



Green Finance Framework

Bulk Infrastructure Group AS

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Who we are

Bulk Infrastructure Group AS (“**Bulk**” or the “**Company**”) is a leading provider of sustainable digital infrastructure in the Nordics. The Company is an industrial investor, developer and operator of industrial real estate, data centers and dark fiber networks. Bulk believes in the value creation opportunity of enabling our digital society to be fully sustainable. Hence the vision: *Racing to bring sustainable infrastructure to a global audience*. Since its founding in 2006, Bulk’s ambition has been to make a substantial impact regarding sustainable solution through a Sustainability framework consisting of three steps: finding the right location, improving assets, and seeking solutions to contribute to the surrounding ecosystems.

Bulk operates within three business areas:

- **Bulk Industrial Real Estate:** Nordic real estate developer and owner, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. The business area was established in 2006 and has demonstrated a significant ability to develop industrial properties for a large and diversified portfolio of customers. In 2022 Bulk will have completed more than 50 development projects since establishment, summing up to more than 500,000 square meters of high quality, flexible and energy efficient facilities.
- **Bulk Data Centers:** Data center operator delivering flexible, highly connected, and massively scalable data center and colocation solutions. Bulk’s data centers in Oslo, Norway (OS-IX), Kristiansand, Norway (N01) and Esbjerg, Denmark (DK01) are powered by renewable energy. More than 98% of electricity produced in Norway and 67% of electricity produced in Denmark come from renewable energy sources¹ and in addition Bulk utilises Guarantees of Origin for power purchased for itself and on behalf of its data center customers. The data centers operated by Bulk deliver the highest levels of connectivity, security, stability, and sustainability, backed by in-house expertise in data center design, engineering, and operations.
- **Bulk Fiber Networks:** Fiber operator which owns and controls dark fiber infrastructure with the purpose of enabling the Nordics for large scale data processing. Bulk has available thousands of km of dark fiber, including both intercontinental, North European and intra-Nordic infrastructure that connects main European markets as well as the US to the Nordics. The global market for fiber capacity continues to grow quickly, driven by increased demand for low latency, high capacity and high-quality secure data traffic. Bulk continues to explore new subsea and terrestrial fiber routes that could be strategic enablers for the data center growth in the Nordics.

Sustainability in Bulk

Infrastructure is the backbone of modern society. A digital society needs supply chains, logistics facilities, data centers and fiber networks to function. Bulk provides this infrastructure with sustainable solutions run on renewable power.

Bulk supports the UN Sustainable Development Goals (“**SDG**”) and in January 2022, Bulk joined UN Global Compact; the world’s largest voluntary corporate sustainability initiative. The ten principles of the Compact provide a framework for Bulk’s sustainability efforts. For 2022 Bulk will report (CoP 2022) on aligning with the SDGs and the ten principles for responsible business with strategy and operations.

Bulk is ISO 14001 certified and the Company’s Integrated Management System is used to soundly manage, secure and continuously improve all work processes that affect Environment. Bulk has implemented robust sustainability governance structures and internal strategies, including a policy covering overall social and environmental topics such as emission reduction and continues to develop and further professionalize our internal work on sustainability. This work includes the establishment of relevant targets and metrics, which will be tracked in a dedicated sustainability report, and ensuring that all employees and suppliers abide by Bulk’s Code of Conduct.

Bulk has developed a sustainability framework that has been applied to the environmental dimension. Bulk’s sustainability framework consists of three perspectives: Location, Asset and Ecosystem.

¹ www.energinorge.no; <https://www.trade.gov/country-commercial-guides/denmark-renewable-energy-products>

Location

Location is key to achieving sustainable solutions. Regions where renewable energy is available, such as the Nordic countries or Canada, provide locations that ensure a high level of sustainability from day one. These regions also offer a stable political environment, low climate risk and a well-developed legal and organizational framework that protects employees.

Demand for data center capacity is experiencing double digit growth, fuelled by digitalization and growing demand for cloud services. Gartner has estimated that global spending on data center systems will grow to USD 226 billion in 2022, an increase of 11.4 percent year on year. Sustainable locations for the digital infrastructure are necessary to avoid destructive environmental impact. With its cold climate and renewable hydropower, the Nordics have become an attractive location for data centres, and Bulk has leveraged this interest to develop digital infrastructure which is both energy-efficient and powered by renewable energy. A customer moving their data from a data center in central Europe to Norway will for example reduce their CO2 emissions from their power consumption by 96 per cent.

Fiber networks connecting the Nordics to the rest of Europe and Northern America ensure low latency and high-speed connectivity, providing everyone access to data centers powered by renewable energy. High performance fiber cables also contribute to the fast growth of video conferencing, reducing unnecessary air travel and thereby CO2 emissions.

The location of a logistics facility will affect CO2 emissions from transport to and from the facility. Bulk's strategy is to find logistics locations as close to airports, ports, railway stations and major road networks as possible. Moving logistics facilities out of city centers benefits urban development in major cities.

Asset

When the location has been decided, the next job is to minimize and optimize the use of resources in connection to the asset and avoid harm to the environment. Climate action, energy usage, protection of land and nature, usage and pollution of water and material management are focus areas.

In 2021 Bulk started to map emissions for full scope 1-3 according to the Green House Gas Protocol. Climate targets towards net zero have been set and the full scope 1-3 climate account will be used to take action to optimize solutions and mitigate emissions:

- Net zero company by 2050
- 50% emission reduction from scope 1 and 2 by 2030
- 30% emission intensity reduction from scope 1, 2, and 3 by 2030

By taking action to reduce emissions and measuring the impact Bulk is gaining knowledge as we go on how fast we can reach net-zero, therefore the reduction targets will be revised yearly and becoming stricter so that we always strive to improve faster. Bulk's reduction targets and pathway to net-zero will be aligned with the Science-Based Target Initiative (SBTI).

A lesson learned from the mapping process was that scope 3 represents more than 90 per cent of all emissions and that getting hold of precise emission data is challenging. Bulk collaborates with the value chain and industry as a whole to get more accurate data, setting sustainability requirements for the purchasing process, and include Life-Cycle-Analysis when screening suppliers and products.

Through the Climate Neutral Data Center Pact, Bulk has committed the Company to the European Green Deal. Bulk will contribute to achieving the ambitious greenhouse gas reductions of the climate law and leveraging technology and digitalization to achieve the goal of making Europe climate neutral by 2050.

A key priority in 2021 was analysing the impact of the Company on the SDGs and setting targets and actions to mitigate our carbon footprint towards 2030. To ensure that we deliver projects and operate our business to high environmental standards we will in 2022 further develop this Environmental action plan and set ambitious targets and actions in the categories:

- Energy efficiency
- Material management
- Water management
- Protection of land and nature

Bulk Industrial Real Estate has set targets in 2021 for all projects with a size above 5,000 sqm to be BREEAM-NOR certified and equipped with rooftop solar panels. The first Bulk project with solar panels - Leman I – was finalized in 2021 and marks the future sustainable standard for new developments. The expansion Leman II has also been equipped with solar panels, and around 60 per cent of the total energy consumption is now covered by solar energy. All larger new-buildings are designed to meet energy classification of A or B.

Sustainability is important also during the planning and construction phases. The environmental impact should be minimized during the construction process, and that starts with the planning process. When construction is complete, investments are made to re-establish the ecological diversity surrounding the buildings.

The Bulk Module is a steel frame on a concrete foundation with sandwich panels, making construction efficient and maximizing flexibility for our customers. A project has been started to reduce the CO2 footprint of the module even further. A pilot project has also been initiated to create a wood version of the Bulk Module. The planned wood constructions increase the buildings' sustainability.

Bulk transfers experience from its Industrial Real Estate projects to its digital business areas, and is evaluating certifying the next Bulk Data Center according to the BREEAM-NOR certification standard.

The Sustainable Digital Infrastructure Alliance (SDIA) estimates Data Centres electricity demand to account for 13 per cent of global electricity consumption by 2030. Bulks data centers are operated on renewable energy (hydropower, solar and wind) and takes measures to achieve best-in-class energy efficiency, measured in Power Usage Effectiveness ("PUE"). Being conscious of the negative environmental impact of certain data-center activities, Bulk has included in its internal policies that their centers will not be used for mining of crypto-currencies. Bulk has implemented operational procedures for denying incoming customer request for crypto mining at their data centers. Moreover, Bulk's current colocation services agreement includes a clause prohibiting customers from using colocation space for mining for bitcoin or other crypto currency or sell their infrastructure and/or provide services to a third party for the same purpose, and a breach of this clause would entitle Bulk to suspend its contract with the customer.

Bulk provides its customers with in-depth reporting on energy use within Bulk's real-time analysis system, providing direct, in-depth information about the power consumption. By enabling transparency on power use, Bulk aims to set incentives for its customers to improve their energy effectiveness.

The Company is involved in initiatives to replace diesel-generators for backup power. In this context, Bulk is exploring ways to replace diesel with premium biofuels HVO (hydrotreated vegetable oil) as a first step, and then find long term solutions with hydrogen. Bulk is participating in research projects regarding the use of hydrogen and investigates solutions where data centres become integrated into the ecosystem of a smart electricity grid.

Bulk takes care to reduce the environmental impact when fiber routes are planned both subsea and on land. Surveys are done in advance to avoid interfering with spawning grounds for fish and other sea animals.

Ecosystems

The third level of Bulk's sustainability framework is the Ecosystem. Bulk creates positive impact by choosing the right locations and optimizing the sustainability of its assets. However, significant impact can only be achieved by defining itself as part of a larger system and cooperating with partners, customers, suppliers and employees to change the way we all operate.

Data center operations are energy consuming both with respect to powering servers but also keeping them sufficiently cool. Bulk Data Centers operates as energy efficiently as possible and explores heat re-use alternatives. In our sites near a city centre, Oslo and Esbjerg, Bulk is working on finding solutions to deliver excess heat to the district heating system.

In 2021 Bulk conducted a study on circular industry clusters, where district heating is not an option, and mapped potential industries that can be part of such a cluster surrounding the data center. The site N01 outside of Kristiansand has the potential to become an industry cluster, where Bulk has acquired large areas of land surrounding the data center. Bulk works with other industries that can use the excess heat generated by the cooling systems as a resource in their own production processes and has signed a letter of intent with a greenhouse, as a first step to realize a cluster.

Together with partners, such as the Climate Neutral Data Centers, Bulk is developing strategies and concrete actions to increase the circularity of digital infrastructure. Bulk will have a circular approach when establishing an action plan for the pathway to net zero. Regarding the construction of new buildings, Bulk will require a recycling rate of 90 %. Through

collaboration in the Climate Neutral Data Center Pact and the SDIA, Bulk contributes to establishing an ecosystem for the management of e-waste for Bulk's customers.

Onsite renewable energy production, such as roof solar panels, will initially cover parts of a buildings' energy needs, but in the long run may also produce excess energy that can be supplied to the grid and benefit other parts of the ecosystem.

Responsible leadership

The Board of Directors has the primary responsibility for Bulk's sustainability performance. It approves the sustainability ambitions, strategy and directions and reviews risks, targets and KPI's on a regular basis. The Group Management is responsible for following up the Company's targets and risks, implementing necessary measures and ensuring good outcomes. The Head of Sustainability participates in meetings with both the Group Management and the Board of Directors when sustainability topics are on the agenda.

Climate risk management

All projects are screened for climate change resilience during the zoning process. Site and project specific physical climate risk assessments are conducted by qualified third-party providers. As part of the project process, necessary actions are identified and undertaken to mitigate identified risks.

Climate risk management is an area with growing importance in Bulk and will be a key initiative going forward. To further strengthen Bulk's climate risk management, the Company is planning to conduct a broad assessment of climate risk by the end of 2022, in line with the recommendations put forth by the Taskforce on Climate Related Financial Disclosures (TCFD). The result of the assessment, along with mitigating actions, will be included in an appropriate manner in our 2022 Annual Report.

EU Taxonomy

Bulk welcomes the EUs classification system of sustainable economic activities, the EU taxonomy, and the associated policies included in the EU Sustainable Finance Action Plan. Bulk fully supports this transition to a more transparent and comprehensive approach to meeting our common goals. Bulk has started to explore what the EU Taxonomy will mean for the Company's activities, including engaging a third party to undertake an independent assessment to alignment against relevant objectives and delegated acts.

Aligning with the UN Sustainable Development Goals

Bulk supports the UN Sustainable Development Goals (SDGs) and has conducted a materiality assessment of the 17 SDGs including both opportunities and risks.



SDG

Risks and Opportunities



Bulk contributes to “Climate Action” by owning and operating Data Centers running on 100 per cent renewable energy with high level of energy efficiency. By locating the Data Centers in the Nordic Countries the demand for energy is lower compared to other locations due to the cold climate and lower energy need for cooling. In addition, Bulk has committed to reduce the Company’s GHG emission and aims to be net zero by 2050.



Bulk wants to contribute to the transition to an electrified future and contribute to reduce energy consumption in our portfolio and establish new renewable energy sources. In Norway the power production is 98 % renewable. For 2021 Bulk has purchased certificates of origin for all use of power. Bulk is committed to own and operate the most energy effective data centers in the industry measured by PUE. Bulk offers solutions with on-site renewable energy production using the roof area to contribute to new renewable energy being built.



Bulk build critical infrastructure that enables sustainable solution for our customers and the digital society. Bulk wants to generate win-win situations with local communities by moving our buildings and heavy traffic out of the city center and placing them in carefully selected locations for reduced energy and resource consumption. We seek to improve environmental performance of our buildings and infrastructure through innovative solutions. Together with our customers we will collaborate to meet our goals. And we will be a trusted partner.



The land use and operations at sea of Data Centers, Industrial Real Estate and Fibre Networks may have negative impact on life on land for example on “Habitats and biodiversity” and on “Life below water”. Bulk has implemented measures to reduce the negative impact.



The land use and operations at sea of Bulk’s business areas may have a negative footprint related to biodiversity and landscape values. Bulk will develop streamlined and robust sustainability assessment systems to cover these risks and collaborate with local authorities and involve stakeholders in early phase of project development.



Bulk maintains a high level of activity and aim to ensure that the suppliers’ employees enjoy safe and decent working conditions. With the Company’s future increased level of activity, employment law violations constitute a risk. Bulk intends to reduce the risk by continuous improving the control activities given by the Company’s Code of Conduct.



The increased activity in the industry constitutes an increased risk related to sustainable production and recycling of IT equipment. To reduce the risk Bulk has engaged in several collaborations such as the Norwegian Green Building council and the Climate Neutral Data Center Pact, working to set the right requirements for the industry.

Bulk will take action to reduce consumption of resources in all processes and be a responsible buyer and set requirements for environmentally conscious choice of materials with a life cycle perspective, with the goal of using local suppliers and contractors.

In locations near cities Bulk will connect to district heating systems. In locations that are more remote Bulk seeks partnerships with other industry to make use of the excess heat.



SDG 17 “Partnership for the goals” is crucial to move fast enough towards a net-zero society, collaborate to solve the challenges the Data Center industry is facing and by innovating and sharing knowledge on new technology transparently across the industry. To collaborate with other data centre operators and across the whole industry Bulk is engaged as an active participant in several organizations:

- Climate Neutral Data Center Pact
- Sustainable Digital Infrastructure Alliance
- Norwegian Green Building Council
- Abelia
- ICT-Norway
- UN Global Compact

By signing the Climate Neutral Data Center Pact Bulk has, along with other Data centre operators and trade associations, committed the Company to the European Green Deal. They will contribute to achieving the ambitious greenhouse gas reductions of the climate law and leveraging technology and digitalization to achieve the goal of making Europe climate neutral by 2050. The pact includes an agreement to make data centres climate neutral by 2030, which Bulk has committed.

Bulk has taken an independent initiative towards the Norwegian Green Building Alliance to contribute to a more general assessment of the implications of the EU Taxonomy for the Norwegian building market. We will follow the development of the Taxonomy closely, and aim do a new assessment of alignment.





Green Finance Framework








Bulk aims to support the shift towards a low carbon economy. The purpose of this Green Finance Framework ("Framework") is to align its sustainability ambitions with its financing solution. The framework is based on the 2021 version of Green Bond Principles published by the International Capital Markets Association.

Use of proceeds

The net proceeds of the Green Finance instruments issued and obtained by Bulk will be used to finance or re-finance, in whole or in part, Eligible projects that have been evaluated and selected by Bulk in accordance with this Green Finance Framework. Refinancing of Eligible Projects will have a look-back period of no longer than three 3 years from the time of issuance.

Eligible Project Categories

Project Category	Description	Criteria	SDG Mapping
New and existing green commercial buildings	Development, construction and acquisition of buildings which have received certification and can document high energy efficiency	<p>The buildings are in accordance with the following criteria:</p> <ul style="list-style-type: none"> Are certified minimum BREEAM "very-good" or equivalent <p>AND</p> <ul style="list-style-type: none"> Received an Energy Performance Certificate character A for projects in Norway, and Energy Performance Certificate character A2020 for projects in Denmark 	 
Renovated green commercial buildings	Renovated commercial buildings which have achieved an improvement in energy-efficiency of at least 30%.	<ul style="list-style-type: none"> Improvement of the Energy performance certificate character by at least two steps <p>OR</p> <ul style="list-style-type: none"> Improvement of specific energy demand (kWh/m2) per year by at least 30% compared to the calculated energy efficiency of the building code applicable when the building was complete. 	 

Project Category	Description	Criteria	SDG Mapping
Sustainable digital infrastructure	Development, construction and acquisition of energy efficient Data centres and related infrastructure	<p>The data centres are in accordance with the following criteria:</p> <ul style="list-style-type: none"> Located in Norway, benefiting from the largely renewable electricity mix Have a design or actual average annual Power Usage Effectiveness (PUE) of: <ul style="list-style-type: none"> Actual PUE 1.35-1.40 or below for data centres housed in renovated and repurposed buildings Design PUE 1.20 or below for new data centres <p>Existing / new data centres are being / will be assessed for additional features:</p> <ul style="list-style-type: none"> on-site renewable energy generation, e.g. rooftop solar panels Infrastructure to use spill heat, e.g. for heating adjacent buildings 	  
Sub-sea data Cables	Financing or refinancing of expenditures related to establishing sub-sea and terrestrial fibreoptic data-cable connections between countries	<ul style="list-style-type: none"> The power needed to operate the cable is to the largest extent renewable, and no fossil assets are being financed (except emergency systems) The cable connects to an area where renewable electricity dominates the power mix, and where data centers can thus be operated on renewable energy 	 
Energy efficiency	Measures to increase the energy efficiency, e.g. of buildings, and to reduce or replace the use of fossil energy.	<p>Examples can include:</p> <ul style="list-style-type: none"> Infrastructure to use excess heat from data centres, e.g. for district heating, power generation or similar Local strengthening of the electricity grid in Norway, e.g. transformer stations and related infrastructure to utilize the renewable energy Replacing diesel used in back-up generators with lower-emission fuels or electricity from the grid Advanced energy management systems, e.g. for buildings 	 

Exclusions

Net proceeds from Green Bonds issued under this framework will not be put towards financing assets related to the production, storing or transportation of fossil fuels, nuclear energy production, weapons or defence, potentially harmful resource extraction, gambling, tobacco or other drugs. Assets not in accordance with Bulk's investment policy or that breaches internationally recognised frameworks (such as the ten principles of the UN Global Compact) will also be excluded.

Selection and evaluation of eligible projects

Bulk has designed and implemented a process to ensure that only projects aligned with the criteria set out above will be selected as Eligible Assets and Projects for Green bonds and loans. To oversee the selection process, a Green Finance Committee has been established with members from the executive team as well as Bulk's head of sustainability. The CFO will be the chair of the committee, and decisions are taken in consensus.

The Green Finance Committee follows the below process when selecting and evaluating projects for the Eligible Projects.

1. Relevant business units will propose potential projects and assets to be financed or refinanced in accordance with the above criteria
2. The Green Finance Committee will assess the eligibility of proposals according to the criteria in above table and remove projects that do not meet the criteria. The committee will then decide on projects to be financed and submit final approval.

The Green Finance Committee will also manage any future updates to the Green Finance Framework, including any expansion of the Eligible Categories, and oversee its implementation.

Management of Proceeds

Bulk will establish a Green Finance Register for the purpose of monitoring the Eligible Assets and Projects, and the allocation of the net proceeds from Green Bonds and Loans issued under this Framework. Net proceeds will be managed on a portfolio basis.

Bulk will over the duration of the outstanding Green Bonds build up and maintain an aggregate amount of Asset and Projects in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds.

There may be periods when the total outstanding net proceeds of Green Bonds and Loans exceed the value of the Eligible Assets and Projects in the Green Bond Register. Any such portion will be placed on an ordinary bank account or in the short-term money market. To avoid doubt, temporarily unallocated proceeds cannot be placed in investments as set out in section 2 – *Exclusions*.

The Green Finance Register will form the basis for the impact reporting.

Reporting

Bulk will on an annual basis publish a report on the allocation and impact of Green Bonds and Loans issued under this framework. The report will be made available on Bulk's website for as long as Bulk has outstanding Green Bonds or Loans under this Framework. Where relevant, Bulk will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations. As loans are non-public agreements, related reporting may be restricted due to confidentiality clauses.

Allocation Report

The allocation report will, to the extent feasible, include the following components:

- Total amounts allocated
- Descriptions and case studies of selected Eligible Assets and Projects financed
- Amounts invested in each category as defined in the Use of Proceeds section and the relative share of new financing versus refinancing
- Total amount of unallocated proceeds, if any

Impact Report

Bulk will strive to report on the actual environmental impact of the investments financed by their Green Bonds. If/when actual impact for some reason is not observable, or unreasonably difficult to source, estimated impact will be reported.

The impact indicators may vary with investment category, as defined in this Green Bond Framework. The impact metrics selected may include the following:

- Green Commercial Buildings
 - Number of new developments
 - Number of renovated buildings
 - Estimated ex-ante annual energy consumption in KWh/m2 or energy savings in MWh against the applicable buildings code
 - Further indicators might be reported wherever practicable
- Sustainable Digital infrastructure
 - Number of new developments
 - PUE score per object
- Energy Efficiency
 - Volumes of heat reused (e.g. kWh)
 - Volume of capacity increases in electricity grid infrastructure (e.g. KV)
- Sub-Sea data cables
 - Grid emissions factor in national electricity grid of the countries which are being connected by cables
 - Share of renewable electricity in electricity mix of the countries which are being connected by cables

External Review

Second Party Opinion

Bulk has engaged Cicero Shades of Green to act as an external reviewer of this Green Finance Framework and the Eligible Assets and Projects. The Second Party Opinion is publicly available on Bulk's webpage.

Third-Party Review

Bulk may, on an annual basis, until maturity or until full allocation of proceeds, request a limited assurance report concerning the allocation of proceeds.