

A large white offshore wind turbine dominates the foreground, with its three blades extending across the frame. In the background, another smaller wind turbine is visible on the horizon over a vast blue ocean under a clear sky. The bottom half of the image has a dark blue gradient overlay where the text is located.

Green Financing Framework

November 2023

Integrated
Wind
Solutions



ABOUT IWS

Integrated Wind Solutions ASA (“IWS” or the “Company”) was established in 2020 and is listed on Euronext Growth (Oslo). The Company was established by the Awilco group, coupling over 80 years’ experience from maritime industries.

IWS is the emerging leader in integrated services for the offshore wind industry and is active in the business areas of engineering and O&M services, vessel owner and operatorship and provider of operations and asset management. IWS aims to be the preferred service partner within offshore wind offering services that cover the full value chain.

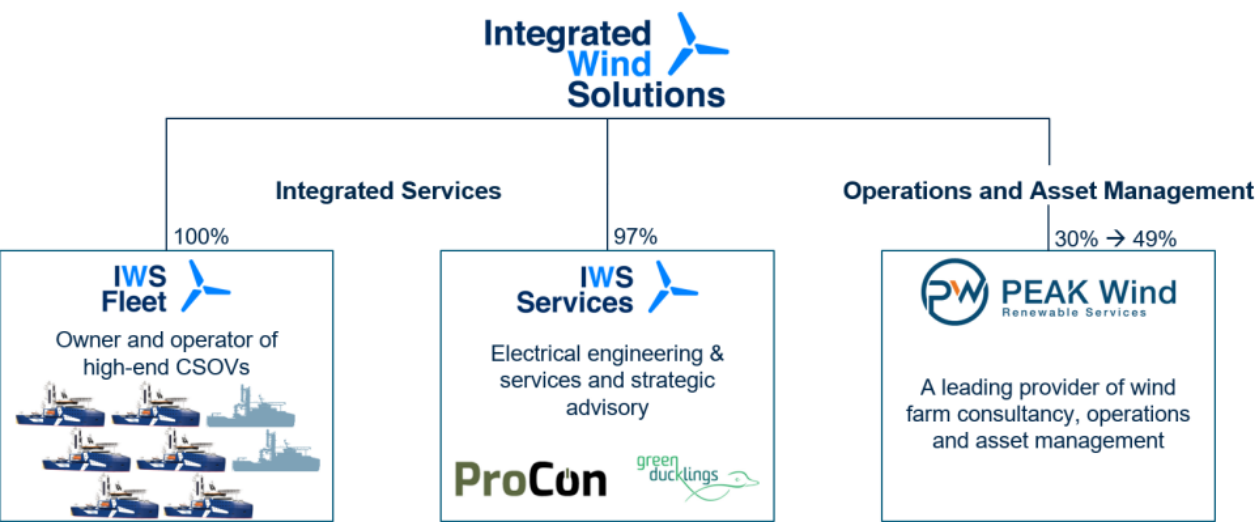
The company has under construction six low-emission Tier 1 “fit-for-purpose” designed Commissioning Service Operations Vessels (“CSOVs”). The vessels are identical “Skywalker class” vessels designed specifically to support commissioning works during the construction of wind

farms, as well as supporting operations and maintenance during the lifetime of offshore wind farms, bottom fixed and floating.

The first vessel will start operations in Q4 2023 on the Dogger Bank Offshore wind farm. The second vessel will be delivered in Q1 2024. The remaining four CSOVs are scheduled for delivery between Q2 2024 and Q2 2025.

IWS also has secured options for two additional Skywalker class CSOVs.

The company owns the companies Green Ducklings and the ProCon Group through our subsidiary IWS Services, as well as holding a 30% interest in the company PEAK Wind Group which is a market leader within offshore wind operations and asset management. This allows us to provide an integrated service offering across the value chain of offshore wind.



SUSTAINABILITY AT IWS

A global energy transition to a low carbon future is a core component of the IWS business plan. IWS works to support the offshore wind industry, which according to Statnett¹ and IEA² is expected to grow significantly over the coming decades and will be an important element of the transition from coal, oil and gas. IWS also faces tough requirements from its clients to reduce the carbon footprint of its operations, for example reducing the carbon footprint of vessels to both improve the wind farms' scope 3 emissions as well as to reduce the levelised cost of energy (LCOE) for offshore wind. Therefore, the technical team of IWS spends considerable time and resources on further improving vessel efficiency.

Sustainability within the fleet

IWS has several ongoing projects that will contribute to a more sustainable future. The IWS Fleet has a management system in place certified in accordance with ISO 14001 – Environmental management, which ensures that the vessels will be operated in a way that continuously improves and reduces environmental impact. IWS has also done a “cradle to grave” study of how much CO₂ is emitted during the construction and operational phases of the vessel to identify areas of improvement to reduce emissions, with the ambition of achieving net-zero emissions in the future. Although there are currently no net-zero CSOVs, IWS is focused on turning every stone in the shipbuilding, operations and recycling phases of the vessel's lifetime, combined with potential CO₂ offsetting activities in order to reduce emissions.

The fleet's hybrid-powered vessels will be among the first vessels in the industry capable of zero-emission operations, with the plug-in hybrid solution reducing emissions and optimising fuel consumption, and the possibility to convert the vessels to be fully zero-emission at a competitive cost in the future. The ships feature several “industry firsts” including the largest battery pack in the industry with solar panels for additional charging, hull and propulsion design with increased operability and reduced emissions, and an energy consumption estimated to be 20% lower than comparable CSOVs currently under construction. The vessels are also the first in the industry to have the “DNV SILENT” notation, which focuses on minimising the negative impact of noise on marine life below water. The plug-in hybrid solution further reduces emissions and optimises fuel consumption by allowing more efficient use of the

onboard combustion engines through peak-shaving and working as a spinning reserve.

The vessels are also optimised in several areas such as hull and propeller design, dynamic positioning technology capabilities and hotel/Heating, Ventilation, and Air Conditioning power configuration, all to ensure the lowest emissions possible. In total, IWS Skywalker-class vessels are estimated to have 60-75% lower emissions compared to Tier 2/3 CSOVs.

IWS has received multiple grants from Enova in support of the improvements to the hull, hybrid, battery and propulsion systems.

In parallel, the Company is working together with its clients to develop the future propulsion system and optimal fuel type for its vessels. For the fuel type, IWS evaluates the different types of fuels based on technology availability, regulations, safety, bunkering facilities and cost. The main fuels under evaluation are electricity, ammonia, hydrogen and methanol.

Health and safety

The safety and well-being of the employees of IWS and its subsidiaries are a main priority for the company. The group's objective is to have zero accidents and zero personnel injuries. IWS will work towards this goal by sharing a clear culture of prioritising safety, ensuring sufficient time and resources to ensure operations are performed in a safe manner, as well as by continuously improving by promoting best practices identified through the group's own operations and from the rest of the industry. The operations of Integrated Wind Solutions ASA are conducted in a controlled environment, with risks to a large extent related to travels and visits to sites of the subsidiaries or suppliers.

IWS Fleet

The construction of vessels at a shipyard is an activity with significant hazards for personnel on site, and IWS Fleet has a high priority on ensuring that the site team present at the shipyard is experienced, well trained and has the proper equipment and safety mindset to minimise the risk of injuries during the construction period. The company's management system is certified according to ISO 45001 - Occupational health and safety and ISO 9001 – Quality management systems, including project specific procedures for the construction project. The procedures include the

¹ Langsiktig Markedsanalyse Norden og Europa 2020-50

² World Energy Outlook 2021

identification and reporting of hazardous situations occurring at the shipyard, integration with the yard procedures for work planning and risk assessment, and regular follow-up of any accidents, near misses or non-conformities occurring in the yard, with the aim to identify lessons that reduce the risk of reoccurrence.

IWS Services

Green Ducklings

The operations of Green Ducklings are conducted in a controlled environment, with risks primarily related to travels and visits to offices of customers.

ProCon

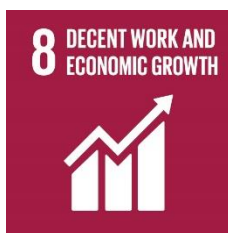
Through the activities related to engineering, pre-assembly and installation, ProCon has significant hazards related to its operations. To minimise risk to their personnel, ProCon has extensive policies and procedures guiding their safe operations, and their management system is certified to ISO 9001 – Quality management systems and ISO 45001 – Occupational health and safety.

Gender equality

One of the material issues of IWS is the issue of gender equality. The company strives to ensure equal opportunities and effective participation in all areas of the organisation. This also includes onboard the vessels, which has traditionally been a male-dominated area. Tracking and reporting on gender balance in IWS and subsidiaries started in 2022. The company has a target of minimum 15% female employees in the group

UN Sustainable Development Goals

There is an increasing expectation from stakeholders that businesses take an active role in addressing the global sustainability challenges. In 2015 all members of the UN came together and agreed on 17 Sustainable Development Goals (SDGs) to act as a guide for countries and companies in developing their own sustainability strategy. IWS aims to contribute to all 17 SDGs but has a specific focus on four priority SDGs which were identified as part of the company's materiality analysis. IWS believes it can make a meaningful contribution towards these SDGs in particular



FRAMEWORK STRUCTURE

As part of IWS's continued commitment to sustainability, a Green Finance Framework (the "Framework") has been developed. The structure of the Framework is developed in alignment with both the ICMA Green Bond Principles (GBP) 2021, as well as the LMA and APLMA Green Loan Principles (GLP) 2023, and therefore consists of the four key pillars and recommended External Review component.

1. **Use of proceeds**
2. **Process for project evaluation and selection**
3. **Management of proceeds**
4. **Reporting**
5. **External Review**

It is IWS's intention to follow the best practices, in relation to Green Bonds and Loans, as the market standards develop. Therefore, the IWS Green Finance Framework may be amended and/or updated to reflect the changes in market practice or the IWS's overall sustainability focus.

GREEN FINANCING FRAMEWORK

The International Capital Markets Association (ICMA) Green Bond Principles (GBP) are a set of voluntary guidelines that recommend and promote transparency and disclosure. GBP promote integrity in the development of the green bond market by clarifying the approach for issuing a green bond. This Green Financing Framework is based on the 2021 version of GBP.

In addition to Green Loans provided by lending institutions, IWS may have Green Bonds issued in the capital market. The same criteria for Eligible Projects specified in the Green Finance Framework applies to Green Loans. Green Loans taken by IWS may be provided by lending institutions that finance these by issuing Green Bonds. IWS will report the aggregate amount of Green Loans taken and specify each Eligible Asset that has been financed by a Green Loan in a separate section of the Green Finance Investor report.

Exclusions

Green Loans and Bonds net proceeds will not be allocated to projects for which the purpose of the project is fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.



1. USE OF PROCEEDS

The net proceeds of the Green Loans or Bonds issued by IWS under this framework will be used exclusively to finance or re-finance Eligible Projects that have been evaluated and selected by IWS in accordance with this Green Financing Framework. Refinancing of Eligible Projects will have a look-back period of no longer than three years from the time of

the first Green Loan or Bond issuance. The table below will define the criteria for projects in which IWS can allocate Green Use of Proceeds under this framework. These projects will be defined as “Eligible Projects”.

Categories	Eligible Projects	Mapping to the UN SDGs and ICMA GBP
Clean Transportation	<p>Acquisition, construction, reconstruction and maintenance of hybrid power vessels with the main purpose of supporting the construction and maintenance of offshore wind farms (both fixed and floating). The CO₂ efficiency of the vessels must be in line with or better than <i>Skywalker</i>-class CSOVs.</p> <p>Investments into R&D related to decreasing the CO₂ emissions from eligible vessels and operations.</p> <p>Investments into measures improving the energy efficiency of eligible vessels and/or reducing the CO₂ footprint of the eligible vessels or operations.</p>	<p>GBP Environmental Objectives: Climate change mitigation, Pollution prevention and control</p> <p>UN SDGs:</p> <div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>13 CLIMATE ACTION</div> </div> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <p>Take urgent action to combat climate change and its impacts</p>



2. SELECTION AND EVALUATION OF ELIGIBLE PROJECTS

IWS will establish a Green Finance Committee (GFC) to evaluate and select projects that are in line with the criteria set out in the use of proceeds section. The committee meets at least on an annual basis or when needed. The Green Finance Committee is comprised of representatives from finance, operations, and sustainability. The sustainability function will have a veto.

The process for evaluation of investments is completed as follows:

1. The business identifies potential investments that align with the strategy of the group.
2. The business presents the potential investments to the GFC for evaluation.
3. The GFC analyses the potential investments against the eligible project criteria as presented in the Green Financing Framework to evaluate and conclude if the potential investment complies with the framework.

IWS will identify and manage social and environmental risks related to the Eligible Projects in accordance with our Code of Conduct. Identification of environmental and social risks has been completed initially as part of our certification according to ISO 9001, 14001 and 45001 standards. Impacts are further assessed and monitored in accordance with our environmental target plan, with an aim to reduce direct and negative impacts on the environment.

The process for identifying social risks is completed as follows:

1. Mapping of the Group's supply chain and business partners.
2. Identifying an overall risk picture of the activities and business conditions of our suppliers and business partners (industry sector, products, services, geographical markets, production process and previously identified risks).
3. Based on the analysis in steps 1 and 2, the Group assesses the risk of actual or potential adverse impact on fundamental human rights and decent working conditions, and determines how to address any risks identified. The Group will implement measures where the severity and probability of damage is greatest and where the Group has the greatest potential for a positive influence on the value chain. The prioritisation corresponds with the Group's connection to- and responsibility for the risk and is proportionate to the

size of the organisation, and the nature and context of our operations.

4. Involving stakeholders, suppliers, and business partners in the implementation of possible measures. Collaboration with competitors or trade organisations on the measures may also be relevant.

The process for identifying environmental risks and setting targets is completed as follows:

1. Identifying all environmental impacts from the vessel operations
2. Ranking the impacts by Relevance, Severity, Probability and Reversibility
3. Identify significant environmental aspects based on the above ranking
4. Update the environmental target plan and include goals and actions in our Environmental Business and Operations Plan.
5. Repeat annually as part of the Management Review

The Green Finance Committee is responsible for:

Evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of Proceeds section above.

Ensuring that the pool of Eligible Projects is aligned with the categories and criteria as specified in the Use of Proceeds section.

Replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.)

On a best effort basis, reviewing and updating the content of the Green Finance Framework and managing any future updates of this document to reflect relevant changes in the IWS's corporate strategy, technology and market developments.

3. MANAGEMENT OF PROCEEDS

IWS will establish a Green Financing Register with the purpose of monitoring Eligible Projects financed by the Green Bonds and Loans issued by IWS as well as to provide an overview of the allocation of the net proceeds from the Green Bonds and Loans issued to the respective Eligible Projects.

The value of the Eligible Projects detailed in the Green Financing Register will at least equal the aggregate net proceeds of all outstanding IWS Green Bonds and Loans.

There may be periods when the total outstanding net proceeds of Green Bonds and Loans exceed the value of the Eligible Projects in the Green Financing Register. Proceeds yet to be allocated towards Eligible Projects will be held in accordance with IWS liquidity management policy and managed as such. The Green Financing Register will form the basis for the impact reporting.

4. REPORTING

To enable investors and other stakeholders to follow developments and to provide insight on prioritised areas IWS will provide a Green Financing Investor Report containing information on the allocation and impact of the Green Financial Instruments issued under this framework. This report will be published on an annual basis, beginning a year after the first issuance and continuing as long as there are Green Financial Instruments outstanding. IWS intends to report on quantitative impact indicators where feasible and where relevant data information is available. The Green Financing Investor Report will include the two following reports:

Allocation Reporting

1. A description of the portfolio of Eligible Projects;
2. Type of financing instruments utilised and respective outstanding amounts;
3. Information on the split between new financing and re-financing;
4. A list of Eligible Projects including the amounts allocated, including allocated and disbursed amounts per category and geographical distribution.

Impact Reporting

The impact reporting aims to disclose the environmental impact of the Eligible Projects financed under this Framework, based on IWS financing share of each project. As IWS can finance large and small Eligible Projects in the same Project Category, impact reporting will, to some extent, be aggregated.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis. The impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below.

GBP Categories	Examples of impact indicators
Clean Transportation	Number of wind turbines visited per vessel
	Total CO ₂ emissions per vessel Average CO ₂ emissions per visited turbine
	Hours of operation in zero-emissions

Taxonomy Alignment

IWS will strive to finance assets that are aligned with Regulation (EU) 2020/852 “The EU Taxonomy” and the complementary TSC (technical screening criteria) going forward.

5. EXTERNAL REVIEW

Second party opinion (pre-issuance)

To secure alignment with national and international guidelines, IWS has engaged S&P Global to act as an external verifier of this Green Financing Framework and the Eligible Projects.

Third-Party Review (post-issuance)

IWS will appoint an external independent auditor to annually assure that the selection process for the financing

of Eligible Projects and that the allocation of the net proceeds of the Green Financing are done in accordance with IWS's Green Financing Framework.

Publicly Available Documents

The Green Financing Framework, the second party opinion, the third-party review, and the Green Financing Investor Report will be publicly available on IWS's website.

