

Eidsiva.

Green Finance Framework

November 2021



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This is Eidsiva

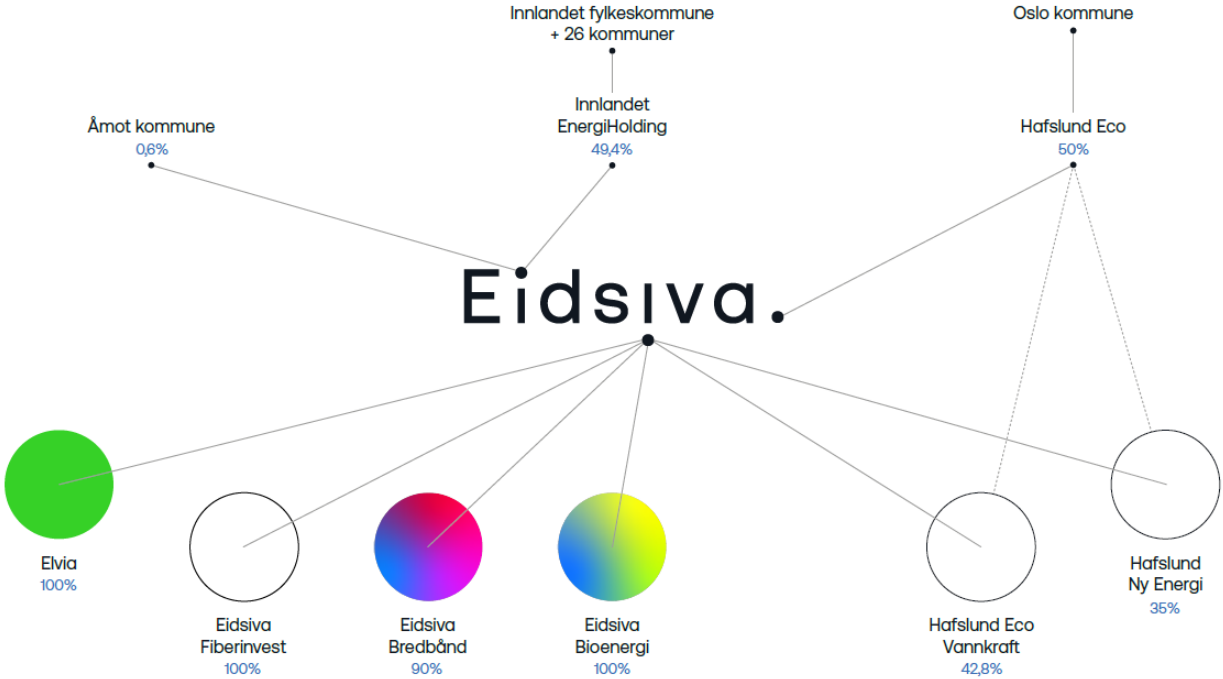
Renewable energy is a prerequisite for an environmentally sustainable future, and efficient infrastructure is a necessary enabler of well-functioning societies. In Eidsiva, our vision is to be a driving force for new opportunities, and we aim to create value for our stakeholders by providing new, smart, and sustainable solutions.

Eidsiva Energi AS (“Eidsiva”) is a Norwegian energy and infrastructure company with roots dating back more than 100 years. We deliver critical infrastructure within distribution of electricity, telecommunication network services, and district heating, enabling the sustainable solutions of tomorrow.

In 2019, we underwent a larger reorganization as Eidsiva and Hafslund Eco merged their operating business activities and created two new and

focused companies within distribution (Eidsiva) and hydropower production (Hafslund Eco).

After this transaction, Eidsiva became the largest distribution company in Norway and with significant ownership in hydropower production and electrification operations through Hafslund Eco Vannkraft and Hafslund Ny Energi. In addition, Eidsiva is among the largest district heating producers in Norway, and we are continuously growing our telecommunication network operations.



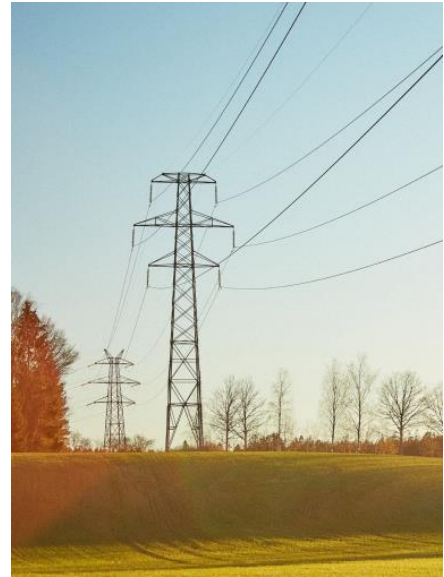
Our businesses

Elvia

Elvia was established in January 2020 via the merger of Eidsiva Nett and Hafslund Nett.

Elvia is active in the construction, operation, maintenance, and improvement of distribution networks.

The company has more than 930,000 customers and thereby supplies over 2 million inhabitants with electricity every day.



Eidsiva Bredbånd

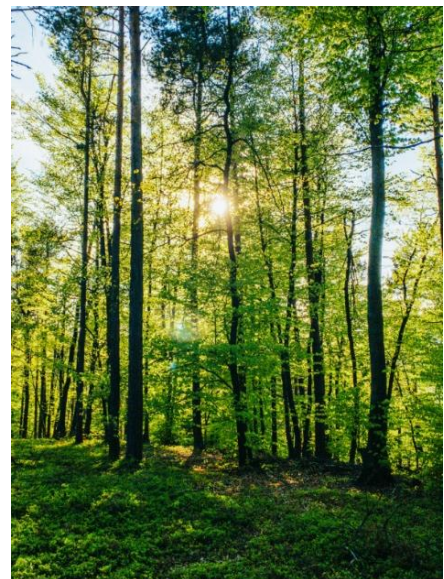
Eidsiva Bredbånd was established in 2004 and Eidsiva Fiberinvest was established in 2017, and is active in the construction, sale, and operations of high-speed fiber optic telecommunication networks to households, companies, and the public sector. The company has currently more than 84.000 customers where 72.000 customers are connected to fiber networks.

Eidsiva Bioenergi

Eidsiva Bioenergi was established in 2008 and is currently the third largest provider of district heating and cooling in Norway.

The company's strategy is to solely use fuel sources that do not have alternative valuable uses, and approximately 99% comes from forestry waste and residues, recycled wood waste and other locally produced waste.

The focus on local sourcing and close relationships with our suppliers ensure we minimize the need for transport, while simultaneously solving the need for waste management in the region.



Hafslund Eco Vannkraft

Eidsiva owns 42.8% of the power generation company Hafslund Eco Vannkraft. The company operates more than 74 hydropower plants throughout the southern parts of Norway, producing roughly 15 TWh, making it the second largest power producer in Norway.

Hafslund Ny Energi

Eidsiva has a 35 per cent ownership in Hafslund Ny Energi – a company that utilises the expertise of the companies in the Eidsiva/Hafslund Group to create new growth opportunities, with a main emphasis on electrification. Hafslund Ny Energi builds new business through acquisitions, organic growth and partnerships that can promote a renewable and fully electric future

Sustainability in Eidsiva

Electrification, renewable energy, and smart solutions for consumer flexibility are important steppingstones towards solving one of the greatest challenges of our time – climate change. At Eidsiva our overarching goal is to be an enabler of sustainable cities and societies through electrification, and we want to be recognized for our contribution towards climate change mitigation.

In 2020, we conducted a thorough assessment of our sustainability work and processes with the aim of clarifying our role as well as our opportunities in the green energy transition.

Supported by an external consultant (KPMG) we engaged with both internal and external stakeholders to identify the sustainability areas of highest importance to us as an organization.

The full Eidsiva organization was involved, starting with the board of directors, and including all our business areas, to ensure ownership as well as engagement.

The 17 UN Sustainable Development Goals (“UN SDGs”) was used as a roadmap, and through our assessment we identified the goals considered to be most important to us, and where we believe we can contribute the most.

We identified SDG 11 – Sustainable cities and communities – as our primary focus. Many of the UN SDGs are interlinked, and to contribute to the achievement of SDG 11, we concluded that we must also focus on a number of additional SDGs, which are all highlighted below.



Sustainability Focus Areas

As a result of the strategic process that we underwent in 2020, four focus areas within sustainability were identified, closely linked to the UN SDGs, and which now lay the foundation for our work going forward.

Clear Green Voice

Eidsiva shall be an organization recognized for contributing towards climate change mitigation and electrification

Eidsiva will take a clear position in the green transition based on sustainable operations in our own business, increased customer focus, and sustainable innovation. This includes active communication of the sustainability plan and of Eidsiva’s contribution internally and externally.



Challenge Suppliers

Eidsiva will strive to make its suppliers more sustainable

We will contribute to increased sustainability throughout the value chain by challenging, helping, and supporting our suppliers in a more sustainable direction. Eidsiva’s role includes overseeing routines, driving sustainable innovation in collaboration with suppliers, and improving competence in this area.



Co-workers as Change Agents

Eidsiva aims to be the best place to work with regards to contributing to the green transition

Our co-workers should promote sustainability in everything they do. Eidsiva aims at ensuring a culture characterized by security, well-being, equality, and diversity. These ambitions will be achieved by increasing knowledge in our own organization and engaging co-workers so that everyone contributes to realizing the ambitions within the other three focus areas.



Driver for Collaboration

Eidsiva shall initiate relevant partnerships and be a preferred partner

Eidsiva aims at being the preferred partner for leading players in sustainability. We will strengthen our role as a clear partner in our local region and explore the possibilities for strategic partnerships to strengthen the work with sustainability.



Additional information on the respective focus areas can be found on our website.

Eidsiva and Green Finance

To ensure we deliver on our goal of being an enabler of sustainable cities and societies, we are committed to making investments that contribute towards climate change mitigation and increased electrification. Renewable energy is a prerequisite for a greener future, and efficient infrastructure is critical to ensure we can take advantage of the increasing supply of clean energy solutions.

Eidsiva has been in the green finance market since 2017 when we issued our first Green Bond, with the purpose of financing our commitments toward environmentally sustainable and climate resilient development. After the organizational changes in 2019, our initial Green Bond Framework was updated to mirror the new corporate structure and to also include Green Loans in the form of a Green Finance Framework.

The green finance market is in rapid development, and we are in 2021 again updating our Green Finance Framework to ensure we follow best market practice as well as adhere to the developing EU Taxonomy.

This Green Finance Framework (the “Framework”) is aligned with the ICMA Green Bond Principles,

issued in 2021, and the LMA/LSTA Green Loan Principles, issued in 2021, and has been prepared in cooperation with DNB Markets. The Framework covers the issuance of Green Bonds as well as Green Loans (hereinafter collectively referred to as “Green Finance Instruments”).

The Framework defines assets and projects that can be financed by Green Finance Instruments (“Green Projects”), and it also outlines the process to evaluate, select, track and report on such investments.

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



Use of Proceeds

An amount equal to the net proceeds from Green Finance Instruments issued under this Green Finance Framework will be used to finance a portfolio of assets and projects, in whole or in part, that contribute towards climate change mitigation and increased electrification.

Only such assets and projects that comply with the list of Green Projects below are deemed eligible to be financed by Green Finance Instruments. Net proceeds from Green Finance Instruments can be used for the financing of new assets and projects, as well as for refinancing purposes. New assets and projects are defined as ongoing Green Projects and those taken into operation after the issuance of a Green Finance Instrument.

For the avoidance of doubt, Green Finance Instruments will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction, gambling, or tobacco.

Alignment with Relevant Standards and Guidelines

With this Framework, our aim is to meet best market practices by adhering to relevant standards and guidelines in the green finance market. Each Green Project category has therefore been mapped against the different categories of the ICMA Green Bond Principles (“ICMA GBPs”), the relevant UN Sustainable Development Goals (“UN SDGs”) as well as the relevant economic activities included in the EU Taxonomy.

The EU Taxonomy provides a classification system for identifying environmentally sustainable economic activities. The Taxonomy Regulation, which entered into force in July 2020, states that to qualify as environmentally sustainable, an activity should 1) make a substantial contribution to the achievement of one or several of EU’s six overarching environmental objectives, 2) do no significant harm to the achievement of any of the other environmental objectives, and 3) meet minimum social safeguards.

Mid 2021, the first set of delegated acts providing technical screening criteria for two of the environmental objectives – **Climate Change Mitigation** and **Climate Change Adaptation** – were published. The references in this Framework

















are based on these delegated acts. As such, the Green Projects financed under this Framework align with the metrics and thresholds of the EU Taxonomy and have the potential to make a significant contribution to EU’s environmental objective of **Climate Change Mitigation**. As part of their Second Party Opinion Cicero Shade of Green has commented on the Taxonomy alignment of our Green Projects.

We acknowledge that metrics and thresholds in the EU Taxonomy may change over time. We will monitor the development, and if deemed necessary by Eidsiva this Green Finance Framework may be updated to further harmonise with the EU Taxonomy. In our annual Green Finance Report, we aim to provide additional information around EU Taxonomy developments that may be of relevance to this Framework and possible implications for our Green Loan criteria and activities.

Mapping against the relevant economic activities in the EU Taxonomy can be found in the table below, while further details regarding alignment with relevant technical screening criteria can be found in the Appendix.

Green Projects

Green Finance Instruments issued under this Framework will finance and refinance capital expenditures and operating expenditures within the following Green Project categories. For operating expenditures, we will use a maximum look-back period of three years. Green Finance Instruments can also finance and refinance acquisitions of Green Projects as well as investments in share capital of companies with such assets and where the use of proceeds should be directly linked to the book value of the eligible assets owned by the acquired company, adjusted for the share of equity acquired.

GREEN PROJECT CATEGORY	ICMA GBPs	EU TAXONOMY	UN SDGs
<p>Distribution of electricity</p> <p>Construction, installation, improvement, operation, repair, and maintenance of power grids for distribution of electricity (over and underground), smart grid solutions and smart meters, as well as other monitoring systems aimed at enabling reduction of energy consumption.</p> <p>Radial lines where end-user applies electricity in fossil fuel activities will not be eligible.</p>	<p>Renewable energy</p> <p>Energy efficiency</p>	<p>Transmission and distribution of electricity</p>	   
<p>Telecommunication networks</p> <p>Construction, installation (including trenching), improvement, operation, repair, and maintenance of fiber optic telecommunication networks and related technology/equipment to enable energy efficient, and digitalised solutions for smart homes and cities.</p>	<p>Energy efficiency</p>	<p>Activity not yet included, but relevant references have been included in the Appendix</p>	  
<p>District heating and cooling</p> <p>Facilities for district heating and cooling where at least 95% of the fuel comes from renewable sources such as locally sourced forestry waste and residues, recycled wood waste and waste heat from nearby industries.</p> <p>Infrastructure for distribution of district heating and cooling.</p>	<p>Energy efficiency</p>	<p>District heating /cooling distribution</p> <p>Production of heat/cool from bioenergy</p> <p>Production of heat/cool using waste heat</p>	   
<p>Renewable energy</p> <p>Development, construction, installation, improvement, operation, repair, and maintenance of (a) hydro power projects, where power density is above 5W/m2 or life-cycle emissions below 100g CO2e/kWh, or run-of-river plants without artificial reservoirs, and (b) wind power projects, and related infrastructure (such as dams, tunnels, buildings and roads).</p>	<p>Renewable energy</p>	<p>Electricity generation from hydropower</p> <p>Electricity generation from wind power</p>	 
<p>Clean transportation</p> <p>Infrastructure for zero-emission transport, such as charging infrastructure for electric vehicles and vessels.</p>	<p>Clean transportation</p>	<p>Infrastructure enabling low-carbon road transport and public transport</p> <p>Infrastructure enabling low carbon water transport</p>	  

Process for Project Evaluation and Selection

To ensure the transparency and accountability around the selection of Green Projects, Eidsiva has established an internal Green Finance Committee responsible for the evaluation and selection process.

The Green Finance Committee consists of members from the Finance & Control division in Eidsiva. In addition, representatives from the business area relevant for a particular project will be included in the process of evaluating that project. All decisions will be made in consensus, and the environmental/sustainability specialist from the relevant business area will have a veto.

Only such assets and projects that comply with the Green Project criteria defined in the Use of Proceeds section of this Framework can be approved by the Green Finance Committee and become eligible to be financed with Green Finance Instruments.

In addition to the Green Project criteria of this Framework, a number of project elements have been identified that would require additional due diligence before being classified as Green Projects, even if meeting the Green Project criteria. These include:

- Projects located in or near biodiversity-sensitive areas
- Vehicles and equipment running on fossil fuel are excluded
- Projects that have received fines or requests for rectification by public authorities
- Projects not following recommendations for mitigating climate-related risks
- Projects which may lead to long-term lock-in of unsustainable energy sources
- Projects facing material opposition from local communities

The Green Finance Committee will keep a register of all Green Projects, and to ensure traceability, all decisions made by the committee will be documented and filed. The committee also holds the right to exclude any Green Project already funded by Green Finance Instruments, which is further described below under Management of Proceeds.

The Green Finance Committee is responsible for potential future oversight and updates of this Framework. Potential future updates of this Framework will have no impact on the Green Finance Instruments issued hereunder.



Management of Proceeds

An amount equal to the net proceeds from issued Green Finance Instruments will be earmarked for financing and refinancing of Green Projects as defined in this Green Finance Framework.

The Finance] department of Eidsiva will endeavor to ensure that the value of Green Projects at all times exceeds the total nominal amount of Green Finance Instruments outstanding.

If a Green Project already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, it will be replaced by another qualifying Green Project as soon as practically possible. Net proceeds from Green Finance Instruments awaiting allocation to Green Projects will be held as cash or cash-equivalents (including short-term money market instruments, where such temporary holdings, to the extent possible, will be subject to the exclusions listed in the Use of Proceeds section above).

Reporting

To enable investors and other stakeholders to follow the developments of our Green Projects funded by Green Finance Instruments, a Green Finance Report will be made available on our website. The Green Finance Report will include an **Allocation Report** and an **Impact Report** and will be published annually as long as there are Green Finance Instruments outstanding or until full allocation.

Allocation Report

The Allocation Report will include the following information:

- Amounts invested in each of the Green Project categories defined in this Green Finance Framework and the share of new financing versus refinancing.
- Examples of Green Projects that have been funded by Green Finance Instruments.
- The nominal amount of Green Finance Instruments outstanding, divided into Green Bonds and Green Loans.
- The amount of net proceeds awaiting allocation to Green Projects (if any).
- Information on possible changes/developments in the EU Taxonomy regulation and delegated acts criteria that may be of relevance for our Green Project criteria.

Impact Report

The Impact Report aims to disclose the environmental impact of the Green Projects financed under this Framework.

Impact reporting calculations will, to some extent, be aggregated, and depending on data availability, be made on a best intention basis. For projects under construction, calculations may be based on preliminary estimates.

The impact assessment may, where applicable, be based on the metrics listed below:

Distribution of electricity:

- Increase/improvement in distribution capacity
- SAIDI (System Average Interruption Duration Index)

Telecommunication networks:

- Kilometres of installed fibre optic network
- Number of new fibre optic network customers

Clean transportation:

- Number of installed charging stations for electric vehicles and vessels

District heating and cooling:

- Energy generation capacity (MW)
- Actual annual energy generation (MWh)
- Annual reduction and/or avoidance of GHG emissions (tCO₂)

Renewable energy:

- Energy generation capacity (MW)
- Actual annual energy generation (MWh)
- Annual reduction and/or avoidance of GHG emissions (tCO₂)

External Review

Second Party Opinion

Eidsiva has obtained a pre-issuance Second Party Opinion from Cicero Shades of Green to confirm the transparency of this Green Finance Framework and its alignment with the ICMA Green Bond Principles and the LMA/LSTA Green Loan Principles, published in 2021. The Second Party Opinion also includes an assessment of the alignment of our Green Project categories with the criteria in the EU Taxonomy.

The Second Party Opinion will be made available on our website, together with this Green Finance Framework.

Post issuance verification

An independent auditor appointed by Eidsiva will provide a limited assurance report confirming that an amount equal to the net proceeds from issued Green Finance Instruments has been allocated to Green Projects as defined in this Green Finance Framework.

This report will be made available on our website.



Appendix:

Alignment with the EU Taxonomy

Based on our mapping of Green Project categories in this Green Finance Framework against economic activities in the EU Taxonomy, we are here elaborating on the alignment of our Green Projects with the technical screening criteria in the EU Taxonomy delegated act for Climate Change Mitigation published in April 2021.

4.9 TRANSMISSION AND DISTRIBUTION OF ELECTRICITY

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy states that transmission and distribution infrastructure or equipment meeting any of the following requirements are considered to meet the criteria:

- Transmission and distribution infrastructure or equipment that is part of the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; or
- more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100g CO₂e/kWh measured on a life cycle basis, over a rolling five-year period; or
- the average system grid emissions factor is below the threshold value of 100g CO₂e/kWh measured on a life cycle basis, over a rolling five-year average period.

Infrastructure dedicated to creating a direct connection or expanding an existing direct connection to a power production plant that is more greenhouse gas intensive than 100g CO₂e/kWh measured on a life cycle basis is not considered compliant.

Eidsiva's investments in transmission and distribution take place in Norway where approximately 98% of the power production comes from renewable sources, almost exclusively based on hydropower. According to data from the Norwegian Energy Regulatory Authority (NVE), the CO₂ emission factor in 2020 was 8 gCO₂e/kWh¹. Therefore, Eidsiva's Green Project criteria for Transmission and Distribution is considered aligned with all three criteria above.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, having a waste management plan in place for end-of-life reuse and recycling, ensuring limited impact from electromagnetic radiation and making environmental impact assessments to limit negative impact on biodiversity and ecosystems.

Eidsiva complies with Norwegian Water Directorate (NVE) requirements and the Norwegian Waste Regulation ("Avfallsforskriften"). Eidsiva has frame agreements with certain recipients for waste which ensures recycling of valuable material. Material with little residual value is delivered to a certified recipient which handles the waste appropriately.

¹ [Hvor kommer strømmen fra? - NVE](#)

-.- Telecommunication networks

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy does not yet include metrics and thresholds for Telecommunication Networks, but the Technical Expert Group included in their final report from March 2020 to the EU Commission a recommendation to undertake work on a number of activities within the Information and Communication sector, among other Telecommunication Networks².

In their recommendation, the TEG highlights the importance of energy efficiency measures as the energy demand rises, to ensure a substantial contribution to climate change mitigation. The TEG discusses that this could either be via a “best-in class” approach, where for example networks in the top 10% in terms of energy efficiency in their network category could be eligible, or by an alternative approach, focusing on an improvement in energy efficiency compared to a baseline. Activities in scope could include upgrading of telecommunication networks to new generation as well as energy efficiency and management in existing telecommunication networks.

Efficient telecommunication services are a prerequisite for smart city and home solutions. Telecommunication networks based on fiber optic technology has the possibility to reduce energy consumption compared to alternative technology, and high-speed digital communication can also reduce the need for transport. The energy consumed using twisted cables to transmit data is around 10W while fiber optics consumes around 1.5W, and a study indicates that the difference in power consumption between fiber optics and twisted cables increases with the speed of data transmission (Gbit/s)³. Efficient network connections between Norway and other countries and continents also means necessary data centres can be placed in Norway where energy consumption and cooling can be based on renewable energy sources.

2) Arguments for ensuring no significant harm towards other environmental objectives

The TEG recommendation from March 2020, nor the current EU Taxonomy, include any relevant metrics or factors for assessing potential harm towards other environmental objectives.

Where practically possible, Eidsiva carries out installation of fibre optic networks together with other infrastructure providers, using the same trenches, ensuring minimal impact on surrounding environment. We also engage with our partners to ensure recovery and recycling of electrical components. For offshore cables, additional care is taken to minimise potential negative impact on seabed and local ecosystems.

² [Technical annex to the TEG final report on the EU taxonomy \(europa.eu\)](https://ec.europa.eu/economy_finance/technical-annex-to-the-teg-final-report-on-the-eu-taxonomy_en)

³ Source: [Prysmian-study-on-Energy-Consumption.pdf \(europacable.eu\)](https://www.europecable.eu/press-releases/pr-2020-03-10-prysmian-study-on-energy-consumption)

4.15 District heating /cooling distribution

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The Taxonomy states that construction and operation of pipelines and associated infrastructure for distributing heating and cooling is eligible, if the system uses at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat.

Eidsiva's Green Project criteria for District Heating and Cooling states that at least 95% of the energy used should come from renewable sources such as forestry waste and residues, recycled wood waste and waste heat from nearby industries.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, preserve water quality and avoiding water stress, use equipment that represent best available technology, and minimise impact on biodiversity and ecosystems.

Eidsiva follows national laws and regulations, where environmental impact as well as impact on biodiversity and surrounding areas are important requirements for attaining necessary licenses. We do not operate in areas with water scarcity.

Eidsiva Bioenergi is certified in line with ISO 14001, meaning that in addition to what is required from a regulatory perspective, environmental impact is an integrated part of the company's business model and facility risk assessments.

4.24 Production of heat/cool from bioenergy

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy criteria focus on ensuring that forest biomass is not derived from unsustainable production.

Eidsiva's Green Project criteria for District Heating and Cooling ensures that forest biomass is locally sourced, where Norwegian standards and regulations for forest management apply, ensuring sustainable sourcing.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, preserve water quality and avoiding water stress, ensure emissions no higher than those associated with best available techniques, and minimise impact on biodiversity and ecosystems. For pollution prevention and control, the EU Taxonomy refers to emission limits available in EU Directive 2010/75 for large plants (>50MW) and EU Directive 2015/2193 for smaller plants (1-50MW).

Eidsiva follows national laws and regulations, where environmental impact as well as impact on biodiversity and surrounding areas are important requirements for attaining necessary licenses. We do not operate in areas with water scarcity.

In Norway, combustion plants above 50MW are subject to emission limits set by the Norwegian Environment Agency (Miljødirektoratet). The emission limits from the Environment Agency for NOX and dust are aligned with those in the EU Directive 2010/75, but do not include a limit for SO2.

The plants financed under this Framework are below 50MW in size and are subject to the Norwegian pollution regulation (Forurensningsforskriften in Norwegian, Chapter 27a). For plants 5-50MW, emission limits for NOX and dust are in line with the EU Directive 2015/2193 but the Norwegian requirements do not include limits for SO2. For plants below 5MW, the Norwegian regulation does not include emission limits for NOX. There is currently a proposal in place to adjust the Norwegian pollution regulation in line with EU requirements and therefore we expect emission levels to harmonise over time

Eidsiva Bioenergi is certified in line with ISO 14001, meaning that in addition to what is required from a regulatory perspective, environmental impact is an integrated part of the company's business model and facility risk assessments.

4.25 Production of heat/cool using waste heat

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

Waste heat is an eligible fuel source according to the EU Taxonomy.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, use equipment and components of high durability and recyclability and that represent best available technology, and minimise impact on biodiversity and ecosystems.

We always demand the best available options from our suppliers, both in terms of technology as well as quality. We perform environmental impact assessments, and we implement plans to ensure minimal negative impact. We follow national laws and regulations, where environmental impact as well as impact on biodiversity and surrounding areas, are important requirements for attaining necessary licenses.

Eidsiva Bioenergi is certified in line with ISO 14001, meaning that in addition to what is required from a regulatory perspective, environmental impact is an integrated part of the company's business model and facility risk assessments.

4.5 Electricity generation from hydropower

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy requires that hydropower facilities have a power density above 5W/m², or life-cycle emissions below 100g CO₂e/kWh, or are run-of-river plants without artificial reservoirs.

Eidsiva's Green Project criteria for hydropower mirrors those in the EU Taxonomy. According to a report from the IPCC, CO₂ emissions from hydropower vary greatly depending on project and location, with a global median around 20g CO₂e/kWh⁴. A study performed in 2019 by the Norwegian Institute for Sustainability Research (NORSUS) on Norwegian hydropower, indicates average life-cycle emissions of around 3.3g CO₂e/kWh. In addition, the study notes that hydropower plants in Norway tend to be located at high altitudes where there is little vegetation as well as colder climate, which leads to limited extra methane emissions from algae growth with could develop in the water storage basin where the climate is warmer⁵.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, ensure that all technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water, and minimise impact on biodiversity and ecosystems.

For all hydropower projects, we perform environmental impact assessments in the planning process and we implement plans to ensure minimal negative impact throughout the asset's life cycle. During operation, we perform a range of necessary mitigating measures to safeguard the environmental values in the surrounding watercourse. These measures include, but are not limited to, implementation of physical environmental measures in rivers and reservoirs such as habitat improvement measures for trout and salmon, improved methods for fish passage past hydropower plants and voluntary increased release of water (m³/s) in regulated rivers. All our facilities are also regularly subject to environmental supervision by qualified co-workers to ensure good environmental conditions and to assess the need for implementing new mitigating measures. We adhere to the EU Water Framework Directive and we follow national laws and regulations. Environmental impact as well as impact on biodiversity and surrounding areas, are important requirements for attaining necessary licenses, as detailed by the Norwegian Water Resource and Energy Directorate (Norwegian: Norges vassdrags- og energidirektorat).

⁴ [ipcc_wg3_ar5_chapter7.pdf](#)

⁵ [AR-01.19-The-inventory-and-life-cycle-data-for-Norwegian-hydroelectricity.pdf \(norsus.no\)](#)

4.3 Electricity generation from wind power

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

Wind power is an eligible energy source according to the EU Taxonomy.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, for offshore wind particular care to good environmental status should be considered, use of equipment and components of high durability and recyclability, and minimise impact on biodiversity and ecosystems.

For all wind energy projects, we perform environmental impact assessments and we implement plans to ensure minimal negative impact throughout the asset's life cycle. We follow national laws and regulations, where environmental impact as well as impact on biodiversity and surrounding areas, are important requirements for attaining necessary concessions, as detailed by the Norwegian Water Resource and Energy Directorate (Norwegian: Norges vassdrags- og energidirektorat). This includes requirements on the construction and operational phases, as well as having concrete plans for decommissioning, including possible recycling and reuse of components and the restoration of land.

6.15 Infrastructure enabling low-carbon road transport and public transport

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy states that construction and operation of transport infrastructure that is dedicated to the operation of vehicles with zero tailpipe CO₂ emissions, such as electric charging points, are eligible.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, risks of water contamination, noise and vibrations, waste generation and recycling from construction, and minimise impact on biodiversity and ecosystems.

The infrastructure assets eligible under this Green Finance Framework mainly represent infrastructure where construction has already taken place, which means additional negative environmental impact is limited.

6.16 Infrastructure enabling low carbon water transport

Environmental Objective: Climate Change Mitigation

1) Arguments for ensuring substantial contribution to Climate Change Mitigation

The EU Taxonomy states that infrastructure required for zero tailpipe CO₂ operation of vessels or a port's own operations are eligible, such as electricity charging, hydrogen-based refuelling, and shore-side electrical power to vessels at berth, subject to the infrastructure not being dedicated to the transport of fossil fuels.

2) Arguments for ensuring no significant harm towards other environmental objectives

To avoid potential significant harm to other environmental objectives, the Taxonomy highlights the need to consider climate-related risks, risks of water contamination, noise and vibrations, waste generation and recycling from construction, and minimise impact on biodiversity and ecosystems.

If Eidsiva engages in construction and operation of shore power facilities these will only be constructed after thorough assessment and considerations of the placement of the site itself and the required power cables to avoid permanent and temporarily harm to the environment, as well as controversies with and opposition from the local community being exposed to the construction and operation of the facilities. We will also include suppliers and sub-contractors work and responsibilities in our assessment and have a set of environmental compliance criteria which suppliers and subcontractors must comply with.