

# Green Bonds Report

2023











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# HELGELAND KRAFT AND GREEN FINANCE

Helgeland Kraft is a producer of renewable energy and develops power grids for the Helgeland region in the northern part of Norway. We offer electricity for sale to households and businesses throughout Norway.

Helgeland Kraft established a [Green Bonds Framework](#) (the "Framework") in 2022 as part of its financing strategy. The Framework is based on the Green Bond Principles published by the International Capital Market Association (ICMA) and has been assessed by the independent third-party Center for International Climate and Environmental Research (CICERO). The Framework received the grade Dark Green with a good governance score. The Framework and the [Second Opinion](#) are available at Helgeland Kraft's website.

GREEN PROJECT CATEGORIES	UN SDGs	ICMA GBPs	EU TAXONOMY
<p><b>1 Renewable energy</b></p> <p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to the generation of electricity from hydro power projects in Norway subject to (i) a power density above 5W/m<sup>2</sup> or (ii) life-cycle emissions below 100g CO<sub>2</sub>e/kWh, or run-of-river plants without artificial reservoirs.</p>	 	Renewable energy	Electricity generation from hydropower
<p><b>2 Distribution of electricity</b></p> <p>Construction, installation, improvement, operation, repair, and maintenance of projects and assets in Norway power grids for distribution of electricity (over and underground),<sup>1</sup> smart grid solutions and smart meters, as well as other monitoring systems aimed at enabling reduction of energy consumption.</p>	 	Renewable energy, energy efficiency	Transmission and distribution of electricity
<p><b>3 Clean transportation</b></p> <p>Infrastructure in Norway for zero-emission transport, such as charging infrastructure for electric vehicles.</p>	 	Clean transportation	Infrastructure enabling low-carbon road transport and public transport

<sup>1</sup> Radial lines where end-user applies electricity in fossil fuel activities will not be eligible.

# REPORTING

The Framework states that the Green Bond Report shall include an allocation report and an impact report.

## Allocation Report

The allocation report includes the following information:

- The nominal amount of Green Bonds outstanding.
- Green Projects that have been funded by Green Bonds.
- Amounts invested in each of the Green Project categories and the share of new financing versus refinancing.
- Share of capex vs. opex.
- The amount of net proceeds awaiting allocation to Green Projects (if any).
- Information on the possible changes/developments in the EU Taxonomy 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 the Framework. The impact assessment are based on the following metrics (including sector-specific indicators suggested in The Green Bond Principles Handbook, Harmonised Framework for Impact Reporting (2023):

- **1 Renewable energy:**
  - Energy generation capacity (MW)
  - Actual annual energy generation (GWh)
  - Annual reduction and/or avoidance of GHG emissions
- **2 Distribution of electricity:**
  - Delivered energy to end-users (TWh/year)
  - Number of customers (at year end)
  - Increase/improvement in distribution capacity
- **3 Clean transportation**
  - Number of charging stations
  - Annual reduction and/or avoidance of GHG emissions

# ALLOCATION REPORT

## Green Finance Instruments (MNOK)

Instrument	ISIN	Outstanding amount	Issue date	Maturity date	Allocated to green project
Helgeland Kraft AS 22/28 FRN	NO0012627118	300	2022-08-23	2028-08-23	300
Helgeland Kraf AS 23/30 5.44%	NO0013010348	300	2023-09-06	2030-09-09	300
<b>TOTAL</b>		600			600

The funds from green financing are allocated 100 percent for refinancing projects within the financing period. The issuances under the "Helgeland Kraft Green Bond Framework" are conducted as refinancing of bonds related to the financing of the "Laksen" power station, "Øvre Forsland" power station, and the "Tosbotn development". Green projects fall under one of the three categories specified in our Framework. The allocations fall entirely under CAPEX.

## Green Finance Projects (MNOK)

Green Projects (NOK)	Accrued	Remaining	Total invested	Completion date
1 Laksen Power Station	130	-	130	2012
1 Øvre Forsland Power Station	170	-	170	2014
1 Tosbotn Development	300	-	300	2019
<b>Allocated to the Green Finance Instruments</b>	<b>600</b>		<b>600</b>	
2 South Helgeland Line Expansion	153	153	153	2014
1 Tosbotn Development	570	570	870	2019
1 Vassenden Power Station	244	244	244	2020
1 Grytåga Capacity Upgrade	173	173	173	2023
1 SMISTO Development	330	330	330	2023
1 Kaldåga Capacity Upgrade	206	206	206	
1 Sjona Capacity Upgrade	130	130	130	
1 Abjøra Kolsvik Capacity Upgrade	190	190	190	
2 Baustein Infrastructure- Green Industry Establishment	380	380	380	
3 LadOpp Infrastructure Development for EV Charging	120	120	120	
<b>TOTAL</b>	3 096	2496	3 096	

# PRESENTATION OF SELECTED MAJOR PROJECTS

## GRYTÅGA

Grytåga hydropower plant is located in the municipality of Vefsn. The power plant was built in 1963 and utilizes water from Grytåvatnet, Langvatn, Finnknevatnet, and Hundålvatnet.

The renewal project which started in 2021 included the following measures:

- Installation of a new and larger transformer
- Upgrade of the generator and turbine
- External surface treatment of the pipeline

Number of households served: 12 500

Average annual energy generation: 250 GWh

Completed: 2023

Helgeland Kraft's share: 100%

The power plant utilizes a fall of approximately 189,3 meters.





# TOSBOTN DEVELOPMENT

The Tosbotn development project comprises five hydropower plants located in the municipality of Brønnøy.

Number of households served: 6 500

Actual annual energy generation: 131 GWh




Completed: 2019

Helgeland Kraft's share: 100%

The facilities represent modern hydroelectric power and aim to minimize environmental impact. One of the plants is built into the mountain, while the other power plants are constructed from maintenance-free materials of high quality.






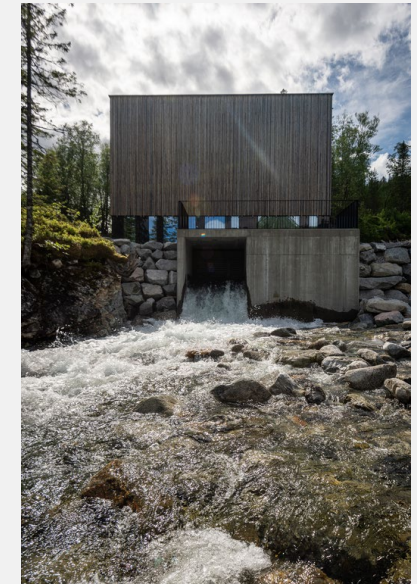
Tosdalen

-  Completed: 2017
-  Ave. annual energy generated: 40 GWh
-  Water source: Storfjelltjønnna






Tverråa

-  Completed: 2018
-  Ave. annual energy generated: 17 GWh
-  Water source: Tverråa






Leiråa

-  Completed: 2017
-  Ave. annual energy generated: 27 GWh
-  Water source: Lieråvatnet






Storelva

-  Completed: 2019
-  Ave. annual energy generated: 22 GWh
-  Water source: Kromåa and Storelva



Bjørnstokk

-  Completed: 2017
-  Ave. annual energy generated: 25 GWh
-  Water source: Bjørnstokkelva

## INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the board of directors in Helgeland Kraft AS

### Scope

We have been engaged by Helgeland Kraft AS to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Helgeland Kraft AS's allocation of proceeds based on the criteria set out in [Helgeland Kraft AS Green Bond Framework](#) (the "Subject Matter") as defined and referred to in Helgeland Kraft AS's "Green Bond Report 2023" (the "Report"), page 5, as of 31 December 2023 for the period from 1. January 2023 to 31. December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Helgeland Kraft AS

In preparing the Subject Matter applied the relevant criteria from their Green Bond Framework, issued June 2022 (which is in line with ICMA Green Bond Principles published June 2018) (the "Criteria"). The Criteria can be accessed at [Helgeland Kraft AS Green Bond Framework](#) and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts with allocation of proceeds from an issued Green Bond in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose. We consider these reporting criteria to be relevant and appropriate to review the Report.

### Helgeland Kraft AS' responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects.

This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibilities is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance.

Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## Our Independence and Quality Control

We are independent of the Company and the Group in accordance with the requirements of relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of Helgeland Kraft AS' processes for the preparation of the "Allocation Report", page 5, in the "Green Bond Report 2023" to gain an understanding of the allocation of green bonds in relation to criteria for allocation set out in page 12-14 in [Helgeland Kraft AS Green Bond Framework](#).
- Interviewed those in charge of Helgeland Kraft AS' Report to develop an understanding of the process for the preparation of the allocations and of the Report.
- Review of the underlying documentation associated with the criteria for the allocation defined in "Green Project Categories", page 3, in the report "Green Bond Report 2023" on the distribution of the funds.
- Performed limited substantive testing on a selective basis of the selected information in the "Allocation Report" of the "Green Bond Report 2023" reviewing the asset register and ensuring that capitalized project costs correspond.

Our procedures did not include:

- Other actions or review of other parts of the "Green Bond Report 2023".

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.



## Use of report

Our report is only intended for the company and the bondholders in the company's green bonds NO0012627118 and NO0013010348 in connection with the company's bonds under the company's "Green Bond Framework" and is not intended for other use or for use by other parties.

## Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as for the year then ended in order for it to be in accordance with the Criteria.

Bodø, 26 August 2024  
ERNST & YOUNG AS

*The assurance report is signed electronically*

Lena Andreassen  
State Authorised Public Accountant

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**Andreassen, Lena Aasjord**

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# IMPACT REPORT

<b>1 Renewable energy (projects in green finance asset pool)<sup>2</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Energy generation capacity (MW)	59	59	59
Actual annual energy generation (GWh)	143	197	163
Annual avoidance of GHG emissions (Tonnes CO <sub>2</sub> e) <sup>3</sup>	27 283	37 706	31 133
<b>2 Distribution of electricity (entire supply area)</b>			
Delivered energy to end-users (TWh/yr)	6,4	6,4	6,8
Number of customers (at year end)	47 002	46 879	46 312
Increase <sup>4</sup> in distribution capacity (km)	1	41	38
Improvement <sup>5</sup> in distribution capacity (km)	61	81	88
<b>3 Clean transportation</b>			
Number of charging stations	13	8	4
Annual avoidance of GHG emissions (Tonnes CO <sub>2</sub> e) <sup>6</sup>	314,7	233	4,6

<sup>2</sup>The total energy generation capacity (MW), actual annual energy generation (GWh) and annual avoidance of GHG emissions include data from Laksen, Øvre Forsland and Tosbotn power stations.

<sup>3</sup>The baseline emission factor for electricity or the Combined Margin (CM grid factor) to be applied is 191g CO<sub>2</sub>/kWh based on the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (2024).

<sup>4</sup>The increase in distribution capacity covers new power lines installed at year end. The KPI corresponds to the difference between number of existing above-ground cables converted into new underground/sea cables.

<sup>5</sup>The improvement in distribution capacity provides information on upgrades at year end

<sup>6</sup>The baseline emission factor for electricity or the Combined Margin (CM grid factor) to be applied is 191g CO<sub>2</sub>/kWh based on the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (2024). The calculations assume an equal reduction in diesel and gasoline consumption with emission factors (from the Norwegian Environment Agency) of 140 gCO<sub>2</sub>e/km for diesel and 151 gCO<sub>2</sub>/km for gasoline.

# Appendix

## Helgeland Kraft Green project categories in relation to the EU taxonomy

Our Green Project Categories relate to the EU Taxonomy's economic activities. Here, we explain how our Green Projects satisfy the EU Taxonomy's substantial contribution criteria and describe how we work towards alignment with the Do No Significant Harm (DNSH) and minimum safeguards. [Appendix 2 from CICERO](#) second opinion also provides a detailed assessment of our framework and further work towards EU taxonomy alignment.

### 1 Renewable energy (related to the EU Taxonomy: Electricity generation from hydropower)

Description from EU Taxonomy Navigator: Construction or operation of electricity generation facilities that produce electricity from hydropower. The economic activities in this category could be associated with several NACE codes, in particular D35.11 and F42.22 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

### Environmental objective : Contributing to climate mitigation

Substantial contribution criteria	
<p>The activity complies with either of the following criteria:</p> <ul style="list-style-type: none"> <li>a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir;</li> <li>b) the power density of the electricity generation facility is above 5 W/m<sup>2</sup></li> <li>c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO<sub>2</sub>e/kWh. The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018(179), ISO 14064-1:2018(180) or the G-res tool(181). Quantified life-cycle GHG emissions are verified by an independent third party.</li> </ul>	<p>Helgeland Kraft power stations satisfy the following substantial contribution criteria:</p> <p>a) Run-of-river plant without artificial reservoir applies to Øvre Forsland, Tveråa, Storelva, Bjørnstokk and Vassenden</p> <p>b) Power density &gt; 5 W/m<sup>2</sup> applies to Laksen (15,7*), Tosdalen (148), Leiråa (5.1), SMISTO (18), Kaldåga (7.2), Sjona (7.9), Abjora (11), and Grytåga (15,7*). Note: Power density calculations follows the recommended approach by SINTEF.*Net area</p> <p>Helgeland Kraft is currently not conducting life cycle emission analysis for the hydropower facilities but base the evaluation on studies available. The IPCC estimates hydropower to have a median of life-cycle GHG emissions of 24 gCO<sub>2</sub>-eq/kWh<sup>7</sup> In analyzing the environmental impact of Norwegian hydropower based on an LCA study of 12 hydropower stations, they found that the GHG emissions amount to 3,3 g CO<sub>2</sub>-eq/kWh.<sup>8</sup> Several factors potentially influence GHG emissions such as temperature, the amount of carbon in the flooded soil and the depth of reservoirs.<sup>9</sup> Helgeland Kraft hydropower plants are in Helgeland, Norway. Due to the lower annual temperature in Norway, GHG emissions tend to be lower compared to warmer climates.</p>
Do No Significant Harm criteria	
<p>The activity complies with climate adaptation requirements which involves identifying risks, assessing significance, and implementing solutions aligned with local strategies and nature-based options.</p> <p>DNSH includes following the Water Framework Directive by minimizing negative effects on water, habitats, and species, and monitoring to meet water quality standards.</p> <p>The EU taxonomy further requires conducting an Environmental Impact Assessment (EIA) to identify and address environmental impacts, including mitigation and compensation measures.</p>	<p>The double materiality analysis for activities related to hydropower included identifying climate-related risks and assessing their significance (based on CSRD and ESRG 1). These are based on reports from the IPCC (2023), IPBES (2023), and NCC (2015) reports on climate change and state-of-the-art climate projections.</p> <p>Helgeland Kraft follows the Norwegian Water Resources and Energy Directorate's (NVE) licensing procedure for the construction and operation of hydropower plants, dams and other installations involving Norwegian water resources. The licensing program ensures that benefits outweigh disadvantages, especially concerning environmental preservation. The construction of energy production facilities larger than 1 MW needs a license from the Norwegian Water Resources and Energy Directorate (NVE) according to the "Energy Act" and the "Water Resources Act". Environmental Impact Assessments (EIA) were performed during the planning stages of the hydropower projects, and measures were established to address negative environmental impacts. These measures include voluntary minimum water releases to improve conditions downstream of power stations and to prevent the drying of riverbeds. Environmental design studies were conducted to assess each individual waterway to best accommodate the local fish population. Additionally, we collaborate with the Norwegian Environment Agency and other actors to cultivate and release fish in rivers that have been treated against the salmon parasite <i>Gyrodactylus salaris</i>.</p> <p>Helgeland Kraft is ISO 14001 and 9001 certified. Risk assessments are carried out regularly and measures are taken to ensure compliance with the Norwegian regulations for dam security (Damsikkerhetsforskriften).</p>
Minimum Safeguards	
<p>Undertakings must implement procedures aligning with OECD and UN guidelines on business and human rights, adhering to the 'do no significant harm' principle specified in EU Regulation (EU) 2019/2088.</p>	<p>Helgeland Kraft continuously evaluates business relationships within the value chain, adhering to the OECD due diligence guidance for responsible business conduct. Furthermore, we recognize the core conventions of the International Labour Organization (ILO) and comply with the principles of the UN Global Compact, which emphasize environmental, social, and ethical responsibilities.</p>

<sup>7</sup> Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

<sup>8</sup> Østfoldforskning (2019). The inventory and life cycle data for Norwegian Hydroelectricity

<sup>9</sup> International Hydropower Association (2021). Hydropower.org



## 2 Distribution of electricity (related to the EU Taxonomy: Transmission and distribution of electricity)

Description from EU Taxonomy Navigator: Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system. Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems. The economic activities in this category could be associated with several NACE codes, in particular D35.12 and D35.13 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

**Environmental objective :** Contributing to climate mitigation

<b>Substantial contribution criteria</b>	
<p>The activity complies with one of the following criteria:</p> <p>1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>a. the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;</li> <li>b. more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</li> <li>c. the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</li> </ul> <p>Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 g CO<sub>2</sub>e/kWh measured on a life cycle basis is not compliant.</p>	<p>Norway has direct electrical interconnections with Russia, the Netherlands, the United Kingdom, and Germany, as well as cross-border interconnections with Sweden, Denmark, Finland, Russia, and the Netherlands.<sup>10</sup> According to the Norwegian Water Resources and Energy Directorate (NVE), 95% of the electricity consumed in Norway in 2023 was generated from renewable sources, producing 154.1 TWh with a CO<sub>2</sub> emission factor of 15 g CO<sub>2</sub>e/kWh<sup>11</sup></p> <p>Our green projects <i>South Helgeland Line Expansion</i> and <i>Baustein Infrastructure- Green Industry Establishment</i> under category <b>2 Distribution of electricity</b> meet the substantial contribution criterion 1.a.</p>
<b>Do No Significant Harm criteria</b>	
<p>The activity complies with climate adaptation requirements which involves identifying risks, assessing significance, and implementing solutions aligned with local strategies and nature-based options.</p> <p>A waste management plan ensures maximal reuse or recycling at end of life, following the waste hierarchy, through contractual agreements, financial projections, or official project documentation.</p> <p>Overground high voltage lines must follow IFC safety guidelines, adhere to electromagnetic radiation regulations (EU or ICNIRP), and avoid using PCBs.</p> <p>The EU taxonomy further requires conducting an Environmental Impact Assessment (EIA) to identify and address environmental impacts, including mitigation and compensation measures</p>	<p>The double materiality analysis for activities related to transmission and distribution of electricity included identifying climate-related risks and assessing their significance. Sustainability topics assessed to be material are followed-up by management in terms of implementing solutions to prevent/mitigate negative impacts.</p> <p>Helgeland Kraft partners with Østbø, one of the largest commercial waste and environmental company in the north of Norway. We are also planning on systematizing reuse and recycling activities to provide better overview of current practices to improve resource utilization, including improved understanding of the waste hierarchy. Moreover, Helgeland Kraft complies with the regulations on recycling and waste treatment (avfallsforskriften) and focuses on continuous improvement through our certification against the ISO 14001 – environmental management systems standard.</p> <p>Electric distribution activities follow national guidelines on safety, electromagnetic radiation (“strålevernforskrift”) and use and/or treatment of hazardous waste.</p> <p>Helgeland Kraft follows the NVE licensing procedure for activities related to grid development. Linea AS evaluates grid investments, estimates costs as well as social and environmental impacts prior to submitting an application to NVE for the construction of electrical installations. A public hearing is carried out to ensure that information is available to the stakeholders. The licensing program ensures that benefits outweigh disadvantages, especially concerning environmental preservation.</p>
<b>Minimum Safeguards</b>	
<p>Undertakings must implement procedures aligning with OECD and UN guidelines on business and human rights, adhering to the ‘do no significant harm’ principle specified in EU Regulation (EU) 2019/2088.</p>	<p>Helgeland Kraft continuously <u>evaluates business relationships</u> within the value chain, adhering to the OECD due diligence guidance for responsible business conduct. Furthermore, we recognize the core conventions of the International Labour Organization (ILO) and comply with the principles of the UN Global Compact, which emphasize environmental, social, and ethical responsibilities.</p>

<sup>10</sup> International Energy Agency (2022). Norway Electricity Security Policy.

<sup>11</sup> NVE.no Hvor kommer strømmen fra?

### 3 Clean transportation (related to the EU Taxonomy: Infrastructure enabling low-carbon road transport and public transport)

Description from EU Taxonomy Navigator: *Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport. The economic activities in this category could be associated with several NACE codes, in particular F42.11, F42.13, M71.12 and M71.20 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.*

**Environmental objective :** Contributing to climate mitigation

**Secondary Objective:** Pollution prevention and control

<b>Substantial contribution criteria</b>	
<p>1. The activity complies with one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);</li> <li>b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.</li> </ul> <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p>	<p>Activities related to LAD OPP involve infrastructure that enable low-carbon transport through development of charging stations in Helgeland. The infrastructure is not dedicated to transport or storage of fossil fuels and in our evaluation, satisfies 1. a). Note, however, that charging stations are also open to charging hybrid vehicles.</p>
<b>Do No Significant Harm criteria</b>	
<p>The activity complies with climate adaptation requirements which involves identifying risks, assessing significance, and implementing solutions aligned with local strategies and nature-based options.</p> <p>Operators must prepare at least 70% of non-hazardous construction and demolition waste for reuse, recycling, or other recovery methods, following EU waste hierarchy guidelines. They should limit waste generation through selective demolition, utilizing available sorting systems and techniques to enable safe handling of hazardous substances and facilitate reuse and high-quality recycling.</p> <p>Noise and vibrations from infrastructure use are mitigated using measures like open trenches or wall barriers, in compliance with Directive 2002/49/EC. Additionally, steps are taken to minimize noise, dust, and pollutant emissions during construction and maintenance activities.</p> <p>The EU taxonomy further requires conducting an Environmental Impact Assessment (EIA) to identify and address environmental impacts, including mitigation and compensation measures. Vegetation maintenance along road infrastructure prevents the spread of invasive species. Additionally, measures are in place to prevent wildlife collisions.</p>	<p>The double materiality analysis for activities related to charging infrastructures included identifying climate-related risks and assessing their significance. Sustainability topics assessed to be material are followed-up by management in terms of implementing solutions to prevent/mitigate negative impacts. Installation of EV charging facilities consider potential exposure to acute and chronic physical risks resulting from climate change.</p> <p>The construction activities for the charging stations are performed by professional construction firms that are risk-assessed in accordance with OECD due diligence principles. Hazardous waste resulting from these activities is disposed of in compliance with national regulations.</p> <p>The EU Directive on the assessment and management of environmental noise covers noise from road traffic, rail traffic, air traffic, and industrial facilities. Our charging stations serve a limited number of EVs at any given time, resulting in minimal noise from vehicle traffic. The construction of charging stations do not require heavy groundwork and are pre-fabricated modules, resulting in short construction time with minimal noise pollution.</p> <p>Our charging stations are built on existing car parks. According to the Energy Act, low-voltage electrical systems downstream of a transformer are classified as charging facilities and do not require licensing or an Environmental Impact Assessment (EIA).<sup>12</sup> Additionally, Helgeland Kraft is ISO 14001 certified, which mandates continuous monitoring of potential and actual negative environmental aspects and the implementation of measures to prevent or mitigate adverse environmental impacts.</p>
<b>Minimum Safeguards</b>	
<p>Undertakings must implement procedures aligning with OECD and UN guidelines on business and human rights, adhering to the 'do no significant harm' principle specified in EU Regulation (EU) 2019/2088.</p>	<p>Helgeland Kraft <u>continuously evaluates business relationships</u> within the value chain, adhering to the OECD due diligence guidance for responsible business conduct. Furthermore, we recognize the core conventions of the International Labour Organization (ILO) and comply with the principles of the UN Global Compact, which emphasize environmental, social, and ethical responsibilities.</p>

<sup>12</sup> NVE.no, Lading av bil, buss og ferge – tilknytning til strømmettet.