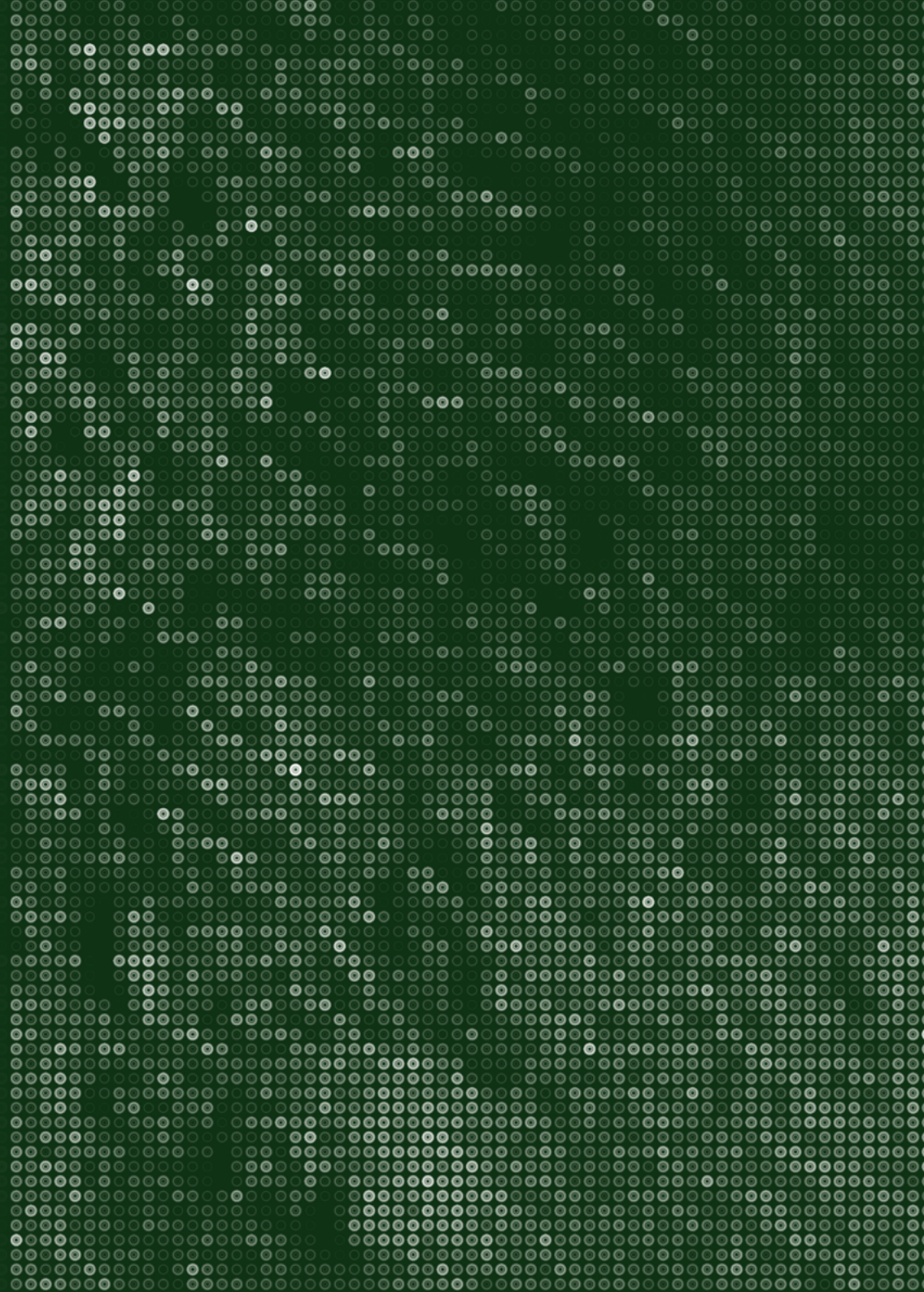




Green Financing Framework

October 2024



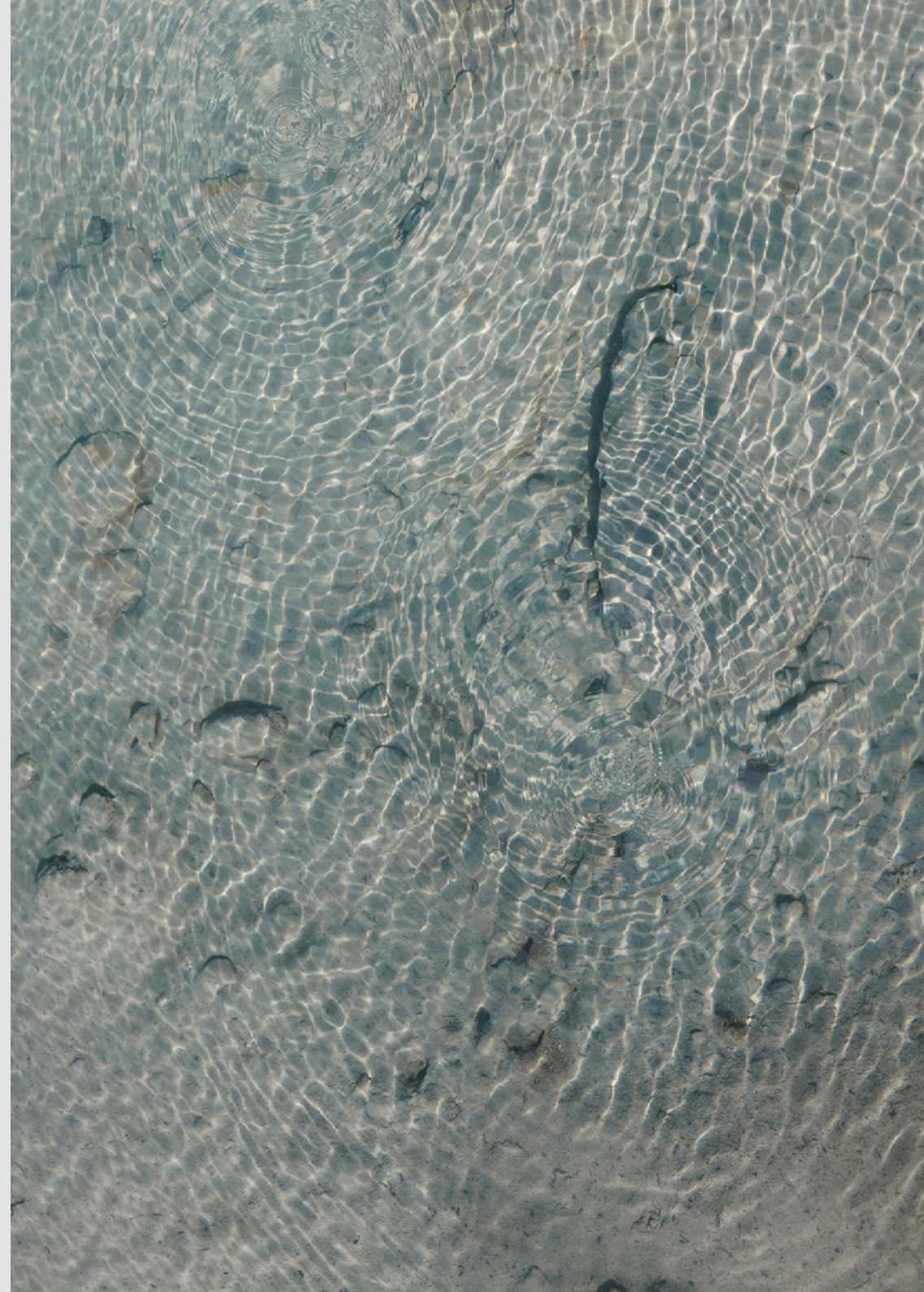


Reykjavik Energy – Introduction and commitment to sustainability

Reykjavik Energy (RE; in Icelandic Orkuveitan or Orkuveita Reykjavíkur) is the largest energy provider in Iceland, servicing around two-thirds of the Icelandic population with electricity and hot water for heating. Furthermore, RE provides potable water, operates sewerages, and an optical fibre network. RE's youngest subsidiary focuses on carbon capture and mineralisation. As Iceland's largest producer of geothermal energy and a utility company providing society's essential services, RE puts environmental and social issues at the forefront of its operations and has a clear commitment to continuous improvement in these matters.

Reykjavik Energy (RE) is responsible for the management of geothermal and water resources it utilises and is committed to ensuring that these resources are available in the present as well as for future generations, in line with the principles of Sustainable Development. RE is the parent company of the following subsidiaries: Veitur Utilities (Veitur), ON Power (Orka náttúrunnar), Reykjavík Fibre Network (Ljósleiðarinn), and Carbfix. Reykjavik Energy (RE) is a partnership of three municipalities: The City of Reykjavík (~93.5%), The Township of Akranes (~5.5%), and The Municipality of Borgarbyggð (~1%).

RE is a leading force in resource utilisation, climate actions, and energy transition in harmony with nature. Supporting growing communities, households, and industries with increased energy supply, utility operations, and carbon fixation, RE's commitment extends to being a strong voice in the discussion about effective policy and regulatory development.





Increased Supply and Sustainable Solutions

Capturing nature's energy is at the heart of RE's work. RE is a leader in innovation and is highly sought after for collaboration. RE works with its owners, other municipalities, households, and the business sector towards a sustainable future with mutual benefit as our guiding light. RE aims to create value for diverse customers and provide innovative and excellent service.

Success-Oriented Team and Sustainable Operations

RE's team is enthusiastic, agile, and diverse, contributing to efficient and reliable operations. Each individual's well-being, growth, and enthusiasm are closely connected to motivation and goals. We work purposefully towards the corporation's international competitiveness, developing and enhancing the knowledge and capabilities of employees who are entrusted with decision-making and influence.

Responsible Resource Utilisation

RE aims to maximise the lifetime of resources, minimising environmental impact and protect biological diversity and ecosystems. As a pioneer in the circular economy in energy and utility operations, RE strives for certified carbon neutrality by 2040 based on the best standards, with international implementation of Carbfix. RE's efforts include new value-added solutions for stakeholders towards a sustainable future, as well as evolving and innovating current solutions to maximise the lifespan of resources and enhance utilisation.

Efficient Utility System and Reliable Operation

RE ensures that our utility systems support infrastructure development, energy exchange, and sustainable development, providing profitable and economical high-speed connections. RE's operations are healthy and stable, returning acceptable dividends to owners, with strong risk management and clear responsibility, measurement, and follow-up on performance.





Forward-Thinking Leadership

RE is a flexible forward-thinking team that seizes opportunities and meets future challenges. RE supports the development of our employees' knowledge and skills in accordance with future needs, making data- and intuition-driven decisions that enhance efficiency and productivity.

RE's subsidiaries

ON Power produces renewable geothermal and hydroelectricity, servicing the national market, and geothermal heating that is delivered to homes and businesses in Reykjavik¹ by Veitur Utilities². ON Power operates two cogeneration geothermal power plants, the Hellisheidi plant (303 MWe and 200 MWth) and the Nesjavellir plant (120 MWe and 340 MWth)³, and one small hydropower plant (8 MWe). Both geothermal plants are located near Iceland's capital region of Reykjavik, to which they supply a large share (~50%)⁴ of the area's hot water demand. ON Power is further supporting the company's vision for a carbon-neutral future by being a leading company deploying electric (EV) charging infrastructure around the country.

Veitur Utilities distributes electricity and hot water for district heating, of which Veitur produces a considerable portion from its own geothermal low-temperature boreholes within Reykjavik proper and from various geothermal areas in southwest Iceland. Additionally, Veitur own and operate sewerage and potable water systems in Iceland's most densely populated areas in the southwestern region of Iceland, some of which are outside the

¹ The emissions from ON's power plants are low in comparison to fossil fuel powered plants (estimated to be 7.3 g CO_{2e}/kWh for electricity and 205.2g CO_{2e}/m³ for hot water).

² It is worth noting that Veitur additionally generates a sizable portion of its own hot water production for district heating through the utilization of a network low-temperature boreholes throughout and near Reykjavik

³ MWth refers to megawatts of thermal energy and MWe refers to megawatts of electricity.

⁴ Reykjavik Energy. RE Annual Report 2023. Reykjavik Energy. 2024. Accessed at:<https://annualreport2023.or.is>





capital area. Veitur Utilities also provides sustainable fresh water for drinking, and as an electric distributor plays a crucial role in building infrastructure for electrification of transport⁵.

Reykjavík Fibre Network installs infrastructure for optical fibre networks to households, businesses, and governmental entities. It operates the network in an open-access manner for communication companies, facilitating more use of network equipment. The Fibre Network is a critical driver in achieving digitalisation through the provision of fibre-optic infrastructure development in Iceland, significantly enhancing connectivity and technological advancement across the country.

Carbfix is a pioneer in developing a process of rapid underground mineralisation of CO₂. The name of the company is derived from the carbon capture and storage (CCS) method developed within a research project founded by Reykjavik Energy, the University of Iceland, CNRS in Toulouse and the Earth Institute at Columbia University. Carbfix provides a natural and permanent storage solution by mineralising CO₂ underground in less than two years.⁶

Carbfix was established as a subsidiary of Reykjavik Energy (RE) in late 2019 and began operations as a separate entity on January 1st, 2020. The company's mission is to become a key instrument in tackling the climate crisis by reaching one billion tons of permanently stored CO₂ (1 GtCO₂) as rapidly as possible. Since its inception, Carbfix has worked with ON Power to capture and permanently store CO₂ and H₂S from ON Power's geothermal plants. Furthermore, ON Power and Carbfix have partnered with the direct air capture company Climeworks and inaugurated Mammoth, the world's largest direct air capture plant at Hellisheidi, in May 2024.⁷

⁵ <https://www.veitur.is/en/distribution-system-electricity>

⁶ Gíslason, S. R., Sigurdardóttir, H., Aradóttir, E. S., & Oelkers, E. H. (2018). A brief history of CarbFix: Challenges and victories of the project's pilot phase. *Energy Procedia*, 146, 103-114.

⁷ <https://www.carbfix.com/worlds-largest-direct-air-capture-plant-commission>





Through the activities of the company's subsidiaries, RE has established a robust environmental purpose with supporting policies⁸ and management systems in accordance with international standards to ensure the company's continued leadership from a sustainability perspective. The effectiveness of the systems is regularly verified by audits by independent accredited bodies.⁹ RE has additionally played a leading role alongside the National Energy Authority in Iceland in developing the Geothermal Sustainability Assessment Protocol (GSAP), which will act as a global first assessment of this kind of geothermal energy production.¹⁰ Further, RE has developed a climate crisis action and adaptation plan for its operations, particularly for Veitur Utilities' sewerage and water works operations.¹¹ For the 2024 annual reporting cycle, RE aims to begin reporting following the requirements set out in the Corporate Sustainability Reporting Directive (CSRD).¹²

In 2000, RE became the first Icelandic company to issue a special Environmental Report, surpassing legal requirements by several years. Since 2015, an integrated Annual Report for the Group has been issued, currently in accordance with Nasdaq ESG reporting guidelines prioritised. The report additionally reports on matters related to UN Sustainable Development Goals (SDGs), of which RE has prioritised six of the seventeen. Environmental, social, and governance issues reported in the Annual Report are audited and signed by the Chief Executive Officer and Board of Directors.

Harnessing geothermal energy from high temperature fields results in some CO₂ emissions due to the chemical composition of the geothermal steam that stems from the cooling of magma in the

⁸ <https://www.or.is/en/about-or/organization-and-corporate-governance/corporate-strategy/>

⁹ <https://www.or.is/en/about-or/operations/standards-and-certification/>

¹⁰ https://www.or.is/documents/853/hellisheidi_geothermal_sustainability_assessment_protocol_final_report_2206201_fCcqj0T.pdf

¹¹ Reykjavik Energy. RE Annual Report 2023 – Climate issue supervision. Reykjavik Energy. 2024. Accessed at:

¹² https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en





Hengill volcano. However, the emissions are minimal compared to emissions from conventional power production, with the overall emission intensity of RE's energy production being 7.3 g CO₂/kWh. Additionally, approximately 99%¹³ of the energy used in RE's operations originates in renewable sources. Even so, one of RE's environmental priorities is to achieve net zero scope 1 and 2 emissions by 2030 and net zero scope 3 emissions by 2040.¹⁴

RE's climate goals¹⁵ align with the framework laid out by the Science Based Targets initiative.¹⁶ To confirm the accuracy and validity of RE's greenhouse gas (GHG) inventory, RE has obtained ISO 14064-1 certification, which has been validated by Bureau Veritas.¹⁷ To further address the life cycle impacts associated with RE's operations, RE has an ongoing dialogue with suppliers to aid in the development of the market to the point where Environmental Product Declarations (EPDs) can be requested from suppliers of key products in RE's supply chain (such as pipes, cables, generators, etc.). In 2021, RE began setting a criteria for such documents within those key product groups in tenders. Additionally, RE has incorporated environmental criteria in their standardised tender documents for contractors, such as rewarding tenderers for utilisation of climate-friendly machinery. In 2024, RE has incorporated and began utilising an internal carbon price for decision-making and tuning environmental criteria in tenders. The net proceeds from bond issuances under this Framework will assist RE to fund assets that align with that goal, and to supply our customers with sustainable energy and utility services.

¹³ Reykjavik Energy. RE Annual Report 2023. Reykjavik Energy. 2024. Accessed at:<https://annualreport2023.or.is/>

¹⁴ <https://orkuveitan.is/en/environment/climate-issues/reykjavik-energys-climate-account-and-climate-goals/>.

¹⁵ <https://orkuveitan.is/en/environment/climate-issues/reykjavik-energys-climate-account-and-climate-goals/>

¹⁶ <https://sciencebasedtargets.org/>

¹⁷ <https://orkuveitan.is/en/environment/climate-issues/reykjavik-energys-climate-account-and-climate-goals/>





Green Financing Framework 2024

This is the third iteration of the financing framework for Reykjavik Energy (RE). In 2019, RE published a Green Bond Framework that was then replaced in 2021 with green financing framework to allow issuance of more types of debt financing, not only limited to bonds but also commercial papers, and loans (together referred to as Green Instruments hereafter) to finance eligible assets.

From 2019 the green framework has been aligned with the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA). Furthermore, RE has also been aligned with Green Loan Principles (GLP) from the beginning (2019), where the company emphasise on transparency by following the core components, the use of proceeds, process for projects and selection, management of proceeds and reporting.

This iteration of the Green Financing Framework¹⁸ incorporates key sustainability features into RE's financing, such as the EU Taxonomy for sustainable activities and the European Green Bonds standard. RE intends that all Taxonomy-eligible projects within this financing framework shall be aligned with the EU Taxonomy. For eligible projects, RE commits to meeting all three elements of the EU Taxonomy including the Technical Screening Criteria (TSC), the Do No Significant Harm (DNSH) and minimum safeguards.

The Green Instruments can be issued by RE (the parent company) or individual subsidiaries and each instrument shall refer to this framework. This aligns with the shareholders' and the company's vision to further contribute towards sustainable development at a local and global level. By establishing this Green Financing Framework, RE offers investors the opportunity to support the transition to achieve net zero emissions and a climate-resilient

¹⁸ This Framework has been benchmarked to: the Green Bond Principles (2021), with June 2022 Appendix 1, Green Loan Principles (2023), Sustainability Bond Guidelines (2021), The Climate Bond Initiative Standard (v 3.0), and the EU Taxonomy.





future and allows them further insight into its sustainability strategy.

This Framework may be updated to comply with future changes to sustainable financing guidelines and taxonomies as well as to adhere to general sustainable financing market practices and/or changes in RE's own operation. Within the initial Green Bond Framework between 2019 and 2020, RE issued ISK 32.1 billion of green bonds, representing 69% of RE's total financing. Within the Green Financing Framework between 2021 and 2023, RE issued ISK 34.5 billion of green financing, representing 86% of RE's total financing during that period.

The allocation procedure will be a balance sheet approach, in which, due to RE's operation being directly or indirectly related to green activities (also referred to as 'Pure Play')¹⁹ i.e. supplying and distributing renewable geothermal electricity and heat, water, sewage services, carbon capture and storage, EV infrastructure installation, and sustainable telecommunication services through the installation of efficient fibre optic cables, it can be considered that all activities undertaken by the RE Group outside of the exclusion criteria can be financed using green instruments. Non-green assets, captured by RE's exclusion criteria, will not be funded with green instruments.

¹⁹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>





Use of Proceeds - Eligible Assets

Table 1: Eligible activities overview

Activity (ICMA Green Bond Category)	Electricity distribution (Renewable Energy)	Geothermal district heating (Renewable Energy)
Description of activity EU Taxonomy category (NACE)	<p>Projects directly associated with meeting electricity demand. These projects will typically arise from:</p> <p>Expansion, enhancement or maintenance of electric distribution system to meet increased electricity demand. This increase is due to the energy transition from fossil fuels to electric solutions in the transportation sector (e.g. vehicles or ships) and in industrial processes.</p> <p>Maintenance of network components that serve existing and future demand for electricity.</p> <p>The electricity grid in Iceland is predominantly powered by renewable sources. According to the latest publication by Iceland's Environmental Agency, the average emission factor of Iceland's electricity grid is calculated at 8.5 gCO₂/kWh, significantly below the EU's taxonomy threshold of 100 gCO₂/kWh.</p>	<p>Projects directly associated with meeting hot water demand. These projects will typically arise from:</p> <p>Increased production of low-temperature geothermal water used directly for space heating. This includes drilling of new wells and as well as the procurement and installation of new production equipment.</p> <p>Expansion or maintenance of district heating network components such as but not limited to pipes, pumps or hot water tanks.</p>
EU Taxonomy category (NACE)	4.9 (D35.12, D35.13)	4.22, 4.15 (D35.30, D35.30)
UN SDG's	SDG 7, SDG 9, SDG 13	SDG 7, SDG 9, SDG 13
Contribution to EU Environmental Objective	EU Environmental objective 1: Climate change Mitigation	EU Environmental objective 1: Climate change Mitigation
EU Taxonomy Technical Screening Criteria for substantial contribution (consolidated)	The project must demonstrate a substantial contribution to climate change mitigation by reducing greenhouse gas emissions or enhancing energy efficiency. Compliance with EU environmental standards and the emission threshold of 100 gCO ₂ /kWh is required.	The project must enhance the use of renewable geothermal energy for heating, demonstrating significant reductions in greenhouse gas emissions and adherence to EU environmental standards.



Activity (ICMA Green Bond Category)	Energy production (Renewable Energy)	Waste water collection and treatment (Sustainable water and wastewater management)
Description of activity EU Taxonomy category (NACE)	<p>EU Taxonomy aligned projects directly associated with production and sales of energy (both power production and combined heat and power production) from renewable energy sources emitting below 100 gCO₂/kWh. These projects will typically arise from:</p> <p>Expenses supporting the development, construction, operation, and maintenance of current energy production facilities, including geothermal power stations and hydropower plant.</p> <p>Increase the installed energy production capacity through construction and operation of new energy production facilities.</p> <p>The emission factor of ON Power's energy production in 2023 was 7.3 gCO₂/kWh, significantly below the EU's taxonomy threshold of 100 gCO₂/kWh.</p>	<p>Projects directly associated with Veitur Utilities' wastewater collection and treatment. These projects will typically arise from:</p> <p>Expenses supporting the development, construction, operation, and maintenance of infrastructure for the efficient collection and treatment of wastewater.</p> <p>Enhancing the reliability and sustainability of wastewater management through advanced treatment technologies and infrastructure upgrades.</p> <p>Contributing to environmental protection by reducing pollutants released into the environment, improving water quality, and ensuring compliance with regulatory standards.</p> <p>Promoting the circular economy by recovering resources, such as energy and nutrients, from treated wastewater for reuse.</p>
EU Taxonomy category (NACE)	4.18, 4.3, 4.4, 4.5, 4.6 (D35.11)	5.3 (E37.00)
UN SDG's	SDG 7, SDG 9, SDG 13	SDG 6, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14
Contribution to EU Environmental Objective	EU Environmental objective 1: Climate change Mitigation	EU Environmental objective 1: Climate change Mitigation
EU Taxonomy Technical Screening Criteria for substantial contribution (consolidated)	The project must be fully taxonomy-aligned and contribute to the increase in renewable energy production capacity and ensure that emissions remain below the threshold of 100 gCO ₂ /kWh, in line with EU standards.	The project must enhance the use of renewable geothermal energy for heating, demonstrating significant reductions in greenhouse gas emissions and adherence to EU environmental standards.



Activity (ICMA Green Bond Category)	Water supply (Sustainable water and wastewater management)	Carbon Capture and Storage (Pollution prevention and control)	Energy transition of RE's vehicle fleet (Clean transportation)
Description of activity EU Taxonomy category (NACE)	<p>Projects directly associated with Veitur Utilities' water supply network. These projects will typically arise from:</p> <p>Expenses supporting the development, construction, installation, and maintenance of infrastructure for the efficient delivery and management of water supply.</p> <p>Enhancing the reliability and sustainability of water supply through advanced monitoring systems and technology upgrades.</p> <p>Contributing to environmental sustainability by reducing water loss, improving water quality, and ensuring the resilience of the water supply network to meet current and future demand.</p>	<p>Projects directly associated with carbon capture and storage. These projects will typically arise from:</p> <p>Expenses supporting the development, construction, installation, and maintenance of projects to sequester and mineralize CO₂ and anthropogenic emissions.</p> <p>Emissions are either captured directly from the air or from industrial activities, such as geothermal power plants or other hard-to-abate sectors. Carbfix focuses on the sequestration of the captured CO₂.</p>	<p>Projects directly associated with the electrification of Reykjavik Energy's vehicle fleet. These projects will typically arise from:</p> <p>Expenses supporting the procurement, integration, and operation of emission-free vehicles within the company's transportation fleet.</p> <p>Enhancing operational efficiency and reducing the carbon footprint of Reykjavik Energy by transitioning from fossil-fuelled vehicles to emission-free alternatives.</p> <p>Contributing to sustainable practices by reducing emissions and promoting the use of clean energy solutions in the company's daily operations.</p>
EU Taxonomy category (NACE)	5.1 (E36.00)	5.12 (E39.00)	6.5 (H49)
UN SDG's	SDG 6, SDG 11, SDG 14	SDG 9, SDG 13	SDG 7, SDG 11, SDG 13
Contribution to EU Environmental Objective	EU Environmental objective 1: Climate change Mitigation	EU Environmental objective 1: Climate change Mitigation	EU Environmental objective 1: Climate change Mitigation
EU Taxonomy Technical Screening Criteria for substantial contribution (consolidated)	The project must demonstrate substantial contributions to climate mitigation by improving water efficiency and limiting electricity use for each supplied cubic meter of water.	The project must demonstrate a substantial contribution to climate mitigation by effectively capturing and sequestering CO ₂ emissions, ensuring compliance with EU standards for carbon capture and storage.	The project must contribute to climate mitigation by reducing emissions through the adoption of emission-free vehicles, ensuring compliance with EU clean transportation standards.



Activity (ICMA Green Bond Category)	Charging stations (Clean transportation)	Optic fibre network (Energy efficiency)
Description of activity EU Taxonomy category (NACE)	<p>Projects directly associated with the installation and operation of ON Power’s charging station infrastructure. These projects will typically arise from:</p> <p>Expenses supporting the development, construction, installation, and maintenance of home charging stations, public charging stations, and rapid charging stations for electric vehicles.</p> <p>Enhancing accessibility and convenience for electric vehicle users through a robust network of charging options, supporting the transition from fossil fuels to electric solutions.</p> <p>Contributing to the reduction of carbon emissions by facilitating the widespread adoption of electric vehicles with reliable and efficient charging infrastructure.</p>	<p>Projects directly associated with the development, installation, expansion, and maintenance of optical fibre networks. These projects will typically arise from:</p> <p>Installation of New Fibre Optic Cables: Laying down new optical fibre cables to expand network reach in urban, suburban, and rural areas, including trenching, ducting, and cabling activities.</p> <p>Upgrading Existing Networks: Replacing old copper networks with new fibre optic cables to improve data transmission efficiency and reduce energy consumption.</p>
EU Taxonomy category (NACE)	6.15 (F42.11)	Not covered by EU Taxonomy (61.90)
UN SDG’s	SDG 7, SDG 9, SDG 13	SDG 7, SDG 9, SDG 12,, SDG 13,
Contribution to EU Environmental Objective	EU Environmental objective 1: Climate change Mitigation	EU Environmental objective 1: Climate change Mitigation
EU Taxonomy Technical Screening Criteria for substantial contribution (consolidated)	The project must support climate mitigation by facilitating the use of zero emission vehicles through extensive charging infrastructure, ensuring compliance with EU standards for clean transportation.	No technical screening criteria are in place for this sector.



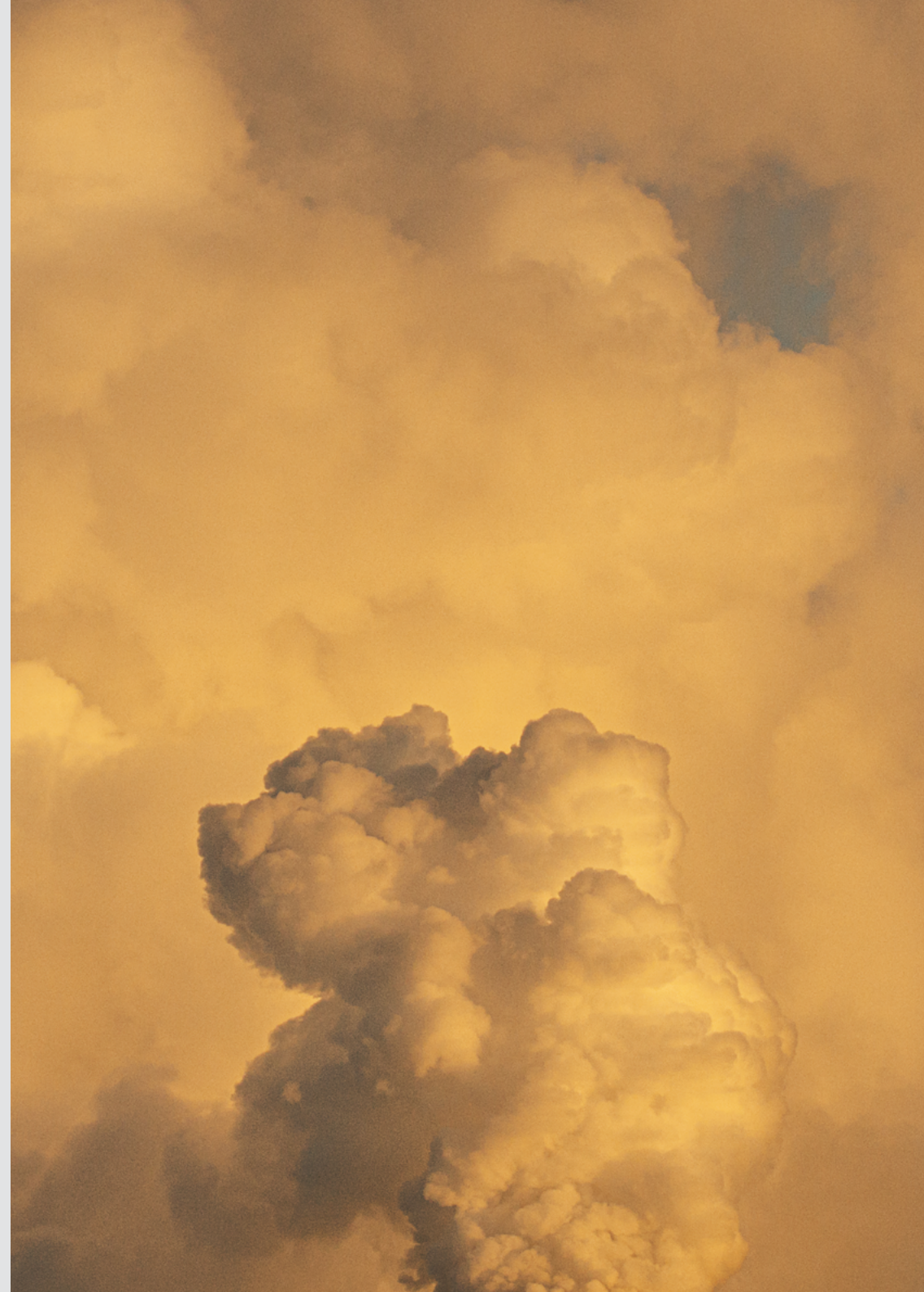
An amount equal to the net proceeds of the Green Instruments will be used to finance or refinance investments and expenditures, in whole or in part, for Eligible Assets. Table 1 shows the Eligible Green Assets on RE's balance sheet per subsidiary related to the core operations of each subsidiary and the associated subsidiary's alignment with Green Bond Principles/EU taxonomy activity categories. These activity categories explain its qualification as a green company, which can be taken with a balanced sheet approach. While these asset categories reflect the core operations of each subsidiary, with the interrelation of their respective operations, each subsidiary can utilise all asset categories listed here as part of the parent company, RE.

Net proceeds can finance both existing and new Eligible Expenditures. New financing refers to expenditures disbursed to activities and/or assets initiated in the same year as financing has taken place, or later. Refinancing refers to activities initiated in the previous calendar year or earlier. Net proceeds will not be placed in assets, projects, or in entities related to the following activities focused on fossil energy generation or use, nuclear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling, or tobacco.

Governance: evaluation and selection

Following the Pure Play approach,²⁰ all projects and assets undertaken and invested in by Reykjavik Energy (RE) are considered green (except for those captured by the exclusion criteria). RE will therefore maintain a green registry of green assets

²⁰ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>





on the balance sheet categorized by the Green Bond Principles project categories to allow for impact reporting.

RE's CEO is responsible for sustainability in the company's general operations. RE's Executive Management Committee (Committee) will be responsible for reviewing the Sustainability Registry and validating and categorising the Assets listed in it. Evaluation and selection of Eligible Green Assets will be overseen by the Sustainability and Environmental department and the Finance department. All Eligible Green Assets are subject to robust environmental impact assessment processes.

In evaluating and selecting Eligible Assets and allocating Green Financing, the Sustainability and Environmental department and the Finance department will also consider aspects such as human and labour rights and the avoidance of significant harm to the other environmental objectives as defined in the EU Taxonomy, international and local environmental and social standards, and with local laws and regulations to the greatest extent possible.

Management of proceeds

RE intends to fully allocate the proceeds from any financing within 36 months of the date of funding. RE strives to achieve a level of allocation of the fair market value for the Eligible Green Asset Portfolio, which matches or exceeds the balance of net proceeds from its outstanding instruments. Unallocated net proceeds may temporarily be placed in cash, cash equivalents, or other liquid marketable instruments.

Reporting & Transparency

RE will provide an Annual Allocation and Impact Report to its investors and other stakeholders as a part of its Annual Report until net proceeds are fully allocated.





In the Annual Allocation and Impact Reports, the allocation of financing to Eligible Assets will be categorized by project categories in order to maintain consistency and measure the impact indicators. The report will be publicly available. The reporting will be conducted in line with best market practice and international guidelines and protocols²¹ at an aggregated level and on a portfolio basis and will include at least the below information:

- Summary of financing activities
- Allocation between subsidiaries
- Types of financing instruments
- Balance of unallocated proceeds
- New vs. refinancing ratio
- Activity category allocation
- An example list of projects financed

This will include impact indicators for each asset category. As well as a detailed and transparent description of methodologies behind impact calculation.

External parties

A pre-issuance independent external second-party opinion has been obtained on this Framework from S&P Global Ratings, which is publicly available. RE will have an independent external party to provide limited assurance of its allocation and impact report.

²¹ This may include alignment with: E.U. Green Bond Standard developments, Multilateral Development Banks's Proposal for a harmonized framework for impact reporting on Renewable Energy/Energy Efficiency projects (2015), International Capital Markets Association's Handbook on Harmonized Framework for Impact Reporting (2020) and Nordic public sector green bond issuers' Position Paper on Green Bonds Impact Reporting (2020).

Table 2: Indicators for the impact report for each financed category

Asset	Indicators
Electricity distribution (Renewable Energy)	Meters of electricity infrastructure newly installed/maintained
Geothermal district heating (Renewable Energy)	Estimated avoided GHG emissions (tons CO _{2e}) per year Meters of hot water piping infrastructure newly installed/maintained
Energy production (Renewable Energy)	Estimated avoided GHG emissions (tons CO _{2e}) per year. Annual electricity and thermal energy produced by renewable energy per year
Wastewater collection and treatment (Sustainable water and wastewater management)	Meters of wastewater piping infrastructure newly installed/maintained
Water supply (Sustainable water and wastewater management)	Meters of water piping infrastructure newly installed/maintained
Carbon Capture and Storage (Pollution prevention and control)	Amount of CO ₂ sequestered Amount of H ₂ S sequestered
Energy transition of RE's vehicle fleet (Clean transportation)	Number of new zero-emissions vehicles
Charging stations (Clean transportation)	Number of new charging connections installed
Optic fibre network (Energy efficiency)	Number of new homes connected Meters of fibre optic cables placed



www.orkuveitan.is