



# *Statkraft Green Finance Framework*

April 2025

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# 1. About Statkraft

Statkraft has built a strong position as Norway's largest power producer, the largest producer of renewable energy in Europe and a significant player in other international markets. With its foundation in Norwegian hydropower, making clean energy possible for over a century, Statkraft has in the last three decades expanded geographically, developed the market activities, and diversified into new technologies and services, now consisting of hydropower, onshore and offshore wind power, solar power, hydrogen, gas-fired power, district heating, EV-charging and biofuels. The company has valuable positions in Europe, South America and Asia, with around 7,000 employees across 21 countries. In 2024, Statkraft generated 66.3 TWh of power, with a 96%<sup>1</sup> share of renewable energy.

Through a deep understanding of the market trends, competitive landscape and internal capabilities and constraints, Statkraft's strategy aims to find and seize the opportunities arising from the energy transition – creating value by enabling a net-zero future and renewing the way the world is powered.

The strategic direction of the company is based on the fundamental drivers behind continued growth in demand for



renewable energy, and energy systems with increased need for flexibility. Statkraft's strategy builds on four pillars:

- Provide clean flexibility – leveraging hydropower
- Grow in solar, wind and battery storage
- Deliver green market solutions to customers
- Develop new energy solutions

Internal analysis confirms that the long-term strategic direction is robust, and that there are significant opportunities given Statkraft's current position, portfolio, and competitive strengths. However, to adapt to changes in external surroundings and market development, impacting the investment capacity, Statkraft announced in June 2024 the decision to sharpen the strategy. Statkraft will prioritise growth of the core business and optimise the portfolio through

<sup>1</sup> Non-renewable power generation consists of power generation based on natural gas and biomass.

selective divestments and allocate the capital to the most value-creating opportunities with the best strategic fit.

The sharpened strategy means that Statkraft will prioritise:

- Value creation from Statkraft's core businesses hydropower and market operations, including the trading and origination business
- To grow in mature and profitable technologies like solar power, onshore wind and battery storage, but at adjusted rate
- To continue to build options for future growth in technologies like offshore wind and hydrogen, but with more focused scope
- Optimise the portfolio through targeted divestments and sell-downs

At the centre of the strategy are three overarching principles:

- Ensuring sustainable, ethical, and safe operations
- Prioritising financial solidity and profitability over growth
- Creating a great and inclusive place to work

These principles apply across the business, to ensure that Statkraft never compromises on commitments to its owners, employees, and society

To pursue the strategy, Statkraft utilises a market-centric approach within a defined geographical footprint, meaning that the company will use market insight to find and develop the most profitable opportunities across selected renewable technologies in each specific Statkraft market. The company will develop, acquire, own and operate renewable assets, and provide customers with the best energy solutions to reach a net-zero emission future.

In Norway, Statkraft will drive the energy transition through developing and delivering renewable power generation and flexible supply, delivering new green energy solutions,

and facilitating sustainable businesses. In Europe, Statkraft will take a leading role in supporting the energy markets and the transition ahead, based on the position as the largest producer of renewable energy in Europe and significant market operations. In South America, Statkraft will enable more sustainable energy systems by pursuing opportunities from the growing energy demand.

Recent updates on our strategy are available on our website<sup>2</sup>.

<sup>2</sup> <https://www.statkraft.com/about-statkraft/strategy>

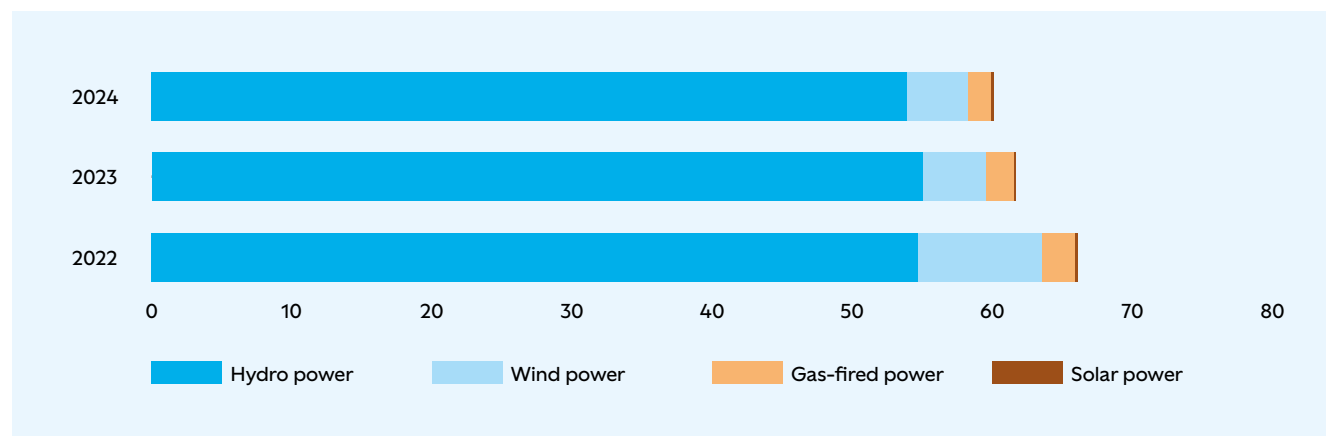


Figure 1: Statkraft's total generated power in 2024 (TWh)

## 2. Sustainability at Statkraft

Statkraft's sustainability strategy is an integral part of the company's corporate strategy and sets out how the company will contribute to a green and just transition. The strategy addresses the most important impacts, risks and opportunities related to Statkraft's activities, increasing external expectations, regulatory development, and the UN Sustainable Development Goals (SDGs).

Statkraft's work is guided by relevant frameworks and guidelines, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The company complies with sustainability-related EU Directives for its European activities and takes guidance from the IFC Performance Standards for new energy development projects. Statkraft is a member of UN Global Compact and participates in industry initiatives and networks.

Further, the white paper on state ownership<sup>3</sup> details the Norwegian state's role and expectations to the companies where they have ownership interests. The overall goal from the owner is 'highest possible return over time in a sustainable manner.'

<sup>3</sup> Meld. St. 6 (2022–2023), A greener and more active state ownership – The state's direct ownership of companies, October 2022.

Statkraft reviews our double materiality assessments (DMAs) on a regular basis, assessing impact, risks and opportunities related to sustainability matters. The outcome of the DMA forms the basis for the Annual Report structure and performance management follow-up within the material areas. For all material topics, Statkraft establishes targets and key actions.

### Statkraft's sustainability strategy

Statkraft's aims to drive a green and fair energy transition. Through its large operational fleet and renewable energy growth the company contributes to the global need to decarbonise and electrify society. In doing so, Statkraft is committed to fair and inclusive processes, where impact on people and the environment is carefully considered.

Statkraft's strategic sustainability priorities are:

- Climate action: Developing a net-zero value chain
- Biodiversity: Growing within planetary limits
- Circular economy: Leveraging the principles of circular economy
- Just transition: Managing our impacts on people

### Code of Conduct

Statkraft has developed a Code of Conduct for own employees and for its business partners. The Code of Conduct sets out our responsibilities for health, safety and security; human rights; environment, climate and circular economy; business ethics; and people and organisation. In addition, the Supplier Code of Conduct sets requirements and seeks to avoid adverse impacts and risks to people, society, and the environment in the company's supply chains. All suppliers are expected to adhere to these requirements throughout their relationship with Statkraft.

### 3. UN Sustainable Development Goals (UN SDGs)

The UN Sustainable Development Goals (SDGs) enable the global community to navigate towards a more sustainable future by 2030.

For Statkraft, the SDGs serve as a guide for developing and improving its business activities. Based on an assessment of the company's impact on all 17 SDGs, it was decided to specifically address eight of the goals where Statkraft believes it can contribute the most.

These SDGs are addressed on three levels: as part of the overarching commitment, in the company's core business, and embedded in how we work. More information about Statkraft's contribution to the SDGs is available on the company's website.

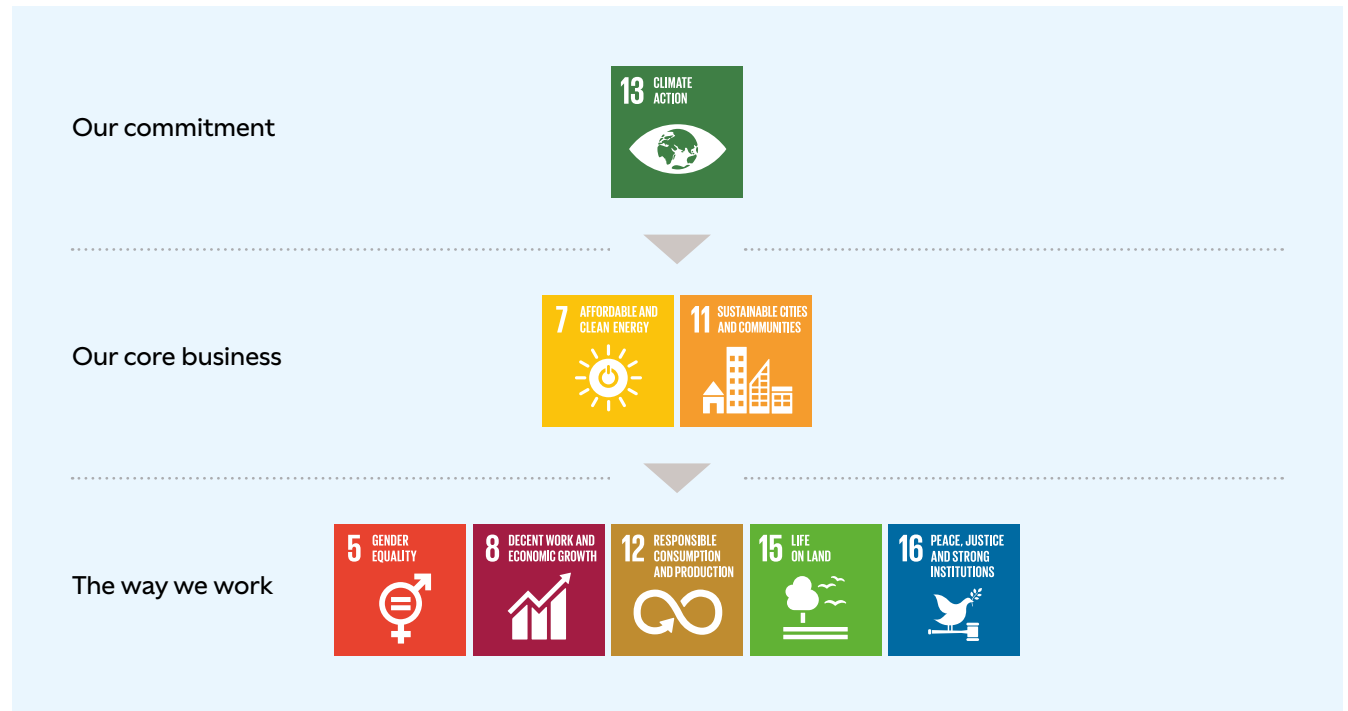


Figure 2: The UN Sustainable Development Goals (SDGs)

## 4. Responsible supply chain

Statkraft is committed to sustainable and responsible business practices, and this commitment extends to its suppliers. Our procurement activities are guided by the OECD Guidelines for Multinational Enterprises and the OECD Diligence Guidance for Responsible Business Conduct.

Our Supplier Code of Conduct is part of all contracts; it prohibits unethical and illegal business practices and requires our suppliers to respect fundamental human rights and labour rights, health and safety standards, the environment, and privacy.

Statkraft's procurement policy requires that procurement activities are organised to "avoid adverse impacts to people, society and the environment". The policy is supported by requirements that ensure that potential impacts are assessed in the same manner as financial and operational risks. Our standard contract models include sustainability obligations. Statkraft integrates obligations in tender documents, and potential suppliers are assessed (as part of the qualification criteria) on how they respect human and labour rights.

When Statkraft discovers an adverse impact linked to our purchases, we engage in dialogue with the supplier to stop and rectify the situation. Where impacts cannot be rectified, Statkraft cooperates with the supplier to enable remediation that is proportionate to the significance and scale of the adverse impact.



## 5. Climate action



### *Developing a net-zero value chain*

Statkraft is the largest producer of renewable energy in Europe, with a share of 96% renewable energy (2024). The company's greenhouse gas (GHG) emissions intensity is significantly below sector average<sup>4</sup>. Currently, the majority (83.6% in 2024) of direct GHG emissions (scope 1) originates from our gas-fired power plants in Germany.

Statkraft has established processes for identifying, assessing, and monitoring physical climate risks and relevant mitigation measures. Company-wide climate-related physical and transition risks are regularly assessed at asset level.

### Key commitments and targets

Statkraft is committed to the goal of limiting global warming to 1.5 °C and the Paris agreement. Our future growth is solely based on renewable energy, and we are targeting net-zero<sup>5</sup> GHG emissions by 2040, across scopes 1, 2 and 3.

To reach net-zero emissions, all unabated use of fossil fuels will either be replaced by emissions-free solutions or need

to be retrofitted with carbon capture and storage (CCS) by 2040. All other direct and indirect emissions will be reduced to the extent possible. Collaboration across the supply chain is essential to achieve net-zero and Statkraft will explore opportunities such as low carbon material and electric machinery. The residual GHG emissions will be neutralised by carbon removals, where an equivalent amount of CO<sub>2</sub> is removed permanently from the atmosphere.

### Key targets

- By the end of 2025: Establish benchmark GHG emissions intensities for new developments per technology
- From 2026: Material<sup>6</sup> projects shall use climate & circularity tools to identify and implement GHG emissions reduction measures and circularity gains
- By the end of 2026: Set annual GHG emissions intensity reduction targets for new developments per technology
- By 2030: Scope 1 + 2 GHG emission intensity (market-based scope 2) is less than 20g CO<sub>2</sub>e/kWh
- By 2040: Net-zero GHG emissions (scopes 1+2+3, market-based scope 2)

### Relevant SDGs:



**SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all. Targets 7.1, 7.2



**SDG 13:** Take urgent action to combat climate change and its impact. Targets 13.1, 13.3



**SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable. Targets 11.5, 11.6

<sup>4</sup> Statkraft's corporate GHG intensity (scope 1 and market-based scope 2) for 2024 was 14.7 g CO<sub>2</sub>e/kWh. As a comparison, the GHG intensity for electricity generation in the EU was 213 g CO<sub>2</sub>e/kWh in 2023. Ref; Greenhouse gas emission intensity of electricity generation in Europe | European Environment Agency's home page (europa.eu).

<sup>5</sup> Net-zero means cutting net GHG emissions (scopes 1+2+3) to as close to zero as possible, in alignment with a 1.5°C pathway. The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all other indirect emissions that occur in the value chain, including both upstream and downstream emissions.

<sup>6</sup> All greenfield, repowering and redesign projects, and large (approx. > 50 MNOK) refurbishment projects. In less mature (supplier) markets we will assess and pilot different approaches to Life Cycle Analysis and GHG emission budgeting.



## 6. Biodiversity



### *Growing within planetary limits*

Biodiversity and ecosystem functions and services are material aspects to Statkraft. Two of the key drivers for biodiversity loss are closely linked to Statkraft's activities: climate change and land and sea use change. Harnessing natural resources to expand renewable energy is essential for this green energy transition, yet it inevitably impacts ecosystems through land use, material extraction, and habitat disruption. Hydropower plants impact the natural flow of rivers, while wind and solar power plants require land usage. The approach taken at each new project development needs to consider both aspects carefully and will be guided by national priorities and regulatory requirements.

### Key commitments and targets

As a response to the world's biodiversity loss and the Kunming–Montreal global biodiversity framework agreement from 2022, Statkraft will explore the feasibility and approach to net biodiversity gain for new energy developments focusing on onshore wind, solar and batteries (BESS) in the period up until 2030.

The majority of new developments within these technologies reaching principal investment decision in 2030 and onwards will have a biodiversity net gain commitment. For other technologies, Statkraft will continue to explore possibilities and constraints for biodiversity net gain. Developments that are built to be sold will be delivered with a «net gain readiness», whilst depending on the new owner for the follow-up on such a commitment.

For existing operations, Statkraft will identify prioritised material sites for improvements from a defined baseline year by 2026. For hydropower, possibilities for improvements will be integrated in authority-driven processes revising water management plans for the respective catchment area, as well as hydropower concession terms (in regions where applicable).

### Key targets

- From 2030, Statkraft will have a biodiversity net gain commitment for a majority of new onshore wind, solar and BESS developments that have not yet made a Principal Investment Decision<sup>7</sup>
- Pilot no net loss and net gain commitments at four new onshore wind, solar & BESS development projects to be initiated in 2025

- By 2028, 100% of prioritised material sites have defined improvement measures related to biodiversity from a defined baseline year
- Statkraft will not plan new energy developments in existing natural World Heritage Sites
- Statkraft will by 2028 establish a biodiversity fund to support projects and assets financially with their biodiversity commitments, as well as external initiatives and research

### Relevant SDGs:



**SDG 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. Targets 15.1, 15.2, 15.3.

<sup>7</sup> Statkraft will only take on a commitment for those projects and assets under the company's operational control. For developments that are built to be sold, these will be delivered with a «net gain readiness», whilst depend on new owner for the follow-up on such a commitment.

## 7. Circular economy



### *Leveraging the principles of circular economy*

Statkraft's core business leverages the principles of circular economy, by producing renewable energy with long-term horizons. Statkraft prolongs the lifetimes of our assets through monitoring, rehabilitation, and upgrades when necessary. Hydropower assets have a particularly long lifetime, but with the increasing share of wind and solar power in our portfolio with shorter lifetimes, Statkraft experiences new challenges and opportunities related to circular principles. Statkraft acknowledges its consumption of materials and sees circularity as a tool for enhancing resource efficiency and thereby reducing our footprint.

### Key commitments and targets

Statkraft aims to become a circular business by 2050. To achieve this, Statkraft will work systematically to quantify and better understand the circularity potential of its resource inflows and outflows. Based on this, we will implement the principles of circular economy throughout the lifecycle of our assets.

Statkraft will collaborate closely with suppliers and other key stakeholders to address material impacts, risks and opportunities.

### Key targets

- From 2025, no wind turbine blades will go to landfill from assets where Statkraft has operational control
- From 2026, material<sup>8</sup> projects shall use the climate & circularity tools to identify and implement GHG emissions reduction measures and circularity gains
- By 2027, set targets for selected key materials and key equipment in all projects
- By 2029, review and expand set of targets for selected key materials and key equipment in all projects
- By 2030, a minimum 80%<sup>9</sup> non-hazardous construction site waste is diverted from landfill
- By 2040, a minimum 90%<sup>10</sup> total construction site waste is diverted from landfill
- By 2050, Statkraft is a circular business

### Relevant SDGs:



**SDG 12: Ensure sustainable consumption and production patterns.**  
Targets 12.2, 12.4, 12.5, 12.6

<sup>8</sup> All greenfield, repowering and redesign projects, and large (approx. > 50 MNOK) refurbishment projects. In less mature (supplier) markets we will assess and pilot different approaches to Life Cycle Analysis and GHG emission budgeting.

<sup>9</sup> Measured in terms of mass (tonnes of waste).

<sup>10</sup> Measured in terms of mass (tonnes of waste).



## 8. Just transition



### *Managing our impacts on people*

Statkraft's approach to a just transition and respect for human rights is aligned with the international agenda and available guidance and frameworks. It is risk-based and aims to create shared value, and the company strives to integrate human rights into relevant business processes and activities. Statkraft undertakes regular corporate-level human rights risk assessments in line with the UN Guiding Principles, with a focus on risk to people.

### Key commitments and targets

Statkraft's human rights commitments are outlined in the Code of Conduct and include:

- Statkraft is committed to respecting the human rights of our people, our supply chain workers and the communities impacted by our operations, by preventing, minimising and mitigating negative impacts

- Statkraft respects human and labour rights, including freedom of association and the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation
- Statkraft is committed to decent working conditions, including working hours in line with recommended limits of the International Labour Organisation (ILO) and paying a living wage for our employees
- Statkraft respects the rights of people affected by our activities, including indigenous, tribal and other vulnerable groups. Statkraft seeks to ensure informed consultations and participation with affected people in line with international frameworks and have appropriate grievance mechanisms in place

Statkraft will build on its longstanding work to embed high standards for human rights and social management into its operations and value chains by developing a just transition strategy. This strategy will include actions, targets, and commitments across four key topics: positive economic and social impact, respecting human rights, stakeholder engagement, and fairness and decent work.



## Key targets

- By 2028, Statkraft has quantitative targets related to positive local economic impact on local businesses and workers and measures and publicly reports on progress year on year
- By 2028, all projects and material assets make consistent use of methodology for calculating positive impact and set targets
- By 2028, 100% of projects are consistently making use of country or project-based feedback mechanisms for affected communities
- By 2028, 100% of projects are conducting and documenting stakeholder engagement in a broadly consistent and comparable way
- Living Wages continue to be required for 100% of Statkraft contractors' personnel on-site

### Health, Safety, Security & Environment (HSSE)

Statkraft is committed to our vision of a safe and healthy workplace without injury or harm. Our health and safety targets include:

- Zero serious injuries associated with our activities
- A rate of less than 3.5% sick leave amongst employees
- Total Recordable Injury (TRI) rate of less than 3.5

Unfortunately, Statkraft has registered both fatalities and serious injuries in the last years. Our Powered by Care improvement program, launched in 2015, is a continuous effort to monitor performance, learn about current challenges and improvement opportunities, and implement preventative measures to avoid injuries and other types of harm. An internal e-learning platform and award scheme encourages activities that improve health and safety across the organization, as well as knowledge sharing within and between teams.

Our Health and Safety Improvement Programme, Renew HSS, carries out initiatives such as pilots to improve HSS culture and behaviours, serious injury mitigation, training and competence, tracking of Key Performance Indicators (KPIs), wellbeing and workload arrangements, and continuous improvement across business areas.

## Labour practices

Statkraft aims to be a diverse and inclusive workplace where everyone has equal opportunities to contribute and realise their potential. Statkraft has set targets for gender balance and inclusion, including:

- Gender balance (a minimum of 40% of each gender) across the organisation by 2030, measured on three levels: top management, all management positions, and all employees
- A score of 8.5 on the employee inclusion index by 2024

## Relevant SDGs:



**SDG 5:** Achieve gender equality and empower all women and girls. Target 5.1, 5.5



**SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Target 8.7, 8.8



**SDG 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Target 16.5

## 9. Green Finance Framework

Statkraft developed its first green finance framework in 2022 and issued its first green bond in June of 2022. By the end of 2024, Statkraft had more than NOK 40 billion in green financing outstanding. This document puts forward an updated framework which is a continuation of Statkraft's work with green finance and furthers the link between our sustainability strategy and financing activities.

This Green Finance Framework is structured in alignment with the ICMA Green Bond Principles (GBP) 2021 (with June 2022 Appendix I) and the LMA, APLMA and LSTA

Green Loan Principles (GLP) 2025. As such, the framework consists of the core components of the GBP and GLP:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting and Transparency
- External Verification

It is Statkraft's intention to follow best practices as market standards develop, including the development and implementation of the EU Green Bond Standard, which relies on the criteria of the EU Taxonomy to define green economic activities. Therefore, Statkraft's Green Finance Framework may be amended and/or updated to reflect the changes in market practice or Statkraft's sustainability focus.

Statkraft's Green Finance Framework allows financing of its Eligible Projects with both Green Bonds and Green Loans (collectively defined as Green Finance Instruments).



# 10. Use of Proceeds

## Financing and refinancing

An amount equal to the net proceeds from Green Finance Instruments will be used to finance the acquisition, development and construction of Eligible Projects, to refurbish and upgrade Eligible Projects in operation and to refinance Eligible Projects that have previously been financed under this or historical frameworks. New financing is defined as amounts allocated to Eligible Projects financed within the last reporting year, and refinancing is defined as amounts allocated to Eligible Projects financed prior to the last reporting year.







Expenditures under this Framework are limited to capital expenditures, with a look-back period of three years prior to the year of issuance of the Green Finance Instrument. Capital expenditures related to Eligible Projects may, post initial allocation, be refinanced by multiple Green Finance Instruments. Statkraft allocates the net proceeds from Green Financing Instruments raised in accordance with this framework to the two categories as seen in the table below.

## Exclusions

Statkraft will not finance nuclear or fossil fuel energy generation projects through its Green Finance Instruments.



# 11. Eligible Project categories

| Category          | Eligible Projects  | EU Taxonomy   | ICMA GBP & UN SDGs   |
|-------------------|--|---|--|
| Renewable Energy  | <p>Development, construction, acquisition, maintenance, upgrades, operation and/or storage related to renewable energy projects, such as:</p> <ul style="list-style-type: none"> <li>• Hydro power projects</li> <li>• Wind power projects</li> <li>• Solar power projects</li> <li>• Storage of electricity</li> </ul>        | <p><b>Substantial Contribution:</b> Climate Change Mitigation</p> <p><b>Criteria:</b> SCC and MS</p> <p><b>Activities and alignment:</b></p> <p>4.1 Electricity generation using solar photovoltaic technology</p> <p>4.3 Electricity generation from wind power</p> <p>4.5 Electricity generation from hydropower</p> <p>4.10 Storage of electricity</p> | <p><b>GBP Environmental Objective:</b> Climate Change Mitigation</p> <p><b>SDGs:</b> 7.2, 8.4, 9.1</p>          |
| Energy efficiency | <p>Development, construction, acquisition, maintenance, upgrades, operation and/or storage related to energy efficiency projects, such as:</p> <ul style="list-style-type: none"> <li>• Grid and electrification projects including services such as Rotating Stabilizers and Battery Energy Storage Systems (BESS)</li> </ul> | <p><b>Substantial Contribution:</b> Climate Change Mitigation</p> <p><b>Criteria:</b> SCC and MS</p> <p><b>Activities and alignment:</b></p> <p>4.9 Transmission and distribution of electricity</p> <p>4.10 Storage of electricity</p>   | <p><b>GBP Environmental Objective:</b> Climate Change Mitigation</p> <p><b>SDGs:</b> 7.3, 8.4, 9.4</p>    |



## EU Taxonomy

The EU Taxonomy<sup>11</sup> provides a classification system for identifying environmentally sustainable economic activities. In order to be considered as aligned with the EU Taxonomy, an activity must meet three requirements:

- Meet the Substantial Contribution Criteria (SCC) for at least one environmental objective
- Do No Significant Harm (DNSH) to the other five environmental objectives
- Comply with Minimum Safeguards (MS)

Eligible Projects financed under this Green Finance Framework must comply with the EU Taxonomy's Substantial Contribution Criteria (SCC) to Climate Change Mitigation, as well as the Minimum Safeguards (MS).

While Statkraft will assess all Eligible Projects against the relevant Do No Significant Harm (DNSH) criteria, the primary basis for determining eligibility under this framework is the SCC and MS.

The EU Taxonomy is a relatively new reporting framework where industry norms on how to assess and align are yet to be established. The EU has published guidelines which we have applied in our assessments, but there are still some uncertainties on how the different parts of the requirements should be interpreted. Statkraft will follow the continued development of the EU Taxonomy framework and adapt to any new specifications and clarifications.

Our EU Taxonomy reporting is available in our annual report.

## Substantial contribution

Statkraft's economic activities mainly contribute towards the environmental objective Climate change mitigation. To be considered aligned with the SCC under the EU Taxonomy, hydropower has to meet one of the following criteria:

- Run-of-river plants without artificial reservoirs
- Power density above 5W/m<sup>2</sup>
- Life-cycle emissions below 100g CO<sub>2</sub>eq/kWh

For each hydropower plant, Statkraft have assessed hydropower production against the run of river or the power density criterion. Most of Statkraft's hydropower assets meet the power density or the run over river criteria. For a few assets it was not possible to obtain the required documentation. Consequently, these plants have preliminarily been assessed as not aligned and are not eligible to be financed under this framework.

Statkraft's electricity grids are connected to the main Norwegian electricity grid which in turn is connected to the European distribution grid. Therefore, the activity meets the criteria for substantial contribution under the activity of transmission and distribution of electricity.

By definition, the remainder of Statkraft's eligible activities related to electricity generation from wind,

solar photovoltaic technology, as well as storage of electricity make substantial contributions to climate change mitigation by their own performance.

## Minimum safeguards

Statkraft's alignment assessment with the Minimum safeguards is currently based on the guidelines presented in the 'Final Report on Minimum Safeguards' by the Platform on Sustainable Finance<sup>12</sup>. This is the most comprehensive existing guideline for compliance with Minimum safeguards. Statkraft meets the criteria for processes and outcomes related to human rights, corruption, taxation, and fair competition defined in the report.

Statkraft takes guidance from and strives to align with relevant international frameworks and guidelines, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. To specifically guide our human rights efforts, Statkraft is committed to operating consistently with both the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Further details on Statkraft's assessment of Minimum Safeguards can be found in our annual report.

<sup>11</sup> Regulation (EU) 2020/852, which entered into force on 12 July 2020, and the Climate Delegated Act, applicable since January 2022.

<sup>12</sup> Platform on Sustainable Finance. October 2022. Final Report on Minimum safeguards.

## 12. Process for Project Evaluation and Selection

Statkraft has established a process to evaluate and select Eligible Projects in accordance with this Green Finance Framework. Eligible Projects are evaluated, selected and approved in consensus by representatives from the Group Treasury department and the Corporate Sustainability unit.

The Group Treasury department and the Corporate Sustainability unit are responsible for:

- Evaluating the compliance of the proposed projects with the criteria's outlined in the Use of Proceeds section outlined above
- Removal of projects that no longer meet the criteria's defined in this framework
- Monitoring of internal processes of tracking Green Finance proceeds
- Review and Update of the Green Finance Framework to reflect changes in corporate strategy, market or regulatory developments, on a best effort basis

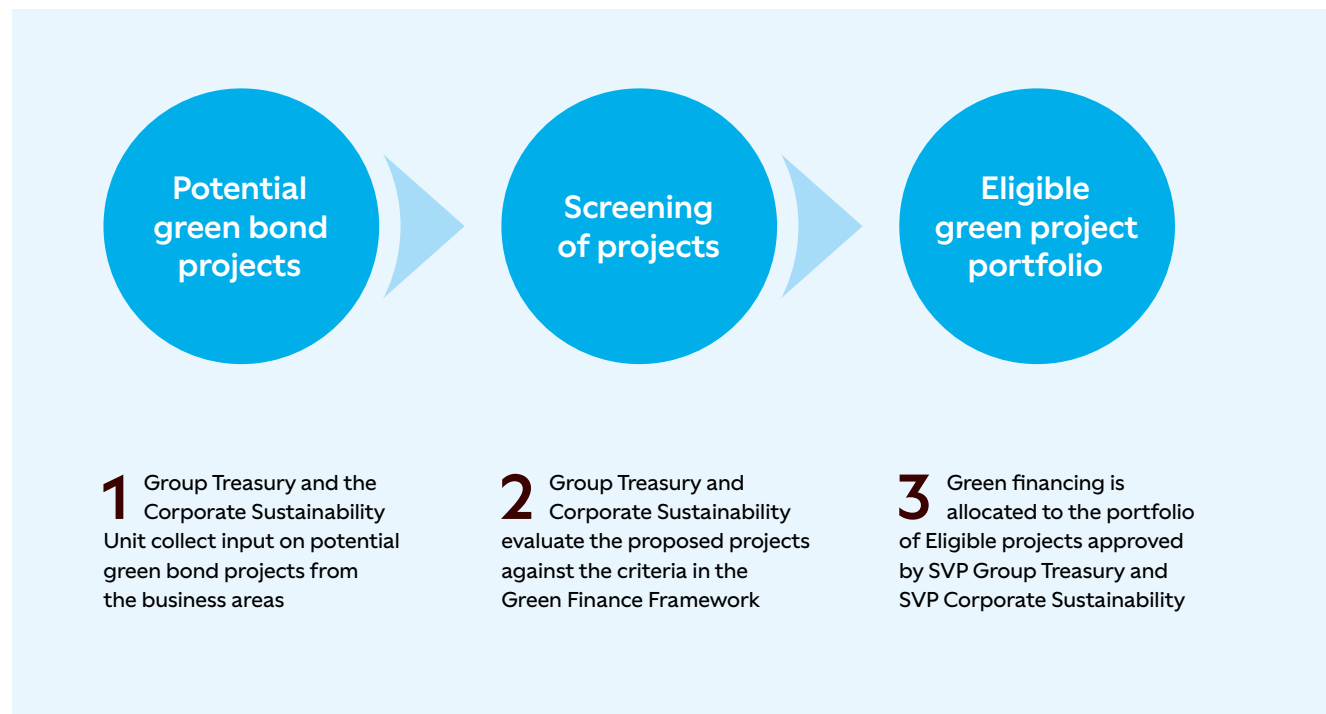


Figure 3: The selection process of Eligible Projects

## 13. Management of Proceeds

The net proceeds raised in accordance with this framework are managed by the Group Treasury Department in Statkraft. Statkraft will establish a Green Finance Register for the purpose of monitoring Eligible Projects financed by the Green Finance Instruments issued by Statkraft, as well as to provide an overview of the allocation of the net proceeds from the Green Finance Instruments issued to the respective Eligible Projects. The aim is that the value of the Eligible Projects detailed in the

Green Finance Register will at least equal the aggregate net proceeds of all outstanding Statkraft Green Finance Instruments.

In the event that the total outstanding net proceeds of Green Finance Instruments exceed the value of the Eligible Projects in the Green Finance Register, proceeds yet to be allocated to Eligible Projects will be held in accordance with the liquidity management policy of Statkraft's Treasury Department.

For the avoidance of doubt, this excludes the investments into activities within fossil fuel, nuclear, weapons and defence. The Green Finance Register will form the basis for impact reporting.

A facility cannot be labelled as green if it includes a green and non-green tranche; the green label applies only to the tranche(s) aligned to the four core components of the GLP.



# 14. Reporting and Transparency

To enable investors to follow the development of selected projects and their impact and provide insight into prioritized areas, Statkraft will provide a Green Finance Impact Report to investors on an annual basis and at least until full allocation, including:

- Information about the division of the allocation of Green Finance proceeds between the eligible project categories and geographical distribution
- When possible and relevant, further information on the Eligible Projects, such as a brief description of the main projects, type of technology and their expected impact
- Balance (if any) of any unallocated proceeds

Statkraft recognizes the importance of transparency and investors' interest in impact reporting on projects financed with Green Finance Instruments. Statkraft's 2024 sustainability statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting standards (ESRS) pursuant to the Accounting Act §§ 2-3 and 2-4.

The data is provided in the annual Green Finance Impact Report and discloses relevant measurements and indicators, e.g.;

| Category          | Eligible Projects  |
|-------------------|--|
| Renewable Energy  | <ul style="list-style-type: none"> <li>• Installed capacity power generation (MW)</li> <li>• Power generation (MWh)</li> <li>• Capacity under development (MW)</li> <li>• Estimated GHG emissions avoided (tonnes CO<sub>2</sub>)</li> </ul> |
| Energy efficiency | <ul style="list-style-type: none"> <li>• Estimated GHG emissions avoided (tonnes CO<sub>2</sub>)</li> </ul>  |

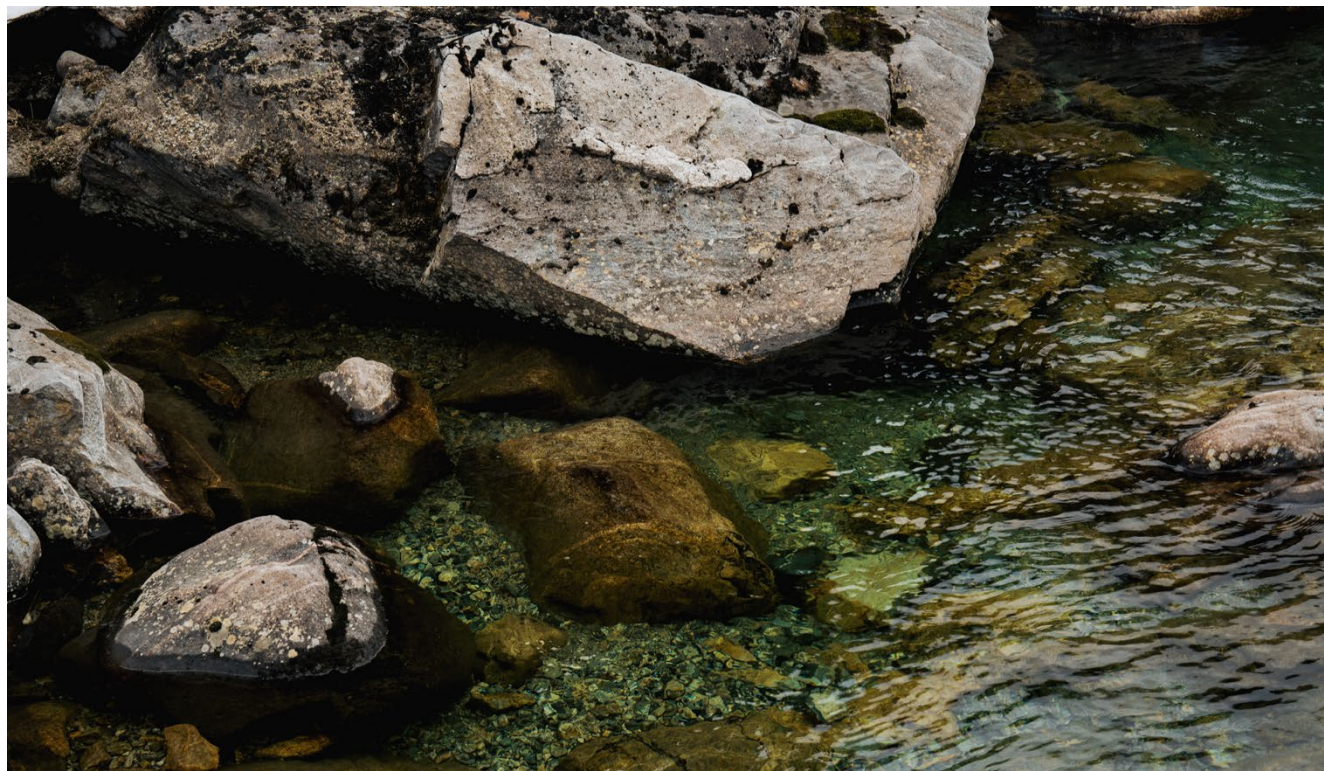
## 15. External Verification

Statkraft's Green Finance Framework has been reviewed by S&P Global who has issued a Second Opinion.

The internal tracking method and the allocation of net proceeds is verified by Statkraft's external auditor who issues an annual Assurance Report until the net proceeds are used in full.

Statkraft has established a specific section on its corporate website dedicated to providing information about its Green Finance Instruments. Relevant documents and information concerning Statkraft's Green Finance Instruments are published on this site including:

- The Green Finance Framework
- The Second Opinion
- The Green Finance Impact Report
- The Assurance Report



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