Green Bond Investor Report 2025

Kraftringen issued its first green bond in October 2024 and by year-end 2025, Kraftringen had a total of SEK 1 350 million in outstanding green bonds, whilst having invested a total of SEK 1 465 million. Kraftringen has decided to use green financing in its funding activities, and we expect future long-term financing to mostly be made under the Green Bond framework[1].

Green bond framework in brief

The current green bond framework consists of three eligible categories: Renewable energy, Distribution of Electricity and District heating and cooling. The ESG ratings and research provider MOODY´S has provided a second opinion on the framework and issued a SQS2 sustainability quality score, which is the second highest rating, “very good”.

Investments under Kraftringen’s Green Bond Framework

The table[2] below shows Kraftringen’s green investments, its impacts and allocated financing. Additionally, the volume of green bonds currently outstanding.

Category	Project	Type	Environmental Objective	Impact	Start	Complete	Total financing MSEK
Distribution of Electricity	Distribution station Gunnesbo	Distribution station	Climate Change Mitigation	Increased distribution capacity by 40 MW	2022	2025	61,7
Distribution of Electricity	Distribution station Brunnshög	Distribution station	Climate Change Mitigation	Increased distribution capacity by 100 MW	2021	2024	45,2
Distribution of Electricity	Distribution station Höör	Distribution station	Climate Change Mitigation	Increased distribution capacity by 30 MW	2024	2027	5,7
Distribution of Electricity	Fördelningsstation F17, Norra Rörum	Distribution station	Climate Change Mitigation	Increased distribution capacity by 3 MW	2022	2025	16,7
Distribution of Electricity	Billinge fördelningsstation KP7	Distribution station	Climate Change Mitigation	Increased distribution capacity by 3 MW	2022	2025	26,5
Distribution of Electricity	Förd stn Hörby NM	Distribution station	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2024	2025	54,6
Distribution of Electricity	Lund BHG - Norra Lund	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2021	2023	15,2
Distribution of Electricity	TOS 8	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2022	2023	12,3
Distribution of Electricity	TOS7 Bodhyltan Svarvaret	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2023	2024	12,2
Distribution of Electricity	HAL 22 Kabling av 0,4 kV friledningar	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2023	2025	30,0
Distribution of Electricity	TOS 12 Kabling av 0,4 kV friledningar	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2022	2025	21,7
Distribution of Electricity	F62-T2001 20 kV kabel	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2022	2025	26,3
Distribution of Electricity	RNK KPN Klippan Rumperöd Kablifiering	Cablification project	Climate Change Mitigation	Improved Average Interruption Time and Frequency	2023	2025	22,7
Distribution of Electricity	SKN 6024 Önneslöv Dubbelstation	Distribution station	Climate Change Mitigation	Increased distribution capacity by 17 MW	2021	2024	22,8
Distribution of Electricity	Distribution station Örtofta	Distribution station	Climate Change Mitigation	Increased distribution capacity by 40 MW	2025	2027	31,6
Renewable energy	Solar park Klippan	Solar park	Climate Change Mitigation	CO_2 reduction 1,5 kton/year	2022	2022	18,1
District heating and cooling	KVV2	District heating facility	Climate Change Mitigation	CO_2 reduction 10-15 kton/year	2022	2028	418,8
District heating and cooling	TL2	Transmission line	Climate Change Mitigation	Increased distribution capacity by 125 MW	2022	2028	284,3
District heating and cooling	Absorption cooling Brunnshög	Absorption cooling system	Climate Change Mitigation	CO_2 reduction 0,225 kton/year	2023	2025	163,0
District heating and cooling	Nordic Sugar Ångledning	District heating facility	Climate Change Mitigation	CO_2 reduction 32,9 kton/year	2021	2022	98,8
District heating and cooling	Lomma hamn Rundmatning	District heating facility	Climate Change Mitigation	Improved flexibility, reliability and efficient heat distribution	2017	2025	64,9
District heating and cooling	Västerbro	Transmission line	Climate Change Mitigation	Increased distribution capacity	2025	2033	11,6
Total green investments							**1 464,7**
Outstanding green bonds							**1 350,0**

[1] All external borrowing is done at corporate level with bonds issued by the parent company, Kraftringen Energi AB.
[2] All numbers in the table reflect the status as per 31 December 2025.

Compliance with the Minimum Safeguards

Kraftringen´s economic activities comply with the Minimum Safeguards. The activities are eligable under the EU Taxonomy and are aligned with:

I. OECD Guidelines for Multinational Enterprises
II. UN Guiding Principles on Business and Human Rights
III. International Labor Organization’s Fundamental Principles and Rights at Work and
IV. The International Bill of Human Rights

Alignment with EU Taxonomy Criteria

The investments are consistent with the EU Taxonomy’s technical screening criteria, covering both the Technical Screening Criteria (TSC) and the Do No Significant Harm (DNSH) requirements.

Green Bond Investor Report 2025

New Combined Heat and Power Plant (KVV2), Örtofta
Kraftringen is investing SEK 2.3 billion in a new CHP plant at its Örtofta site, scheduled to start operations in 2028. The plant will use sustainable biomass to produce about 75 MW heat and 25 MW electricity. This investment supports renewable district heating and strengthens the regional energy supply in southern Sweden.

Forsby Solar Park, Klippan
Kraftringen has developed a 3 MWp solar park near Klippan, producing around 3,000 MWh annually—enough to supply approximately 600 households. The site integrates sustainable practices, including grazing sheep and habitats for pollinators, promoting local biodiversity. The project supports Kraftringen's strategy to increase renewable electricity production in southern Sweden.