northvolt

Green Finance Framework
February 2023

Content

Mission

Build the world's greenest battery.

Vision

Enable the future of energy.

This is Northvolt

Founded in 2016 with the mission of building the world's greenest battery, Northvolt is a European supplier of sustainable, high-quality lithium-ion battery cells and battery systems. Batteries are essential for the transition to a cleaner, electrified and decarbonized future, but it matters how they are manufactured.

At Northvolt, we are developing a sustainable manufacturing base alongside large-scale recycling facilities to create a circular system and close the loop on batteries. Northvolt has adopted a vertically integrated strategy, where as much as possible of the battery value chain has been brought in-house. This model, coupled with in-house recycling capabilities, enables an increased level of supply chain control and traceability, a reduced dependency on virgin raw materials, as well as commercial resilience and flexibility.

We are also investing deeply into software and digital competencies alongside a strong focus on innovation and R&D throughout our activities to build better, smarter and cleaner battery solutions.

Our locations

Northvolt Ett

Northvolt has established, and is ramping up production, in Europe's first homegrown gigafactory Northvolt Ett in Skellefteå in northern Sweden. Additionally, we are developing a giga-scale battery recycling plant, Revolt Ett, co-located alongside Northvolt Ett.

Cuberg

At Cuberg, Northvolt's advanced technology center in San Francisco Bay Area, we are developing novel lithium metal battery technologies to enable electrified aviation and other applications requiring batteries with higher energy density.

Northvolt Labs

At our battery R&D campus Northvolt Labs in Västerås, we are developing new cell chemistries and designs to push conventional battery technology to its limits and industrialize new products.

Northvolt Dwa

In Poland, we assemble our battery modules and packs for the industrial and energy storage segments and are preparing for the commissioning of Europe's largest energy storage systems production facility.

Future projects

Beyond our established footprint, we are developing further large-scale battery production facilities in Borlänge, Sweden; Gothenburg, Sweden; Heide, Germany; and looking towards an expansion in North America.

Our products and solutions

Products

Northvolt's high-performance lithium-ion cells are based on proprietary NMC chemistry available in cylindrical and prismatic formats. We are looking at the potential for expanding our product portfolio with additional cell formats and chemistries. We also produce modular components and complete scalable battery systems to support a range of battery-powered applications.

Our battery cells and battery systems are produced with a minimal carbon footprint and act as enabling technology in the clean energy transition as well as the electrification of vehicles, machines and equipment. This results in substantial CO_2 savings for the transport, energy and industrial sectors.

Solutions

The majority of Northvolt batteries will be delivered to the automotive industry, for integration into electric vehicles (EVs). Inherently flexible, batteries are well-suited to power other solutions, including machines and equipment in heavy industries as well as supporting the integration of more renewable energy into the grid.

On the road

Transportation accounts for almost a quarter of the EU's greenhouse gas (GHG) emissions, and road-based transportation accounts for 70% of that share. A rapid transition to electrified transport is thus needed for the EU to decarbonize in line with a 1.5°C pathway.[2]

When manufactured, an EV carries a higher carbon footprint than an internal combustion engine (ICE) vehicle. This is attributable to the battery, the production of which accounts for a significant share of an EV's GHG emissions. Using batteries produced with fossil-free energy, in line with Northvolt's set-up, significantly reduces the share of emissions attributable to the battery, and thus to the EV as a whole.

On the grid

Adoption of clean, renewable energy is set to increase dramatically over the coming decades. As the share of renewables increases, electricity grids must evolve to address the dual challenges of intermittency of renewable energy and fluctuating peaks in demand. Battery energy storage systems (ESS) will serve a crucial role in the energy transition by providing a range of functionalities that tackle these challenges and enable the wider adoption of renewable energy. ESS enable us to make use of electricity from renewable energy sources when we need it, replace back-up power systems such as diesel generators, facilitate off-grid power solutions, and provide specific functionalities such as peak shaving or frequency control on the grid.

In the industry

Battery-driven electrification allows a range of industries to improve their carbon footprint and provide safer, healthier workplaces. Battery-powered equipment replaces combustion engines and removes toxic fumes from agriculture and mining, as well as noise pollution from the construction of buildings and cities.

[2] European Environment Agency (EEA), June 2021

Sustainability strategy

Battery cell production is an energy and, typically, carbon intensive process. Process steps such as electrode coating and drying or formation and aging, as well as the production of cathode active material or the operation of clean and dry rooms contribute significantly to the total energy demand. Altogether, production typically accounts for a considerable share of a battery cell's total GHG emissions. Fossil-free energy and energy efficiency performance are therefore the key levers for the overall emissions from the production process.

Battery cell production is also a resource intensive process which requires materials such as metals (e.g., lithium, nickel, cobalt, manganese, copper, aluminium) and plastics. Lithium, nickel and cobalt in particular are critical elements with high demand to support the energy transition, and a major acceleration in the deployment of clean energy would lead to increased scarcity of resources and potential supply strains.

Northvolt's sustainability strategy is set out to address these potential negative impacts and drive positive change in three areas: (i) Our green batteries & factories, (ii) Our responsibility, and (iii) Our people. We aim to build the world's greenest battery with a minimal footprint. To deliver on this mission, Northvolt has established policies and strategic environmental and climate-related goals focusing on the use of fossil-free energy and sustainable, low-carbon raw material sourcing and recycling.

We strive to lead by example in responsible business conduct, and act as a positive force for change throughout the value chain and conduct our business in an ethical manner to ensure that our operations and supply chain are free from corruption, both in terms of people and the planet. Lastly, we aim to provide the safest workplace in our industry which enriches surrounding communities and promotes diversity and work satisfaction among employees.

	OUR GREEN BATTERIES & FACTORIES	OUR RESPONSIBILITY	OUR PEOPLE
Mission & vision	To build the greenest battery in the world, with a minimal footprint.	To act as a positive force for change throughout the value chain.	To be an awesome place to work, which enriches surrounding communities.
Guiding principles	✓ Clean ✓ Innovative ✓ Circular ✓ Safe	✓ Traceable ✓ Sustainable ✓ Engaged	✓ Bold ✓ Passionate ✓ Excellent
Key policies	Energy policy Environmental policy Quality policy	Anti corruption policy Business partner policy Code of Conduct Supplier Code of Conduct	Code of Conduct Salary policy Supplier Code of Conduct Work environment policy
Material topics	Climate change & climate risk management Product sustainability & safety	Responsible sourcing Ethical business conduct	Occupational health & safety Talent attraction & retention
Goals	CLIMATE CHANGE & RISK MANAGEMENT 100% fossil-free energy supply for production 10 kg CO_2/kWh by 2030 on a cell level covering Scope 1, 2 and 3 emissions PRODUCT SUSTAINABILITY & SAFETY Products which set the industry benchmark for battery safety 50% recycled materials in cells by 2030	RESPONSIBLE SOURCING 100% traceability to mine for raw materials 100% of suppliers screened for sustainability risks 100% Supplier Code of Conduct acceptance by significant suppliers ETHICAL BUSINESS CONDUCT 100% of employees adhere to our CoC 100% of employees conducted Anti-Corruption and Bribery training	TALENT ATTRACTION & RETENTION 40% female employees by 2030 Employee net promotion score >30 Local communitites >75% positive to Northvolt HEALTH & SAFETY MANAGEMENT Safest workplace in our industry

The UN SDGs

The UN Sustainable Development Goals (SDGs) set a global framework for countries, businesses and other stakeholders to address society's most important challenges and gather everyone to work together for a sustainable future.

Our business activity touches the majority of the SDGs and we are focusing our efforts on those that we could make the most impactful contribution to. These are integrated into our business model, strategy and our material topics.

Our green batteries and factories

Green batteries

SUSTAINABLE Our blueprint for battery manufacturing represents an architecture built upon a commitment to sustainability. This begins with conscientious sourcing of raw materials and fossil-free energy but extends to taking a proactive approach to ensuring a minimal environmental footprint throughout the value chain. With additional actions, including the selection of sustainable raw materials suppliers, increased circularity and resource efficiency as well as the use of recycled materials, we can reduce the footprint even further.

TRACEABLE We strive to have a full understanding of our batteries' impact on the environment by collecting and analyzing data throughout the product life cycle.

RECYCLABLE No battery is ever without value. Even at end-of-life, batteries can be recycled and the materials within them recovered to be recirculated back into manufacturing. Through recycling, we substantially reduce the environmental costs of battery production and solve the issue of how to manage batteries being retired from the market.

Green factories

CLEAN We will implement technologies and solutions to minimize the use of energy, chemicals, waste, water and other resources within our production facilities.

CIRCULAR We believe in closing the loop in the battery industry. To make this a reality, we are engineering a model for recycling end-of-life batteries and other materials wherever possible to circulate recovered materials back into manufacturing processes.

INNOVATIVE We are proactive in seeking to understand the environmental concerns of tomorrow and developing new solutions to mitigate them. We are committed to engaging with like-minded groups when synergies arise to deliver solutions, which improve our environmental footprint.

Northvolt's mission is to build the world's greenest battery with a minimal carbon footprint and the highest ambitions for recycling to enable the European transition to renewable energy.

Carbon footprint

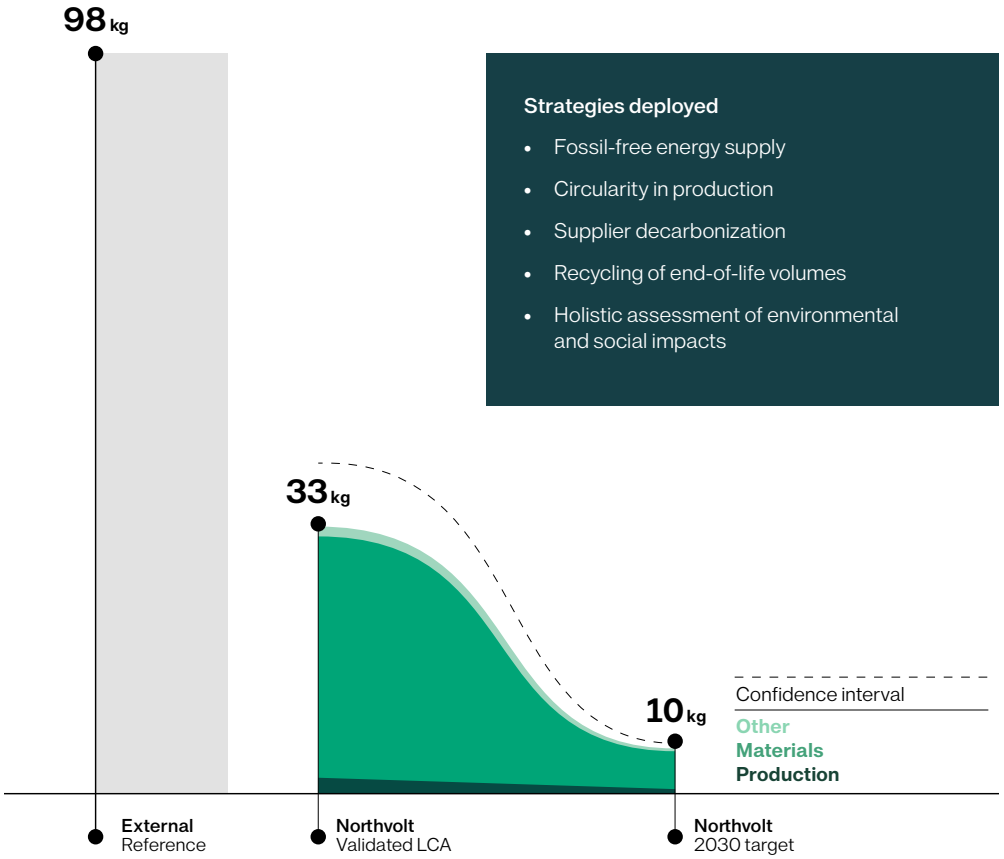
The opportunities associated with battery solutions are far-reaching. However, traditional battery manufacturing is energy and resource intensive and associated with a large carbon footprint. Northvolt's mission is to deliver batteries with a 90% lower carbon footprint compared to current industry average by 2030. The carbon footprint of our battery cells is already considerably lower than the industry reference. Beyond improving operational performance, moving towards higher energy density batteries helps reduce their carbon intensity. However, the most significant contributing factor is powering the production with fossil-free energy, which is estimated to reduce total lifecycle emissions by around 50%.

Considering a blended portfolio average of our cell models today, about 94% of the total emissions is attributable to the materials we purchase. Reaching our goal of reducing the product footprint to 10 kg CO_2/kWh by 2030 per cell produced (covering Scope 1, 2 and 3 emissions) will thus require additional efforts. With an increased focus on the selection of sustainable raw materials suppliers, circularity and resource efficiency, and the use of recycled material, we will be able to reduce our footprint even further. Our target to source 50% of the metals used in the battery cell production from recycling by 2030 will contribute to substantial CO_2 savings. These savings play a key role in our roadmap to limit the carbon footprint to 10 kg CO_2/kWh per cell produced.

To ensure a holistic view of our environmental impact across the value chain and make sure that we are on track to reach our goals, Northvolt uses life cycle assessments (LCAs). LCAs quantify the environmental impacts of a product from extraction of resources (cradle), through to end of production (gate) to the disposal or recycling of the product (grave/cradle). Northvolt calculates the environmental impacts according to 16 impact categories covering climate change impact, water use, ecotoxicity, land use and resource use amongst others.

In September 2021, we certified the LCAs of our first six battery cell models to quantify their cradle-to-gate environmental impacts. The certification was undertaken by a third-party reviewer in accordance with ISO 14040:2006 and ISO 14044:2006 standards. Conducting LCAs also increases our supplier's awareness of their own impacts and serves as a baseline for future improvements.

Carbon footprint of battery cell production (kg CO_2eq/kWh)
Comparison across multiple scenarios



Responsible sourcing

Northvolt places particular focus on the sustainable sourcing of our key battery raw materials. Ultimately, we aim to significantly reduce our dependency on virgin raw materials through the scale up of our recycling activities. Until recyclable battery volumes are sufficient to fully replace the use of virgin raw materials, primary raw material extraction will be necessary for battery production.

To this end, we have developed a comprehensive raw materials strategy for sustainable sourcing. We strive to source raw materials directly from mines and refineries to simplify and shorten our supply chains, and thereby improve traceability and enable a more direct relationship with each individual supplier.

We leverage the due diligence process established for raw material contracts and work actively to improve the materials' traceability and the general sustainability profile of the suppliers. While raw materials are a key focus area for us, our responsible sourcing practices are applied across purchasing categories.

Selection of raw materials suppliers

Our selection process for raw materials suppliers is based on the steps outlined to the right, and involves a comprehensive due diligence process geared towards assessing suppliers across a full spectrum of sustainability areas. Best practice from international standards is incorporated into the process, including those set out in the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. In addition to our own site visits, third-party audits are used for suppliers classified as high-risk.

Key tools for ensuring sustainable sourcing include: strict adherence to due diligence processes, ongoing engagement and dialogue, and agreeing on formal corrective action plans and improvement measures. If the supplier agrees to the improvement measures and a contract is signed, the process shifts into the monitoring phase. We continuously engage with our suppliers to follow their operations and progress, including ongoing monitoring meetings and dialogues, and conducting site audits.

1. Initial assessment

- Northvolt self-assessment questionnaire
- Identifying ultimate beneficial owner and political exposed persons
- External screening for sanctions
- Risk assessment scorecard
- Remotely conducted due diligence and media screenings

2. Due diligence

- Site visit with third-party audit in high-risk cases
- Know Your Counterpart (KYC)
- Gap analysis against Northvolt's Supplier Code of Conduct
- Identification of improvement measures

3. Approval

Suppliers may need up to three approvals before they are accepted for contract negotiations, depending on risk classification:

- Identifying ultimate beneficial owner and political exposed persons
- Sustainability & Compliance Committee
- Board of Directors

4. Contract negotiations

Besides economic and technical aspects, we also ask our suppliers to:

- Agree to the Northvolt Supplier Code of Conduct
- Accept the suggested improvement measures, audit rights and provision of life cycle assessment and carbon data

Northvolt's Green Finance Framework

Northvolt aims to play a key role in the transition to a low carbon economy by delivering battery solutions which act as an enabling technology across society and industry. Batteries are a critical component in tackling climate change and reducing our dependence on fossil-fuels.

By setting up this framework (the Green Finance Framework or the Framework), Northvolt aims to mobilize debt capital to support our mission to build the world's greenest battery and accelerate the transition to a decarbonized future. The Framework is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles and the Green Loan Principles administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA). Moreover, as Northvolt aims to follow best market practice, projects financed under the Framework will strive to align with the EU Taxonomy Climate Delegated Act that was adopted in June 2021.

The four core components of the Principles along with the recommendation of External Review form the basis of this Framework, including:

1. **Use of Proceeds**
2. **Process for Project Evaluation and selection**
3. **Management of Proceeds**
4. **Reporting**
5. **External Verification**

The Framework allows Northvolt to raise capital through green debt products such as bonds, commercial paper and loans (Green Debt). The terms and conditions of the underlying documentation for each Green Debt instrument issued by Northvolt shall provide a reference to this Framework. CICERO Shades of Green has provided a second-party opinion, which is publicly available at our website. Northvolt will assign an independent external party to review the management of proceeds annually, until full allocation of the proceeds.

1. Use of Proceeds: Definitions

Allocation of net proceeds

An amount equal to the net proceeds of the Green Debt issued by Northvolt will finance or refinance, in whole or in part, investments undertaken by Northvolt, its subsidiaries, or by Northvolt's share in joint ventures, that are in accordance with the Green Project categories defined in the next pages (Green Projects). The Green Projects will form a portfolio of assets eligible for financing and refinancing with Green Debt. The overarching goal of the Green Projects is to contribute to climate change mitigation and the transition to a low carbon economy.

Exclusions

Green Debt proceeds from Northvolt will not be directly allocated to projects for which the purpose is fossil energy production, weapons and defence, gambling or tobacco.

Financing and refinancing

An amount equal to the net proceeds can finance both existing and new Green Projects financed by Northvolt. New financing is defined as allocated amounts to Green Projects financed within the reporting year, and refinancing is defined as allocated amounts to Green Projects financed prior to the reporting year. The distribution between new financing and refinancing will be reported in Northvolt's Green Finance Reporting.

Approach on EU Taxonomy alignment

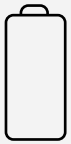
The EU Taxonomy Regulation is a classification system establishing a list of environmentally sustainable economic activities with the aim of scaling up sustainable investments and implementing the European green deal. The first Delegated Act of the Taxonomy – the Climate Delegated Act – defines criteria related to two of the six environmental objectives: Climate Change Mitigation and Climate Change Adaptation.

To align with the Taxonomy, eligible economic activities must make a substantial contribution to at least one of the objectives, as defined in the Substantial Contribution (SC) criteria. In addition, the activity must comply with the criteria for not harming any of the other environmental objectives (the Do No Significant Harm criteria, DNSH) and be carried out in compliance with Minimum Safeguards (MS) related to respecting human rights and following good business conduct rules.

Northvolt acknowledges the importance of a common definition of sustainable activities. Consequently, the Green Projects financed under this Framework strive to align with the EU Taxonomy's Climate Delegated Act's SC criteria for Climate Change Mitigation and DNSH criteria, defined in Annex 1 of the Act that was adopted in June 2021, as well as the Minimum Safeguards of the Taxonomy Regulation.

1. Use of Proceeds: Overview of eligible projects and eligibility criteria

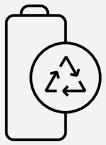
Eligible Projects: Portfolio of assets eligible for (re-)financing with Green Debt



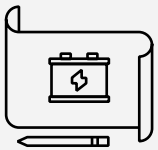
Production of battery cells

Production of battery systems

Production of cathode active material



Recycling of end-of-life batteries



Research & development and supporting projects

Eligibility Criteria: Approach on EU Taxonomy alignment

Substantial Contribution to Climate Change Mitigation

- Production of battery cells and battery systems
- Production of cathode active material
- Recycling of end-of-life batteries

Do No Significant Harm

- Climate Change Adaptation: Robust climate risk and vulnerability assessment as well as implementation of adaptation solutions
- Sustainable use and protection of water and marine resources: Environmental impact assessments (EIAs) and water impact assessments
- Transition to circular economy: Scaling of battery recycling in parallel to the ramp-up of battery manufacturing capacities
- Pollution prevention and control: Compliance with all European directives and regulations, including national laws applicable for manufacture and placing batteries on the European market
- Protection and restoration of biodiversity and ecosystems: Assessment of direct and indirect environmental impacts as part of EIAs as well as implementation of any necessary compensation measures

Minimum Safeguards

- Policies and due diligence procedures are aligned with best practice from international standards and follow the steps outlined in the OECD Guidelines and the UN Guiding Principles on Business and Human Rights
- Compliance with applicable tax rules, regulations and guidelines as well as with applicable laws regarding fair competition

1. Use of Proceeds: Substantial Contribution alignment

Green Project category	Eligibility criteria: based on the Taxonomy's Substantial Contribution criteria to Climate Change Mitigation	Northvolt's approach on alignment	Strategy and goals supporting alignment	SDG contribution
3.4 Manufacture of batteries contributing to climate change mitigation	Financing and/or refinancing of capital and operating expenses related to the construction and operation of facilities[4] dedicated to: • Manufacture of rechargeable batteries, battery packs and accumulators, including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications; • Manufacture of battery components such as active materials, cells, casings and electronic components, including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications; or • Recycling of end-of-life batteries.	Northvolt manufactures battery cells and battery systems that aim to both have the lowest possible carbon footprint and serve as an enabling technology for GHG emission reductions in other sectors. The majority of our batteries are delivered to the automotive industry for integration into electric vehicles (EVs), but we also deliver to clients in the energy and industrial sectors. Northvolt also recycles end-of-life batteries through Revolt. Revolt started as an in-house program for recycling and developed into a pilot recycling plant at Northvolt Labs dedicated for developing and refining the recycling process. We are now establishing industrial-scale recycling capacities in parallel to our battery manufacturing capacity – Hydrovolt in Norway and Revolt Ett recycling plant alongside the Northvolt Ett gigafactory in Sweden. Fully built, Revolt Ett will recycle some 125,000 tons of battery materials per year, including production scrap from its neighbouring facility. The facility is by far the largest recycling plant of its type in Europe, recovering metals such as nickel, cobalt, manganese and lithium, and will ultimately be able to provide Northvolt Ett with 50% of its raw materials for cathode production.	**Key Focus areas:** **Sustainable manufacturing** • Energy and resource efficiency improvements in all factories • Improved cell design and increased cell energy density Goal: 100 % fossil-free energy **Sustainable supply chains** • All raw materials sourced sustainably • Relocation of suppliers to the EU with a favourable grid mix • Revolt recycling process feeding recycled material back into battery production • Closing the loop on batteries Goal: 50% recycled materials 2030 **Other emissions** • Green transport & shipping (supported by supplier relocation to our proximity) • Recirculation of chemicals and solvents Goal: Lowest possible footprint	

[4]Including facilities supporting the battery manufacturing and recycling of end-of-use batteries, such as production and recycling plants, assembly facilities as well as research & development facilities

1. Use of Proceeds: DNSH and Minimum Safeguards alignment

DNSH & MS	Criteria	Northvolt's approach on aligning with the criteria
Climate change adaptation	Robust climate risk and vulnerability assessment based on the following steps: • Screening of the activity to identify relevant physical climate risks • Risk and vulnerability assessment for identified relevant climate risks • Assessment of adaptation solutions to reduce the risks and a plan for implementing them Adaptation solutions implemented should: (i) be consistent with local/regional/national adaptation strategies and plans, (ii) not adversely affect the adapation efforts of other people, of nature, of cultural heritage, of assets and of other economic activities, and (iii) consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.	Northvolt has screened all its sites for physical climate risks and conducted a risk and vulnerability assessment in relation to the identified risks. Adaptation solutions have been assessed in the environmental permit process and in the Environmental Impact Assessment (EIA) for each site to understand the measures already taken. In addition, adaptation solution plans have been prepared for each site.
Sustainable use and protection of water and marine resources	• Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed • Risk assessment can be conducted through an EIA or through a separate assessment	The discharge of water is one of the environmental aspects covered in the EIA when applying for a new or updated environmental permit to the authorities. In cases where EIAs are not required, Northvolt always conducts a separate water impact assessment except in cases where it is not relevant (e.g. for office buildings).
Transition to circular economy	For the manufacturing of new batteries, components and materials, the acitivity assesses the availability of and, where feasible, adopts techniques that support: a) reuse and use of secondary raw materials and components b) design for high durability, recyclability, easy disassembly and adaptability c) information on and traceability of substances of concern throughout the life cycle of the manufactured products Recycling processes meet the conditions in the EU Battery Directive and, where applicable, recycling facilities meet the requirements in the Industrial Emissions Directive.	Scaling battery recycling in parallel to the ramp-up of our battery manufacturing capacity is at the core of Northvolt's strategy and we apply the following approach to align with the criteria to the left: a) Northvolt runs an in-house program focused on developing and refining our battery recycling process based around hydrometallurgy and we are in the process of establishing industrial-scale recycling capacities. These initiatives are key in order for us to reach the target to source 50% of the metals for battery cell production from recycling by 2030; b) Northvolt's product development and design process ensures that our products have a high durability, recyclability, and are easy to disassemble and adapt. Furthermore, Northvolt works cross-functionally with our recycling team and external suppliers to continuously improve the recyclability of our products; c) Northvolt is required to declare chemical substances, materials and components used in our products in international data systems for our customers to meet its obligations. In addition, our target is 100% traceability of the raw materials we use and all suppliers are screened for sustainability risks. As for compliance with the referenced EU directives, these are integrated into the national laws and regulations that Northvolt's production and operations need to comply with.

DNSH & MS	Criteria	Northvolt's approach on aligning with the criteria
Pollution prevention and control	Batteries comply with the applicable sustainability rules on the placing on the market of batteries in the European Union, including restrictions on the use of hazardous substances in batteries and other regulations.	Northvolt complies with all European directives and regulations relevant to pollution, prevention, and control criteria, including national laws applicable for manufacture and placing batteries on the European market. We continuously monitor the regulatory list of chemicals that are part of the relevant EU regulations and have guidelines in place outlining chemicals that are restricted, prohibited or to be avoided where possible within our operations. Relevant stakeholders are expected to comply with these as well, together with all relevant national/international legislations, and compliance is monitored through our supplier portal. Lastly, all introductions of new chemicals in the production require approval from the local Chemical Committee, and we continuously monitor our emissions and report our environmental performance to the national authorities.
Protection and restoration of biodiversity and ecosystems	An EIA or screening has been completed and the required mitigation and compensation measures for protecting the environment are implemented. For sites/operations located in or near biodiversity-sensitive areas, an appropriate assessment has been conducted and based on its conclusions, the necessary mitigation measures are implemented.	Northvolt conducts EIAs for the sites where this is required by the EU or local regulation. EIAs cover the assessment of direct and indirect environmental impacts of a planned activity, including on biodiversity and ecosystems, and set out compensation measures to be implemented if needed.

DNSH & MS	Criteria	Northvolt's approach on aligning with the criteria
Minimum Safeguards (MS)	Adequate policies and due diligence procedures on human rights have been implemented, including labour rights, anti-corruption and bribery, tax compliance and fair competition Due diligence should align with (i) the OECD Guidelines for Multinational Enterprises, (ii) the UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, and (iii) the International Bill of Human Rights	Northvolt's policies and due diligence procedures are aligned with best practice from international standards and follow the steps outlined in the OECD Guidelines and the UNGPs: 1. **Embed responsible business conduct into policies and management systems** Northvolt's policies and procedures have embedded the commitments outlined in the OECD Guidelines, UN Guiding Principles, UN Global Compact, ILO Declaration of Fundamental Princples and Rights at Work, ILO Basic Terms and Conditions of Employment, and the International Bill of Human Rights. These commitments are applied across our operations and value chain. Our Supplier Code of Conduct also includes an added requirement on adherence to the OECD Due Diligence Guidance for Responsible Supply Chains on Minerals from Conflict-Affected and High-Risk Areas for Northvolt's suppliers of conflict minerals and cobalt. Northvolt has a zero tolerance approach to corruption and bribery, set out in our Anti-Corruption policy which is applicable across our operations and beyond. Taxation and Fair competition are covered in separate policies. 2. **Identify and assess adverse impacts in operations, supply chains and business relationships** Suppliers are assessed against our Supplier Code of Conduct and Anti-Corruption policy during a tender as required, and we conduct Know Your Counterpart assessments where the Ultimate Beneficial Owners and other key individuals are screened against OFAC and EU Sanctions Databases. For high-risk materials, such as raw materials suppliers and certain cell materials suppliers, a deep assessment against our policies is conducted in the form of an audit. For raw materials suppliers, the audit scope also incorporates the requirements under the IFC Performance Standards. The full process for assessing third parties and requirements during the contracting and monitoring of them are set out in Northvolt's internal procedures for assessing risk and conducting due diligence on third parties. 3. **Cease, prevent or mitigate adverse impacts** Any adverse potential or actual impacts identified during the initial due diligence of third parties and projects are assessed in terms of severity and likelihood. For third parties, potential or actual impacts are raised to the Sustainability & Compliance Committee who will approve or deny the third party based on the results. Third parties are expected to implement any improvement plan created by Northvolt as a result of the due diligence in order to prevent or mitigate adverse impacts. A similar approach is taken for projects. 4. **Track implementation and results** Northvolt closely monitors high-risk third parties to ensure they are closing any improvement measures identified during the due diligence phase as well as having ongoing dialogues with key suppliers to understand changes in risks and impacts. Northvolt is required to monitor performance of any project related to addressing and minimizing identified risks and impacts. We frequently report to authorities on environmental performance and are required to notify in case of deviations with the requirements of the permit, or any accidents, within 24 hours of the event occurring. 5. **Communicate how impacts are addressed** Northvolt reports annually on our due diligence efforts and wider impacts in our Annual Sustainability Report. 6. **Provide for or cooperate in remediation when appropriate** Northvolt will provide for or cooperate in remediation where required. Northvolt has a grievance mechanism via the whistleblowing hotline established for projects to allow for all stakeholders (internal and external) to raise complaints. Consultation and collaboration with relevant authorities, unions, or other relevant bodies supports the process for remediation. **Taxation and fair competition** A key tax principle for Northvolt is to be compliant with applicable tax rules, regulations and guidelines, including paying taxes promptly and in accordance with regulations in the countries in which we operate. When considering our approach, we take into account both the letter and the spirit of the law, including international transparency and anti-tax avoidance initiatives. Tax governance and tax compliance are considered important elements of Northvolt's broader risk management system and align with Northvolt's principle of being a responsible corporate citizen. In regards to fair competition, Northvolt complies with applicable laws and is implementing a competition policy that will include e-learning for employees.

2. Project Evaluation and Selection Process

The evaluation and selection process for eligible Green Projects is a key component in ensuring that an amount equivalent to the Green Debt net proceeds is allocated to Green Projects eligible under this Framework. To oversee this process, Northvolt has established a Green Finance Committee (GFC) comprising senior representatives from Northvolt's Finance, Sustainability and Treasury departments, a member of the business control team and representatives from additional functions as is required. The GFC will convene every 6 months or when otherwise considered necessary.

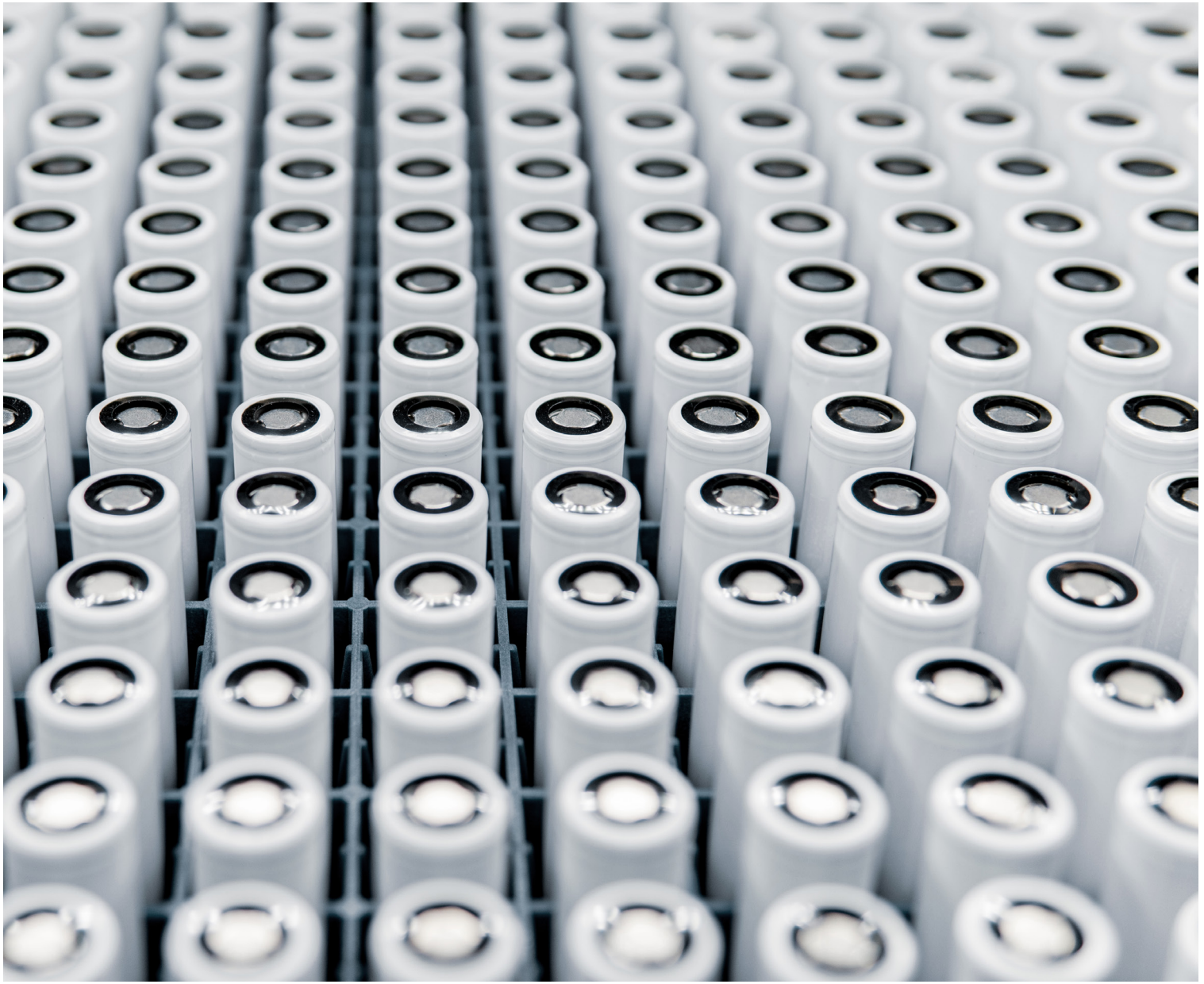
The evaluation and selection process is based on the following steps:

(i) From existing and new investments, sustainability experts and representatives within Northvolt evaluate potential Green Projects' compliance with the Green Project categories presented in this Framework. Based on the analysis, the experts can nominate investments as potential Green Projects.

(ii) When potential Green Projects have been nominated, a list including their environmental and/or sustainability-related details will be reviewed by the GFC. The GFC is solely responsible for the decision to acknowledge the investment as eligible in line with the Framework. Eligible Green Projects will be tracked using a dedicated Green Register. A decision to allocate net proceeds will require a consensus decision by the GFC, giving each committee member veto power. Decisions made by the GFC will be documented and filed.

For the avoidance of doubt, the GFC holds the right to exclude any Green Project already funded by Green Debt net proceeds. If a Green Project is paid back or amortised, or for other reasons loses its eligibility, funds will follow the procedure under Management of Proceeds until reallocated to another Green Project.

3. Management of Proceeds



Northvolt will use a Green Register to track the allocation of net proceeds from Green Debt to eligible Green Projects. The purpose of the Green Register is to ensure that proceeds only support the financing of Green Projects or to repay Green Debt outstanding. The register will form the basis for the impact and allocation reporting.

In the event that the total outstanding net proceeds of the Green Debt exceed the value of the Green Projects in the register, such unallocated amount will temporarily be placed in the liquidity reserve and be managed accordingly by Northvolt.

4. Reporting

Northvolt will annually, until full allocation and in the event of any material developments, provide investors with a Green Finance Report describing the allocation of proceeds and the environmental impact of the Green Projects. In the event Northvolt would have other Green Debt instruments than bonds outstanding, the company may choose to report, in relation to these other financial instruments, directly and non-publicly to the lenders or counterparties. The Green Finance Report will, to the extent feasible, also include a section on the methodology used in the impact calculations.

Allocation reporting

Allocation reporting will include the following information:

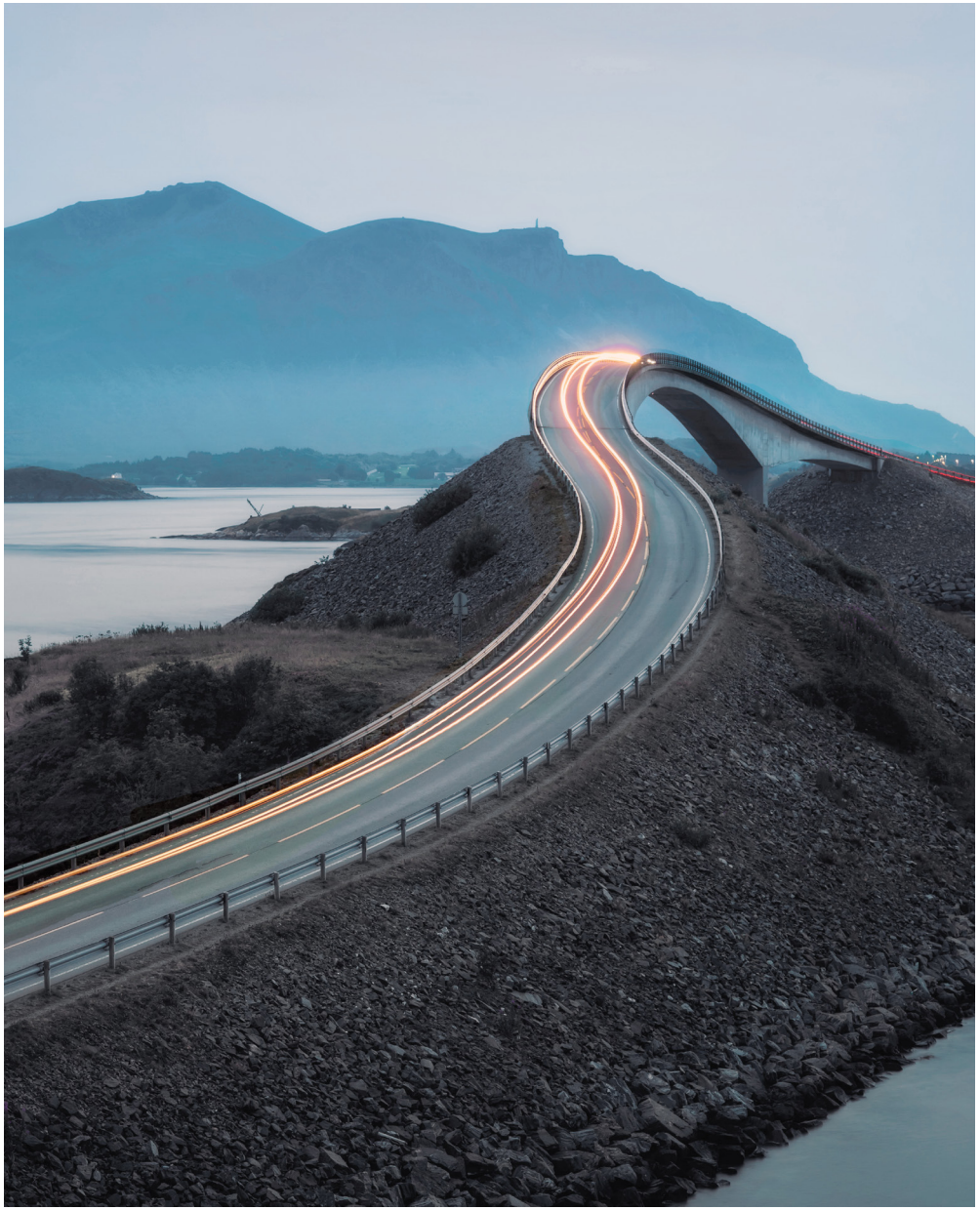
- Nominal amount of outstanding Green Debt
- Amounts allocated for each project category
- Relative share of new financing versus refinancing
- Descriptions of selected Green Projects financed

Impact reporting

The impact reporting section aims to disclose the environmental impact of the Green Projects financed under this Framework, based on Northvolt's share of each project, where feasible and subject to data availability.

The impact assessment will, if applicable be based on the following impact indicators:

- GWh of installed battery cell production capacity
- GWh of installed battery module and system production capacity
- Tonnes of recycled battery material produced in Northvolt's Revolt process
- Kg CO2e/kWh battery cell produced (Scope 1, 2 and 3 emissions)



5. External Verification

Second party opinion

CICERO Shades of Green has provided a second-party opinion to this Framework, verifying its credibility, impact and alignment with the ICMA and LMA Principles, including an assessment against the EU Taxonomy Climate Delegated Act's criteria for substantial contribution to climate change mitigation and DNSH as well as the Minimum Safeguards.

Post-issuance review

An independent external party, appointed by Northvolt, will on an annual basis, until full allocation and in the event of material developments, provide a review confirming that an amount equal to the net proceeds has been allocated to eligible Green Projects.

Publicly available documents

The Green Finance Framework and the second-party opinion will be publicly available on Northvolt's website, together with the post-issuance review and the Green Finance Report, once published.