

Brage Finans AS

Green Bond

Scope ESG Analysis has used its public proprietary methodology to assess the alignment of the Green Bond Framework (Framework) of Brage Finans AS (Brage) with the 2025 Green Bond Principles (GBP) managed by the International Capital Market Association (ICMA). Scope ESG assessment confirms that Brage's Framework is fully aligned with the GBPs.

This second-party opinion is based on four Green Bond Principles: use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. Our methodology adds four dimensions in assessing the 'use of proceeds': an assessment of the issuer's sustainability strategy; an assessment of alignment with the EU taxonomy; an assessment of the 'impact of proceeds'; and a review of environmental and social risks. Brage's Framework achieved a Leaf Score of two Leaves, signalling a significant environmental impact contribution.

Table 1: Issuance assessment summary

Scope's criteria	Brage's Framework description	Scope ESG Assessment
Use of proceeds	<ul style="list-style-type: none"> → Clean transportation and machinery → Renewable energy → Sustainable aquaculture 	 ICMA-aligned
Process for project evaluation and selection	<ul style="list-style-type: none"> → Establishment of a Green Bond Committee composed of five key members of the credit, compliance, and treasury departments → The committee evaluates and selects loans and/or leases in accordance with the eligible criteria specified in the Framework 	 ICMA-aligned
Management of proceeds	<ul style="list-style-type: none"> → Proceeds are recorded and tracked in Brage's internal financial system → Eligible loans and/or leases are earmarked separately and excluded from the pool if no longer applicable → Unallocated proceeds may be invested in short-term instruments 	 ICMA-aligned
Reporting	<ul style="list-style-type: none"> → Allocation and impact reports issued within 12 months and annually until full allocation → Reports include key information on allocations, unallocated balance, and key performance indicators corresponding to the three project categories stated in the Framework → Details described in a publicly available investor letter 	 ICMA-aligned
Brage's sustainability strategy	<ul style="list-style-type: none"> → Dedicated sustainability strategy, which integrates environmental practices, promotes sustainable development through its operations and offerings, and aims to be climate neutral by 2050 → Brage publishes an annual report, discloses scope emissions, is committed to the UN SDGs and certified by Eco-Lighthouse 	 Transformative
EU taxonomy alignment	<ul style="list-style-type: none"> → The projects pertain to six taxonomy sectors → The company has provided documentation to support its alignment with the relevant activities → Compliance with minimum social safeguards 	 Taxonomy-aligned
Impact assessment	<ul style="list-style-type: none"> → Eligible projects support an overall sustainable and environmental transition in different sectors in Norway → Transparency of KPIs achieved on projects from certain loans and/or leases might prove challenging 	 Significant
Environmental and social risks	<ul style="list-style-type: none"> → Brage fully integrates sustainability, environmental and social practices into its credit policy and company operations 	 Significant

Scope Leaf Score scale



Figure 1. Alignment with United Nations Sustainable Development Goals



Figure 2. Engagement with EU Taxonomy



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1. Methodology and assessment process

Scope ESG was commissioned by the issuer to provide a second-party opinion (SPO) on its Framework. This SPO is based on Brage’s internal documents, interviews with Brage’s relevant stakeholders, and documents related to external market/regulatory research.

The Leaf Score summarises our evaluation and verification of the environmental impact of Brage’s Framework. The targets described within each of the green project categories lead to individual leaf scores. In the case of multiple project categories, the aggregate of the scores yields the overall score of our second-party opinion report.

Our minimum requirement for GBP alignment is that each green project category of the Framework has a positive environmental impact, as represented by a Leaf Score of one yellow Leaf.

Table 2: Framework criteria Leaf Score

Scoring	Description	Framework criteria
	Transformative environmental contribution exceeding market standards	Full alignment with GBPs and EU Taxonomy objectives, supported by comprehensive DNSH documentation. The issuer tracks and reports lifecycle data and provides fully quantified impact metrics. The Framework goes beyond market practice, showing robust evidence across the entire value chain and advanced reporting with external assurance.
	Significant environmental contribution aligned with market standards	The Framework demonstrates strong alignment with GBPs and addresses material environmental impacts through meaningful projects in priority sectors. Best practices are adopted by the issuer, and governance processes are well-structured. While gaps remain in DNSH evidence, lifecycle considerations, and fully quantified impact metrics, the Framework reflects clear ambition and transparency. The issuer delivers a meaningful contribution to climate mitigation and sustainable finance and is aligned with market practice.
	Environmentally friendly but limited alignment with market standards	The Framework’s ambition is limited, with project descriptions lacking detail, sustainability strategy unclear, and risk management or reporting minimal. Governance is weak, and there is no clear ambition to align with EU taxonomy or equivalent standards.
	Negative environmental impact and no alignment with market standards	No alignment with GBPs or EU Taxonomy, absence of sustainability strategy, and projects unlikely to deliver environmental benefits. No intention, ambition, or structured process to ensure sustainability.

2. Introduction

Brage Finans AS (Brage) is an independent Norwegian credit institution established in 2010, headquartered in Bergen with nationwide operations. Fully licensed by the Norwegian Financial Supervisory Authority, Brage is primarily owned by a consortium of local banks, with Sparebanken Norge AS holding being the largest stake (72%), alongside other regional banks and insurance companies.

Norwegian credit institution focused on sustainable lending.

The company specialises in equipment financing for retail and corporate clients through leasing and secured loans, distributed via owner banks, third-party providers, and direct channels. Brage maintains a diversified, low-risk portfolio and holds an A+ credit rating with a stable outlook from Scope Ratings (October 2025). The loan segment focuses mainly on vehicle financing, primarily cars, while the leasing segment focuses mostly on machinery and equipment. Other financial segments include business loans, insurance and invoice factoring.

Holds an A+ credit rating from Scope Ratings

Brage offers its retail clients green car loans to support the purchase of electric vehicles. For corporate clients, Brage provides financing for initiatives such as EV charging infrastructure, recycling systems, sludge treatment solutions, and measures to enhance sustainability in aquaculture.

Financing mainly related to electric vehicles and supporting infrastructure

Brage aims to issue a green bond to finance loans and/or leases for projects in three different categories: clean transportation and machinery, renewable energy, and sustainable aquaculture.

Bond proceeds to finance three green categories

3. Green Bond Principles: assessment of issuance

3.1 Use of proceeds

Table 3: Brage's eligible projects

Green project category	Fulfilment	Leaf score
Clean transportation and machinery	→ Loans and/or leases for financing: 1) a. Fully electric vehicles, including but not limited to, passenger cars, trucks, and public transportation. b. Fully electric machinery for use in construction, forestry management, and agricultural operations 2) Infrastructure required to supply electricity to the assets referenced above. 3) Infrastructure supporting the operations of public transportation.	 Significant
Renewable energy	→ Loans and/or leases dedicated to financing solar power installations, as well as technologies and equipment associated with solar and wind renewable energy projects.	 Significant
Sustainable aquaculture	→ Loans and leases to finance fish-farming equipment including but not limited to non-chemical sea lice management, escape prevention, waste management, and sustainable feed production, focusing on the following criteria: <ul style="list-style-type: none"> ○ The assets must operate exclusively in electric power to be classified as green in the aquaculture industry. ○ When classification is uncertain, the fish farm must be certified by both the Aquaculture Stewardship Council (ASC) and by the GLOBAL G.A.P standard. 	 Significant

Brage has stated internally that the proceeds will be financing assets for retail and corporate clients. The average maturity of its total portfolio, consisting of loans and leasing, is approximately 69 months.

The **clean transportation and machinery** project category has been awarded a Leaf Score of two leaves.

Brage intends to allocate the net proceeds from this green bond issuance to clean transportation. The company has set an ambition to only finance fully electric vehicles, i.e. excluding hybrid vehicles. This approach is expected to contribute positively to portfolio emissions reduction. Additional considerations such as energy efficiency, charging infrastructure and the energy sources used for charging remain relevant for overall environmental impact.

This green project category also includes the possibility to finance EV-related infrastructure, primarily charging stations and electric machinery. For charging stations, we note that Norway's electricity grid is predominantly powered by hydropower, ensuring that charging is largely supplied by a clean energy source. For financing of equipment, the Framework states that only electric assets will be applicable and focused on low-carbon operations in sectors such as construction, forestry management, and agriculture.

This allocation complies with the financing of projects that contribute to climate change mitigation through the reduction of greenhouse gas emissions in the transportation sector, which is responsible for around 35% of CO₂ emissions in Norway¹. This allocation also supports the financing of technologies that enable sustainable operations across multiple sectors.

Clean transportation and machinery scores Significant

Proceeds mainly to finance fully electric vehicles in the region

¹ International Energy Agency (IEA), *CO₂ emissions by sector, Norway, 2025* - www.iea.org/countries/Norway/emissions

The **renewable energy** project category achieves a Leaf Score of two Leaves. Brage aims primarily to finance solar panel installations on SMEs and industrial buildings, focusing on roof-top systems that provide an additional renewable energy source for existing facilities. The electricity generated is intended to supplement, rather than replace, the building’s overall energy demand.

Renewable energy category scores **Significant**

The Framework also includes systems and technologies related to wind energy as eligible under this project category. However, Brage has indicated that, at the time of this assessment, it has no current no exposure to wind energy in its portfolio.

Renewable energy systems, such as solar panels, imply certain environmental and social risks throughout the product lifecycle. For the acquisition and installation of solar panels, Brage encourages its clients to prioritise certified providers in addition to procurement procedures. While Brage does not apply minimum technical standards on the leased assets, it encourages the use of reputable providers, responsible disposal, and recycling practices.

Proceeds aimed to finance mostly roof-top solar installations

The **sustainable aquaculture** project category obtained a Leaf Score of two Leaves and is aligned with the GBP’s recommendation to finance projects that contribute to biodiversity protection, climate responsibility, and the sustainable management of natural resources.

Sustainable aquaculture category scores **Significant**

The company maintains a substantial portfolio of clients within the aquaculture industry, encompassing a wide range of equipment. Financing will focus specifically on the assets to be acquired, provided they operate exclusively on electric power, regardless of whether the farming takes place onshore or offshore.

To qualify for financing, Brage requires clients to hold certifications from either the Aquaculture Stewardship Council (ASC) or the Global Good Agricultural Practices (Global G.A.P.). Although each organisation focuses on different aspects and criteria, they both establish a baseline for sustainability across the sector.

Brage emphasis on their adherence to relevant industry certifications

We note that compared to Brage’s 2023 Green Bond Framework, this category has removed certain sustainability criteria previously applied to eligible assets. Specifically, requirements such as exclusive use of certified soy protein concentrate in feed, and a deforestation commitment from feed producers to encourage deforestation reduction across all operations.

The issuer has clarified that these changes do not represent a reduction in overall scope. The removal of explicit criteria relating to RTRS and ProTerra certification reflects current industry practice in Norway, which already ensures deforestation-free soy sourcing through ASC certification and alignment with FEFAC guidelines. These practices were not established at the time of Brage’s first Green Bond; however, the current approach is harmonised with EU regulations.

Aggregated **use of proceeds** scores **Significant**

Our assessment: Brage’s eligible projects achieve an aggregated Leaf Score of two Leaves, reflecting strong alignment with the GBPs, clear relevance of the project categories at a national level, and consistency with its lending policy considerations. The Framework supports meaningful climate and resource efficiency outcomes, and the categories remain aligned with conventional technologies and approaches commonly applied in the Norwegian market. Brage’s role as a financial institution limits data availability, and while current disclosures are appropriate for the sector, additional information on expected benefits and impact metrics is currently not provided.

3.2 Process for project evaluation and selection

Brage has established an internal green bond committee (Committee) responsible for evaluating and selecting loans and leases nominated by Brage’s Credit Department for inclusion in the Eligible Green Loan Portfolio, in accordance with the criteria set out in the Framework.

Establishment of a Green Committee

The Committee is composed of five members holding key positions in the company: the Chief Financial Officer, Chief Credit Officer, Head of Legal, Senior Credit Officer and the Senior Treasury Officer. Decisions on eligible loans are reached through consensus, documented, and filed for transparency. The selected loans are earmarked separately within the company’s internal financial systems to ensure traceability and transparency.

The Framework explains that all lending must go through Brage’s general credit approval process, which includes strict preliminary checks followed by the eligibility criteria stated in the Framework. Brage also aims to adhere to international standards and guidelines such as the EU Taxonomy to ensure sustainable and environmentally positive financing.

Strict credit approval process which includes environmental considerations

Brage will not finance activities related to coal or oil sands extraction, pornography, weapons, corruption, gambling, and tobacco production. Additionally, Brage states in its Framework that it may refuse financing where there are concerns about unethical conduct, fraud, or criminal involvement. It will also decline support if operations breach laws, regulations, environmental requirements, or lack required approvals.

Exclusion criteria listed in the Framework and credit policy

Our assessment: The process for project evaluation and selection has a Leaf Score of three Leaves as Brage has a detailed project selection process with a specific green committee, makes reporting distinctions, which it follows in addition to its internal general credit process. It has also stated exclusionary criteria.

Process for evaluation and selection scores Transformative

3.3 Management of proceeds

According to Brage’s framework, the net proceeds will be identified within the company’s internal systems, earmarked and labelled with a dedicated identifier named “green code”, making the clear distinction if they are to be used for financing or refinancing alongside any other relevant notes.

Loans and leases from the use of proceeds will be internally tracked and separately earmarked

The company’s Treasury Department is responsible for ensuring that its green loans exceed the green bonds outstanding. Should any loan or lease financed cease to meet the eligibility criteria described in the Framework, it will be removed and replaced by another qualifying asset.

Unallocated proceeds will be clearly classified and disclosed in the annual allocation report. Pending allocation, Brage has disclosed that these proceeds may be maintained in a separate deposit account with Sparebanken Norge, temporarily invested in liquidity coverage, bonds or by DNB’s Global Treasury. Nonetheless, these short-term instruments must all adhere to the internal management policies and ESG investment guidelines outlined by each institution. Brage will appoint an independent external auditor on an annual basis to review the allocation process and ensure that it follows internal best practices.

Unallocated proceeds will be invested in short-term instruments

Our assessment: Brage’s management of proceeds achieves a Leaf Score of three Leaves. This reflects the company’s internal guidelines and processes regarding the tracking and allocation of the proceeds, including their commitment to clear transparency practices with the use of external oversight.

Management of proceeds scores Transformative

3.4 Reporting

Brage is committed to providing annual reporting describing the issuance of green bonds and the allocation of green proceeds through loans and leases. This report will be made public as an annual investor letter on the company’s website until the bond’s maturity.

Annual reporting until bond maturity

Brage will report the allocation of net proceeds towards each eligible green project category and include the metrics detailed in the table below.

Table 4: Allocation report indicators

Allocation report indicators
→ Amount invested in each category, including the amount directed towards new financing and refinancing
→ Nominal amount of green bonds outstanding
→ Amount of net proceeds awaiting allocation
→ Other: Examples of assets financed

Brage has also committed to provide annual reporting on selected impact indicators to illustrate the environmental and sustainability impacts of the projects financed by this green debt instrument. The defined impact indicators are the following:

Table 5: Impact reporting indicators

Category	Impact indicators
Clean transportation and machinery	Number of financed low-carbon vehicles and machinery per asset type
	Number of electric vehicles charging points installed
	For public transport, increased capacity in terms of number of passengers
Renewable energy	Installed capacity (MWh) per renewable energy source
Sustainable aquaculture	Lending per equipment type and examples of assets financed

Our assessment: Brage’s reporting process has a Leaf Score of three Leaves. The issuer is committed to providing annual reporting of the information on the use of proceeds with relevant details about eligible projects categories until bond maturity. Impact indicators are defined and include quantitative elements, and reporting is subject to external assurance. However, while the framework does not currently include quantified outcome-based environmental benefits, or reference to harmonized impact reporting templates, Brage has stated internally that they aim to expand assurance to cover impact metrics in future reports and is looking into how materialise data for this purpose. Addressing these gaps would align with best practices.

Reporting process scores
Transformative

4. Assessment beyond GBPs

4.1 Brage’s sustainability strategy

The company has a clear established sustainability strategy that covers its portfolio of products, credit policy, and lending approach, as well as its operating model, which includes ethical guidelines, targets for climate neutrality by 2050 and is supported by climate accounting, external certifications (Miljøfyrtårn), and alignment towards the United Nations Sustainable Development Goals (UN SDGs).

Established sustainability strategy which is annually updated

Brage’s product range encompasses the corporate and the private market. Among its portfolio, the main financing segment with an environmental purpose is its green car loans programme for EVs. Other examples of expanding its portfolio towards green practices include EV charging infrastructure, recycling and waste management systems, sludge treatment, and sea lice management. The company has also integrated additional green finance products, such as solar panel financing and wind power machinery.

Brage’s portfolio is expanding towards green practices

Brage’s sustainability strategy is supported by long-term goals, which include an increase in the amount of green assets in the portfolio. This KPI has been tracked since 2022 and has a goal to reach 25% by 2030. We see this as a positive ambition and a commitment towards sustainable practices. The green portfolio amounted to 18% of the total at year-end 2024 and is expected to reach 20% by 2026.

Long-term goal to increase green assets to 25% by 2030 in its portfolio

The company’s credit policy integrates sustainability considerations by delimiting a set of rules for granting and managing credit, which also includes the screening of possible customers to evaluate the assets being financed. The underlying purpose is not only to reduce financial risk but also to support responsible investments and encourage long-term positive business behaviour. The Framework and additional documentation provided state that Brage does not provide loans or leases to customers who violate ethical standards, engage in criminal or fraudulent behaviour, nor where there is indication of law violations.

Besides exclusion criteria, credit policy also integrates sustainability considerations

In terms of operational sustainability, Brage has been certified by Stiftelsen Miljøfyrtårn (Eco-Lighthouse Foundation) since 2019 (re-certified in October 2025). As part of this commitment, the company carries out annual climate reporting of its scope 1-2-3 emissions and aims to reach net-zero by 2050. Based on its latest report², the company slightly reduced its total CO₂ emissions between 2023 and 2024 by decreasing transport and energy consumption. To compensate for the residual emissions, Brage purchases carbon offsets and publishes their corresponding certification online³. As part of its efforts, Brage applies environmental criteria in its procurement and supplier selection processes, encourages the use of electronic signatures to reduce paper consumption, and applies environmental considerations to its travel policies, such as limiting the average flights per employee per year.

Brage provides climate accounting annually and aims net-zero by 2050

Lastly, as part of its sustainability strategy, Brage aligns its business with the 10 principles of the UN Global Compact and supports all UN SDGs.

Aligned with UN Global Compact and UN SDGs

Our assessment: Brage’s sustainability strategy scores a Leaf Score of three Leaves. This reflects its ambition to integrate ESG principles across its operations and product offerings, supported by measurable objectives, long-term targets, and annual climate accounting. The strategy is aligned with recognized global standards such as the UN SDGs and the UNGC and includes external certifications, reinforcing its credibility to sustainability.

Brage’s **sustainability strategy** scores **Transformative**

² Brage Finans AS, *Klimaregnskap 2024*, published 2025 - <https://www.brage.no/investor/baerekraft/klimaregnskap/>

³ Brage Finans AS, *Klimasertifikat 2025*, published 2025 - <https://www.brage.no/investor/baerekraft/klimaregnskap/>

4.2 Alignment with UN Sustainable Development Goals (SDGs)

The SDGs adopted by all UN member states in 2015 are a collection of 17 global targets comprising an agenda for achieving sustainable development by 2030. We deem the following SDGs to be relevant for Brage's project categories:

Brage's project categories tied to six relevant SDGs

7. Affordable and clean energy: ensure access to affordable, reliable, sustainable, and modern energy for all.

9. Industry, innovation, and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

11. Sustainable cities and communities: make cities and human settlements, inclusive, safe, resilient and sustainable

12. Responsible Consumption and Production: ensure sustainable consumption and production patterns

13. Climate action: take urgent action to combat climate change and its impacts.

14. Life below water: conserve and sustainably use the oceans, seas and marine resources for sustainable development

Appendix I lists the relevant indicators for assessing Brage's contribution to each SDG. The contribution to the SDGs can be quantified in the annual report or in the post-issuance impact report. Brage has not defined specific indicators for measuring its direct contribution to each SDG in the Framework, but its alignment can be assessed using relevant indicators from its allocation and impact reporting.

4.3 EU Taxonomy alignment⁴

Norway's Sustainable Finance Act⁵, which came into effect in 2023, officially recognises and incorporates the *EU Disclosure Regulation* and the *EU Taxonomy Regulation* into Norwegian law. Through this implementation act, sustainable finance projects in Norway can have their alignment to the EU Taxonomy assessed.

Norway's Sustainable Finance Act aligns projects with the EU Taxonomy

Brage states in its Framework the importance of complying with the EU taxonomy. The clean transport and renewable energy product categories in Brage's Framework pertain to six taxonomy activities. While the Framework only stipulates three, we deem three additional activities to be relevant and considered them in the assessment. The sustainable aquaculture product category is not considered in the assessment below since this activity is not currently applicable under the EU Taxonomy.

Eligible categories pertain to six taxonomy activities

- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power
- 6.3 Urban and suburban transport, road passenger transport
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 6.15 Infrastructure enabling low-carbon road transport and public transport
- 7.6 Installation, maintenance and repair of renewable energy technologies

⁴ The EU taxonomy regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes a basis for the EU taxonomy by setting out four overarching conditions that a particular economic activity must meet to qualify as environmentally sustainable. The taxonomy regulation establishes six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

⁵ Ministry of Finance (Finansdepartementet), *Act on Disclosure of Sustainability Information in the Financial Sector and a Framework for Sustainable Investments, 2023* - <https://lovdata.no/dokument/NL/lov/2021-12-22-161>

Technical screening criteria (TSC)

Brage's eligible categories show strong alignment with EU Taxonomy TSC. Solar PV projects (4.1) and EV financing (6.5 and 6.3) are fully aligned, meeting zero-emission and renewable generation requirements. EV infrastructure (6.15) also aligns, as financed assets exclusively support electric mobility and therefore exclude fossil fuels. Installation of renewable technologies (7.6) is fully aligned, as projects focus on rooftop solar PV systems and ancillary equipment. Wind power (4.3) is included in the Framework but has no current exposure.

Eligible categories aligned with technical screening criteria

Overall, substantial contribution to climate mitigation is clear, and all applicable activities meet TSC requirements based on the stated scope and documentation.

Do no significant harm (DNSH)⁶

Based on Brage's Framework and the identified EU Taxonomy activities, each sub-category has specific DNSH criteria. As a financial institution, Brage faces limitations in collecting asset-level data, which constrains full validation, though supporting documentation shows commitment to alignment.

Ambition to align with DNSH criteria with certain data limitations

For **climate change adaptation**, Brage stated that it is not exposed to physical climate risks beyond the robustness of the financed vehicles, which is ensured by manufacturer's standards (e.g. resistance to extreme weather and battery durability under temperature fluctuations). While this demonstrates consideration of asset-level resilience, it does not constitute a formal climate risk assessment or adaptation plan as required by the EU Taxonomy DNSH criteria. For financial institutions, this limitation is common since they do not develop or operate assets. Therefore, despite partial supporting evidence, full alignment cannot be validated.

Water and marine resource protection is met for offshore wind (4.3) as these types of projects might be excluded, and for EV infrastructure (6.15), which complies with Norwegian regulations⁷. **Circular economy** requirements are partially addressed, as Brage only considers the asset itself and does not track lifecycle or end-of-life data, though procurement guidelines support responsible practices. **Pollution prevention and control** is aligned: EVs (6.5) and electric public transport (6.3) meet zero-emission and low-noise standards, and EV infrastructure (6.15) must comply with Norwegian safety and building regulations (all related to the "Planning and Building Act"⁸ and other technical regulations). **Biodiversity and ecosystems** are fully aligned for rooftop solar (4.1) as they are not placed in protected areas, but insufficient documentation exists for wind (4.3) and potential large-scale EV infrastructure (6.15).

Minimum social safeguards⁹

Within the Framework and supported by the additional documentation provided, Brage has demonstrated compliance and alignment with the EU Taxonomy's minimum social safeguards (MSS). Brage maintains a robust governance standard, carries out due-diligence reporting (publishing them annually), and has credit and risk management processes that ensure alignment with Norwegian and international standards (such as the EU and UN).

Brage adheres to Norwegian and EU labour law standards

Brage assesses and monitors potential borrowers via its credit policy guidelines. They must adhere to anti-corruption principles, not partake in any criminal or unethical activities, and list specific exclusion criteria (refer to section 3.2 on process for project evaluation and selection above). If

⁶ The EU taxonomy defines a 'do no significant harm' (DNSH) assessment. The DNSH assessment ensures that the other environmental objectives are not harmed while a substantial contribution is made to one or more environmental objectives.

⁷ Ministry of Transport (Samferdselsdepartementet), National charging strategy, 2021 - <https://www.regjeringen.no/contentassets/26d4c472862342b69e8d49803b45c36a/en-gb/pdfs/national-charging-strategy.pdf>

⁸ Ministry of Local and Regional Affairs (Kommunal- og distriktsdepartementet), Planning and building act, 2012 (modified 2025) - <https://lovdata.no/nav/lov/2008-06-27-71>

⁹ The EU taxonomy includes a minimum social safeguards assessment to ensure that entities carrying out environmentally sustainable activities, labelled as taxonomy-aligned, meet certain minimum governance standards and do not violate social norms, including human rights and labour rights. Issuers should align with standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles of Business and Human Rights, and the International Bill of Human Rights. Additionally, issuers should comply with the ILO's Declaration of the International Labour Organisation on Fundamental Rights and Principles at Work.

the company identifies a breach of borrowers' commitment towards the above, there are measures in place to refuse or forfeit the financing.

Our assessment: Brage demonstrates strong alignment with EU Taxonomy objectives and technical screening criteria, supported by clear guidelines, responsible procurement practices, and ambition to align with the Taxonomy. The issuer's framework reflects best practices and a commitment to sustainability. While DNSH compliance is only partially evidenced, with gaps in climate adaptation, lifecycle data, and biodiversity measures, these challenges are common for lending institutions and present opportunities for further enhancement. Overall, Brage makes a significant contribution to climate mitigation and sustainable finance, and with more comprehensive documentation and quantifiable metrics, the issuer is well-positioned to advance toward a Transformative score.

EU Taxonomy alignment scores
Significant

4.4 Impact of proceeds

Norway is considered to be a global leader when it comes to sustainability. It efficiently integrates clean energy systems, forward-looking transport policies, and strong natural conservation. Renewable hydropower energy supplies the electricity grid with around 90% of total production followed by 9% of wind power at year-end 2024¹⁰. This has in part enabled Norway to adopt a large-scale EVs strategy which in the same year achieved nearly 20% of total registered vehicles to be electric. Regarding biodiversity and environment protection, Norway has laws in place that protect natural areas with a focus on the conservation of its fjords, forests, and national parks, having around 17%¹¹ officially designated protected and targeting 30% by 2030. These aspects combined with leading sustainable fisheries management and science-based ocean governance, strengthen Norway's position as one of the most environmentally responsible nations.

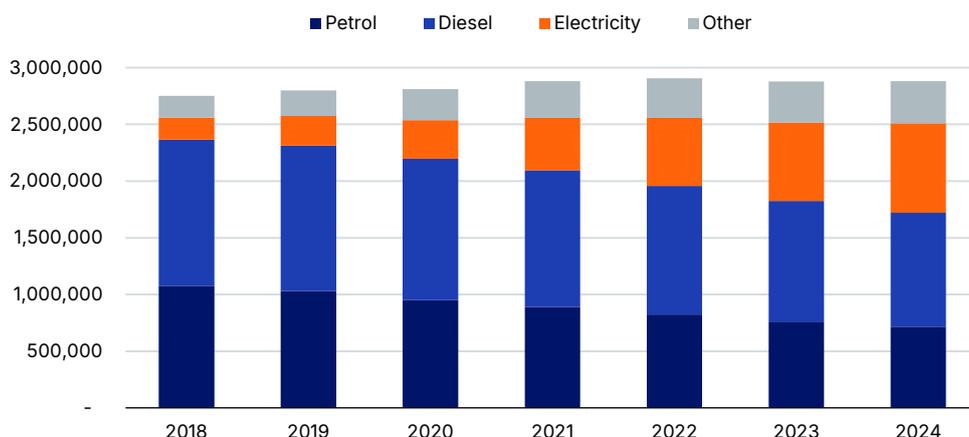
Norway as one of the most environmentally responsible nations

Clean transportation

Brage's aim with the green issuance is the transportation sector, which, according the International Energy Agency (IEA), accounted for around 38% of the country's total CO₂ emissions in 2023¹². With a population of 5.5 million, nearly 4.2¹⁵ million vehicles are registered in Norway. Nearly 70% – or around 2.8¹³ million – are private cars with a varying degree of fuel type, but 60% of them are still reliant on fossil fuels. The proceeds on clean transportation are primarily directed towards financing EVs to achieve a climate-zero path.

Transportation sector responsible for 38% of CO₂ emissions

Figure 3: Private cars in Norway by fuel type, 2024



¹⁰ Statistics Norway (SSB), *Electricity generation by type of power*, 2025 - <https://www.ssb.no/en/statbank/list/elektrisitet/>

¹¹ European Environment Agency (EEA), *Norway – designated terrestrial protected areas*, 2025 - <https://www.eea.europa.eu/en/europe-environment-2025/countries/norway/terrestrial-protected-areas>

¹² International Energy Agency (IEA), *CO₂ emissions by sector, Norway*, 2025 - <https://www.iea.org/countries/Norway/emissions>

¹³ Statistics Norway (SSB), *Registered vehicles*, 2025 - <https://www.ssb.no/en/transport-og-reiseliv/landtransport/statistikk/bilparken>

Source: Statistics Norway, 2025¹⁵

Supported by government subsidies and laws, Norway has achieved remarkable progress, where in just under five years, the amount of new EVs went from 54% to 88% by year-end 2024. By Parliamentary decree, all new cars sold in 2025 should be zero-emission¹⁴ (electric or hydrogen). However, while the increase of EVs in Norway reduces overall CO₂ emissions, these types of vehicles depend on key minerals, which might undergo negative extraction practices outside Norway. Also, by increasing the number of EVs in the country, there is also rising demand for corresponding charging infrastructure and proper end-of-life considerations.

Renewable energy

Electricity generation in Norway is predominantly via hydropower (89%), followed by wind (9%), thermal (1%) and in recent years, solar¹⁵. The International Renewable Energy Agency (IRENA) attributed 97.6%¹⁶ in 2023 of the country's total electricity capacity and generation to a renewable energy mix, placing Norway ahead of its Nordic peers (Denmark 86% and Sweden 69%) and the EU (46%).

Electricity in Norway is 97% coming from a renewable mix

Brage's green proceeds aim to contribute to the financing of solar installations to existing buildings. These not only generate renewable energy but also typically avoid land-use changes and have minimal impact on local ecosystems compared with ground-mounted or large-scale solar projects.

By offering green loans and leases, Brage supports the transition to a cleaner energy mix by enabling the installation of rooftop solar PV. This technology plays a meaningful role in distributing generation and energy for self-consumption. As seen in recent years, even though modest in comparison to other sources, solar power production has grown significantly from 25 GWh of electricity in 2020 to 251 GWh in 2024¹⁷. Having solar panels in existing buildings offer several benefits, including significantly reducing electricity bills through self-generation, particularly during long summer days, and increasing property values thanks to lower operating costs and improved eco-friendliness. Solar PV also contributes to a cleaner environment by utilising renewable energy and enhances energy independence for households.

Solar adoption delivers savings, sustainability, and resilience for existing buildings

While global PV costs have fallen, making solar increasingly competitive globally, Norwegian households still face high upfront costs and uncertain payback periods, particularly when electricity prices fluctuate. Brage's green bond will help address these challenges by providing financing solutions that make solar adoption more accessible.

Sustainable aquaculture

Fish farming and aquaculture play an important role in Norway's economy, generating NOK 110.45bn¹⁷ (approximately EUR 9.3bn) in fish sales in 2024, around 2% of GDP. These industries provide a stable source of high-quality seafood and reduce pressure on wild fish stocks. Sustainable aquaculture relies on best practices including strict environmental monitoring, fish health management, responsible feed sourcing, and the implementation of technologies that help minimise ecological impact.

Fish farming sales amounted to over NOK 110 billion in 2024

However, malpractice or accidents can have significant negative consequences. Escaped fish, sea lice, and parasites can alter large ecosystems and affect biodiversity. Oversight by major institutions and certification programmes from ASC or Global GAP promote responsible and sustainable aquaculture practices.

Brage contributes to mitigating these risks by financing electrical equipment to this industry, against such negative outcomes with solutions for sea lice management, escape prevention, waste management, and sustainable feed production. Its client portfolio consists of certified operators

¹⁴ Ministry of Transport (Samferdselsdepartementet), *National charging strategy*, 2021 - <https://www.regjeringen.no/contentassets/26d4c472862342b69e8d49803b45c36a/en-gb/pdfs/national-charging-strategy.pdf>

¹⁵ Statistics Norway (SSB), *Electricity generation by type of power*, 2025 - <https://www.ssb.no/en/statbank/list/elektrisitet/>

¹⁶ International Renewable Energy Agency, *Power capacity and generation data*, 2025 - <https://www.irena.org/Data/Downloads/IRENASTAT>

¹⁷ Directorate of Fisheries (Fiskeridirktoratet), *Comprehensive statistics on Norwegian aquaculture*, 2025 - <https://www.fiskeridir.no/statistikk-tall-og-analyse>

committed to high standards, ensuring national and international quality and sustainability requirements.

Upstream impacts

Brage’s role as a financial institution is to provide financing for electric vehicles, rooftop solar panels, and electric aquaculture equipment, as detailed in sections above. While these assets support the transition to a low-carbon economy, their production and supply chains generate upstream environmental impacts. These include emissions and energy use during manufacturing, extraction of raw materials such as lithium and silicon, and transportation of components.

Supply chain elements drive upstream impact

Brage primarily finances electric assets that are fully manufactured and ready for delivery at the time of financing. Procurement procedures include guidelines for suppliers, purchasing processes, and due diligence assessments. For specific assets, customers typically approach Brage with a pre-selected item they wish to finance.

Although Brage does not have specific policies addressing technology obsolescence or rapid innovation for green assets, these factors are considered during the credit assessment process.

To mitigate upstream impacts, Brage supports screened suppliers, carries out its credit policies to encourage cleaner production methods and reviews the underlying orders of the assets, which helps to identify any non-complying equipment with its internal standards (see **Table 6**).

Downstream impacts

Downstream impacts for Brage are limited. As a financial institution, Brage primarily provides financing through loans and leases and does not own the assets throughout their lifecycle. Therefore, Brage has minimal direct influence over impacts occurring during the use and/or disposal phases, which fall outside the scope of the lending process.

Downstream impacts are limited for Brage

Brage primarily finances electric assets that are fully manufactured and ready for delivery at the time of financing. Once the leasing or rental period ends, the asset is either purchased by the customer, returned and resold under Brage’s management, or returned to the dealer providing the residual value guarantee.

Typical downstream impacts are associated with eligible green projects, such as EVs, solar PV panels, and electric equipment used in aquaculture include end-of-life practices, equipment disposal (including e-waste), energy demand and consumption, and recycling challenges. By providing green loans, Brage aims to finance the adoption of green technologies, which result in measurable reductions of greenhouse gas emissions and to a positive overall environmental impact.

Impact of proceeds scores Significant

Our assessment: The impact of proceeds dimension achieves a Leaf Score of two Leaves. Brage’s green loan categories address material environmental impacts in Norway. These projects support Norway’s transition to a low-carbon economy. While upstream and downstream impacts are acknowledged, and best practices are applied, further lifecycle data would enhance transparency. Brage demonstrates strong intent and sector relevance, delivering a significant positive contribution to sustainability.

4.5 Environmental and social risks

Brage’s eligible green projects can be associated with a number of environmental and social risks. While some of these risks have already been described and addressed within the impact and EU Taxonomy sections, this category focuses on the company’s approach to risk identification and mitigation.

From the outlined categories described in the Framework, key issues can be grouped into three segments: material sourcing and waste management, biodiversity issues, and lending concerns (summarised in **Table 6**).

Recognising that Brage as a financial institution has limited accountability after a loan or lease has been provided and does not own the financed assets, the company’s main responsibility and best

Brage’s credit approval process is key to identifying risks

mitigation strategy lies in its own general credit approval process. As with any financial institution, the general process involves an assessment of the borrower’s creditworthiness and other preliminary screening. However, for the purpose of eligible green loans Brage conducts additional screening to review the prospective customer’s environmental profile. The aim is to capture in the client’s case notes what the purpose of the loan or lease is, and to identify any additional items that need review.

If it is a corporate customer, this process extends to whether there are any environmental certifications or considerations needed. Brage has a separate “green code” in its internal systems which has pre-approved green assets, facilitating the process. In special cases, new assets can be placed under review to be evaluated by the Green Bond Committee and determine if they can be included to the list – or an existing one excluded.

Brage does not collect environmental or technical documentation from its clients. However, it does take this into consideration in its screening processes, particularly for corporates, where most already have relevant information public and are easily obtainable from websites. When in doubt, Brage reaches out to potential customers to confirm if the equipment or asset is fully electric, in line with the Framework’s requirements. Previous experience demonstrates that borrowers usually already have additional paperwork on hand and are willing to provide it upon request.

Brage proactively addresses environmental and social risks by conducting internal screening through its credit approval processes. This structured approach allows the company to identify, verify and mitigate potential harmful environmental and social impacts through due diligence, regular monitoring, and compliance with internal policies.

Environmental and social management risk scores Significant

Our assessment: The company’s environmental and social management risks achieve a Leaf Score of two Leaves, supported by Brage’s structured credit approval process, exclusion criteria, and use of recognised certifications, ensuring that non-compliant assets are screened out. These measures reflect established best practice for Norwegian financial institutions and provide a reliable basis for screening and mitigation. The approach is robust and sector-appropriate but follows standard market procedures without extending into advanced or optional practices such as resilience assessments or quantitative benefit evaluation. Brage has also indicated plans to improve data collection, which would strengthen future assessments and its overall sustainability approach.

Table 6: Risk mitigation projects and measures

Associated project risks	Brage’s risk mitigation measures
Biodiversity concerns	<p>The aquaculture industry may pose several biodiversity risks, including genetic pollution from escaped farmed fish, disease and sea-lice transmission to wild salmon, and localised ecosystem degradation from waste, chemicals, and high farm density. These issues can negatively affect wild fish populations and broader marine biodiversity, creating regulatory, reputational, and operational risks for lenders.</p> <p>To mitigate this, Brage’s control practices require borrowers to follow recognised sustainability standards such as the ASC, Global G.A.P., or similar third-party certifications that enforce strict controls on escapes, fish health, chemical use, and environmental monitoring. By integrating these expectations into loan conditions, banks support more sustainable operations while reducing long-term ecological and financial risk.</p>
Lending impact	<p>Banks offering green loans or leases for EVs, electric equipment or renewable assets, may face risks like greenwashing and reputational risk, if the financed assets do not lead to significant emissions reductions, or have a technological lag, supply-chain concerns tied to the materials used (i.e. battery production) or where their “green benefit” is marginal compared to standard lending practices.</p> <p>To mitigate these risks, Brage has specific lending criteria inscribed in its general credit policy, aims to ensure alignment with recognised green standards, has prioritised specific providers and plans to capture additional metrics to better track the assets provided. In addition, it publicly discloses on its website benefits such as better price or interest rate, when the client is focusing on obtaining an electric (or hydrogen powered) car.</p>

Appendix I: SDG alignment

GBP category	SDG alignment	Indicators to be evaluated
<p>Clean transportation and machinery</p>	   	<ul style="list-style-type: none"> → Number of financed low-carbon vehicles and machinery per asset type → Number of electric vehicles charging points installed → For public transport, increased capacity in terms of number of passengers
<p>Renewable energy</p>	   	<ul style="list-style-type: none"> → Installed capacity (MWh) per renewable energy source
<p>Sustainable aquaculture</p>	 	<ul style="list-style-type: none"> → Lending per equipment type and examples of assets financed

Appendix II: EU Taxonomy activities

Sector	Activity	Eligible project category	Mitigation/Adaptation	Technical screening criteria	Do no significant harm (DNSH)				
					Adaptation	Water	Circular economy	Pollution prevention	Biodiversity
Transport	6.3 Urban and suburban transport, road passenger transport	Clean transportation	Mitigation						
	6.5 Transport by motorbikes, passenger cars and light commercial vehicles		Mitigation						
	6.15 Infrastructure enabling low-carbon road transport and public transport		Mitigation						
Energy	4.1 Electricity generation using solar photovoltaic technology	Renewable energy	Mitigation						
	4.3 Electricity generation from wind power		Mitigation						
	7.6 Installation, maintenance, and repair of renewable energy technologies		Mitigation						

Aligned
 Partially aligned
 Not aligned
 Insufficient information to assess alignment
 Not applicable

Appendix III: Documents provided by Brage and/or public sources

Document category	Document description
Market research on sector/regional standards	Norway's Climate Action Plan for 2021-2030 – Norwegian Ministry of Climate and Environment, 2022
	Better growth, lower emissions: the Norwegian Government's strategy for green competitiveness – Norwegian Government, 2017
	Norway's net-zero emissions target for 2030 – Statistics Norway, 2025
	Key figures from Norwegian Aquaculture industry – Directorate of Fisheries, 2025
	Technical Screening Criteria for sustainable finfish aquaculture: input to the EU marketing standards, towards a sustainable food system and EU taxonomy – Federation of European Aquaculture Producers, 2022
General information provided by Brage	CEMASys Climate Certificate 2025
	Eco-Lighthouse climate report for Brage Finans AB 2024
	Corporate social responsibility report 2024
	Due diligence assessment Brage Finans AB 2025
	Materiality assessment 2024
	Sustainability strategy 2025
	TSC-DNSH assessment Brage Finans AB 2025
Green bond-specific documentation provided by Brage	Green Bond Framework 2025
	Information on use of proceeds

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Applied methodologies

[Applied Green Bond Principles, ICMA, 2025](#)
[Applied Scope Green Bond's SPO Guidelines, March 2025](#)

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