



Ferde AS

Green Financing Second Opinion

22 September 2022

Executive Summary

Ferde AS (“Ferde”) is a regional toll collection company owned equally by Vestland, Rogaland, and Agder counties. It manages toll collection and provides financing for infrastructure projects in southwestern Norway. These projects are implemented by its partners, which include the three owner counties, the Norwegian Public Roads Administration (Statens Vegvesen), and Nye Veier AS.

Under its green financing framework, Ferde seeks to finance and refinance rail tracks, stations, and related systems; dedicated road lanes for public transport and low emissions or high occupancy vehicles; bus stations and terminals; and pedestrian pathways and bicycle lanes. The Bergen light rail project (“Bybanen”) will likely continue to be the main use of proceeds, though not to the extent under Ferde’s previous green bond framework where it accounted for more than 99% of allocated proceeds. Eligible project categories are largely unchanged from the previous framework.

We rate the framework **CICERO Dark Green** and give it a governance score of **Good**. While Ferde does not manage project design or implementation, it has created robust criteria for funding transportation infrastructure that is well-aligned with a low carbon future. The only element that is not Dark Green are road lanes dedicated to low-carbon transport: under Norwegian law, personal vehicles meeting minimum occupancy thresholds but potentially running on fossil fuels may use these lanes, and this category is therefore shaded Light Green. Since the previous framework, Ferde has strengthened its sustainability policies, maintained a robust selection process for eligible projects, and provided relevant allocation and impact reporting in collaboration with its implementing partners.

Strengths

Ferde’s green financing issuances will continue to provide an innovative way for investors to contribute to climate-friendly transportation infrastructure projects in Norway. The transport sector is a key contributor to climate change, and national and regional efforts to decarbonise the sector remain crucial going forward.

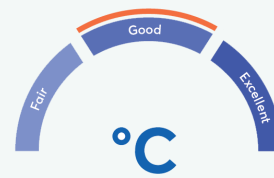
Since our previous assessment, Ferde has taken positive steps to formalise its sustainability governance. Examples include developing code of conduct policies for employees and suppliers and creating a formal sustainability team to manage environmental, social, and governance issues. Ferde’s planned next steps, including developing its own sustainability targets, improving its environmental risk management and partner engagement processes, and implementing greater supplier due diligence, have the potential to further strengthen its sustainability approach.

SHADES OF GREEN



°CICERO
Dark Green

GOVERNANCE ASSESSMENT



GREEN BOND AND LOAN PRINCIPLES

Based on this review, this framework is found aligned with the principles.



Pitfalls

Ferde's mandate is driven by political decisions on infrastructure in Norway beyond its direct control. While the green finance framework, with its eligibility criteria and green finance committee, provides a certain level of assurance over how proceeds will be allocated, risks remain that certain laws, regulations, or definitions effecting eligibility may change. One example is what legally constitutes low carbon transport road lanes, which currently allow for use by personal vehicles that need not be zero emissions – such as fossil fuel or hybrid vehicles that meet certain occupancy requirements. Ferde does not set this standard, but the climate risks or benefits of its investments could be impacted by any changes that make requirements more or less stringent.

As a financing entity, Ferde has limited potential to influence the design and running of projects. The impacts of the projects it is financing can arguably only be as good as the policies of its implementing partners, including their requirements for subcontractors in the construction phase. The quality of Ferde's green finance impact reporting will also depend on the collaboration of municipalities and other implementing agencies supplying the data and selecting the calculation methodologies. However, Ferde is owned by the same counties that are in charge of executing projects, and a certain level of ongoing dialogue takes place between Ferde and its owners. We encourage Ferde to continue to take advantage of those conversations to influence its implementing partners in a positive “green” direction – whenever that is possible.

Investors should be aware that toll collection and some infrastructure projects remain contentious issues in Norwegian society. While toll collection is standard practice for financing infrastructure projects, the debate has centred around the level of the tolls as well as distributional aspects (in some regions, households and businesses may end up being charged many times in the course of a day for what is considered basic transportation needs). Infrastructure debates, particularly around the siting decisions and local impacts of Ferde's implementing partners, are also ongoing, including for Bybanen activities.

EU Taxonomy

CICERO Shades of Green has carried out a full Taxonomy assessment, determining that activities appear likely aligned to mitigation technical screening criteria except for the infrastructure for low-carbon transport category, likely aligned with “Do No Significant Harm” criteria, and to mainly fulfil the minimum social safeguards. While the rail infrastructure, pedestrian pathways, and bicycle lanes eligible project categories are likely aligned with mitigation technical screening criteria, the main gap is the infrastructure for low-carbon transport category, which allows for lanes that may be used by high occupancy but fossil fuel powered personal vehicles. When undertaking transportation infrastructure planning and construction, Ferde's national and county implementing partners are governed by robust climate adaptation, water resources, circular economy, pollution, and biodiversity policies. Ferde has policies and procedures to assess and mitigate social risks, including roadside worker safety, human and workers' rights in electronics supply chains, and road user data protection.



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1 Ferde's environmental management and green finance framework

Company description

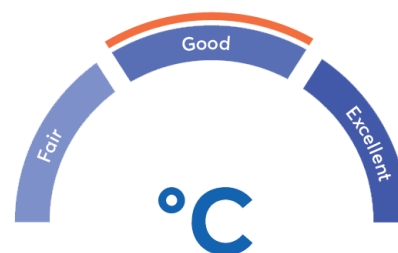
Ferde AS ("Ferde") is a regional toll collection company established in 2016. Headquartered in Bergen, Ferde is equally owned by Agder, Rogaland and Vestland counties in southwestern Norway. It manages toll collection following government consent and agreements with the Norwegian Public Roads Administration (Statens Vegvesen), a government agency, and Nye Veier AS, a state-owned company responsible for developing certain major roads. The purpose of regional toll collection companies like Ferde is to use toll funds to finance infrastructure projects, such as for light rail, trams and buses, road improvements, and access for bicycles and pedestrians, in their respective regions. In 2021, Ferde's operational revenues were NOK 3.92 billion, and 256 million vehicles passed through its collection points.

This green finance framework provides Ferde with the option of issuing green bonds and loans to finance public infrastructure projects with environmental benefits. It is the stated objective of the government's policy to increase the accessibility and efficiency of low-carbon transport alternatives and to reduce dependency on personal car transportation. The proceeds from the financing will complement Ferde's toll collection revenues and other financial instruments.

This is an update to Ferde's previous framework published in October 2019. At the end of 2021, total outstanding green bonds and loans from that framework were NOK 5.5 billion, or just over 24% of Ferde's total debt portfolio. Over 99% of proceeds have been allocated to Bybanen, the light rail project in Bergen.

Governance assessment

While Ferde has introduced new environmental, social and governance (ESG) policies applicable to its employees and suppliers since the previous framework, it still has few independent sustainability targets and limited reporting on its climate mitigation or adaptation strategy. With the establishment of a new Head of Procurement and Sustainability this year, Ferde plans to set new sustainability targets, strengthen environmental risk management measures and partner engagement on green financing, and engage in further supplier due diligence and follow up.



Ferde has established a clear selection process for projects eligible under the framework, incorporating sustainability expertise with veto power in decision making. Additional considerations beyond the framework criteria vary depending on the partner leading project design and implementation.

In terms of reporting, Ferde provides annual public disclosures on allocation and impact. It includes relevant indicators across categories while managing some data availability and methodological consistency challenges due to its reliance on its implementing partners for impact-related information. Its allocation reporting is reviewed by an independent auditor.

The overall assessment of Ferde's governance structure and processes gives it a rating of **Good**.



Sector risk exposure

Physical climate risks. Extreme weather events are expected to increase in intensity and frequency, threatening transportation infrastructure and causing traffic disruptions and road diversions. For companies like Ferde and its partners located in northern Europe, extreme precipitation, particularly during the winter, and associated flooding from heavy rainfall or snowmelt, will likely increase. Sea level rise may be a concern in some coastal areas. For Ferde's partners and road users, vehicle fuel supply chains, whether for fossil fuels, biofuels, or electricity, can also be disrupted by extreme events such as storms, droughts, heatwaves, or floods.

Transition risks. Due to the profound changes needed to limit global warming to well-below 2°C, transition risk affects all sectors. Ferde's partners are exposed to transition risks from increasingly ambitious policies and tighter regulations, such as stricter rules for transportation emissions not covered under the EU Emissions Trading System and implementation of zero-emissions urban environments. Public scrutiny of and demand for improved climate performance of transportation infrastructure is likely to grow as the cost of more emissions-intensive modes of transportation increases.

Environmental risks. For Ferde's partners, without sufficient mitigation measures during project design and implementation, transportation infrastructure can fragment ecosystems and disrupt wildlife movement. Local pollution is a risk during infrastructure construction for Ferde's partners and use for road users. In vehicle and fuel supply chains relevant to road users, risks include both local pollution, such as from oil spills or pesticide and fertilizer use during biofuel production, as well as direct ecosystem degradation and conversion or indirect land use change.

Environmental strategies and policies

As a financing company with a mandate dictated by the Norwegian government's transportation policy, Ferde has few independent sustainability targets. With one office in Bergen and fewer than 50 employees, the company's operational environmental footprint is limited. Ferde sources renewable energy for its toll stations and plans to transition company vehicles to electric. Since 2016, Ferde has maintained Eco-Lighthouse (Miljøfyrtårnet) certification, which covers environmental and quality standards on issues related to the work environment, procurement, energy, transport, waste management and climate emissions. In 2022, Ferde plans to become ISO 14001 certified as well. It does not disclose its operational or financed climate emissions and has not set associated reduction goals. Ferde does not produce a comprehensive sustainability report but discusses environmental topics in its Annual Report, where it notes that it causes minimal direct pollution or emissions. It does not report on its climate risks based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Most of Ferde's impacts occur through the projects it helps finance that are designed and implemented by partners, including Agder, Rogaland and Vestland county authorities, the Norwegian Public Roads Administration (Statens Vegvesen), and Nye Veier AS. Ferde does not directly influence the sustainability aspects of the infrastructure it funds, but does help its partners understand green financing opportunities, related standards and stakeholder concerns, and impact reporting data requirements.



Since our prior assessment, Ferde took over the running of approximately 109 toll collection points that had previously been managed by the Norwegian Public Roads Administration. Six additional sites are currently under development. The issuer informs us that while construction is carried out by its partners, once developed, it sources renewable energy for these sites. Additionally, as part of recent Norwegian toll reforms (bompengereformen), Ferde sold its Autopass customers and collection business areas to Gjensidige Forsikring ASA, reducing its paper invoicing and office footprint. Efforts to sell other aspects of its debt collection business are ongoing, with similar expected impacts.

Other changes since the previous framework include that in 2022, Ferde created a dedicated Head of Procurement and Sustainability position that will further advance the company's sustainability strategy, including communicating green financing opportunities and requirements to partners, strengthening environmental risk management processes, initiating a sustainability target setting process in fall 2022, and undertaking systematic follow up with suppliers to verify code of conduct compliance beginning in Q1 2023. As of 2021, Ferde established a CSR and ethics policy that apply to all employees and board members as well as code of conduct required for all its suppliers and subcontractors. Based on the principles of the UN Global Compact and International Labour Organization (ILO) conventions, these policies cover human rights, workers' rights, environmental issues including legal compliance and responsible handling of hazardous materials, and anticorruption measures. Ferde also established a Transparency Act (Åpenhetsloven) policy and processes related to supplier due diligence, risk assessment, and follow up to comply new Norwegian regulations.

Ferde's mandate, as well as its green finance framework, should be viewed against the backdrop of strategic plans for the transport sector in Norway. In 2012, the Norwegian government initiated a zero-growth target for personal car transport in all larger cities. This means that growth in the demand for personal transport should be met by public transport solutions as well as improved accessibility for bicycles and pedestrians, rather than by an increasing number of personal cars. Norway's overarching National Climate Action Plan released in 2019 set an ambition of reducing the transportation sector's emissions by 35-40% compared to 2005 by 2030 and ensuring that new passenger cars and light vans were zero emissions by 2025.¹ The National Transport Plan 2022-2033 increased that ambition, targeting reducing transportation sector emissions by 50% by 2030, and maintains targets from the 2018-2029 plan to transition to zero emissions vehicles.² Within the region Ferde manages, cities and counties have their own plans to address climate change, including Rogaland's Climate Adaptation Plan released in 2020, Agder's 2016-2017 Climate Roadmap, Vestland's 2021 Regional Climate Plan for 2022-2025, the 2017 City Growth Plan for Bergen, and the Stavanger City Council Climate and Environmental Plan 2018-2030.

Green finance framework

Based on this review, this framework is found to be aligned with the Green Bond Principles and Green Loan Principles. For details on the issuer's framework, please refer to the green finance framework dated September 2022.

Use of proceeds

For a description of the framework's use of proceeds criteria, and an assessment of the categories' environmental impacts and risks, please refer to section 2.

Selection

¹ Norway's National Plan, 25 October 2019, Norwegian Ministry of Climate and Environment, https://www.regjeringen.no/contentassets/4e0b25a4c30140cfb14a40f54e7622c8/national-plan-2030_version19_desember.pdf.

² National Transport Plan 2022-2023, Norwegian Ministry of Transport, <https://www.regjeringen.no/en/dokumenter/national-transport-plan-2022-2033/id2863430/?ch=6>.



Ferde has set up an internal Green Finance Committee (GFC), consisting of three representatives from Ferde's management team, including the CFO and the Head of Procurement and Sustainability. The GFC will be responsible for evaluating the infrastructure projects initiated by the counties and municipalities within Ferde's toll collection area as well as by the Norwegian Public Roads Administration (Statens Vegvesen) and Nye Veier AS. The GFC will then select those that are eligible for green finance funding in accordance with the eligibility criteria.

Decisions on eligibility must be arrived at by consensus. If there are disagreements or uncertainties, the GFC will consult external experts (in the first instance the bank advising on the green finance framework). The GFC will be in charge of potential oversight of the eligibility criteria dependent on future market developments, and when deemed necessary make appropriate updates to the green finance framework. The decisions made by the GFC will be documented and filed. If an asset or project financed by green financing no longer qualifies as eligible according to the eligibility criteria, the asset or project will be replaced by other assets or projects that meet the criteria. The GFC will meet at least on an annual basis.

Management of proceeds

Green finance proceeds are tracked by the issuer. For regulatory reasons, each infrastructure project will have a separate account. Green financing issued will be related to a specific set of infrastructure projects and thereby credited to the relevant project accounts. Within each project account, Ferde will keep records of the share of green versus regular funds.

The finance department of Ferde will ensure that the amount of eligible assets and projects always exceeds the total amount of green financing outstanding. Net proceeds from green financing awaiting allocation to eligible assets and projects will be managed and invested according to the overall liquidity management policy of Ferde and may be invested in short term money market instruments and cash. Ferde does not have specific exclusion policies that apply to unallocated green financing proceeds.

Reporting

Ferde will provide a green finance report covering allocation on the company's website. It will be developed by the CFO and finance department and published annually for as long as there is green financing outstanding. The allocation report will list the amounts invested in each of the investment categories, the amount of new financing versus refinancing, examples of assets or projects that have been financed, the amount of green financing outstanding, and the amount of net proceeds awaiting allocation to eligible assets and projects. As projects can be co-funded with the Norwegian Government and the respective counties and municipalities, Ferde will report the company's financing share of each project.

Impact report calculations will be made on a best intention basis. Metrics will include the following as applicable, for both finalised projects as well as those under construction:

- Number of kilometres of new train lines
- Number of kilometres of new low-carbon transport lanes
- Number of kilometres of new pedestrian pathways
- Number of kilometres of new bicycle lines and tunnels
- Where available, estimated GHG emissions reduced and/or avoided
- Where available, estimated reduction in car use

The issuer informs us that calculations on estimated emissions reductions and reductions in car use are made at the project level by the relevant authority (municipality or the county). As such, Ferde cannot guarantee that the data will be available, and sometimes there is a time lag. The issuer has confirmed that if estimates of emissions reductions are published, the methodology used to arrive at those estimates will be published as well.



In an update from the previous framework, Ferde will engage an independent auditor to provide a limited assurance on allocation reporting.

Ferde's reporting on the previous framework included project activities, locations, and amount invested, green bonds issued and outstanding debt, and impact indicators including kilometres transportation infrastructure completed or under construction, estimated emissions reduced or avoided, and passenger and cyclist counts.




2 Assessment of Ferde’s green finance framework

The eligible projects under Ferde’s green finance framework are shaded based on their environmental impacts and risks, based on the “Shades of Green” methodology.

Shading of eligible projects under Ferde’s green finance framework

- Funds can be used for the financing of new assets and projects, in whole or in part, as well as for refinancing. There is no predetermined look-back period. In contrast to the previous framework, most investments under this framework are expected to be for new assets.
- Allocation will likely focus on the rail infrastructure category, particularly Bybanen, the Bergen light rail project. While Bybanen investments accounted for over 99% of allocation under the previous framework, new projects will likely be a greater share of allocation going forward, and are expected to be a mix of the other three project categories.
- Green finance proceeds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction, gambling, or tobacco.

Category	Eligible project types	Green Shading and considerations
Rail infrastructure 	Construction, upgrades, and maintenance of rail infrastructure, including tracks, stations, and related systems	Dark Green <ul style="list-style-type: none">✓ To the extent possible, negative impacts on the social and environmental surroundings should be taken into consideration and minimized during the construction phase of any transport-related project. These safeguards will vary depending on the implementing partner’s policies and practices.✓ The issuer informs us that all eligible rail projects are electrified, and Norway’s electricity mix is predominately renewable sources. Bybanen currently uses 100% certified renewable electricity.✓ According to the issuer, stations will be dedicated transport facilities (i.e., not multi-use buildings with shopping, restaurants, etc.). Note that there are no environmental criteria for station construction, and these considerations will also depend on implementing partner approaches.✓ Be aware that some projects, such as Bybanen, may connect to airports.



Infrastructure for low-carbon transport



Construction, upgrades, and maintenance of road lanes dedicated to low-carbon transport such as public transport, electric/hydrogen vehicles, and personal cars with more than two passengers, as well as infrastructure and installations dedicated to public transport

Light Green

- ✓ The issuer notes that the definition of these lanes (Norwegian: *kollektivfelt* and *sambruksfelt*) is set by the Norwegian Public Roads Administration and may change over time.
- ✓ Investors should be aware that road infrastructure for personal vehicles meeting occupancy thresholds but potentially running on fossil fuels is eligible for green bond financing. Although occupancy restrictions may incentivise car sharing, they do not guarantee emissions savings or eliminate fossil fuel emissions entirely.
- ✓ Lanes for use by public transportation are most aligned with the low carbon transition, followed by lanes for zero emissions personal vehicles, such as electric or hydrogen cars.
- ✓ The issuer confirmed that other infrastructure and installations dedicated to public transit under this category will be bus stops and terminals, which as public transit support are well-aligned with a low carbon future.
- ✓ The issuer informs us that the buses using these stops and terminals are likely to be electric, and Norway's electricity mix is predominately renewable sources. Some buses are powered by biofuels, including hydrotreated vegetable oil (HVO) diesel and biogas produced from sewage sludge. Be aware that although the relevant county partners already have or are currently transitioning towards fossil-free buses, it is possible that buses running on fossil fuels may also use this infrastructure. Also note that although biofuels can substantially cut emissions relative to fossil fuels, concerns remain regarding lifecycle emissions benefits and risks of deforestation, biodiversity loss, harmful agricultural practices, or competition with food production depending on country of origin and feedstock.





		<ul style="list-style-type: none"> ✓ According to the issuer, bus stops and terminals will be dedicated transport facilities (i.e., not multi-use buildings with shopping, restaurants, etc.). Note that there are no environmental criteria for terminal construction, and these considerations will depend on implementing partner approaches. ✓ According to the issuer, no parking facilities are planned under this category.
<p>Pedestrian pathways</p> 	<p>Construction, upgrades, and maintenance of pedestrian zones, pathways, pavements, and tunnels</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ Improved pedestrian infrastructure is well-aligned with the low carbon transition. ✓ The issuer has confirmed that the tunnels will be for pedestrian paths only (and not for roads more generally).
<p>Bicycle lanes</p> 	<p>Construction, upgrades, and maintenance of bicycle lanes and tunnels</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ Bicycle lanes are well-aligned with the low carbon transition. ✓ The issuer has confirmed that the tunnels will be for bicycle lanes only (and not for roads more generally).

Table 1. Eligible project categories



EU Taxonomy

The EU Taxonomy Regulation³ is a classification system setting criteria for economic activities to be defined as environmentally sustainable. The regulation defines six environmental objectives. To be considered sustainable, an activity must substantially contribute to at least one of the six environmental objectives⁴ without harming the other objectives (“Do No Significant Harm”), while complying with minimum social safeguards.⁵ So far, the EU has adopted delegated acts under the regulation that set out the technical screening criteria for the climate mitigation and adaptation objectives, respectively. The DNSH criteria are developed to make sure that progress against some objectives is not made at the expense of others and recognizes the relationships between different environmental objectives.

Where sufficient information is not provided by the issuer, and information is not easily accessible through searching other public available sources, CICERO Shades of Green is not able to assess alignment.

CICERO Shades of Green has assessed eligible projects for Ferde’s framework against the mitigation thresholds, the DNSH criteria for relevant activities in the delegated act adopted in June 2021 (Annex 1), and the minimum social safeguards. Note that DNSH analyses have been undertaken specifically for the Norwegian Public Roads Administration (Statens Vegvesen) as well as Rogaland and Vestland counties. No projects eligible for green financing are expected under the authority of Agder County or Nye Veier AS. The issuer informs us that its Green Finance Committee would seek to confirm likely Taxonomy alignment before allocation if a project were to be proposed by one of these partners that CICERO Shades of Green has not assessed.

CICERO Shades of Green assesses that the relevant taxonomy activities for Ferde, as listed in Appendix 2, are likely aligned with the mitigation criteria in the EU Taxonomy except for the infrastructure for low-carbon transport category, which is partly aligned. The rail infrastructure, pedestrian pathways, and bicycle lanes eligible project categories are likely aligned with the mitigation criteria for Taxonomy sections 6.14 Infrastructure for rail transport since rail projects are electrified and 6.13 Infrastructure for personal mobility, cycle logistics since investments will be dedicated to these purposes. The infrastructure for low-carbon transport category, however, is likely only partly aligned with mitigation criteria for section 6.15 Infrastructure enabling low carbon road transport and public transport. This is due to the inclusion of road lanes that under Norwegian law are eligible for use by personal cars with more than two passengers that need not be zero emissions and could run on fossil fuels. Other types of projects eligible under this category, including public transit bus stations and terminals and road lanes for zero emissions vehicles and public transportation, are likely aligned.

Ferde’s implementing partners appear to be likely aligned with the DNSH criteria. At the relevant national and local levels, Norway has robust plans, laws, policies, and guidance that require significant risk assessment, prevention and mitigation measures, and stakeholder engagement during transportation infrastructure planning and construction processes related to climate adaptation, water resources, circular economy, pollution, and biodiversity.

Alignment with minimum social safeguards

To qualify as a sustainable activity under the EU regulation, certain minimum social safeguards must be complied with. CICERO Shades of Green has assessed the company’s social safeguards with a focus on human and labour

³ Regulation EU 2020/852 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN>

⁴ The six environmental objectives as defined in the proposed Regulation are: (1) climate change mitigation; (2) climate change adaptation; (3) sustainable use and protection of water and marine resources; (4) transition to a circular economy, waste prevention and recycling; (5) pollution prevention and control; (6) protection of healthy ecosystems.

⁵ Alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation’s (‘ILO’) declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights.



rights. We take the sectoral, regional, and judicial context into account and, on the basis of information provided by the company, focus on the risks likely to be the most material social risks.

CICERO Shades of Green concludes that Ferde appears to mainly fulfil the minimum social safeguards. The company has developed thorough policies and procedures that follow due diligence processes prescribed in the international instruments that the minimum social safeguards are built on. The most relevant risk for Ferde appears to be safety during roadside installations, inspections, or maintenance. Human rights risks are related to the electronics supply chain when purchasing cameras and other electronic equipment, and when in operation, road user data protection and privacy.

These risks are mitigated through different measures. Ferde has an ethics policy for its own employees and board and code of conduct for suppliers and subcontractors. Ferde has also created robust supplier due diligence, risk assessment, and follow up and escalation procedures to comply with the Norwegian Transparency Act (Åpenhetsloven), which requires a risk-based human rights due diligence process. While Ferde was fined by Norwegian Data Protection Authority (Datatilsynet) for supplier data processing agreement gaps during 2017-2018, deficiencies were rectified, the supplier service causing the violation was terminated and new procedures and policies were put into place to prevent future incidents. A new policy on human and workers' rights is expected by end of 2022 and further ESG reporting and ISO 27001 certification on information security is expected in 2023. An internal anonymous whistleblowing mechanism is in place, with external channels under development.

Ferde's implementing partners undertaking the construction of projects financed by Ferde have additional social risks, particularly in relation to health and safety, workers' rights, and local community impacts during construction as well as human and workers' rights in construction material supply chains. Ferde's supplier and subcontractor policies and due diligence procedures do not apply to these partners. Implementing partners are strongly regulated through national and local laws and policies as well as through public scrutiny of infrastructure projects.









3 Terms and methodology

This note provides CICERO Shades of Green’s (CICERO Green) second opinion of the client’s framework dated September 2022. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client’s policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

‘Shades of Green’ methodology

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
 Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
 Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles

The “Shades of Green” methodology considers the strengths, weaknesses and pitfalls of the project categories and their criteria. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised, including potential macro-level impacts of investment projects.

Sound governance and transparency processes facilitate delivery of the client’s climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client’s governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



Assessment of alignment with Green Bond Principles

CICERO Green assesses alignment with the International Capital Markets' Association's (ICMA) Green Bond Principles. We review whether the framework is in line with the four core components of the GBP (use of proceeds, selection, management of proceeds and reporting). We assess whether project categories have clear environmental benefits with defined eligibility criteria. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed. The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the selection process. CICERO Green assesses whether net proceeds or an equivalent amount are tracked by the issuer in an appropriate manner and provides transparency on the intended types of temporary placement for unallocated proceeds. Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs.

EU taxonomy assessment

CICERO Green has assessed the activities against the EU Taxonomy's technical screening criteria, including the do-no-significant-harm (DNSH) criteria. In addition, we have assessed alignment with the minimum social safeguards, as described in article 18 of the EU taxonomy. To assess activities' taxonomy alignment, CICERO Green has reviewed the issuer's green bond framework, other supporting documents provided by the issuer, and written responses to questions on each asset's taxonomy alignment.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Ferde Green Finance Framework	Ferde's green finance framework dated September 2022
2	Rapport Grønt Rammeverk 2021	Ferde's green financing reporting from 2021
3	Ferde Årsrapport 2021	Ferde's 2021 annual report
4	Etikkpolicy	Ferde's ethics policy dated June 2022
5	Code of Conduct	Ferde's code of conduct dated February 2022
6	CSR Policy	Ferde's corporate social responsibility policy dated July 2020
7	Åpenhetsloven	Ferde's policy on Norway's Transparency Act dated June 2022
8	Eigarstrategi for Ferde AS	Ferde's ownership strategy
9	Governance in Ferde	Slide deck providing an overview of Ferde's governance dated September 2022
10	Planleggingsprosessen	Staten Vegvesen's planning process website
11	Plan for ytre miljø (YM-plan)	Staten Vegvesen's external environment plan website



12	Veileder til Ytre miljø plan	Staten Vegvesen's guidance on external environment plans dated July 2020
13	Statens Vegvesen Matris Miljørisk	Staten Vegvesen's environmental risk matrix
14	Comments from Miljøkonom i Rogaland Fylkeskommune	Interview notes from a Rogaland County environmental economist compiled by Ferde
15	Regionalplan for klimatilpasning i Rogaland 2020-2050	Regional plan for climate adaptation in Rogaland dated October 2020
16	Comments from Vestland	Interview notes from a conversation with Vestland county representatives compiled by Ferde
17	Vestland kontraktskrav som omhandler ytre miljø	Vestland contractual requirements related to the external environment
18	Regional plan for klima 2022–2035	Regional plan for climate in Vestland
19	Grønnere Bybane	Website on Bybanen sustainability practices
20	Bærekraftstrategi Bybanen Utbygging	Sustainability strategy for Bybanen development
21	CEEQUAL Version 6 Technical Manual	CEEUAL sustainable infrastructure certification program criteria



Appendix 2: EU Taxonomy criteria and alignment

Complete details of the EU taxonomy criteria are given in [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2021/2800/annex_1/en/pdf).

Analyses have been undertaken for projects financed by Ferde under its green financing framework and implemented by the Norwegian Public Roads Administration (Statens Vegvesen) or Rogaland and Vestland counties. No eligible projects are expected under the authority of Agder county or Nye Veier AS, and CICERO Shades of Green has not assessed these partners' policies and practices for likely Taxonomy alignment. The Ferde Green Finance Committee will internally review any proposed projects from Agder county or Nye Veier AS to assess their likely Taxonomy alignment prior to allocation.

6.14 Infrastructure for rail transport

Framework activity	Clean transportation		
Taxonomy activity	6.14 Infrastructure for rail transport (NACE Code F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21)		
Taxonomy version	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> The activity complies with one of the following criteria: <ul style="list-style-type: none"> (a) the infrastructure⁶ is either <ul style="list-style-type: none"> (i) electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; (ii) new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO2 emission trains within 10 years from the beginning of the activity: 	<ul style="list-style-type: none"> Under this category, the issuer will support construction, upgrades, and maintenance of rail infrastructure, including tracks, stations, and related systems. The issuer confirmed 100% of rail systems eligible are powered by renewable electricity and not dedicated to the transport or storage of fossil fuels. 	Likely aligned.

⁶ As defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council



	<p>infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797;</p> <p>(iii) until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797;</p> <p>(b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</p> <p>(c) infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.</p> <ul style="list-style-type: none"> • The infrastructure is not dedicated to the transport or storage of fossil fuels. 		
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment



<p>Climate change adaptation</p>	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix A of the EU Taxonomy Annex. 	<p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> Statens Vegvesen’s priorities are set under the National Transport Plan (Nasjonal transportplan), which includes nationwide systematic climate risk and vulnerability assessment as well as protection measures from events such as landslides as goals. Its activities are regulated, among other laws, under the Plan og Bygningsloven (Planning and Urban Development Act), which includes requirements for risk and vulnerability assessment and avoidance or mitigation measures for infrastructure. Project design goes through several planning phases where environmental aspects including adaptation and resilience are considered. These phases including planning in collaboration with municipal authorities, impact assessment (konsekvensutredning, or KU), municipal sub-planning, zoning, and land acquisition. Stakeholders provide feedback during each planning stage. For all projects and contracts, Statens Vegvesen prepares environmental risk assessments as well as Ytre Miljø (YM) or external environment plans that detail mitigation measures. These processes include physical climate risk and resilience aspects. Projects above NOK 200 million must also be CEEQUAL certified. This sustainable infrastructure and construction certification includes flood resilience and adaptation enhancements where relevant. <p><u>Rogaland County</u></p> <ul style="list-style-type: none"> In addition to national requirements, Rogaland has a county-level Climate Adaptation Plan that includes measures to ensure infrastructure projects are assessed for local climate risks and mitigation measures are outlined during the planning stage. CEEQUAL is required for projects over NOK 500 million and is assessed for relevance to projects between NOK 200-500 million. CEEQUAL includes flood resilience and adaptation enhancements where relevant. <p><u>Vestland County</u></p> <ul style="list-style-type: none"> In addition to national requirements, Vestland county incorporates climate adaptation into project design by not building where there is a risk of landslides, flooding, or other extreme events or ensuring materials are robust enough to withstand those incidents. CEEQUAL certification is required for Bybanen project contractors. CEEQUAL includes flood resilience and adaptation enhancements where relevant. 	<p>Likely aligned, however Ferde’s partners could provide more information to substantiate that their methods are based on best practice. It is unclear, for example, whether they are using “the highest available resolution, state-of-the-art climate projections” in their scenario analyses.</p>
<p>Sustainable use and protection of water and marine resources (water management)</p>	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix B of the EU Taxonomy Annex. 	<p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> Statens Vegvesen’s activities are regulated under the Plan og Bygningsloven (Planning and Urban Development Act) that includes river and coastal protections as well as the Forurensningsloven (Pollution Act), Naturmangfoldsloven (Natural Diversity Act), Lov om Vassdrag og Grunnvann (Watercourses and Groundwater 	<p>Likely aligned.</p>



		<p>Act) and Vannressursloven (Water Resources Act), which include water quality and quantity and aquatic biodiversity protections.</p> <ul style="list-style-type: none"> • Project design goes through several planning phases where environmental aspects including water and marine resources are considered. These phases including planning in collaboration with municipal authorities, impact assessment (konsekvensutredning, or KU), municipal sub-planning, zoning, and land acquisition. Stakeholders provide feedback during each planning stage. • During the planning process for all projects and contracts, Statens Vegvesen requires Ytre Miljø (YM) external environment, plans which include water quality risk assessment, management planning, and mitigation measures. • Projects above NOK 200 million must also be CEEQUAL certified. This sustainable infrastructure and construction certification includes water pollution prevention, water monitoring, and waterbody protection criteria. <p><u>Rogaland County</u></p> <ul style="list-style-type: none"> • In addition to national requirements, Rogaland County requires Ytre Miljø (YM) external environment plans from its contractors that include, among other aspects, measures to avoid harmful runoff into rivers, streams, and lakes. YM plan requirements vary depending on project relevance, but generally incorporate risk assessment and mapping and proposed mitigation measures. • CEEQUAL certification is required for projects over NOK 500 million and is assessed for relevance to projects between NOK 200-500 million. CEEQUAL includes water pollution prevention, water monitoring, and waterbody protection criteria. <p><u>Vestland County</u></p> <ul style="list-style-type: none"> • In addition to national requirements, Vestland County requires Ytre Miljø (YM) external environment plans that include maintaining water quality. • CEEQUAL certification is required for Bybanen project contractors. CEEQUAL includes water pollution prevention, water monitoring, and waterbody protection criteria. 	
Transition to circular economy	<ul style="list-style-type: none"> • At least 70 % (by weight) of the non-hazardous construction and demolition waste⁷ generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other 	<p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> • Relevant national regulations include the Plan og Bygningsloven (Planning and Urban Development Act) and Forurensningsloven (Pollution Act), among others, which Statens Vegvesen confirms meet these criteria. 	Likely aligned.

⁷ Excluding naturally occurring material referred to in EN 157 EN category 17 05 04 in the European List of Waste established by Commission Decision 2000/532/EC



	<p>materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.</p> <ul style="list-style-type: none"> • Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol, taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. 	<ul style="list-style-type: none"> • For all projects and contracts, Statens Vegvesen prepares Ytre Miljø (YM) external environment plans, which include waste management risk assessment and mitigation and management measures. • Projects above NOK 200 million must also be CEEQUAL certified, which includes recycling and re-use requirements. <p><u>Rogaland County</u></p> <ul style="list-style-type: none"> • Sorting rates for contractors' production waste must be at least 80% by weight. • Rogaland County requires Ytre Miljø (YM) external environment plans that include measures to minimize produced waste and ensure a large proportion of re-use of masses and materials. • CEEQUAL certification is required for projects over NOK 500 million and is assessed for relevance to projects between NOK 200-500 million. CEEQUAL includes recycling and re-use requirements. • The county is undertaking research and testing of asphalt recycling approaches. <p><u>Vestland County</u></p> <ul style="list-style-type: none"> • Sorting rates for contractors' production waste must be at least 80% by weight. • Vestland County requires Ytre Miljø (YM) external environment plans that include waste management planning and reporting as well as reuse obligations and material disposal plans. • For Bybanen project contractors, CEEQUAL certification, which includes recycling and reuse criteria, is required, and there are minimum thresholds in contracts for the use of recycled steel. • Vestland County also has a business plan (næringsplan) to reduce use of materials, including in construction processes. 	
<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> • Where appropriate, given the sensitivity of the area affected, in particular in terms of the size of population affected, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers, or other measures and comply with Directive 2002/49/EC of the European Parliament and of the Council. • Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	<p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> • Statens Vegvesen's priorities are set under the National Transport Plan (Nasjonal transportplan), which includes goals related to compliance with local air quality and noise limitations as well as national targets for local air quality. • Its activities are also regulated under the Plan og Bygningsloven (Planning and Urban Development Act), Forurensningsloven (Pollution Act), and Kommunehelsetjenesteloven (Municipal Health Services Act), which set limits on pollution, noise, and vibration from an environmental and public health perspective. • For all projects and contracts, Statens Vegvesen prepares Ytre Miljø (YM) external environment plans, which include pollution, noise, and vibration risk assessment and mitigation measures. • Projects above NOK 200 million must also be CEEQUAL certified. This sustainable infrastructure and construction certification includes pollution, noise, and vibration criteria. 	<p>Likely aligned.</p>



		<p><u>Rogaland County</u></p> <ul style="list-style-type: none"> • In addition to national requirements, Rogaland County requires Ytre Miljø (YM) external environment plans that include noise and pollution risk assessment and mitigation measures. • All diesel-powered vehicles and machinery used by contractors must have EURO 6 or STEG 4 approval and construction in tunnels must be completed with electric vehicles to limit local air pollution. • CEEQUAL certification is required for projects over NOK 500 million and is assessed for relevance to projects between NOK 200-500 million. CEEQUAL includes pollution, noise, and vibration criteria. <p><u>Vestland County</u></p> <ul style="list-style-type: none"> • In addition to national requirements, Vestland County requires Ytre Miljø (YM) external environment plans from its contractors that include assessing risks and mitigating dust, noise, and pollution. • Contractors work under noise limits set out under the Guidelines for the treatment of noise in land-use planning (T-1442/2016) and Public Health Act. • Trucks working on Bybanen must be Euroclass 5 or newer. Equipment must be electric, hybrid, or use biodiesel. • CEEQUAL certification is required for Bybanen project contractors and includes pollution, noise, and vibration criteria. 	
<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> • The activity complies with the criteria set out in Appendix D of the EU Taxonomy Annex. 	<p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> • Statens Vegvesen’s priorities are set under the National Transport Plan (Nasjonal transportplan), which includes goals related to protected area conservation and avoiding, mitigating, or compensating ecological damage. • Its activities are also regulated under the Plan og Bygningsloven (Planning and Urban Development Act), Forurensningsloven (Pollution Act), and Naturmangfoldsloven (Natural Diversity Act), which require impact assessment and mitigation measures. • For all projects and contracts, Statens Vegvesen prepares Ytre Miljø (YM) external environment plans, which include landscapes and biodiversity risk assessment and mitigation measures. • Projects above NOK 200 million must also be CEEQUAL certified. This sustainable infrastructure and construction certification includes protection and long-term management of biodiversity. <p><u>Rogaland County</u></p>	<p>Likely aligned.</p>



		<ul style="list-style-type: none">• In addition to national requirements, Rogaland County requires Ytre Miljø (YM) external environment plans for contractors that include biodiversity risk assessment and mitigation measures.• CEEQUAL certification is required for projects over NOK 500 million and is assessed for relevance to projects between NOK 200-500 million. It includes criteria related to protection and long-term management of biodiversity. <p><u>Vestland County</u></p> <ul style="list-style-type: none">• In addition to national requirements, Vestland County requires Ytre Miljø (YM) external environment plans for contractors that include biodiversity risk assessment and mitigation measures.• Vestland County's climate plan for 2022-2035 includes securing natural diversity as one of three goals.• CEEQUAL certification is required for Bybanen project contractors and includes criteria related to protection and long-term management of biodiversity.	
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6.15 Infrastructure enabling low carbon road transport and public transport

Framework activity	Clean transportation		
Taxonomy activity	6.15 Infrastructure enabling low carbon road transport and public transport (NACE Code F42.11, F42.13, F71.1 and F71.20)		
Taxonomy version	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> The activity complies with one or more of the following criteria: <ul style="list-style-type: none"> (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); (b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; (c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. The infrastructure is not dedicated to the transport or storage of fossil fuels 	<ul style="list-style-type: none"> Under this category, the issuer will support construction, upgrades, and maintenance of road lanes dedicated to low-carbon transport such as public transport, electric/hydrogen vehicles, and personal cars with more than two passengers. Also eligible are infrastructure and installations dedicated to public transport, which the issuer informs us will be bus stations and terminals. Road lanes dedicated to public passenger transport and zero emissions electric or hydrogen vehicles are likely aligned. Personal cars with more than two passengers that are allowed to use these road lanes under Norwegian law need not be zero emissions and could run on fossil fuels, which is likely not aligned with these criteria. Bus stations and terminals, as infrastructure dedicated to public passenger transport, are also likely aligned. The issuer confirmed this infrastructure is not dedicated to the transport or storage of fossil fuels. 	Likely partly aligned.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix A of the EU Taxonomy Annex. 	<ul style="list-style-type: none"> See comments on alignment for Climate Change Adaptation DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.
Sustainable use and protection of water and marine resources (water management)	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix B of the EU Taxonomy Annex. 	<ul style="list-style-type: none"> See comments on alignment for Water Management DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.



<p>Transition to circular economy</p>	<ul style="list-style-type: none"> At least 70 % (by weight) of the non-hazardous construction and demolition waste⁸ generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol, taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. 	<ul style="list-style-type: none"> See comments on alignment for Circular Economy DNSH criteria for Taxonomy Activity 6.14 above. 	<p>Likely aligned.</p>
<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> Where relevant, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers or other measures and comply with Directive 2002/49/EC. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	<ul style="list-style-type: none"> See comments on alignment for Pollution Prevention DNSH criteria for Taxonomy Activity 6.14 above. 	<p>Likely aligned.</p>
<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix D of the EU Taxonomy Annex. Where relevant, maintenance of vegetation along road transport infrastructure ensures that invasive species do not spread. 	<ul style="list-style-type: none"> See comments on alignment with Appendix D DNSH criteria for Taxonomy Activity 6.14 above. <p><u>Norwegian Public Roads Administration (Statens Vegvesen)</u></p> <ul style="list-style-type: none"> Applicable national regulations with additional related safeguards include the Forskrift om Fremmede Organismer (Regulations on Foreign Organisms) requiring due diligence and measures to reduce spread of invasive species as well as Statens 	<p>Likely aligned.</p>

⁸ Excluding naturally occurring material referred to in EN 157 EN category 17 05 04 in the European List of Waste established by Commission Decision 2000/532/EC



	<ul style="list-style-type: none">Mitigation measures have been implemented to avoid wildlife collisions.	<p>Vegvesen guidance on Vegetasjon i veg- og gatemiljø (Vegetation in road and street environments) and Veger og dyreliv (Roads and wildlife).</p> <ul style="list-style-type: none">Required Ytre Miljø (YM) external environment plans include invasive species mapping and risk assessments and wildlife corridors such as overpasses, underpasses, and level crossings, particularly for threatened species and migratory routes. <p><u>Rogaland County</u></p> <ul style="list-style-type: none">In addition to national regulations, Rogaland County requires Ytre Miljø (YM) external environment plans for contractors that include biodiversity risk mapping, assessment, and mitigation measures. Requirements vary depending on relevance to individual projects. <p><u>Vestland County</u></p> <ul style="list-style-type: none">In addition to national regulations, Vestland County requires Ytre Miljø (YM) external environment plans for contractors that include biodiversity risk mapping, assessment, and mitigation measures.	
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6.13 Infrastructure for personal mobility, cycle logistics

Framework activity	Clean transportation		
Taxonomy activity	6.13 Infrastructure for personal mobility, cycle logistics (NACE Codes F42.11, F42.12, F43.21, F71.1 and F71.20)		
Taxonomy version	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices 	<ul style="list-style-type: none"> Under this category, the issuer will support the construction, upgrades, and maintenance of pedestrian zones, pathways, pavements, and tunnels as well as bicycle lanes and tunnels. The issuer confirmed tunnels will be dedicated to cyclists or pedestrians. 	Likely aligned.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix A of the EU Taxonomy Annex. 	<ul style="list-style-type: none"> See comments on alignment for Climate Change Adaptation DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.
Sustainable use and protection of water and marine resources (water management)	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix B of the EU Taxonomy Annex. 	<ul style="list-style-type: none"> See comments on alignment for Water Management DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.
Transition to circular economy	<ul style="list-style-type: none"> At least 70 % (by weight) of the non-hazardous construction and demolition waste⁹ generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and 	<ul style="list-style-type: none"> See comments on alignment for Circular Economy DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.

⁹ Excluding naturally occurring material referred to in EN 157 EN category 17 05 04 in the European List of Waste established by Commission Decision 2000/532/EC



	Demolition Waste Management Protocol, taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.		
Pollution prevention and control	<ul style="list-style-type: none"> Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	<ul style="list-style-type: none"> See comments on alignment for Pollution Prevention DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.
Protection and restoration of biodiversity and ecosystems	<ul style="list-style-type: none"> The activity complies with the criteria set out in Appendix D of the EU Taxonomy Annex. 	<ul style="list-style-type: none"> See comments on alignment for Biodiversity and Ecosystems DNSH criteria for Taxonomy Activity 6.14 above. 	Likely aligned.



Appendix 3: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.



- ★ **2021 Largest External Reviewer**, Climate Bonds Initiative Awards
- ★ **2020 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2020 Largest External Review Provider In Number Of Deals**, Climate Bonds Initiative Awards
- ★ **2019 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2019 Largest Green Bond SPO Provider**, Climate Bonds Initiative Awards
- ★ **2018 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2018 Largest External Reviewer**, Climate Bonds Initiative Awards
- ★ **2017 Best External Assessment Provider**, Environmental Finance Green Bond Awards
- ★ **2016 Most Second Opinions**, Climate Bonds Initiative Awards