arises due to the complexity of contract structures and accounting rules, and due to uncertainty in estimating the valuation of embedded derivatives and energy contracts that are accounted for at fair value under IFRS 9. Due to the complexity in assessing whether energy contracts fall under the own use exemption or not, complex accounting rules related to hedge accounting, and estimation uncertainty in this area, this constitutes a key audit matter. See note 5.1 Financial instruments, note 5.5 Fair value, and note 5.6 Derivatives and hedging in the Group financial statements.	We performed risk assessment procedures to obtain an understanding of business processes and relevant controls related to financial instruments and hedge accounting, and assessed whether relevant controls in the process were designed and implemented to effectively address the risk of material misstatement. We further evaluated the Group's accounting principles for energy contracts and hedge accounting against the accounting rules in IFRS. For positions included in accounting hedges, we evaluated the Group's hedge documentation against the requirements in IFRS 9 and tested a sample of hedge relationships by reviewing the Group's assessment of hedge effectiveness that is recognized in other comprehensive income. For contracts that qualify for the own use exemption, we challenged management's assessment of business model, contract purpose, and tested actual production against contract volumes to verify that the contracts are correctly classified under the own use exemption. As part of our audit, we tested, on a sample basis, the valuation of financial instruments. The valuation of financial instruments was tested through counterparty confirmations, primarily Nasdaq, or by reviewing and challenging the significant data, assumptions, and models that management applied in assessing the value of the hedging instruments. We have also assessed and concluded that the information in the notes is sufficient and comprehensive in accordance with IFRS 7 - *Financial Instruments: Disclosures*.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. Our separate assurance report dated 26 March 2026 for the consolidated sustainability statement contains a qualified conclusion.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement that the Board of Directors' report contains the information required by applicable law does not cover the sustainability statement, for which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 26 March 2026
Deloitte AS

Reidar Ludvigsen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Sustainability auditor's report

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To the General Meeting of Hafslund AS

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Qualified Limited Assurance Conclusion
We have conducted a limited assurance engagement on the consolidated sustainability statement of Hafslund AS (the "Group"), included in Sustainability statement 2025 of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, except for the effects of the matters described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the subsection "Managing impacts, risks and opportunities" in the section General information , and
- compliance of the disclosures in the subsection "EU taxonomy" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for Qualified conclusion
EU Taxonomy – Hydropower and Do No Significant Harm criteria related to water and marine resources
As described in the section 'Assessment of compatibility with taxonomy criteria – Hydropower production', Hafslund is of the opinion that they meet the requirement in the Do No Significant Harm (DNSH) criteria for environmental objectve 3 "sustainable use and protection of water and marine resources" as long as they operate in accordance with the Water Framework Directive as implemented in Norway. Based on the wording of DNSH criteria number 3 and the guidance provided by the EU Commission, we are of the opinion that the EU Taxonomy sets forth stricter environmental criteria than those that stem from the Water Framwork Directive as implemented in Norway. The fact that a hydropower plant operates in compliance with the national implementation of the Water Framework Directive is, in our opinion, not sufficient to conclude that the hydropower plant fulfils the DNSH criteria number 3 of the EU Taxonomy. In our opinion, the hydropower plants have not been subject to an assessed of all applicable DNSH criteria. We are therefore unable to conclude on whether "CCM 4.5 – Electricity generation from hydropower" meets the criteria to be classified as taxonomy-aligned under the EU Taxonomy.

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 qualified conclusion. Our responsibilities under this standard are further described in the *Sustainability 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

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Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

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

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.

Other matter
The comparative information included in the Sustainability Statement for the financial year 2023 and previous years was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement
The Board of Directors and the Managing Director (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the subsection "Managing impacts, risks and opportunities" in the section General information of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the subsection "EU taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities
Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process set out in the subsection "Managing impacts, risks and opportunities" in the section General information in the Sustainability Statement.

Our other responsibilities in respect of the Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures 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 had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing selected parts of the Group's internal documentation of its Process; and

- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in the subsection "Managing impacts, risks and opportunities" in the section General information in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by
  - obtaining an understanding of the Group's control environment and selected processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control, and
  - obtaining an understanding of the Group's risk assessment process.

- evaluated whether the information identified by the Process is included in the Sustainability Statement;
- evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- performed inquires of selected relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- performed substantive assurance procedures on selected information in the Sustainability Statement;
- where applicable, compared selected disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- evaluated selected methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- evaluated whether information about the selected identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement, and
- performed inquiries of selected relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 26 March 2026
Deloitte AS

Guro Magnetun Heimvik
State Authorised Public Accountant - Sustainability Auditor

Note: This translation from Norwegian has been prepared for information purposes only.

Hafslund

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