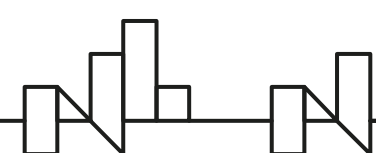


ESG compliance in Norway

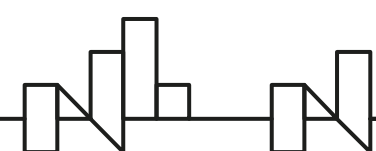
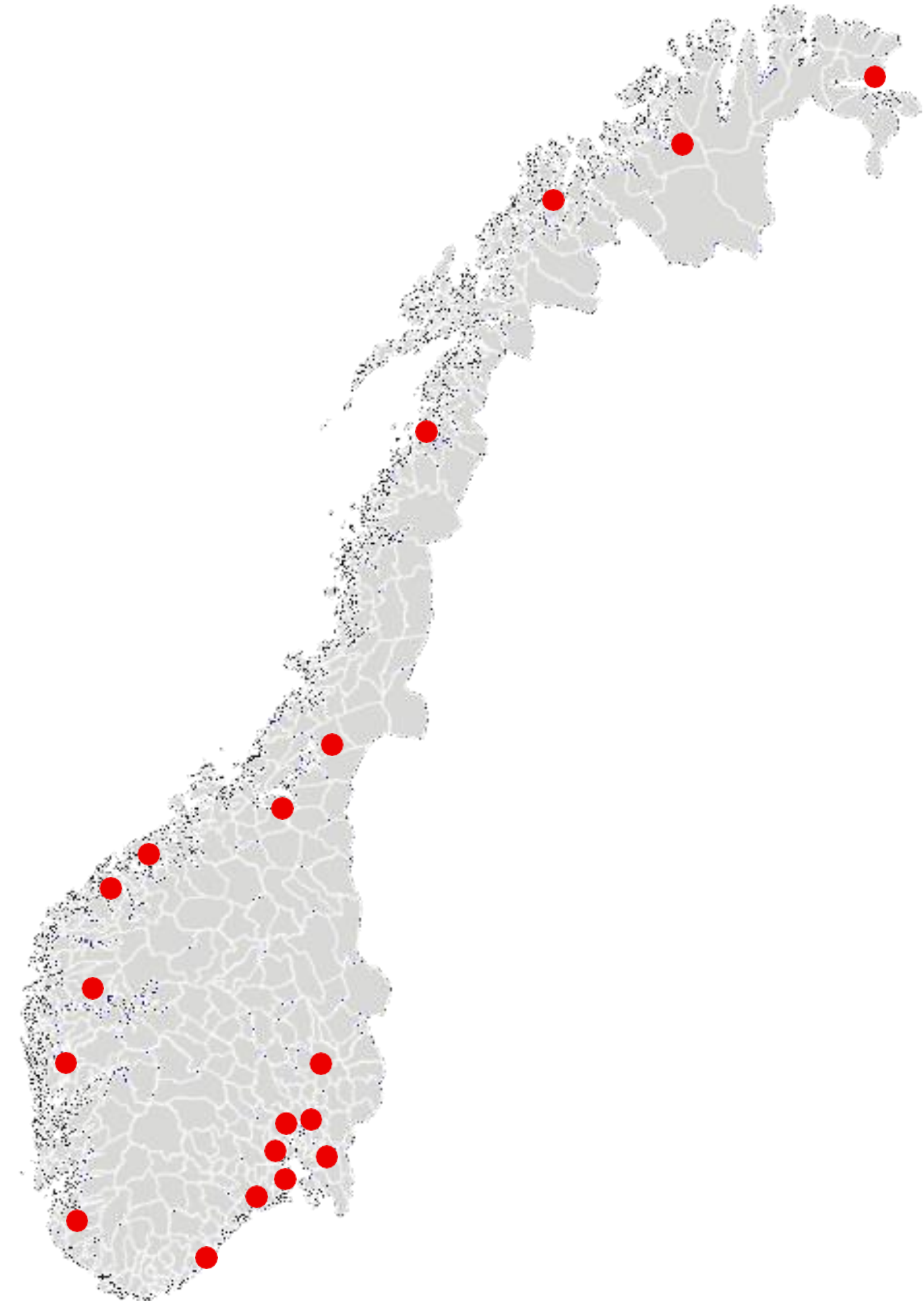
Magnar Ødelien ,
Programme Director EEA/Norway Grants

Innovation Norway's mission is to be the National and the Regional Governments' policy instrument for value-creating business development across Norway



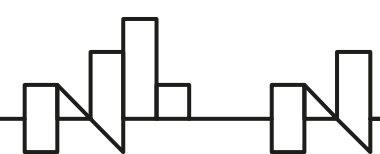
We have offices throughout the country

- Agder - Grimstad
- Innlandet - Brumunddal
- Møre og Romsdal - Molde
- Møre og Romsdal – Ålesund
- Nordland - Bodø
- Oslo Viken – Drammen
- Oslo Viken – Oslo
- Oslo Viken - Sarpsborg
- Rogaland - Stavanger
- Troms og Finnmark – Alta
- Troms og Finnmark - Tromsø
- Troms og Finnmark - Vadsø
- Trøndelag - Steinkjer Trøndelag – Trondheim
- Vekst- og gründersenteret - Førde
- Vestfold og Telemark – Porsgrunn
- Vestland - Bergen
- Vestland - Sogndal

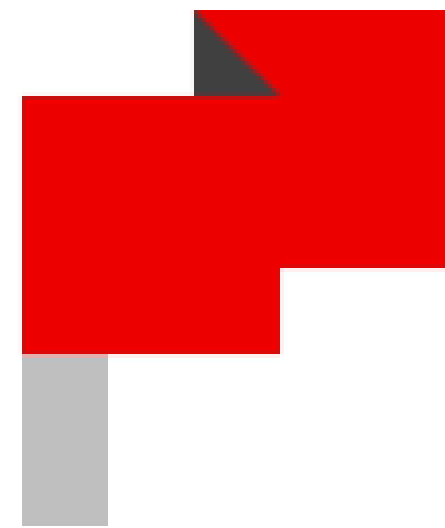


We have offices throughout the country

- Belgium
- Brazil
- Bulgaria
- Canada
- United Arab Emirates
- France
- Greece
- India
- Italy
- Japan
- Kenya
- China - Beijing
- China - Shanghai
- Croatia
- Romania
- Singapore
- Spain
- Great Britain
- Sweden
- South Korea
- Germany - Hamburg
- Germany - Munich
- USA - Houston
- USA - New York
- USA - San Francisco
- USA – Washington, DC
- Vietnam



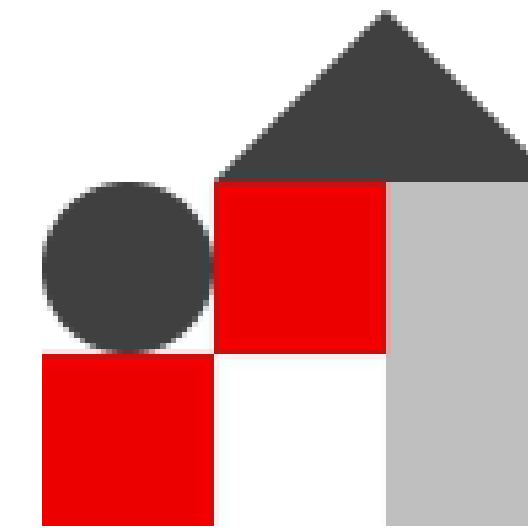
Our sub-goals



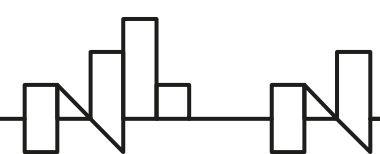
More successful entrepreneurs



More enterprises with a capacity
for growth



More innovative business clusters

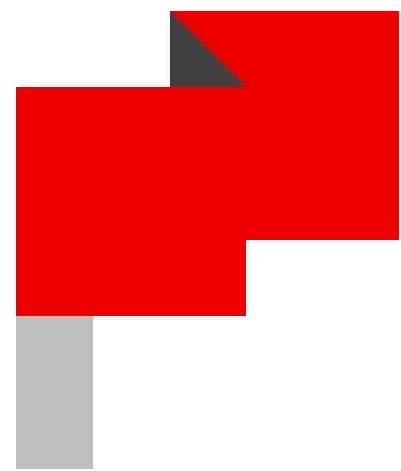


What we do

From an idea to something

From something to much more

From something to something else



Start-up

For entrepreneurs and intrapreneurs with innovative ideas



Scale-up

For innovative growth companies and established companies with ambitions for growth



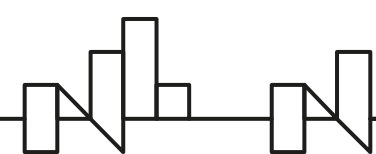
Internationalise

For companies with ambitions for international growth

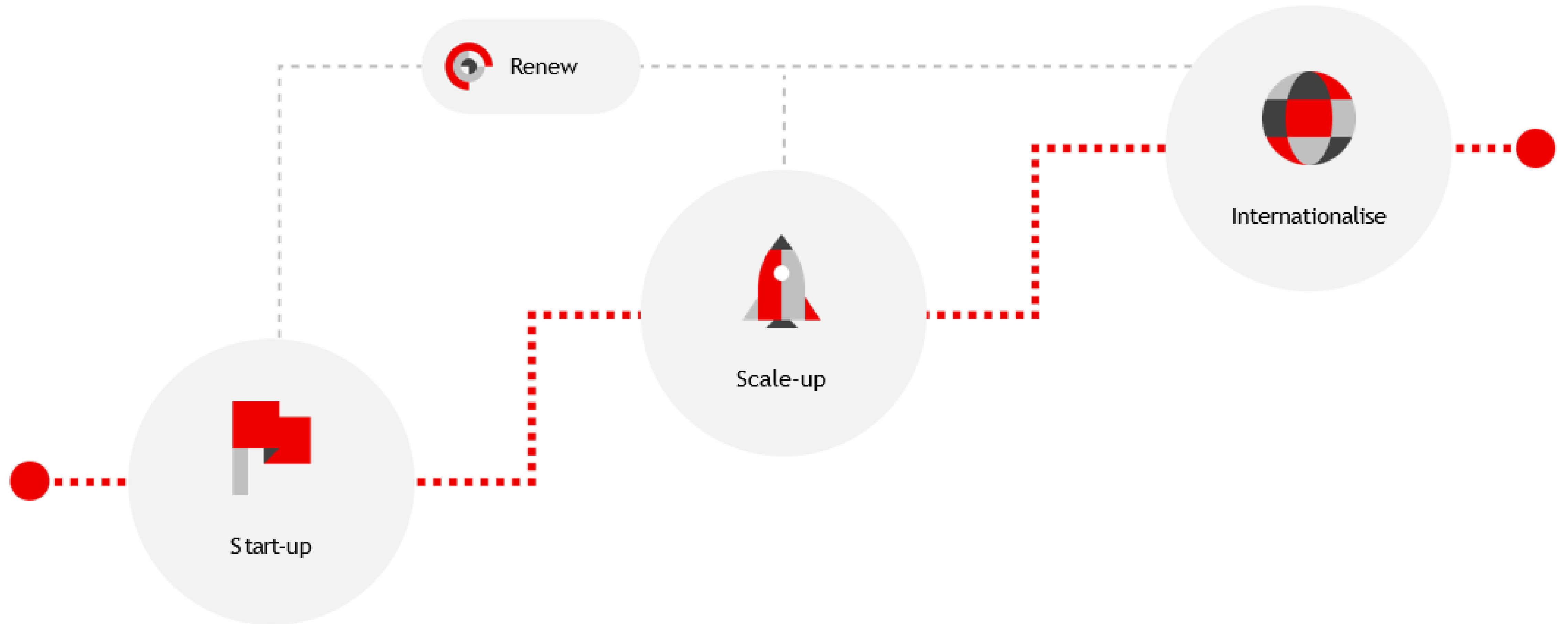


Renew

For established companies with a need for change



We follow the customers step by step

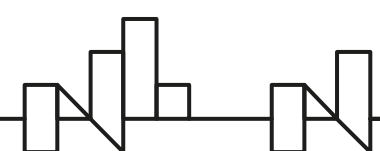


ESG framework

1

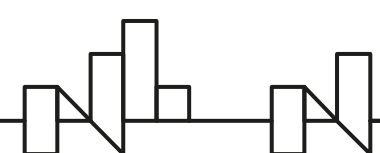
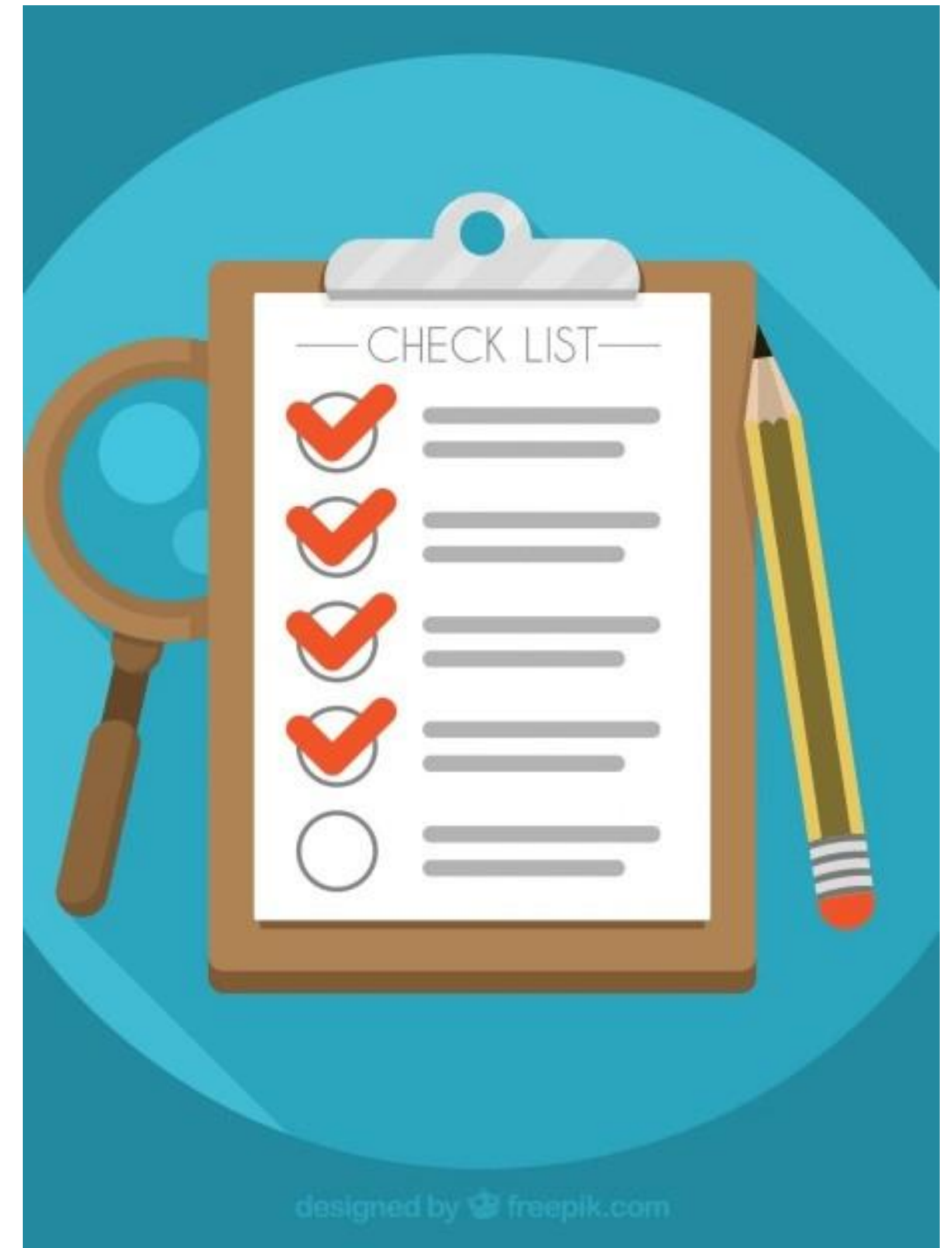
The policy framework for the application of ESG (environmental, social, governance)-reporting

1. The European Green Deal
 - addressing climate change, environmental sustainability and social responsibility
2. EU's Sustainable Finance Action Plan
 - Aims at redirecting investments towards sustainable activities
3. Fit for 55
 - Emissions reduction
 - Renewable energy
 - Social implications



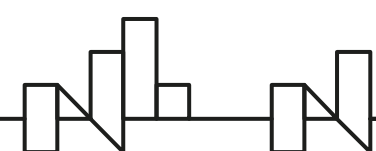
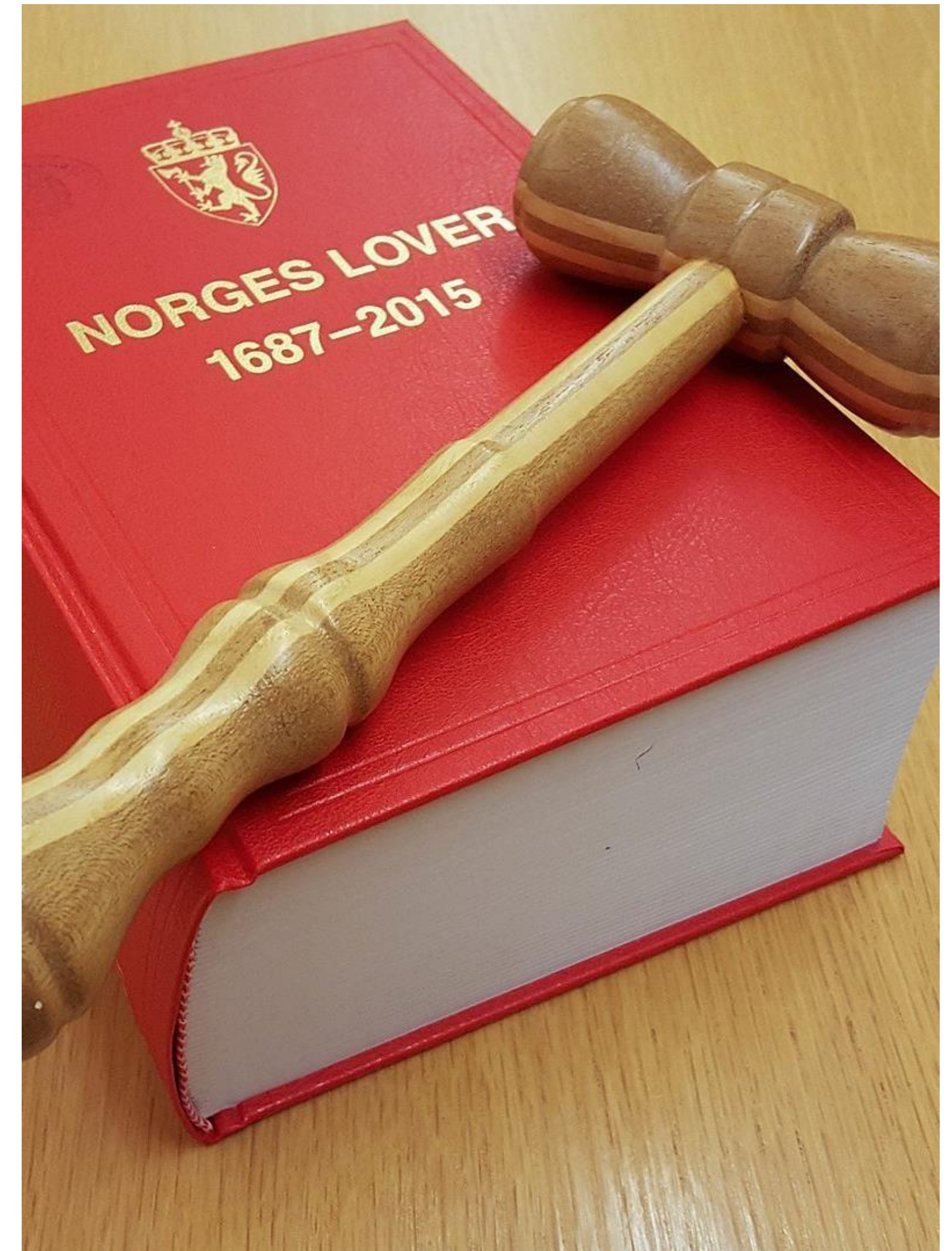
EU legislation

- The Corporate Sustainability Reporting Directive
- European Sustainability Reporting Standards
 - General requirements
 - Environmental (5 standards)
 - Social (4 standards)
 - Governance (1 standard)
- Climate Benchmark Regulation
- Taxonomy Regulation



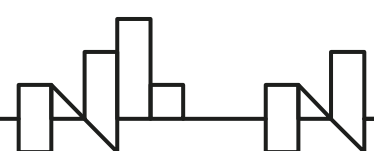
Norway – The Transparency Act

- In force from 1 July 2022
- Purpose: promote respect for human rights and decent work conditions in companies
- Applicable to larger companies
 - Revenues > NOK 70 million
 - balance sheet > NOK 35 million
 - Number of employees > 50
- Annual report
 - operations and guidelines
 - information about impacts and risks
 - implemented measures and plans
- -Right to information



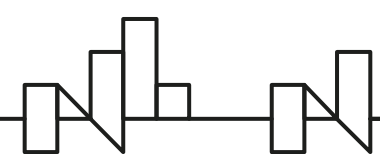
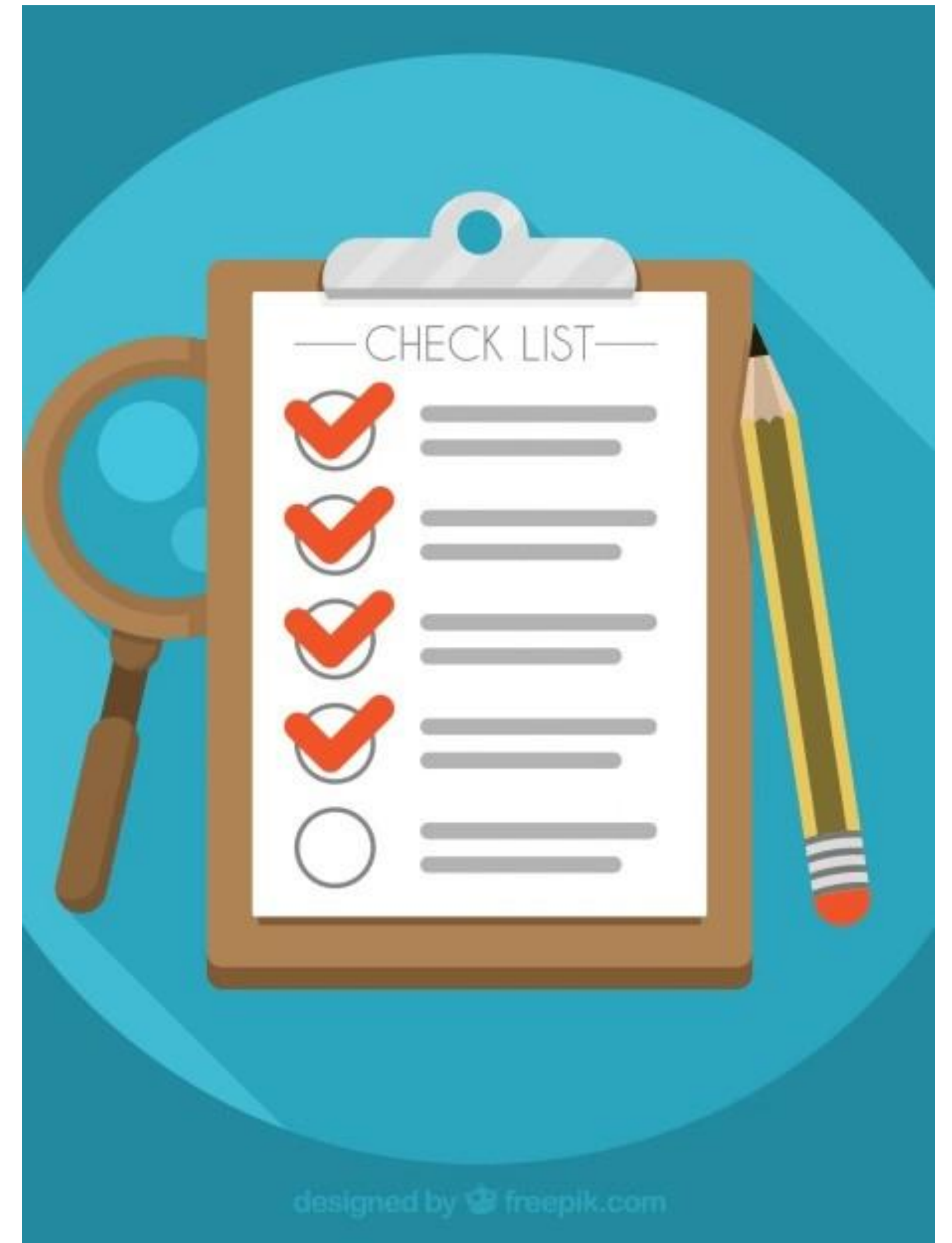
What is the purpose of ESG?

- **Environmental:** To show the company's care
- **Social:** To show the company's attitude to its employees, suppliers, customers and the communities
- **Governance:** To show the company's management, audits, internal controls and shareholders rights



Possible benefits of ESG reporting ?

- Improves transparency
- Boosts reputation
- Give competitive advantage
- Attracts investors and lenders
- Increases customer loyalty
- Sustainable operations
- Risk mitigation

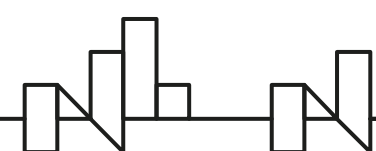
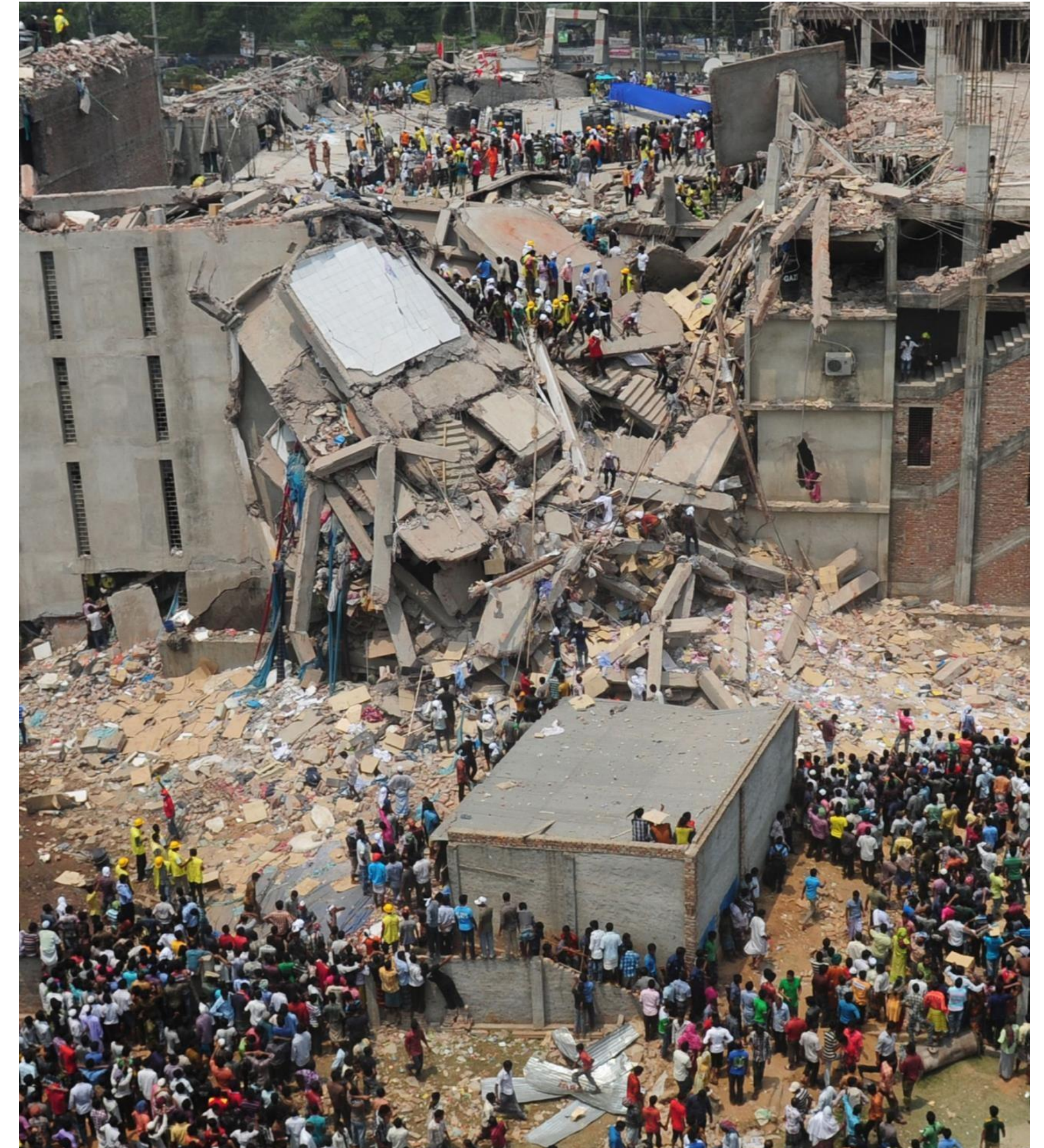


Practical application in Innovation Norway

2

Evaluating Potential Investments

- Why are we concerned with sustainability and corporate responsibility?
- Do you consider the sustainability impact of potential investments?
- Are there industries or sectors that are automatically excluded from consideration? What are the deal- breakers?



Sustainability - Strategic Goals for 2025

- **Sustainability throughout**

Innovation Norway is recognized for addressing sustainability throughout all of its activities

- **Differentiated services**

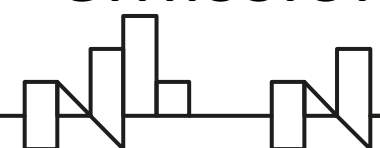
Innovation Norway offers differentiated services and conditions for sustainable projects

- **Reduced sustainability Risk**

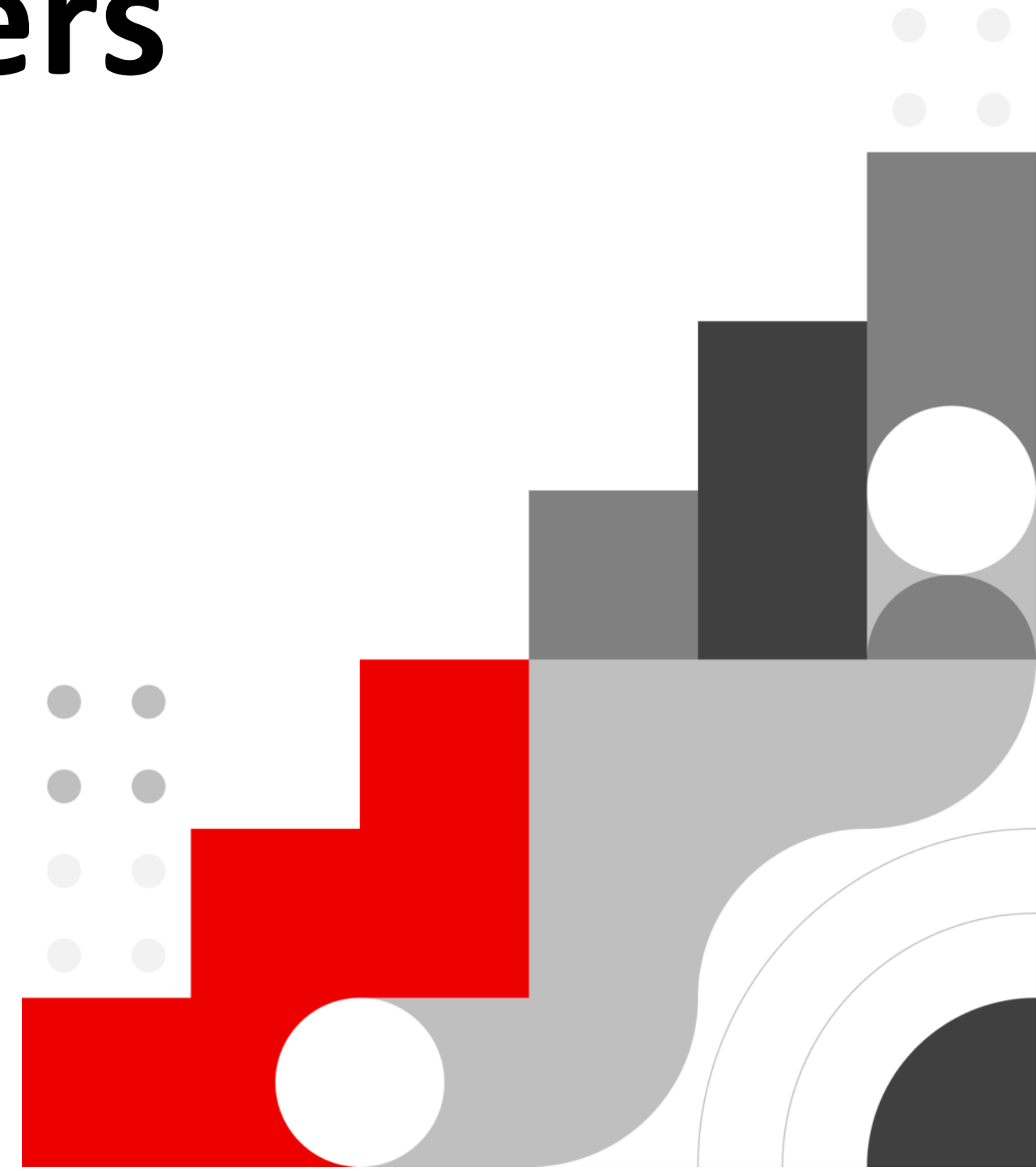
Innovation Norway has systems for assessing sustainability risk in financing and advisory activities

- **Documented effects**

Innovation Norway is able to document how its efforts contribute to a low-emission society

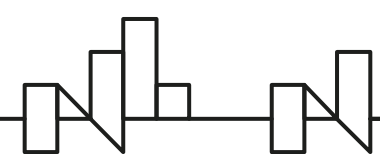


Minimum requirements to our customers and partners



Sulnnovation Norway's requirements to customers, suppliers and partners

1. Work in accordance with international recognized standards for corporate responsibility
2. Perform due diligence assessments of their business and handle potential risk through appropriate internal control systems and guidelines.



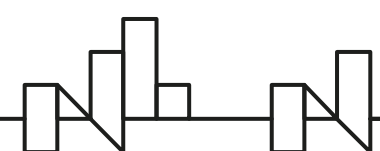
Principles of corporate responsibility

1. Avoid harm/damage

Businesses must avoid contributing to:

- Corruption
- Violation of human rights
- Poor working conditions
- Harmful impact on consumers, local communities and the environment

.....both within their own operations and through business relationships.

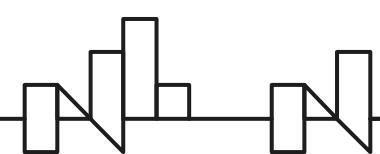


Principles of corporate responsibility

2. Responsible approach

Businesses shall have a responsible approach to the principles of good business practice through:

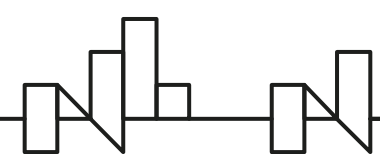
- Conducting due diligence assessments
- Stakeholder engagement
- Best practice in relevant sector



Continuous improvement

To be eligible for services from Innovation Norway, it is expected that businesses use relevant global standards and best practice as a basis, as well as implementing measures for continuous improvement.

This does not mean that everything has to be perfect, but that the customer demonstrates the will and ability to make improvements in line with relevant principles and guidelines.



Exclusion criteria

Innovation Norway shall not support projects with an unacceptable high sustainability risk, including the risk of negative impact on people, society or the environment.

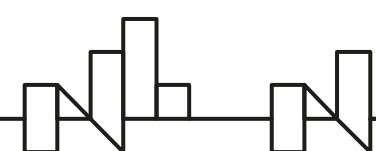
Not support companies where there is an unacceptable risk of:

- Serious or systematic violations of human rights, such as murder, torture, detention, forced labor, and the worst forms of child labor.
- Serious violations of individual rights in situations of war or conflict.
- Severe environmental damage.
- Actions or omissions that, on an aggregated company level, lead to an unacceptable level of greenhouse gas emissions.
- Gross corruption.
- Other, particularly gross, violations of fundamental ethical norms.

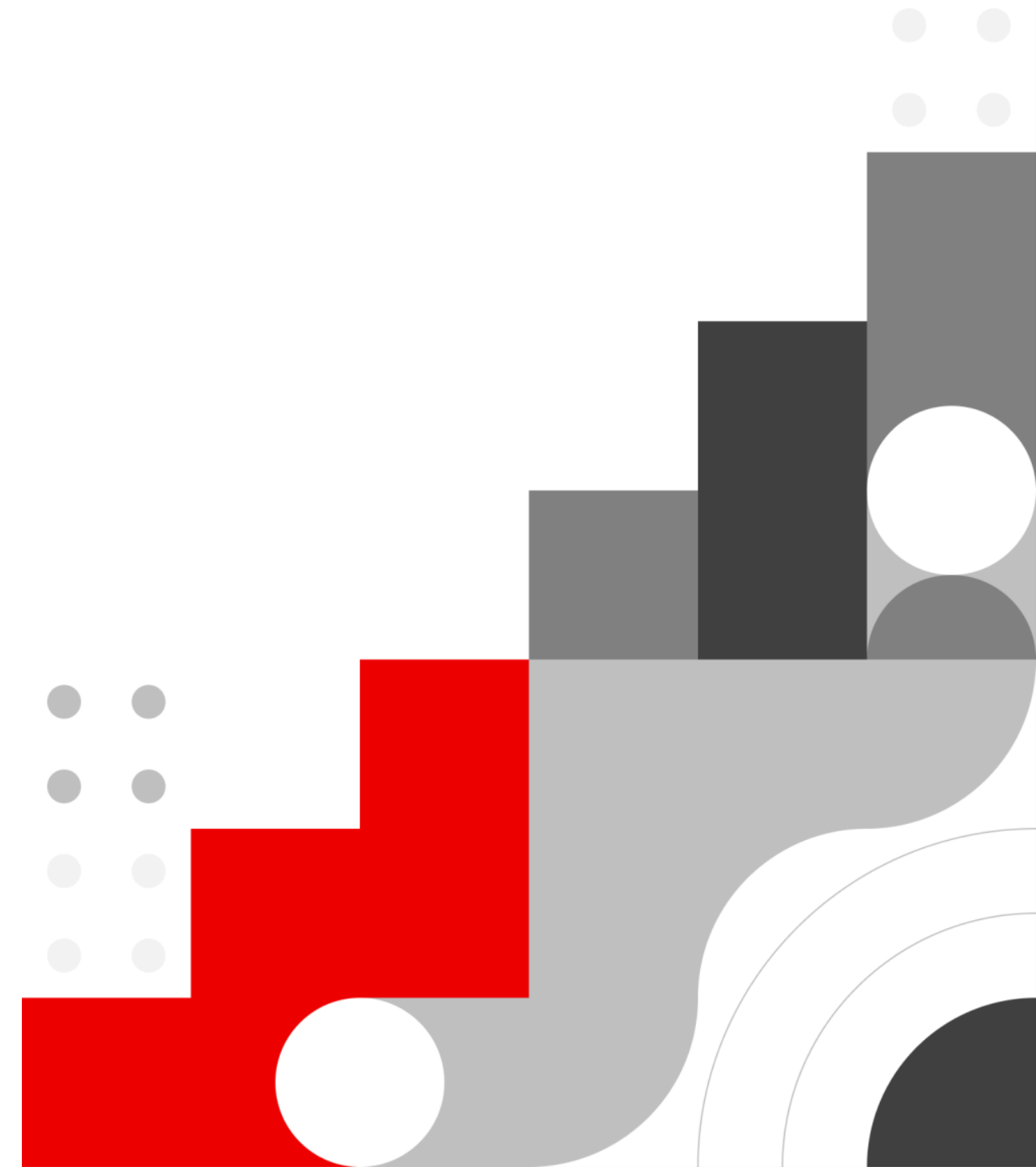
Exclude entirely:

- Tobacco.
- Controversial weapons.
- Extraction of coal and oil sands.
- Coal-based power production.
- Gambling.
- Palm oil.

Revenue of over 5% from the mentioned activities provides grounds for rejection.



Sustainability/ESG Assessments



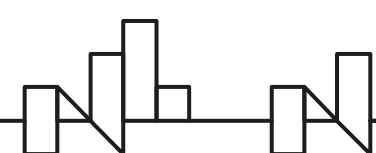
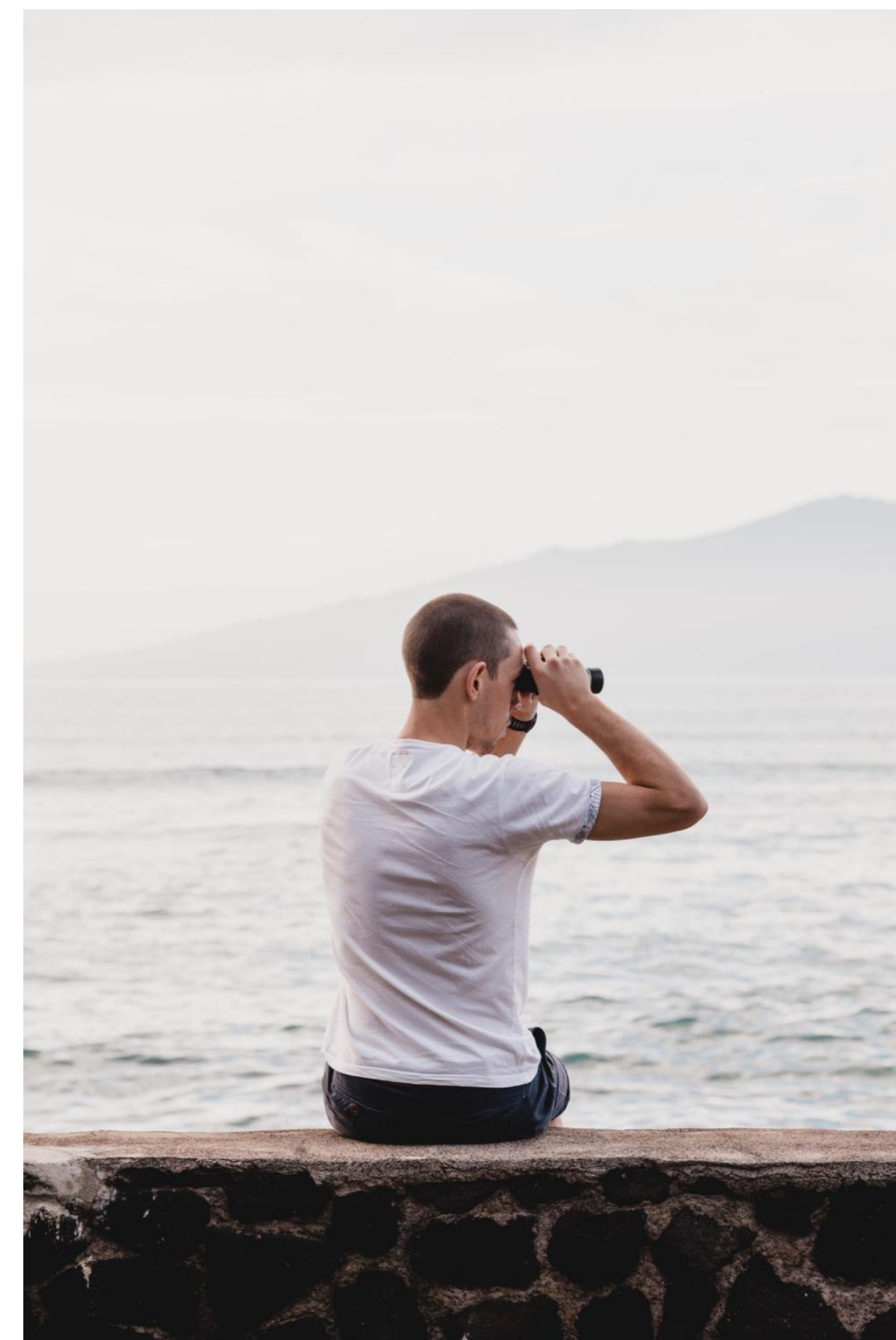
Sustainability risk (ESG): What is it?

Innovation Norway shall not support projects with an unacceptable high sustainability risk, including the risk of negative impact on people, society or the environment.

Environmental, Social or Governance-related events or circumstances that may have an actual or possible significant negative impact on the company should they occur.

Sustainability risk is a collective term for:

- ESG – Environment, Social, Governance
- Corporate Responsibility (CR)
- Good Business Practice
- Climate risk
- Nature risk
- «Do No Significant Harm»
- Minimum Social Safeguards





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