



# SUSTAINABILITY REPORT 2022

 <p>LEVEL 1</p>	 <p>Nordic Sustainability Reporting Standard</p>
<p>SUSTAINABLE DEVELOPMENT  GOALS</p>	



### Our vision

**We accelerate the global transition towards a clean energy future**

### Our mission

**We design, build, finance, operate and maintain high quality renewable energy powerplants that creates financial, social and environmental values in selected markets**

### Our Values



**Agility**



**Interaction**



**Enthusiasm**



**Integrity**

#### Front page photo

Intake Hovlandsåna, Myklebostad  
Project 10040 Flatland  
Photo: Alexandru Titi Georgescu

## Tinfos' CEO on sustainability

**2022 has been marked with unprecedented international events in modern European history. The war in Ukraine has so far caused unbelievable human sufferings and enormous damages to infrastructure. The events have caused tremors in global energy markets and to commerce, and last, but not least, a blow to the public sense of safety and security. Not to be lost in the middle of this situation, is our aim towards a better world outlined by the sustainable development goals of the United Nations. The consequences of the climate crises are ever so clearer starting to make impact on peoples' lives, reminding us of the importance of our efforts to continue to contribute to the global transition towards a clean energy future.**

The renewable energy from hydropower replaces the need for non-renewable and less sustainable energy sources. It provides significant environmental and climate benefits. We recognize however that this alone does not mean that building and operating renewable powerplants comes without risks to nature, environment, and communities.



*Øyvind Frydenberg, CEO, Tinfos AS*

During the last year we have seen examples of increasing tension and sometimes conflict arising between businesses, governing authorities and the public when the obvious need to establish new renewable energy plants collide with the interests of local people, environmental organizations or nature. Even though the overall targets to reduce our climate impact are commonly shared, these

kinds of tensions underline the importance of maintaining a broad perspective on sustainability when establishing powerplants and related infrastructure when new renewable energy production is required.

In the process of planning and construction of new hydro powerplants it is required that we maintain a sound and regular dialogue with our stakeholders. By making our best efforts to listen to, and understand, our stakeholders' concerns in local communities we can avoid or mitigate colliding interests, ensuring continued support of establishing renewable hydropower in a broader perspective.

We believe that renewable energy from hydropower should be and must be sustainable. When Tinfos operates in international markets such as Indonesia and in North Macedonia, we need to identify and assess risks of adverse impacts on both environment and communities. The management of such risks is an important part in all our project phases from development and planning to construction and operation.

Reducing climate impact on a global basis requires that more renewable energy is made available to replace and avoid carbon-based energy sources. This goal cannot be met without a sustainable approach when building new renewable powerplants.

*Øyvind Frydenberg  
CEO, Tinfos AS*



Trillingvatn Dam maintenance project  
Photo: Borgar Johnsen

## Our climate commitment

We are always committed to our main task of building and operating hydropower facilities that produce renewable energy contributing to a cleaner energy future.

During the last year Tinfos has fulfilled our climate commitment for 2022 by dedicating financial and human resources to establish effective tools and methodology suitable for monitoring sources of GHG emissions generated directly by our project activities.

We are already reaping results from this effort and aim to use the results to establish specific requirements to our suppliers in future projects, reducing our overall carbon footprint from hydro powerplant construction activities.

Baseline year: 2021 – Target year: 2023



*Tunnel, Flateland project  
Photo: Alexandru Titi Georgescu*

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We have included the information related to Communication on Progress (COP) report which is our annual disclosure to our stakeholders on progress made in implementing the ten principles of the UN Global Compact and information relevant to the Norwegian Transparency Act that came into effect 1 July 2022.

### Comments to this report?

Contact:

Name, title: Asgeir Drugli, CSO

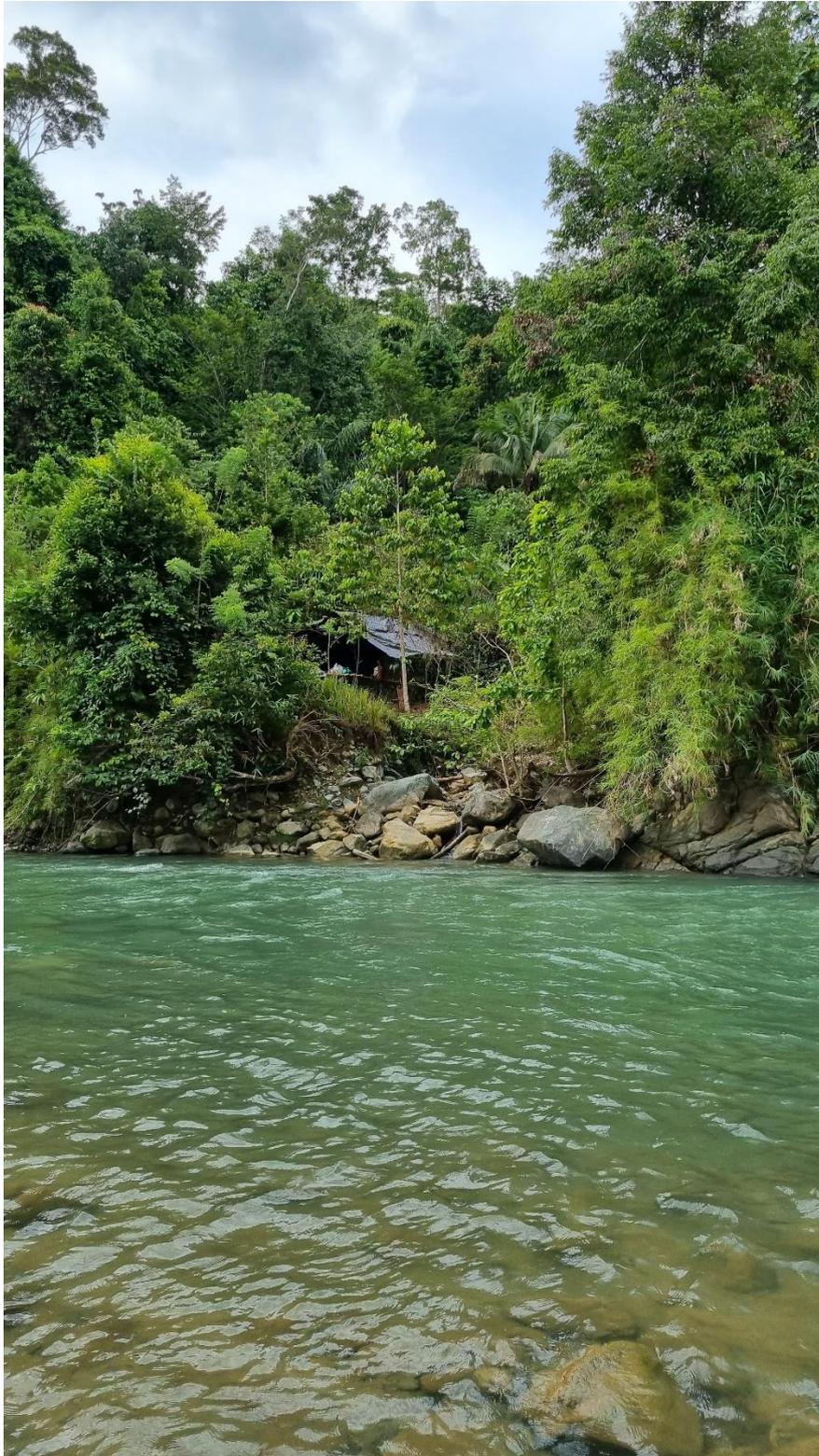
Phone: +47 450 21 003

Email: [asgeir.drugli@tinfos.no](mailto:asgeir.drugli@tinfos.no)

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Sulawesi, Indonesia  
Photo: Fred kanton

## ABOUT THIS REPORT

Report period: **Calendar year 2022**

By publishing our report on sustainability, we hope that our transparent reporting to our stakeholders provides useful information about our sustainability and ESG effort and impact.

Tinfos AS is a medium-sized Norwegian company with 30 employees as pr. 31.12.2022. In addition, Tinfos owns the company PT Tinfos Hydropower Solutions in Indonesia, which employs 7 persons as pr. 31.12.2022. This report collects and reports data relevant for our main office in Notodden, our branch offices in Rosendal and Lysaker, Norway and from our office in Jakarta, Indonesia.

We are leaning on supportive documents of the Nordic Sustainability Reporting Standard (NSRS), and the NSRS Implementation Manual for Level 1 reporting, when making this report.

Our material input-, energy- and GHG-emission data have been collected and processed in our digital CEMAsys sustainability and ESG management system.

In addition, we have utilized the results from our stakeholder identification process and Material Assessment conducted by an independent third-party consultant.

Finally, we have included information related to Communication on Progress (COP) report which is our annual disclosure to our stakeholders on progress made in implementing the ten principles of the UN Global Compact in our company in the areas of human rights, labor, environment and anti-corruption.

Sustainability and ESG is important to us, and our main economic activities are related to construction and operation of new hydropower facilities, as well as to production of renewable electric power. This means that our field of business contributes directly to climate change mitigation, and several of our

stakeholders expect us to report on sustainability parameters.

During 2022 Tinfos has established tools, processes and procedures providing us with the ability to effectively collect and analyze data related to GHG emissions. Data presented in this report is a result of these tools and efforts made in our hydro powerplant construction projects and in our hydro powerplant operation and maintenance activities.

Our power plants Tinfos I and II and our head office are centrally located by the Tinnelva river in Notodden, in Tinfos' cultural environment. Ever since Tinfos was established in 1894, we have stayed in the area – and left our mark on it. Now, modern business and lifestyle are combined with culture and tradition. The area is an important part of UNESCO's Rjukan – Notodden World Heritage Site. For the first time, and in accordance with our goals, we have this year prepared a section in the sustainability report covering cultural heritage issues, where we refer to our obligations and engagement in activities to maintain Tinfos as an attractive place to learn from, and to discover, for visitors and locals.

The Covid 19 pandemic made its mark also in 2022. Collected data, particularly related to GHG emissions originating from travels are also this year expected to be somewhat lower than usual, as travels in general, and international aircraft travels in particular, were postponed or cancelled the first part of the year. In any case the GHG emissions from travel activities are minor compared to the emissions originating from hydro powerplant construction activities.

We recommend reading Tinfos Annual Report 2022 (Financial) and our Health, Safety and Environment Annual Report 2022 in addition to this sustainability report to establish a complete picture of our sustainability status and ESG progress. All reports are available online on our webpages.

## WHO WE ARE

<b>Company name:</b> Tinfos <b>Organisational form:</b> AS <b>Organisational number:</b> 916 763 476	<b>Number of employees:</b> Tinfos AS, Norway: <b>30</b> PT THS, Indonesia: <b>7</b>
<p style="text-align: center;"><b>NACE Code</b>  <i>Activities classified after NACE macro-sector codes</i></p> <p><b>D35.1.1</b> – Production of electricity  <b>D35.1.4</b> – Trade of electricity  <b>F42.2.2</b> – Construction of utility projects for electricity</p>	

Figure 1 - Who we are

## What we do

Tinfos is a technology company that develops, builds, sells, and operates hydropower plants. We also produce and trade renewable energy from our own hydroelectric power facilities.

The company's vision has been adopted by the Board of Directors:

***We accelerate the global transition towards a clean energy future***

The company's mission is to design, build, finance, operate and maintain high-quality hydropower plants that create economic, social and environmental values in the markets we operate.

## Our key suppliers



Figure 2 - Our key suppliers

## Our key stakeholders

In cooperation with a third-party independent consulting company we have made a stakeholder assessment for Tinfos. Stakeholders have been identified for all segments of the value chain.

Our key stakeholders are:



Figure 3 - Our stakeholders

Our stakeholders are crucial to our company and business in many ways. From different perspectives they provide us with feedback and advice. They define Tinfos and our activities in the market and community as they interact with our business on a wide range of multiple areas and topics.

Some stakeholders provide the very framework of sustainability requirements that we are committed to uphold. Others represent access to markets and business opportunities. Our actions reflect on us from stakeholders impacted by our activities. Their feedback is important to us as they continuously provide us with new knowledge and experience.

How we communicate and interact with our stakeholders is of essence to us. We aim to reflect our own enthusiasm in what we do, our desire to succeed at our business and our sincere commitment to sustainability and social responsibility.

In our webpages and our in our intranet we aim to reach out in a transparent way by making relevant reports, objectives and governing documents transparent and available to our employees, our stakeholders and to the public.

## HOW WE OPERATE

### Our core values

Our ambition is to make sustainable hydropower profitable for our customers and stakeholders. We always aim to deliver the best technology suited for each specific task supported by our market knowledge and business understanding.

Our core values are **agility, interaction, enthusiasm** and **integrity**.

Our Corporate Governance Policy is available to our stakeholders and to the public on our webpages.

### Management structure 2022

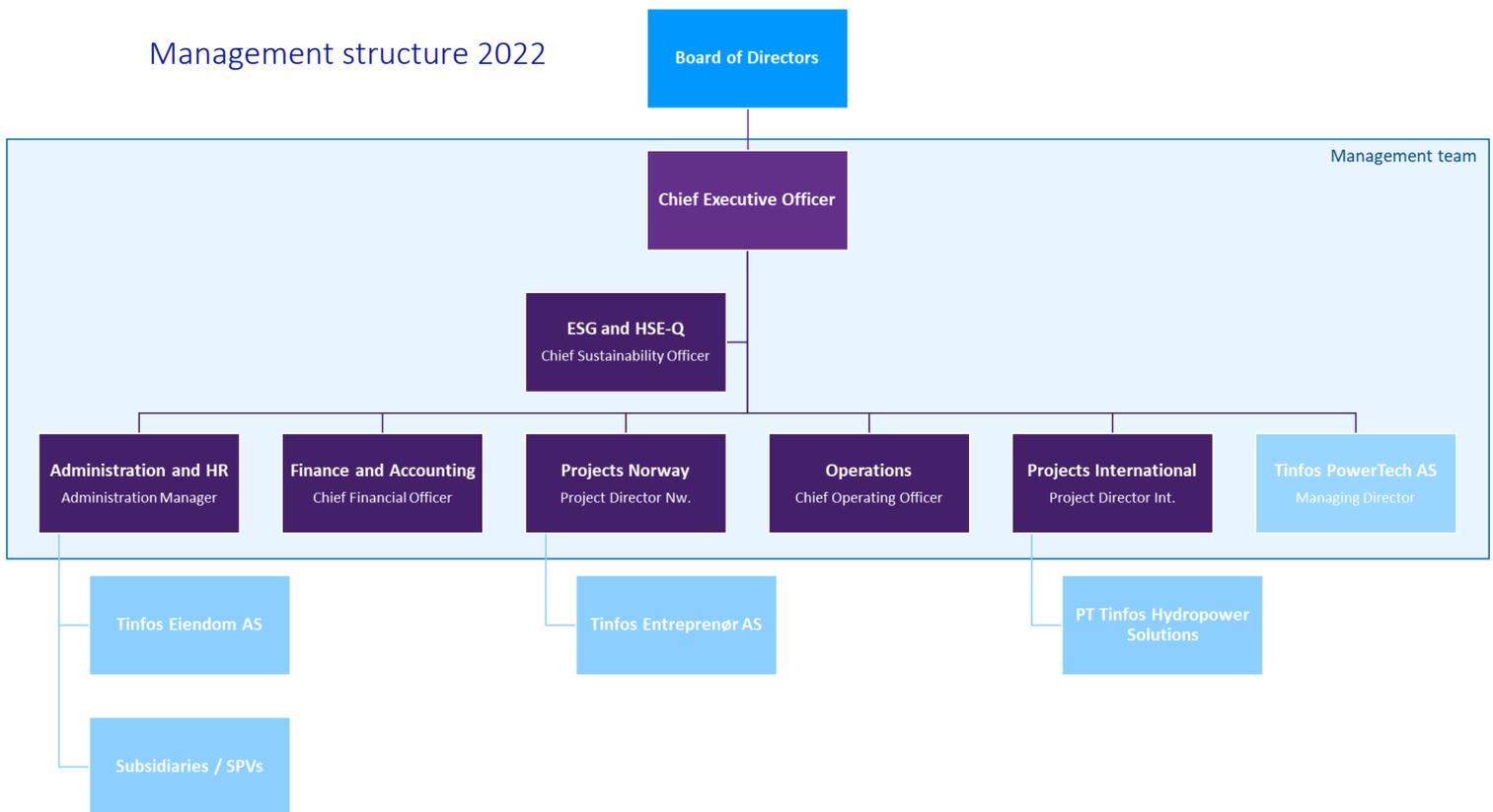


Figure 4 - Tinfos organization 31.12.2022

### How we govern sustainability



### Corporate governance and business integrity

Our Corporate Governance Policy is disclosed to our stakeholders on our webpages. Together with our Code of Conduct the governance policy establishes a clear and transparent framework on how Tinfos maintain business integrity.

The Norwegian Corporate Governance Board (NUES) has published the "Norwegian Code of Practice for Corporate Governance", which provides principles and guidelines that help clarify the responsibilities and authority of larger companies. In essence, these companies are listed on regulated markets in Norway. The purpose of the Code of Practice is for such companies to have corporate governance that clarifies the division of roles between shareholders, the board of directors and daily management beyond what follows from the legislation.

Tinfos is not listed on regulated markets. Nevertheless, several of the recommendations suit Tinfos and the company's corporate form and ownership. Therefore, the Board of Directors of Tinfos has chosen to follow suitable recommendations by including them in the company's corporate governance policy.

The *Corporate governance policy* for Tinfos is made available on the Tinfos website.

### Integrated reporting

Tinfos includes non-financial disclosures in our financial report that is also relevant for the sustainability report as shown below. Other relevant sustainability data is available in Xledger (our accountancy system), but not included in our regular financial report e.g. business travel data.

Integrated disclosures	Data available	Units
Energy Production from Tinfos hydropower assets		GWh
Energy Production from Tinfos SPVs		GWh
Energy consumption by Tinfos properties and assets		GWh
Number of employees		number
Employee gender representation		%
Employee leave rate		%
Non-Conformance reporting		number
Accidents and injuries		number
Water reservoir capacity rate		%
Electric power pricing rate		EUR/MWh
Currency exchange rate		EUR/NOK
	Fuel consumption	liters
	Staff transportation	km and vehicle types
	Waste generation	tons

Table 1 - Integrated reporting

### Circular business model

Not Applicable for Tinfos activities according to the EU Taxonomy criteria.

### ECONOMIC PERFORMANCE

Our economic and financial performance can be reviewed in our Annual Report in our webpages.



## OUR CLIMATE IMPACT

Our vision is to accelerate the global transition towards a clean energy future. That means steering our efforts towards the areas where we can contribute the most – that is, where our climate impact is greatest. For Tinfos this means following our mission; to design, build, finance, operate and maintain high quality renewable energy powerplants producing electric power from clean and sustainable hydropower, replacing non-renewable and less sustainable energy sources.

We recognize that our activities when building and operating hydropower plants represent sources of climate gas emissions. Therefore, it is important for us to monitor and analyze data retrieved directly from the construction projects and operational activities.

Up till 2021, no monitoring of input materials, waste generation, energy consumption or GHG emissions

was made in our projects. In close cooperation with our client and our key suppliers, we started monitoring relevant data in in our projects 2021. During 2022 we have established tools, processes and procedures providing us with the ability to effectively collect and analyze data related to GHG emissions from all our projects.

Data is being collected, and the impact data are presented in this report. We are in process of making a baseline for our climate impact, as well as establishing project specific carbon footprints.

We aim to use the data to make climate impact assessments, identify and make qualified priorities of relevant actions and if applicable; create more specific climate targets for future project activities and operations.



Photo: Truls Skeie, Power station area, Buvasselve project

## Materials input



According to the report “*Global Resources Outlook 2019*”, prepared by the UN International Resource Panel the extraction and processing of materials, fuels and food contribute half of total global greenhouse gas emissions.

At Tinfos we have developed our improvement targets as initial activities first to investigate our climate footprint caused by products we buy when we build and operate powerplants, and secondly to investigate whether there exists a potential of selecting other products to reduce the climate footprint from our material input.

During 2022 Tinfos has reach our objective to establish more effective and clear processes to collect relevant input materials data in all our hydro powerplant construction projects.

During the last year we have identified main input materials and we have retrieved data from our project activities that brings us closer to our aim to establish relevant specific requirements to our suppliers and entrepreneurs that may contribute to lower GHG footprint from our hydro powerplant construction projects.

### Input material to Tinfos activities

The input material consumption in 2021 was for Tinfos nearly negligible due to low project activity. In 2022 our collected data of consumption in our construction projects indicates a much higher level of hydro powerplant construction activities in our ongoing projects at Flateland and Buvasselva.

The data collected is reflecting regular use of explosives only, as material inputs on other construction elements such as concrete/cement, electromechanical equipment, rebar, wood, GRP- and steel water pipes are reported in the year of project completion.

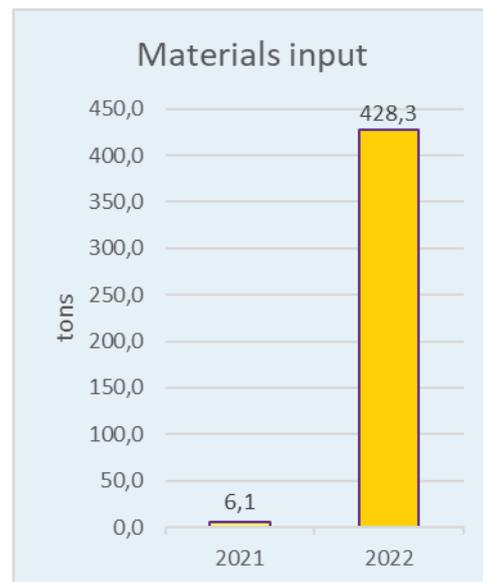


Figure 5 - Materials input

Input material streams related to operation and maintenance activities on Tinfos powerplants are negligible, and in 2022 only grease was reported as a significant figure.

HPP CONSTRUCTION PROJECTS	Input [tonnes]	Renewable [tonnes]	Non-renewable [tonnes]	Source
<b>Material description</b>				
Concrete/Cement*	428	0	428	ESG report 12 2022, Flateland SHP ESG report 12 2022, Buvasselva SHP
Explosives				
Steel el/mech components*				
Rebar*				
Wood*				
GRP pipe*				
Steel pipe*				
<b>SubTotal:</b>	<b>428</b>	<b>0</b>	<b>428</b>	

OPERATION & MAINTENANCE	Input [tonnes]	Renewable [tonnes]	Non-renewable [tonnes]	Source
<b>Material description</b>				
Mobilgrease XHP 222	0,25		0,25	Supplier invoices
<b>SubTotal:</b>	<b>0,25</b>	<b>0</b>	<b>0,25</b>	

Tinfos AS	Input [tonnes]	Renewable [tonnes]	Non-renewable [tonnes]
<b>Material description</b>			
<b>Total input material flow:</b>	<b>428,25</b>	<b>0</b>	<b>428,25</b>

\*) Figures are reported in project year of completion. No projects were completed in 2022.

Table 2 - Input materials

Note: Office/administrative-related materials is not monitored as they are not material to Tinfos main activities.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2024

## Material input

	Not started	Ongoing	Achieved
Identify and monitor key-input material flow in construction projects			○
Identify material product scope 3 climate footprint		○	○
Establish requirements for material input in RFQs and supplier contracts		○	
Identify and monitor key-input material flow for production of electricity + O&M		○	
Identify lower emissions options if applicable	○		
Set specific targets for reducing climate footprint from input material	○		

Acchieved 2022: ○

Table 3 - Improvement Targets, Material Input

### Methology retrieving material data

Input materials data for *hydropower plant construction projects* is reported regularly, usually each month, by main construction entrepreneurs to the Tinfos project manager. The data is retrieved and systematized in a monthly aggregated ESG report to the client from our digital ESG register. Input materials such as cement, electromechanical components, rebar, wood and pipes are reported at project completion, and not regularly.

Input materials data for *hydropower plant operation & maintenance* is reported by the plant manager at Tinfos powerplants I and II, owned by Tinfos, and is retrieved and systematized by CSO at Tinfos.

### Data quality

Even if processes and procedures have been established for construction projects, key entrepreneurs may fail to register weight of input materials or may be forced to make estimated values for some data. Even though this represents an uncertainty related to the data collection, Tinfos will over time get the overview needed to identify key input materials to set more specific targets for reducing climate footprint from input material.

### Waste generated by our activities

Tinfos 2022  
Total waste generated:  
**33,4 tons**

In our projects, main entrepreneurs and suppliers handle waste according to specific waste management plans as an element in their HSE-plan for the project. Tinfos establishes project specific procedures for the entrepreneur listing requirements for monitoring and reporting defined ESG-parameters during the project construction phase. This includes waste in multiple categories as listed in the tables below.

Waste data for operational activities related to power production and operation/maintenance has been collected from financial filings.

We started monitoring waste in 2021, and the data retrieved is still too scarce to establish relevant specific targets for waste reduction.



Figure 6 - Waste output

Construction waste categories Reference: SSB statistics	Industrial waste by composition, metric tons (t)				Total waste generated	
	HPP CONSTRUCTION PROJECT		OPERATION AND MAINTENANCE			Tinfos AS
	Waste directed to disposal	Waste diverted from disposal	Waste directed to disposal	Waste diverted from disposal		
Bricks and concrete					0	
Polluted bricks and concrete					0	
Asphalt					0	
Wood waste			0,46		0,46	
Metals			2,05		2,05	
Gypsum					0	
Mixed waste			0,52		0,52	
Paper and cardboard					0	
Plastics					0	
Glass					0	
EE-waste			0,68		0,68	
Other Waste			29,7		29,7	
<b>SUBTOTAL:</b>	<b>0</b>	<b>0</b>	<b>33,41</b>	<b>0</b>	<b>33,41</b>	

Table 4 - Industrial waste / Construction waste

Hazardous waste by composition, metric tons (t)					
Hazardous waste categories Reference: NS 9431	HPP CONSTRUCTION PROJECT		OPERATION AND MAINTENANCE		Tinfos AS
	Waste directed to disposal	Waste diverted from disposal	Waste directed to disposal	Waste diverted from disposal	Total waste generated
Waste oil					0
Fossile fuel					0
Paint and solvents					0
Waste containing heavy metals					0
Poison and Petisides					0
Cleaners and bases/acids					0
Reactive waste					0
Gas and pressurized containers					0
Organic waste					0
Other hazardous waste					0
Explosive waste					0
Radioactive waste					0
Contagious waste					0
<b>SUBTOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL waste generated:</b>	<b>0,00</b>	<b>0,00</b>	<b>33,41</b>	<b>0,00</b>	<b>33,41</b>

Table 5 - Hazardous waste

**IMPROVEMENT TARGETS**

Baseline year: 2021 - Target year: 2024

**Waste**

	Not started	Ongoing	Achieved
Identify waste categories and establish a process for monitoring output waste			○
Establish method for calculating emission footprint	○		○
Review waste management plan for operation, maintenance and electric power production. Update if required.	○	○	
Assess waste output and identify potential for reducing climate footprint from waste	○		
Set specific targets for reducing climate footprint from waste - if applicable	○		

Achieved 2022: ○

Table 6 - Improvement targets, Waste

**Method used to retrieve waste data**

Waste data for *hydropower plant construction projects* is reported regularly, usually each month, by main construction entrepreneurs to the Tinfos project manager. The data is based on waste output, retrieved and systematized in a monthly aggregated ESG report to the client by Tinfos.

Waste data for *hydropower plant operation & maintenance* is reported by the plant manager at Tinfos powerplants I and II, owned by Tinfos, and is retrieved and systematized by CSO at Tinfos. In addition, waste data based on output is retrieved from financial filing of payments and invoices from known waste-collecting companies used by Tinfos.

Waste reports for 2022 detailing waste delivered by Tinfos directly to the local waste disposal site has been collected from IRMAT, the main waste-management company in Notodden.

**Uncertainties about the waste data quality**

We calculate our waste data based on reports on waste output from our suppliers in our projects. We believe that there is a relatively high degree of estimated values reported by our entrepreneurs, indicating that more specific requirements are needed to reduce uncertainties.

Collected data from our operation and maintenance activities provides us with a relative high degree of data accuracy.

## Energy input and production

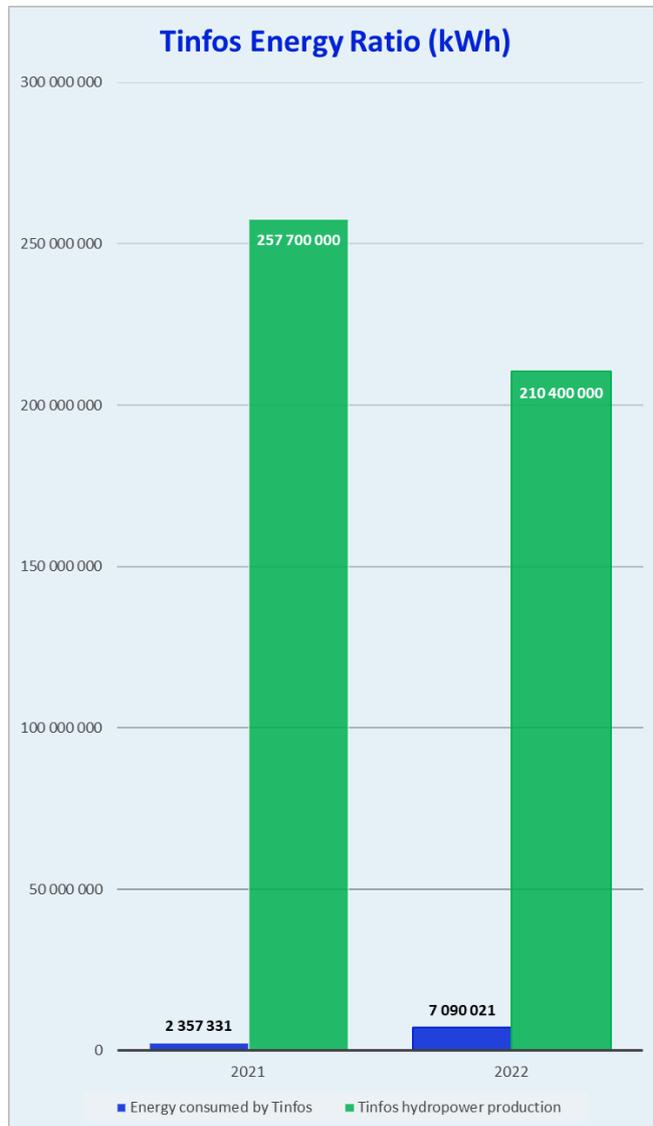
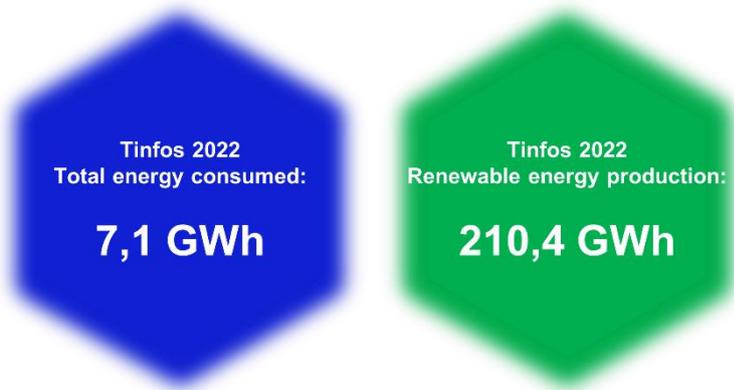


Figure 7 - Tinfos energy ratio

**Tinfos Energy Ratio 2022 (kWh)**

In 2022 Tinfos imported and used approximately 3.4% of energy compared to the amount of hydropower energy produced and exported by the company owned hydropower plants.

The total energy consumption at Tinfos was 7.1 GWh, an increase from 2021 (2,4 GWh) due to more project activities in 2022. At Notodden (N), the company owned hydropower plants Tinfos I and II produced 190.5 GWh while the hydropower plants Kobbhom/Valvatn in Finnmark (N) produced 19.9 GWh. A total of 210.4 GWh of renewable energy supplied.

**Future targets**  
Total energy consumption:

	Target	Realized
2022:	5.0 GWh	7,1 GWh
2023:	7,5* GWh	
2024:	7,5* GWh	

\* Increase relative to 2022 is expected due to increased project activities the next couple of years.

**Future Targets**  
Electricity production at Tinfos owned hydropower plants:

	Target	Realized
2022:	200,8 GWh	210,4 GWh
2023:	268,7 GWh	
2024:	264,8 GWh	

Energy consumed by Tinfos activities and assets			
Energy consumed by source/location	Total (kWh)	Renewable (kWh)	Non-Renewable (kWh)
Tinfos Assets, electricity	1 597 978	1 550 039	479 393
Tinfos SPVs, electricity	0	0	0
Tinfos branch offices, electricity	118 800	38 544	80 256
Business travel, Private Car - Diesel	18 679	0	18 679
Business travel, Private Car - Petrol	1 790	0	1 790
Business travel, Private Car- Hybrid	3 295	0	3 295
Business travel, Private Car - Electric	946	917	28
Company Cars, diesel	60 449	0	60 449
Construction projects, energy mix	4 856 630	1 397 188	3 459 442
Tinfos Group Assets and offices	1 716 778	1 588 583	559 649
Construction project activities	4 856 630	1 397 188	3 459 442
Other activities	85 159	917	84 241
<b>TOTAL Tinfos (kWh)</b>	<b>7 090 021</b>	<b>2 986 688</b>	<b>4 103 333</b>
<b>TOTAL Tinfos (%)</b>	<b>100 %</b>	<b>42 %</b>	<b>58 %</b>

Energy produced by Tinfos hydropower plants			
Energy produced by source/location	Total (kWh)	Renewable (kWh)	Non-Renewable (kWh)
Tinfos I/II	190 500 000	190 500 000	
Kobbhom/Valvatn	19 900 000	19 900 000	
<b>TOTAL Tinfos (kWh)</b>	<b>210 400 000</b>	<b>210 400 000</b>	<b>0</b>
<b>TOTAL Tinfos (%)</b>	<b>100 %</b>	<b>100 %</b>	<b>0 %</b>

Table 7 – Energy use and production by source, 2022

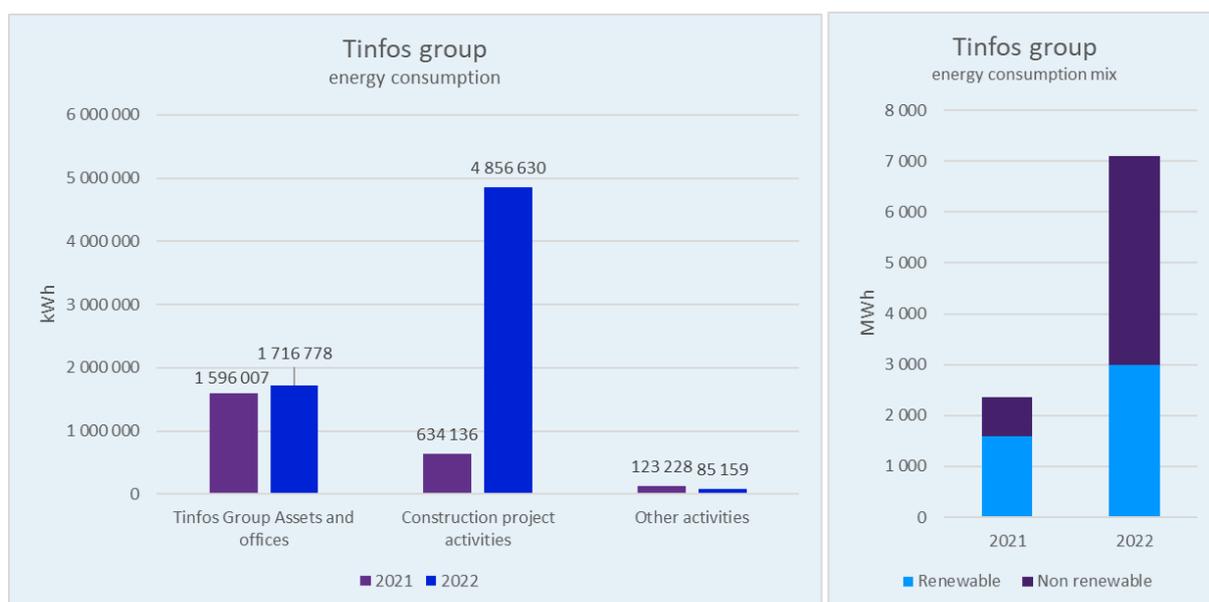


Figure 8 - Energy consumption and renewable mix

**IMPROVEMENT TARGETS**

Baseline year: 2021 - Target year: 2024

<b>Energy</b>	Not started	Ongoing	Achieved
Identify all renewable energy produced by Tinfos			○
Identify all material energy consuming entities by source/location			○
Establish methodology to collect relevant energy data for each source/location			○
Establish initial calculation models to present all energy consumption in kWh for 2021			○
Review calculation models and refine to reduce uncertainty in the figures for 2022	○		○
Set specific targets to reduce energy consumption - if applicable	○		
Establish routines of collecting travel and commuting data for branch offices abroad.	○		

Achieved 2022: ○

Table 8 - Improvement targets, Energy

## Method used to retrieve energy data

**Tinfos assets and SPVs**

Electricity consumption by Tinfos assets is collected directly from relevant electricity meters on elhub in kWh. ([www.elhub.no](http://www.elhub.no))

**Tinfos branch offices**

The Tinfos branch offices are located in Rosendal in the western part of Norway, Lysaker in the eastern part of Norway and in Jakarta in Indonesia. The branches are relatively small office locations, where electricity and energy costs are included in the office rent.

By utilizing collected data on energy from our branch offices, we have calculated the specific average energy consumption throughout a year for one person at that particular branch office, and we utilize this for the other branches as well. For each branch we multiply the average energy consumption with the number of employees at the location to find a rough estimate of the energy consumed by Tinfos at each branch office.

When calculating how much of the energy use in Norwegian branch offices that are renewable and non-renewable we refer to updated NVE article 04.01.2022

(<https://www.nve.no/energi/energisystem/kraftproduksjon/hvor-kommer-strommen-fra/>).

Renewable sources contributed with 97% of the electric consumption in Norway in 2021. (Figures for 2022 not available yet).

When calculating how much of the energy use in Jakarta branch offices that are renewable and non-renewable we refer to International Energy Agency

(IEA) Enhancing Indonesia's Power System - Pathways to meet the renewables targets in 2025 and beyond.

<https://www.iea.org/reports/enhancing-indonesias-power-system/executive-summary>

Renewable sources contributed with 14% of the electric consumption in Indonesia in 2021.

**Vehicles**

Financial filings in Xledger (accountancy software) of travel expenses for employees contain kilometers (km) travelled and the fuel-type used by vehicles during 2022.

Financial filings in Xledger of invoices from known fuel providers for Tinfos allows us to summarize and calculate total annual diesel consumption.

To calculate energy consumption, we upload collected data to our digital ESG system supplied by CEMAsys, where scientific factors are established within the system by CEMAsys, providing figures showing total energy consumption (kWh) for all types of vehicles and energy sources.

**Construction projects**

The energy consumption in construction projects consists of three main components:

- Fuel consumption, construction machinery,
- On site Electric power consumption
- Employee commuting

The main entrepreneurs at construction site report consumption data for each required component to Tinfos each month. To calculate energy consumption, we upload collected data to our digital ESG system supplied by CEMAsys, where

scientific factors are established within the system by CEMAsys, providing figures showing total energy consumption (kWh) for all types of vehicles and energy sources.

*Train and aircraft*

The amount of energy used by Tinfos for train and airplane travels in 2022 is negligible and is not included in the energy calculation.

[Uncertainties about the energy data quality](#)

*Tinfos assets and SPVs*

The electricity consumption by Tinfos assets has minor uncertainty and is regarded as exact.

*Tinfos branch offices*

Uncertainty is high when estimating electricity consumption at Tinfos branch offices, but the impact of uncertainty due to the small energy amount this represents is minor.

*Private cars (Diesel, Gasolin, Hybrid, Electric)*

The uncertainty for calculating the fuel consumption for private cars is moderate, as the calculations does not take into consideration carload, number of passengers, car label etc. Only vehicletypes, fueltypes and km travelled are considered.

*Company cars (Diesel)*

The uncertainty for calculated fuel consumption from company cars is small, as the figures are derived from financial filings and invoice data pr. liter fuel used.

*Construction projects*

The uncertainty for construction projects is the supplier ability to report correctly.

*Travelling data from branch office in Jakarta, Indonesia*

We have not yet established routines on collecting travelling data from activities at our branch office in Jakarta. In 2022 there was no project construction activity in Indonesia.

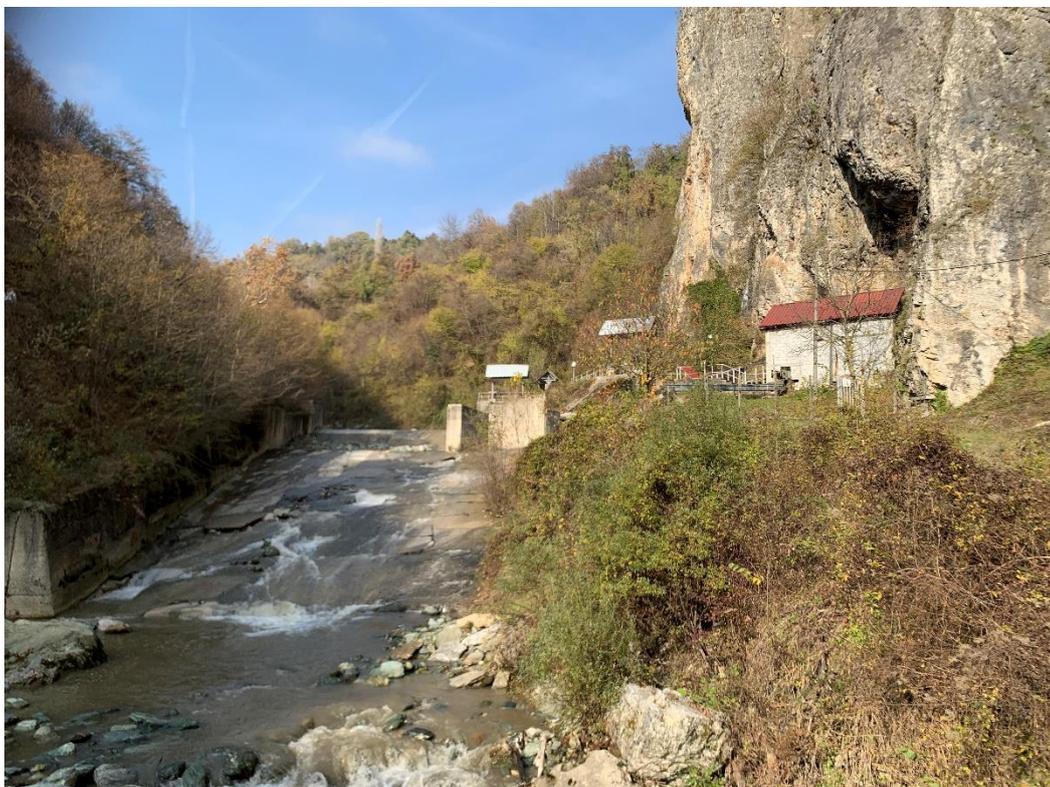


Photo: Asgeir Drugli, Tinfos North Macedonia tour, 2022

## Greenhouse gas (GHG) emissions



### Total GHG emissions from Tinfos activities

Our materiality assessment shows that climate change mitigation is a material issue for Tinfos' stakeholders. We therefore make an effort to present the climate footprint from all our activities in tCO<sub>2</sub>e. We have established scientific methodologies for greenhouse gas emission calculations by implementing the digital CEMAsys carbon footprint module. In 2022 Tinfos' activities resulted in 1 539 tons CO<sub>2</sub>e of total GHG emissions. Almost 93% (1 419 tons CO<sub>2</sub>e) of the emissions originated from construction project activities.

### Reduced GHG emissions by Tinfos hydropower production

Tinfos' main contribution to climate change mitigation is to produce renewable electricity from hydropower. To create a picture of the climate change mitigation from Tinfos' owned hydropower plants we assume that our produced renewable energy replaces an energy body like the EU electricity mix. According to the European Environment Agency the use of fossil fuels increased in 2021 (2022 figures not available yet), leading to higher emissions of greenhouse gases across the EU, especially in the energy sector, compared with 2020. This also caused a sharp increase in the greenhouse gas emission intensity of EU power generation: generating 1 kilowatt hour in 2021 emitted, on average, one fifth more CO<sub>2</sub> than in 2020, yet still 18% less than it did just a decade ago. Greenhouse gas emission intensity for EU27 in 2021 was 275 gCO<sub>2</sub>e/kWh. Using this figure on GHG emission intensity we find that Tinfos' owned hydro power plant renewable production of 210.4 GWh of electricity in 2022 corresponds to a reduction of greenhouse gas emissions of 57 860 metric tons of CO<sub>2</sub>e.



### Reduced GHG emissions by indirect hydropower production

By utilizing the same method as stated above for all hydropower plants that have been built by Tinfos since 2009, we find that they represent an additional production of 325 GWh for 2022. That means that Tinfos in addition to reduced GHG emissions of 57 860 tons CO<sub>2</sub>e from our own hydropower plants, contributed indirectly to an additional reduction of greenhouse gas emissions of 89 375 metric tons of CO<sub>2</sub>e. It is important however to emphasize that these hydropower facilities have been purchased by - and transferred to - our clients and customers. They are now the rightful owners of these hydropower facilities and have most likely, if they are reporting on sustainability, included this contribution to climate change mitigation in their own sustainability report.



Tinfos future targets : Total GHG-emissions		
	Target	Realized
2022:	500 tCO <sub>2</sub> e	1539 tCO <sub>2</sub> e
2023:	2 000 tCO <sub>2</sub> e*	
2024:	2 000 tCO <sub>2</sub> e*	

\*Increase due to expectations of increased project activities in the years to come

Tinfos future targets: Reduced GHG emissions		
	Target	Realized
2022:	46 300 tCO <sub>2</sub> e	57 860 tCO <sub>2</sub> e
2023:	70 000 tCO <sub>2</sub> e**	
2024:	70 000 tCO <sub>2</sub> e 2e**	

\*\*Increase due to increased production prognoses for 2023 and 2024

Figure 9 - GHG emission targets

Approaching emission calculations with the GHG Protocol

The GHG Protocol is the most widely used international accounting tool for climate gas emissions. Tinfos use the definitions by the GHG Protocol which categorizes greenhouse gas (GHG) emissions in three groups or scopes. The scopes as defined by the GHG protocol are as follows:

GHG Protocol – GHG emissions scope definitions		
Scope 1 Direct GHG emissions	Scope 2 Electricity indirect GHG emissions	Scope 3 Other indirect GHG emissions
Direct GHG emissions occur from sources that are owned or controlled by the company, for example emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.	Accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.	Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples are extraction and construction of purchased materials; transportation of purchased fuels; use of sold products and services, business travel, waste disposal, transportation of products, employee commuting.

Figure 10 - GHG emissions scope definitions

In 2021 Tinfos made a priority to identify scope 1 and 2 emissions. In 2022 we have included scope 3 emissions comprised of purchased goods and services, waste output, business travel and employee commuting, and we have made preparations to report on material scope 3 climate gas emissions in the years to come including key input product material lifecycle emissions.

We have identified material scope 3 emission sources relevant for Tinfos. Since the start of GHG

monitoring in 2021 in our first projects none of the projects has been completed yet. At project completion material scope 3 sources such as cement, electromechanical equipment, steel/rebar, wood and pipes shall be reported. Tinfos will in cooperation with CEMAsys establish scientific conversion factors that makes us able to find the total lifecycle footprint for each of our projects. We aim to do this assessment in 2023, making us able to report on all relevant scope 3 emissions within time of project completions.

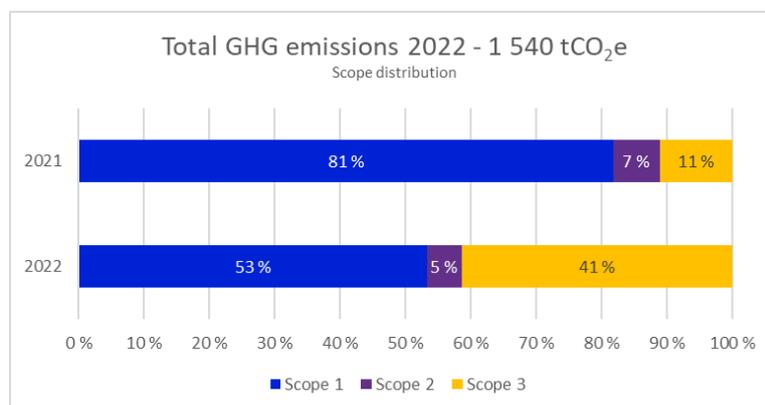


Figure 11 - Identified GHG scopes on Tinfos emissions

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organization to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted

into tons CO<sub>2</sub>-equivalents (tCO<sub>2</sub>e). The carbon footprint analysis is based on the international standard; *A Corporate Accounting and Reporting Standard*, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-1.

GHG emissions from Tinfos activities

Total GHG emissions from Tinfos Activities [tCO <sub>2</sub> e]:						
Emission source	Energy source	Total kWh	Renewable kWh	Non-Renewable kWh	Tinfos AS tCO <sub>2</sub> e	GHG Protocol classification
Transportation, company cars	Diesel	60 449	0	60 449	16,2	Scope 1
Electricity, Tinfos Assets	Electricity	1 597 978	1 550 039	47 939	10,0	Scope 2
Electricity, SPVs	Electricity	0	0	0	0,0	Scope 2
Electricity, Tinfos branch offices	Electricity	118 800	38 544	80 256	61,7	Scope 3
Business travel, Private Car - Diesel	Diesel	18 679	0	18 679	0,4	Scope 3
Business travel, Private Car - Petrol	Petrol	1 790	0	1 790	0,0	Scope 3
Business travel, Private Car- Hybrid	Petrol	3 295	0	3 295	0,6	Scope 3
Business travel, Private Car - Electric	Electricity	946	917	28	0,0	Scope 3
Business travel, Motorcycle	Petrol				0,1	Scope 3
Business travel, Air travel	Aviation fuel				16,5	Scope 3
Employee commuting not project related	Diesel, petrol				4,5	Scope 3
Waste (construction projects not included)	Waste				0,9	Scope 3
Construction projects	*See details below	4 856 630	1 397 188	3 459 442	1 428,6	*See below
<b>TOTAL Tinfos tCO<sub>2</sub>e:</b>					<b>1 539,5</b>	

*Total GHG emissions from construction projects [tCO <sub>2</sub> e]:						
Emission source	Energy source	Total kWh	Renewable kWh	Non-Renewable kWh	Tinfos AS tCO <sub>2</sub> e	GHG Protocol classification
Transportation, construction machinery	Diesel	3 176 100	0	3 176 100	804,0	Scope 1
Electricity, construction site	Electricity	1 440 400	1 397 188	43 212	10,1	Scope 2
Business travel incl. air travel	Diesel, Petrol, electric				1,9	Scope 3
Employee commuting, project	Diesel, Petrol, electric				54,1	Scope 3
Industrial waste (construction)					2,8	Scope 3
Purchased goods and services	**See details below				555,7	Scope 3
<b>Construction projects total tCO<sub>2</sub>e</b>					<b>1428,6</b>	

**Scope 3 GHG-emissions from main purchased goods and services, projects						
Emission source	Metric tonnes	Total tCO <sub>2</sub> e	Conversion factors [tCO <sub>2</sub> e/t material]	Tinfos AS tCO <sub>2</sub> e	GHG Protocol classification	
Concrete/Cement	428	556	CEMAsys	0	GHG scope 3	
Explosives				556	GHG scope 3	
Steel el/mech components				0	GHG scope 3	
Rebar (steel)				0	GHG scope 3	
Wood				0	GHG scope 3	
GRP pipe				0	GHG scope 3	
Steel pipe				0	GHG scope 3	
<b>Purchased goods and services</b>				<b>555,7</b>		

*Scope 3 GHG-emissions from main purchased goods and services, O&M						
Emission source	Metric tonnes	Total tCO <sub>2</sub> e	Conversion factors [tCO <sub>2</sub> e/t material]	Tinfos AS tCO <sub>2</sub> e	GHG Protocol classification	
Mobilgrease XHP 222	0,25	-	CEMAsys	-	GHG scope 3	
				<b>0</b>		

Table 9 - GHG emissions Tinfos 2022

**IMPROVEMENT TARGETS**

Baseline year: 2021 - Target year: 2024

## GHG emissions

	Not started	Ongoing	Achieved
Establish preliminary GHG calculation methodology caused by Tinfos' activities			○
Establish scientific GHG calculation methodology caused by Tinfos' activities	○	○	
Establish scientific GHG lifecycle calculation methodology caused by Tinfos' purchased goods and services.		○	
Identification of emission sources in all of Tinfos activities			○
Establish preliminary methodologies to calculate emissions in tCO <sub>2</sub> e for each source			○
Establish scientific methodologies to calculate emissions in tCO <sub>2</sub> e for each source	○		○
Establish procedures for monitoring and reporting key data parameters		○	
Set specific targets for reducing GHG emissions - if applicable	○		

Achieved 2022: ○

Table 10 - Improvement targets, GHG emissions

### Methodology and sources

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO<sub>2</sub>-equivalents: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O, SF<sub>6</sub>, HFCs, PFCs and NF<sub>3</sub>.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

The electricity emission factors used in Cemasy are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

In this report the location-based method is utilized: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

#### *Tinfos and supplier air travel*

For flight travel calculations we have for 2022 used the online SAS Flight Emission Calculator (<https://www.flysas.com/en/sustainability/emission-calculator/>)

## COMMUNICATION ON PROGRESS (COP) AND THE TRANSPARENCY ACT

We are convinced that the active participation of business and industry is crucial for the world to succeed in achieving UN's sustainability goals. That is why we in May 2021 formalized our commitments through our membership in the world's largest corporate sustainability initiative – the UN Global Compact.

Our commitment to the ten principles of UN Global Compact has spurred our focus on sustainability and good governance in the four areas Human Rights, Labor, Environment and Anti-Corruption in a more systematic and target-based manner than previously.

Read more at about UN Global Compact:  
[www.globalcompact.no](http://www.globalcompact.no)  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

By committing to UN Global Compact, we have also committed us to provide an annual report, *Communication on Progress (COP)*, where we

describe our actions to uphold the ten principles of UN Global Compact into our business strategy, culture and daily operations. We have integrated our summary on Communication on Progress (COP) in this sustainability report, whereas the Communication on Progress (CoP) is reported in the CoP Digital Platform of UN Global Compact.

This sustainability report including COP summary is made available to all our stakeholders and the public in our webpages.

1 July 2022 the Transparency Act (Nw.: Åpenhetsloven) came into effect in Norway. The Transparency Act shall promote enterprises' respect for fundamental human rights and decent working conditions and ensure public access to information about how enterprises address adverse impacts on human rights and working conditions. The intentions of the act are correlating with those of the UN Global Compact and urges larger enterprises to carry out due diligence processes on responsible business conduct, particularly related to human rights and labor conditions. Tinfos is conducting the first due diligence process required by the Transparency Act, and we will publish our summary report from this process by the end of June 2023.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

## COP and the Transparency Act

	Not started	Ongoing	Achieved
Decision to commit to the ESG leadership standard and principles of the UN Global Compact.			○
Establish an ESG supplier declaration of conformity communicating our expectations to implement the 10 principles in our value chain.			○
Release the first Tinfos COP within Q2 2022			○
Staff training to increase awareness of UN Global Compact's 10 principles and the COP.		○	
Establish process for supply chain implementation and management for all 10 principles.	○	○	
Due Dilligence on responsible business conduct according to the Transparency Act		○	

Achieved 2022: ○

Table 11 - Improvement targets, COP

## Human Rights

Tinfos respects and supports the universal declaration of human rights of all individuals and stakeholders who could potentially be impacted by our business.

Our commitment has been integrated in our Code of Conduct where we urge all Tinfos Employees to always safeguard human rights in all activities they are engaged in on behalf of Tinfos, and actively assess whether our activities have negative effects on human rights in the local communities in which we operate.

We also ask of our employees to notify us through our non-conformance register or through one of our grievance mechanisms about any conditions they

**UN GLOBAL COMPACT**

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses

observe that may involve human rights violations in connection with Tinfos’ activities, allowing us to take appropriate action.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

<b>Human rights</b>	Not started	Ongoing	Achieved
Include our human rights commitment the Tinfos Code of Conduct.			○
Establish an ESG supplier declaration of confirmity including human rights commitment			○
Communitcate our CoC and ESG supplier declaration to our stakeholders and public on web			○
ESG-introduction for our staff at Tinfos including our human rights commitment			○
Benchmark good practice and knowledge to establish more specific improvement targets	○		
Make a specific human rights assessment to identify human rights most material to Tinfos	○	○	
Establish processes for supply chain management including human rights assessments	○	○	

Achieved 2022: ○

Table 12 - Improvement targets, Human rights

Observed human rights violations will be identified as ESG-non conformances and registered and handled in our non-conformance system. We did not receive any reports from our suppliers or other stakeholders, either directly or by the grievance mechanisms, related to human rights violations in relation to Tinfos’ activities in 2022.

## Gender equality

**Report on gender equality**

In Tinfos AS there are 27% women and 73% men.  
 In the Tinfos Group there are 27% women and 73% men.

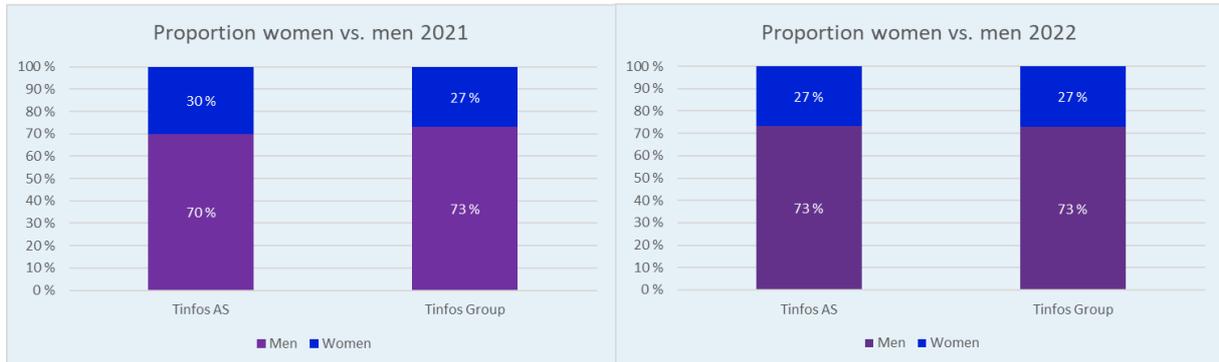


Figure 12 - Gender ratio Tinfos AS and Tinfos group

Ratio of the basic salary and remuneration of women and men for each employee category in Tinfos AS as defined in the NSRS standard is calculated as average salary women / average salary men for each category.

This means that for ratios > 1, the average salary of women is higher for that employee category, whereas a ratio <1 indicates that average salary for men is higher. In Tinfos the ratio of the basic salary between men and women have been identified follows:



Figure 13 - Ratio of basic salary (women avg./men avg.)

## Labour

Tinfos comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, with specific references to the ILO Core labor Conventions. This principle is made transparent to our stakeholders and to the public on our webpages.

We have integrated the principle of right of employees to form and join trade unions, and our recognition of the right of employees to conduct collective bargaining, in our policies and our in Code of Conduct.

The Tinfos Code of Conduct states that we do not tolerate exposing employees to social dumping in the sense of serious breaches of health, environmental and safety rules, including rules on working hours and requirements for housing standards or that employees are offered wages and

other benefits that are unacceptably low compared to what employees normally earn in the same country.

We regard our employees our most important asset, and we put the health and safety of our workers, and those we work with, first. The Norwegian Working Environment Act together with the Internal Control Regulations contain requirements for the enterprise's own activity with regard to systematic HSE work. The systematic HSE work in Tinfos AS, including labour conditions and working environment, is described in our Health, Safety and Environment Annual Report for 2022, available on our webpages.

### UN GLOBAL COMPACT

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** the elimination of all forms of forced and compulsory labor;

**Principle 5:** the effective abolition of child labor; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

Read more at about Tinfos' work on sustainability and social responsibility:

<https://www.tinfos.no/en/sustainability-and-social-responsibility/>

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

## Labour

	Not started	Ongoing	Achieved
Include labour as a topic in our sustainability policy regarding governance			○
Include right to form and trade unions and collective bargaining in Code of Conduct			○
Report systematic HSE activities in annual report 2021			○
Communicate our labour policies and relevant reports to our stakeholders and public on web			○
Establish an ESG supplier declaration of conformity including labour policies			○
Establish processes for supply chain management including labour and HSE assessments	○	○	
Conduct risk assessment related to material social topics identified in materiality assessment.	○		

Achieved 2022: ○

Table 13 - Improvement targets, Labour

All observed labor and HSE non-conformances are registered, classified, and processed as ESG non-conformances in our non-conformance system. In 2022, 84 non-conformances related to occupational health and safety, or community impact were reported, processed, and closed according to our non-conformance management procedures.

## Environment and biodiversity

Our Code of Conduct and our Sustainability policy describes how Tinfos is approaching environmental challenges when building hydropower plants.

*The UN's sustainability goals outline a joint work plan for a global sustainable future. Everyone is expected to help achieve the goals, including the business community. Tinfos both can and will contribute in our own way. Sustainability and social responsibility must be an integral part of our activities and in our projects. We will act responsibly vis-à-vis our stakeholders affected by our activities, and we are committed to supporting precautionary approaches to addressing environmental challenges.*

*We seek to expand our understanding of the impact of our activities on the climate by mapping climate emissions generated in our projects and daily operations. We will ensure safe and environmentally sound handling and transport of materials and waste.*

Tinfos has long experience dealing with environmental impact assessments. We conduct environmental impact assessments identifying risk to the environment when we build new hydropower projects, and we establish activities described in specific action plans in all our projects to avoid, minimize and mitigate related risks. According to our project environmental and social action plans, based on E&S impact assessments, we monitor parameters on water quality and establish

### UN GLOBAL COMPACT

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

mitigating measures to prevent negative impacts to habitats and biodiversity.

Our new hydro powerplants may replace non-renewable or less sustainable energy sources. We recognize that our activities when building and operating hydropower plants represent sources of climate gas emissions. Therefore, it is important for us to monitor and analyze data retrieved directly from the construction projects and operational activities. In close cooperation with our client and our key suppliers, we started monitoring relevant data in 2021, and by 2022 the monitoring and reporting of GHG emissions from hydro powerplant construction work have been implemented as performance standards for Tinfos in all our projects.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

## Environment

	Not started	Ongoing	Achieved
Training staff to become certified user of IHA's Hydropower Sustainability Tools.			○
Establish environmental action plans (EAP/Nw.: MOP) in ongoing projects			○
Sustainability policy for environmental topics from Materiality Assessment			○
Enhance non-conformance system to include registration and reporting ESG non-conformances			○
Establish procedures in hydropower project enabling monitoring of input materials and GHG			○
Establish ESMS (Environmental and Social management System) for Tinfos projects and power production		○	
Conduct risk assessment of material environmental topics from materiality assessment.	○		

Achieved 2022: ○

Table 14 - Improvement targets, Environment

All observed environmental non-conformances are registered, classified and processed as ESG non-conformances in our non-conformance system. In 2022, 27 non-conformances related to environment were reported, processed and closed according to our non-conformance management procedures.

## Anti-corruption

Tinfos follows a zero-tolerance policy with regard to all forms of corruption and takes active measures to ensure that corruption not be a part of any of our business activities. Our policy on corruption is committed in our Code of Conduct, available on our webpages.

According to *Transparency International – the global coalition against corruption*, the global average on the Corruption Perceptions Index (CPI) in 2022 remains unchanged for over a decade at just 43 out of 100. More than two-thirds of countries score below 50, while 26 countries have fallen to their lowest scores yet. Despite concerted efforts and hard-won gains by some, 155 countries have made no significant progress against corruption or have declined since 2012.

Our main market up till now have been hydropower plant construction and renewable energy production in Norway, a country that scores among the highest on the CPI, and where corruption is regarded as a low-risk topic, although care should always be taken to identify corruption attempts.

Tinfos is now operating in emerging new markets in need of sustainable renewable energy. Indonesia

**UN GLOBAL COMPACT**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

dropped on the CPI Index from 38 in 2021 to 34 in 2022, the lowest score for the country since 2014. North Macedonia increased from 39 to 40. Both countries are below the global average of 43, and the probability of running into situations where corruption is attempted is regarded as high by Tinfos.

For this reason, anti-corruption is a prioritized topic for Tinfos, and Tinfos is currently working on the formal establishment of an anti-corruption program by 2023. We look to the *Transparency International – Business principles for Countering Bribery small and medium enterprise (SME) edition* as guidance for our work on a anti-corruption management system that will provide us with tools that brings Tinfos’ policy of zero tolerance for corruption and bribery into practice.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

## Anti-corruption

	Not started	Ongoing	Achieved
Tinfos management team staff training. Internal introduction program to Anti-corruption.			○
Staff training, all employees. Internal introduction Code of Conduct including Anti-corruption.			○
Establish anti-corruption policy for Tinfos			○
Disclose anti-corruption policy to stakeholders and the general public on webpages (CoC)			○
Establish clear grievance mechanisms, both on web and as internal procedures			○
Establish invoice control and approval routines that involves more than one employee.			○
Study best practice and collect information to learn more about anti-corruption work.		○	○
Establish clear sanctions if procedures regarding anti-corruption has not been followed	○		
Conduct specific training program for staff with field assignments to high risk areas	○		
Establish routines reminding employees of Tinfos anti-corruption policy	○		
Consider regular signing of a-corruption declaration of conformity for staff in high-risk areas	○		
Establish anti-corruption requirements in contracts with partners, suppliers and agents	○		○

Achieved 2022: ○

Table 15 - Improvement targets, Anti-corruption

All corruption attempts and other corruption related situations are registered, classified and processed as ESG non-conformances in our non-conformance system.  
In 2022, 0 non-conformance related to corruption-risk were reported, processed and closed according to our non-conformance management procedures.

## CULTURAL HERITAGE

**Our power plants and our head office in Notodden are centrally located by the Tinnelva river in Notodden, in Tinfos’ industrial cultural area. Three generations of hydropower plants that offers a cultural-historical perspective on industrial beginnings that were based on hydropower are located here. The area offers a perspective on social development in Norway, in the late 1800s and early 1900s. Ever since Tinfos was established in 1894, we have stayed in the area – and left our mark on it. Now, modern business and lifestyle are combined with culture and tradition.**

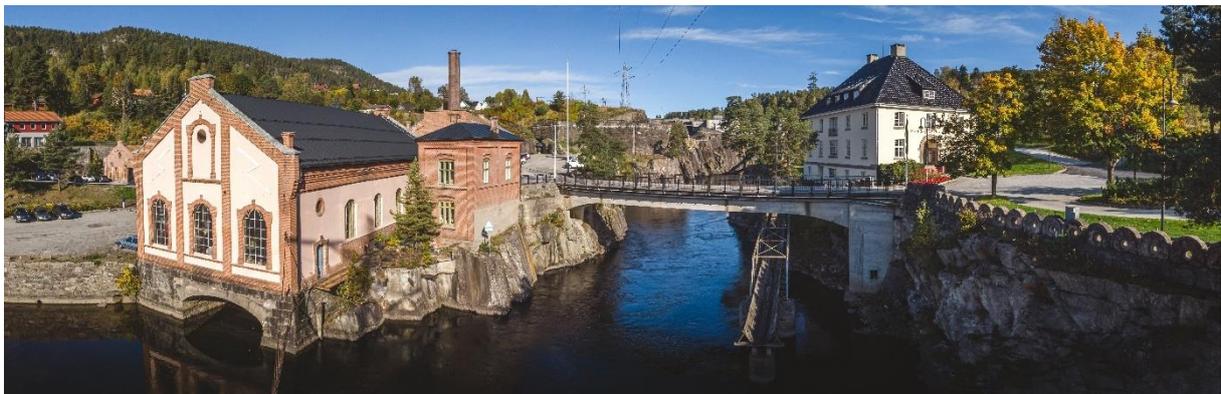


Photo: GodtSagt/Tinfos, Tinfos industrial cultural area

### Tinfos industrial cultural area

In 2014 the Tinfos area was established as a formally protected industrial cultural area.

The main purpose of the conservation of the area is to safeguard and preserve a distinctive and well-preserved industrial and urban environment with surroundings, which are representative of industrial development and social development at the end of the 1800s and beyond.

The preservation ensures that the overall historic industrial context of the area is protected and preserves technical facilities as well as the cultural-historical values of the exterior of the buildings.

The purpose of the preservation of the interior of the Tinfos II power station with water gate structures is to ensure the protection of a power station that has been almost unchanged since its construction in 1912 with turbines, technical installations, architectural details, and fixtures.

*/Reference: Nw.: Forskrift om fredning av Tinfos kulturmiljø, Notodden Kommune, Telemark, 20 June 2014/*

### UNESCO’s Rjukan-Notodden World Heritage Site



Photo: GodtSagt/Tinfos, Tinfos II, Powerstation

The Tinfos area is an important part of UNESCO’s Rjukan – Notodden World Heritage Site. Particularly so as the old power stations Tinfos I and Tinfos II including the Holta canal received the status as two significant objects along with 95 others within the Rjukan-Notodden World heritage in 2015. The Tinfos II power station is still producing electricity after over 100 years in operation and is owned and operated by Tinfos AS.

Operating and maintaining hydro powerplants in protected areas is one thing; to operate powerplants where the electromechanical equipment itself is listed as part of the protected objects is another.



Photo: Bjarne Berge, Maintaining aggregate 4, Tinfos II powerstation

Access and maintenance routines may be a lot more complicated than maintaining brand new machinery, and particular attention must be made to assess risks and to avoid adverse impacts on

cultural heritage objects. This must be made in parallel with regular HSE risk assessments and other considerations that is usual routine in this kind of operations.

The principle and complexity of sustainability is also valid in the context of operating and maintaining power plants in protected areas. Preventing adverse effects on cultural heritage objects in a protected area, keeping historic heritage accessible to the public and maintaining safety and security for employees, visitors and hydropower equipment are often interests that collide.

Tinfos has good experience with cooperation with regulatory authorities and local community when planning maintenance projects or making assessments of actions that may have large impact to the cultural heritage. We believe that this dialogue is useful and equally important to us and to our stakeholders, ensuring that safety and security is maintained, and that alternative solutions are discussed in order to manage the cultural heritage responsibility in a proper way.

We believe that our experience from such dialogue will prove useful to us when we establish hydro powerplants in other parts of the world where cultural heritage considerations is one of many topics to be assessed when building new hydro powerplants for renewable energy production in other parts of the world.

### IMPROVEMENT TARGETS

Baseline year: 2021 - Target year: 2023

## Cultural Heritage

	Not started	Ongoing	Achieved
Involve the conservation authorities in Vestfold and Telemark in the reassessment process Tinfos 1			○
Involve the conservation authorities in Vestfold and Telemark in the reassessment process Tinfos 2	○		

Accieved 2022: ○

Table 16 - Improvement targets Cultural Heritage

## TINFOS, THE EU TAXONOMY AND SUSTAINABILITY REPORTING

**The EU Taxonomy is a green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes.**

**It recognizes as green, or 'environmentally sustainable', economic activities that make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards.**

*/European commission, FAQ: What is the EU Taxonomy and how will it work in practice? /*

Sustainability criteria for construction and operation of hydropower facilities are defined by the EU taxonomy. The activities are associated with NACE codes D35.11 and F42.22 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

Renewable energy production in general, including hydropower, has been targeted as an economic activity that *may* provide a substantial contribution to the EU environmental objectives, provided that it meets defined screening criteria outlined by the EU Taxonomy.

The Taxonomy Regulation lays out six EU environmental objectives:

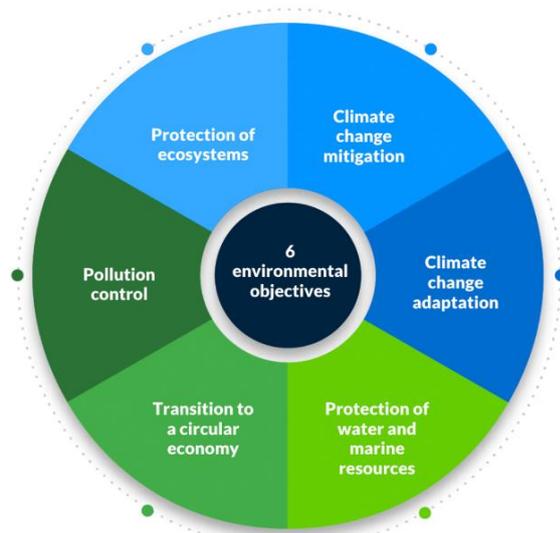


Figure 14 - EU taxonomy environmental objectives, source workiva.com

it also sets out four conditions that an economic activity must meet to be recognized as Taxonomy aligned:

- making a substantial contribution to at least one environmental objective (above)
- doing no significant harm to any other environmental objective
- complying with minimum social safeguards
- complying with the technical screening criteria

So far, technical screening criteria have been established for the objectives *Climate change mitigation* and *Climate change adaptation* by the EU. The next four is expected to be established in 2023 where draft act feedback period ends 3 May 2023./ [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13237-Sustainable-investment-EU-environmental-taxonomy\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13237-Sustainable-investment-EU-environmental-taxonomy_en)

In the following section in the next page, we describe how our small and medium sized renewable hydropower plant projects are Taxonomy aligned by meeting the four conditions listed above. We have used the EU Taxonomy Compass ([https://ec.europa.eu/sustainable-finance-taxonomy/tool/index\\_en.htm](https://ec.europa.eu/sustainable-finance-taxonomy/tool/index_en.htm)) as a supportive tool when making this assessment.

## Tinfos and climate change mitigation

### How Tinfos represent a substantial contribution to the EU environmental objectives

The construction of new small and medium sized hydropower facilities for renewable energy production by Tinfos complies with the EU Taxonomy substantial contribution criteria related to the environmental objective *Climate change mitigation* by being designed and constructed as run-of-river plants and does not have an artificial reservoir.

### How Tinfos complies with the do no significant harm criteria

#### *Climate adaptation*

Tinfos has identified physical climate risks material to our activities by performing a climate risk and vulnerability assessment. An overview of results is presented in this report.

#### *Water*

Tinfos complies with the provisions of Directive 2000/60/EC (Nw.: Vanndirektivet) which entered into force in Norway in 2008. The directive is considered for all concessions in Norway given to new hydropower plant construction, which establish criteria for Environmental Impact Assessments.

For hydropower construction projects outside Norway and the EU, Tinfos conducts Environmental Impact Assessments (EIA) to assess all its potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions. It assesses in particular the cumulated impacts of this new project with other existing or planned infrastructure in the river basin

The assessments are based on comprehensive and accurate data collected and investigated by professional third-party environmental consultants. The assessment is based on recent, comprehensive and accurate data, including monitoring data on biological quality elements that are specifically sensitive to hydromorphological alterations, and on

the expected status of the water body as a result of the new activities, as compared to its current one. All technically feasible and ecologically relevant mitigation measures are implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water. Mitigation measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies:

- a) measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of-the-art fully functional fish passes, measures to stop or minimise operation and discharges during migration or spawning);
- b) measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow;
- c) measures to protect or enhance habitats.

Tinfos establish Environmental Action Plans (EAP) to ensure that mitigating measures are enforced in our projects to prevent or reduce the environmental impact of the hydropower facility construction and operation.

#### *Circular economy*

Not Applicable according to the Taxonomy criteria

#### *Pollution prevention*

Not Applicable according to the Taxonomy criteria

#### *Biodiversity*

Tinfos complies with the provisions of the Environmental Impact Assessment (EIA) Directive which is considered in the Norwegian regulation *Forskrift om konsekvensutredninger*. The directive is considered for all concessions in Norway given to new hydropower plant construction and establish criteria for Environmental Impact Assessments.

For hydropower construction projects outside Norway and the EU, Tinfos conducts Environmental and Social Impact Assessments to assess all potential impacts on environment and community from the construction and operation of the hydropower facility.

## Sustainability reporting

Tinfos is not required to report on sustainability according to the Non-Financial Reporting Directive (NFRD) today. Even so, Tinfos will be disclosing to our stakeholders that we have Taxonomy-aligned activities, ensuring that our stakeholders can make decisions involving Tinfos accordingly.

The introduction of the Corporate Sustainability Reporting Directive - CSRD (Expected entry into force in EU in 2023) and the expected Taxonomy Reporting will also have an impact on Tinfos, first and foremost through our stakeholders' expectations, even though the time for introducing mandatory reporting according to CSRD and the Taxonomy in Norway is yet to be decided by the Norwegian authorities.

We recognize however, that several of our partners such as banks, investors and financial institutions are, or soon will be, required to report according to

EU standards for sustainable finance. This means that our key-stakeholders will request sustainability data from Tinfos at an increasing rate.

1 July 2022 the Transparency Act (Nw.: Åpenhetsloven) came into effect in Norway. The Transparency Act shall promote enterprises' respect for fundamental human rights and decent working conditions and ensure that the general public has access to information about how enterprises address adverse impacts on human rights and working conditions. The intentions of the act are correlating with those of the UN Global Compact and urges larger enterprises to carry out due diligence processes on responsible business conduct, particularly related to human rights and labor conditions. Tinfos is for the time being conducting our first due diligence process required by the Transparency Act, and we will publish our summary report from this process by the end of June 2023, and then each year onward.



Photo: Eirik Noer Smedstad, Tunnel breakthrough, Intake Hovlandsåna, Flateland project

## PREPARING FOR THE FUTURE

The next pages of this report show an overview of the overall results from our climate-risk assessment listing climate risks and opportunities that are expected to have the greatest impact on our operations in a short- and long-term perspective. The risks and opportunities are not listed in any particular order.



*Photo: Alexandru Titi Georgescu, Intake Kjetevatn, Flateland project*

### How we work with climate-related risks and opportunities

The climate risk assessment has been made by representatives from all business areas in Tinfos, interchanging information and views on the topics from different perspectives in the company.

By discussing how each topic is relevant for Tinfos and categorizing relevance and impact on a scale from 1-10 for short- and long-term perspectives we end up with a prioritized overview of potential risks and opportunities.

The strategic importance of the risk depends on the potential scope of its impact in relation to our level of knowledge about the topic. Therefore, we have made a categorization for each topic based on our self-perceived knowledge level in our organization on each specific topic on a scale from 1 to 10. This provides us with a useful mapping of where to increase the organization's knowledge levels to be prepared to handle relevant risks and opportunities when and where they occur.

## Climate-related risks

Climate risk			Short term perspective (0-1 years)			Long term perspective (2 years and more)		
			Impact	Knowledge	Priority	Impact	Knowledge	Priority
Transition (Climate policies and regulations, market changes, new technologies, Value chain disruptions etc.)	Policy and legal	Increased pricing of GHG emissions	8	10	Medium	8	10	High
		Enhanced emissions-reporting obligations	3	5	Medium	5	5	High
		Mandates on and regulation of existing products and services	8	10	Medium	8	10	High
	Technology	Substitution of existing products and services with lower emissions options	5	2	Low	5	2	Low
		Costs to transition to lower emissions technology	5	8	Medium	5	8	Medium
	Market	Changing customer behavior	3	10	Low	3	10	Medium
		Uncertainty in market signals	3	10	Low	5	10	Low
		Increased cost of raw materials	5	10	High	5	10	High
	Reputation	Shifts in consumer preferences	8	7	Medium	8	7	Medium
		Stigmatization of sector	8	10	Medium	7	10	Low
Increased stakeholder concern or negative stakeholder feedback		3	10	Low	7	10	Low	
Physical (Temperature increase, rising sea levels, storms extreme precipitation, landslides, floods etc.)	Acute	Increased severity of extreme weather events such as cyclones and floods	7	10	Medium	5	10	High
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	5	10	Medium	5	10	High
		Rising mean temperatures	NA	NA	#I/T	NA	NA	#I/T
		Rising sea levels	NA	NA	#I/T	See above	NA	#I/T

Table 17 - Climate risk assessment

## Climate-related opportunities

Climate opportunity		Short term perspective (0-1 years)			Long term perspective (2 years and more)		
		Impact	Knowledge	Priority	Impact	Knowledge	Priority
Resource efficiency	<i>Increased pricing of GHG emissions</i>	10	10	High	10	10	High
	<i>Use of more efficient modes of transport</i>	4	2	Low	4	2	Medium
	<i>Use of more efficient production and distribution processes</i>	3	2	Medium	3	2	Medium
	<i>Use of recycling</i>	1	2	Low	1	2	Low
	<i>Move to more efficient buildings</i>	1	8	Low	1	8	Low
	<i>Reduced water usage and consumption</i>	1	10	Low	1	10	Low
Energy source	<i>Use of lower-emission sources of energy</i>	1	10	Low	1	10	Low
	<i>Use of supportive policy incentives</i>	10	8	High	10	8	High
	<i>Use of new technologies</i>	2	5	Low	8	5	High
	<i>Participation in carbon market</i>	1	4	Low	1	4	Low
	<i>Shift toward decentralized energy generation</i>	10	10	High	10	10	High
Products and services	<i>Development and/or expansion of low emission goods and services</i>	4	2	Medium	4	2	Medium
	<i>Development of climate adaptation and insurance risk solutions</i>	1	5	Low	1	5	Low
	<i>Development of new products or services through R&amp;D and innovation</i>	4	8	Medium	4	8	High
	<i>Ability to diversify business activities</i>	8	6	High	8	6	High
	<i>Shift in consumer preferences</i>	10	10	High	10	10	High
Markets	<i>Access to new markets</i>	10	7	High	10	7	High
	<i>Use of public-sector incentives</i>	10	10	High	10	10	High
	<i>Access to new assets and locations needing insurance coverage</i>	5	7	Medium	5	7	Medium
Resilience	<i>Participation in renewable energy programs and adoption of energy-efficiency measures</i>	2	10	Low	2	10	Low
	<i>Resource substitutes/diversification</i>	1	10	Low	1	10	Low

Table 18 - Climate opportunity assessment

## TINFOS AND THE UN SUSTAINABILITY DEVELOPMENT GOALS

### Materiality assessment

As part of our sustainability efforts, Tinfos has co-operated with an independent party to conduct a materiality assessment to identify where we should prioritize our efforts and establish a framework for sustainability reporting.

The materiality assessment of Tinfos has been based on the methodology, principles, and guidelines from Global Reporting Initiative (GRI). The list of topics has been adjusted by the consulting firm to be relevant for Tinfos, using the International Hydropower Association's (IHA) Hydropower Sustainability Guidelines, as well as

input from stakeholders, best practice in the industry and the consultant's experience.

As part of this work, stakeholders of the activities of the company have been mapped and key stakeholders have been involved through interviews and a survey.

The materiality assessment has identified 10 topics as the prioritized material topics for Tinfos. These are:

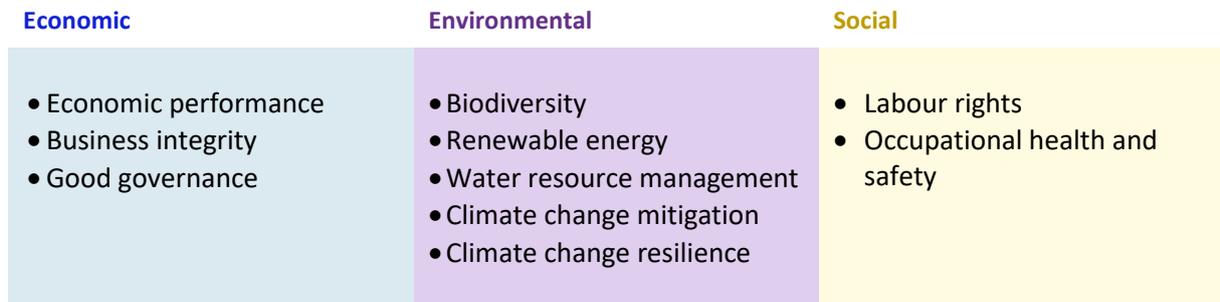


Figure 15 - Material sustainability topics for Tinfos

The ESG objectives in Tinfos are closely aligned to the United Nations Sustainable Development Goals (SDGs) and the result from the materiality assessment. The 10 material topics identified by the

materiality assessment and by dialogue with relevant stakeholders relates to 9 SDGs that are particularly important for our business activities as shown in the figure below.



Figure 16 - Material topics relation to UN SDGs

The Tinfos Materiality Matrix and the Tinfos Materiality Table shown below summarizes all Topics identified and investigated, and how they are assessed by our stakeholders with regards to importance/influence and significance of impact to the UN sustainability development goals (SDGs).

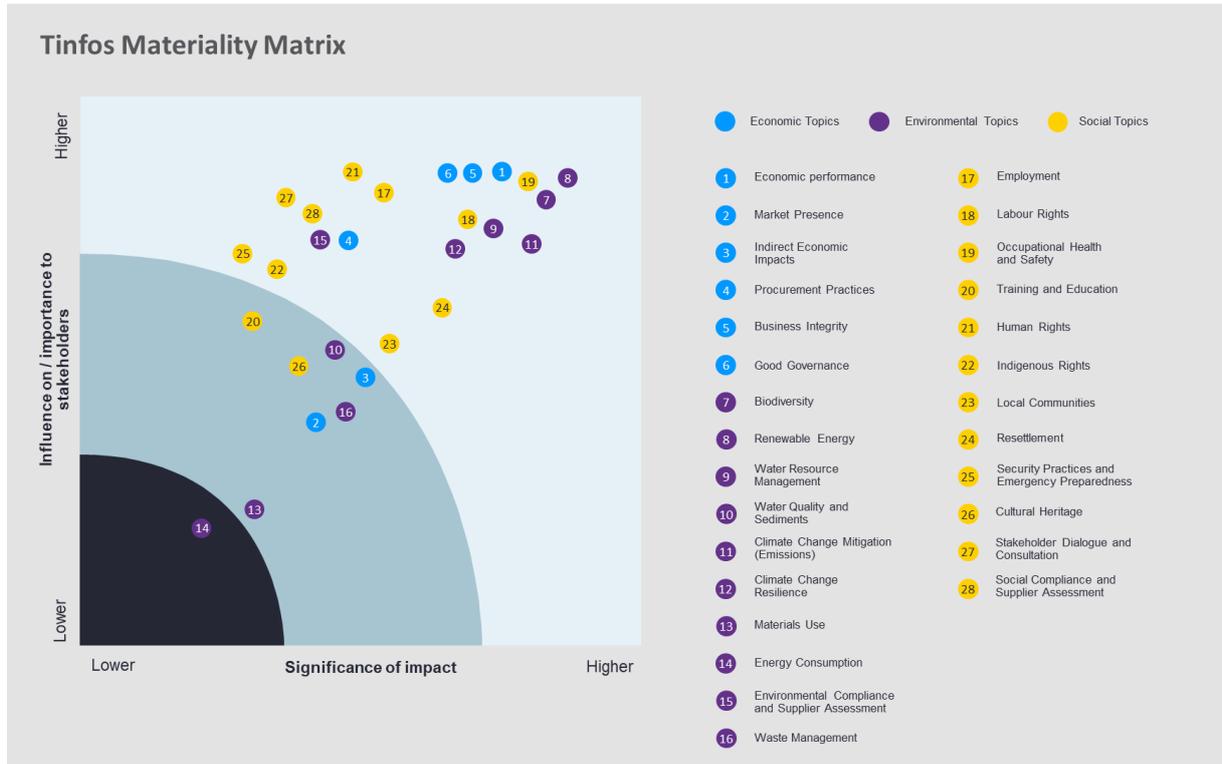


Figure 17 - Tinfos materiality matrix

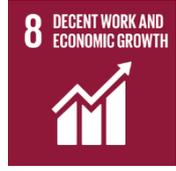
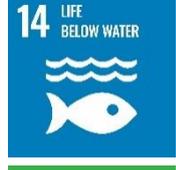
### Tinfos Materiality Table

Higher Stakeholder Influence/Importance	<ul style="list-style-type: none"> <li>• Procurement Practices</li> <li>• Environmental Compliance and Supplier Assessment</li> <li>• Employment</li> <li>• Human Rights</li> <li>• Indigenous Rights</li> <li>• Local Communities</li> <li>• Resettlement</li> <li>• Security Practices and Emergency Preparedness</li> <li>• Cultural Heritage</li> <li>• Stakeholder Dialogue and Consultation</li> <li>• Social Compliance and Supplier Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Business Integrity</li> <li>• Good Governance</li> <li>• Biodiversity</li> <li>• Renewable Energy</li> <li>• Water Resource Management</li> <li>• Climate Change Mitigation</li> <li>• Climate Change Resilience</li> <li>• Labour Rights</li> <li>• Occupational Health and Safety</li> </ul>
	Lower Stakeholder Influence/Importance	<ul style="list-style-type: none"> <li>• Market Presence</li> <li>• Indirect Economic Impacts</li> <li>• Water Quality and Sediments</li> <li>• Materials Use</li> <li>• Energy Consumption</li> <li>• Waste Management</li> </ul>
	Lower Significance/Impact	Higher Significance/Impact

Figure 18 - Tinfos materiality table

### ESG objectives

Based on the 10 material topics and their relation to the United Nations Sustainable Development Goals (SDGs), Tinfos has established ESG objectives for each of the SDGs that relates to the topics identified in the materiality assessment.

	<ul style="list-style-type: none"> <li>• At Tinfos we will take measures to avoid harmful pollution of air, water and soil.</li> <li>• At Tinfos we will take measures to minimize disturbing noise from our construction activities.</li> <li>• At Tinfos we will take measures to prevent abuse of drugs and harmful use of alcohol.</li> <li>• At Tinfos we will take measures to prevent spread of infectious and transmitted diseases.</li> <li>• At Tinfos we support public health initiatives for employees and community.</li> </ul>
	<ul style="list-style-type: none"> <li>• At Tinfos, we shall take appropriate measures to identify risks and prevent pollution during construction and operation of hydropower plants.</li> <li>• At Tinfos, we shall ensure that any project impact on water resources used by local community and stakeholders are identified and managed appropriately.</li> </ul>
	<ul style="list-style-type: none"> <li>• At Tinfos, we will be cost effective in our preparation, implementation and operation of hydropower plants, ensuring affordable, clean and renewable energy for the community through our focused project conduct, operational experience and asset management excellence.</li> </ul>
	<ul style="list-style-type: none"> <li>• It shall be safe to work at Tinfos, and the company shall conduct our business and activities in a way that prevents damage to persons, equipment and environment.</li> <li>• At Tinfos, we shall seek common ground through regular dialogue and cooperation between employees and management in matters related to occupational health and work environment.</li> <li>• At Tinfos we shall respect employees' right to form and join trade unions.</li> </ul>
	<ul style="list-style-type: none"> <li>• At Tinfos, we will provide reliable hydropower plants that contribute to a safe, sustainable and renewable energy supply.</li> <li>• At Tinfos, we will actively ensure the training and competence enhancement of local supervisory personnel and operators.</li> </ul>
	<ul style="list-style-type: none"> <li>• Tinfos will increase the share of hydropower in the markets we operate as a renewable alternative to other less sustainable energy sources.</li> <li>• Tinfos shall monitor and minimize energy consumption and greenhouse gas emissions in our project activities and business operations.</li> <li>• Tinfos shall assess our hydropower plant resilience to climate change and apply these conditions in our design basis to ensure infrastructural safety and energy availability.</li> </ul>
	<ul style="list-style-type: none"> <li>• At Tinfos, we shall identify, mitigate or minimize risks to biodiversity and life below water generated by our activities when implementing and operating hydropower plants.</li> <li>• At Tinfos we undertake monitoring to ensure compliance with downstream seasonal variation flow regimes.</li> </ul>
	<ul style="list-style-type: none"> <li>• At Tinfos, we shall identify, mitigate or minimize risks to biodiversity and life on land generated by our activities when implementing and operating hydropower plants.</li> <li>• At Tinfos, we shall always take measures to minimize the project impact area, and to take actions to encourage nature restoration before leaving the construction site.</li> </ul>
	<ul style="list-style-type: none"> <li>• Tinfos has zero tolerance towards all forms of corruption and shall take active measures to ensure that this does not happen in our business or activities.</li> <li>• At Tinfos, we shall act in an open and transparent manner, and we shall exercise integrity in all situations.</li> </ul>

The management team of Tinfos has discussed all 17 SDGs, independently of the materiality assessment and found that we should establish objectives to three more SDGs where we believe that we may contribute within our own business activities; **gender equality**, **responsible consumption and production** and **partnership for the goals**. The following ESG objectives has been established in Tinfos for the three SDGs:



- At Tinfos, people of all genders shall have the same opportunity to get a job, to develop their experience and knowledge and to occupy leading positions in the company.
- At Tinfos salary determination is made with no consideration to gender.
- At Tinfos we strive to obtain a balanced proportion of men and women in our organization, at all levels and in all functions.



- At Tinfos, we shall take appropriate measures to identify risks and ensure transparent and sustainable handling procedures for substances and all kinds of waste during construction and operation of hydropower plants.
- At Tinfos we shall encourage our suppliers to take actions to prevent, reduce, recycle and reuse waste.
- At Tinfos we will take measures to ensure sustainable procurement for material and services.



- Tinfos shall, with the purpose of sharing knowledge and experience with others, and to empower our own ability to perform in accordance with high ESG standards, seek cooperation and participation in selected initiatives and networks that promote sustainable conduct and ESG topics relevant to our business.



## Partnerships for the goals

**Partnerships for the goals (SDG 17) are crucial in our pursuit to develop and implement sustainable hydro powerplants in emerging markets in dire need for new renewable energy sources. In 2022 the following partnerships and networks were particularly important to us:**

### UN Global Compact

At Tinfos we are convinced that the active participation of business and industry is crucial for the world to succeed in achieving UN's sustainability goals. In UN Global Compact's webpages the following statement is made:

*"UN Global Compact is a call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals."*

Tinfos are by our membership committed to submit annual reports (Communication on Progress) to show how our work with these important topics are progressing. The membership in UNGC inspired us to publish our first report on sustainability back in 2021.

### Norad

In Norad's webpages the following statement is made:

*"Norad is the Norwegian agency for development cooperation. We work for the world to achieve the UN's sustainability goals. Together with our partners and on behalf of Norway, Norad strives for a greener future in a world without poverty. Human rights must be respected, and none left out. By way of knowledge and cooperation, we ensure that the funds of Norwegian development aid contribute to global development."*

Tinfos entered in 2018 into an agreement with Norad regarding financial support to a feasibility study to develop small hydro power plants in Indonesia. The agreement was in 2022 prolonged until august 2023. The objectives of the agreement are to investigate opportunities and prepare for building clean renewable energy for households in Indonesia, and at the same time provide job

opportunities within feasibility studies, environmental impact studies, civil works, operation, and administration of new hydro power plants with clear opportunities for both genders.



Local workers for Tinfos, Lobo Dolom project, Sulawesi, Indonesia

### Norfund

Norfund is the Norwegian Investment Fund for developing countries. In Norfund's webpages the following statement is made:

*"Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund helps to build sustainable businesses that would not otherwise be developed because of the high risks involved."*

Tinfos entered in 2021 into an loan agreement with Norfund for the purpose of financing the 12 MW Lobo Dolom Hydro Power Project located in Sulawesi, Indonesia.

The agreement emphasizes among other topics that Tinfos in addition to the laws of Indonesia applicable to the project shall comply with the IFC Performance Standards and the IFC EHS Guidelines. These requirements spur Tinfos forward in our strive to develop and implement sustainable hydroelectric power plants creating financial, social and environmental values in the selected markets we operate in.

## WHAT'S NEXT?

Sustainability is a complex matter. It is a challenge to contribute with a positive impact in one place, such as building new powerplants producing renewable energy, without creating some level of harm in another.

The world is in dire need of more renewable energy as a replacement for non-renewable and less sustainable energy sources. Renewable hydropower provides significant environmental and climate benefits. Our mission is to design, build, finance, operate and maintain high quality renewable energy powerplants that creates financial, social and environmental values in selected markets.

At Tinfos we aim to constantly improve and keep ourselves updated on sustainability issues with relevance to our area of business. We concentrate our efforts to avoid, mitigate, reduce or compensate for any negative impact our activities may have on the environment or community as we continue to build sustainable hydropower plants for renewable energy production.

We believe that hydropower implementation shall be and must be sustainable. At Tinfos we use the

Hydropower Sustainability tools issued by International Hydropower Association as supporting tools and sources of knowledge (the HS Assessment Protocol, the HS Guidelines and the HS ESG Gap Analysis Tool) when assessing sustainability internally in Tinfos for our small and medium sized hydropower projects.

In 2021 Tinfos established a strategic vision and tactical mission reflecting both ESG and sustainability. We have established policies and objectives for ESG and sustainability, and we have developed and implemented new processes and procedures to monitor material input, energy-consumption, waste production and GHG emissions from our activities. In 2022 the processes has been formalized into our governing documents and quality procedures.

### Improving sustainability reporting

As we gain more experience with time and learn from the process, we will continue to develop new tools and raise our ambitions to improve our communication on sustainability with our stakeholders and the public in general.

We welcome any feedback, input or ideas that you may have.

#### Contact:

Name, title: Asgeir Drugli, Chief Sustainability Officer  
Phone: +47 450 21 003  
Email: [asgeir.drugli@tinfos.no](mailto:asgeir.drugli@tinfos.no)

*This report is adapted to the Global Reporting Initiative (GRI), the Non-Financial Reporting Directive (NFRD), and the Task Force on Climate-Related Disclosures (TCFD). This does not mean that the report is aligned with these frameworks.*

*Read more at [www.nsr.no](http://www.nsr.no).*

## REFERENCE DOCUMENTATION

Governing documents available on [tinfos.no](https://tinfos.no)

- Corporate Governance Policy
- Quality Policy
- Sustainability Policy
- HSE Policy
- Privacy and Data Protection Policy
- ESG Declaration of conformity – supply chain
- Tinfos Code of Conduct
- Tinfos ESG objectives.

Tinfos reports available on [tinfos.no](https://tinfos.no)

- Annal Report 2022 / Årsrapport 2022 (Financial)
- Health, safety and environment, Annual Report 2022

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