

Equator Principles Report 2024

DNB

Equator Principles

DNB has adopted the Equator Principles, a common set of guidelines used by a majority of international financial institutions for managing environmental and social (E&S) risks when financing projects. Along with other Equator Principles Financial Institutions (EPFIs), DNB ensures that the projects we finance and advise on are developed in a manner that is socially responsible and reflects sound environmental management practices. We recognize the importance of climate change, biodiversity, and human rights, and believe the negative impact of projects on affected ecosystems, communities, and the climate should be avoided whenever possible. If these impacts are unavoidable, they should be minimized, mitigated, and/or offset.

The Equator Principles are intended to serve as a common baseline and framework. DNB is committed to embedding the Equator Principles into our internal environmental and social policies, procedures, and standards when financing projects. All Project Financings, Project Advisory Services, Project-Related Corporate Loans, Bridge Loans, Project-Related Refinancing-, and Project-Related Acquisition Finance transactions that meet the criteria are to be reviewed according to this framework. We will not provide any of the above-mentioned financing/services for projects that do not comply with the Equator Principles.

DNB implementation

The objective of this Equator Principles Report is to share information with our stakeholders regarding how DNB applied the principles in 2024. Annual public reporting is one of the obligations signatories to the Equator Principles that have been accepted by joining this initiative.

Reports from previous years are available in DNB's [archive pages](#).

DNB has integrated the Equator Principles into its governance documents, which include the Group Instructions on Sustainability in DNB ASA's credit activities and the Corporate Banking Credit Manual. Front office client teams are responsible for incorporating an Equator Principles assessment for transactions falling within the framework's scope. This requires assessing relevant E&S documentation, and for higher-risk transactions (appropriate category B and A projects) engage an Independent Environmental and Social Consultant to assist in the review process. Based on the available information, an Equator Principles (EP) memo is produced, documenting the E&S related risks associated with the project, the mitigation measures, and the project's compliance with each of the ten principles. Additionally, a risk categorization of the project is suggested.

A dedicated Equator Principles Committee with representatives from our Project Finance, ESG advisory team, and Group Finance reviews the EP memo. The EP committee opines on/confirm the risk categorization and approves the EP memo before it is attached to the credit paper and presented to the relevant credit committee for decision. The EP committee's confirmation of EP compliance and opinion on risk classification is required before loan disbursements from EP financing transactions can be made. As part of the annual loan review, compliance with the Equator Principles is reassessed and reported to the relevant credit-approval body for each credit commitment.

In 2024, the Equator Principles Committee was strengthened by a member from the Group Finance Sustainability Division. All new members have undergone relevant training. In addition, relevant training and update sessions and have been held for international offices and head office divisions as part of the advanced credit seminars.

Equator Principles and DNB's involvement in the development of the framework

Since DNB's adoption of the Equator Principles in 2008, DNB has participated in the subsequent EP association annual meetings. Over the years, we have actively engaged in discussions of the future development of the principles. In 2024, we participated in the annual meeting in Madrid where several themes and topics were discussed. DNB has decided to participate in two EP association working groups:

- 1) Maritime assets Working Group (WG) and
- 2) Biodiversity Risk Working Group (WG)

In 2024 the **Maritime Assets WG** finalized and presented its "GOOD PRACTICE NOTE ON MOVABLE MARITIME ASSETS TRANSACTIONS WITH CASE STUDIES". The Good Practice Note is intended to be used in transactions financing movable maritime assets which are pledged as security for a loan and/or over which the borrower has effective operational control. It is most relevant when providing the following financial products under the scope of the Equator Principles (EP):

- Project Finance,
- Project-related Corporate Loans,
- Project-related Refinance, and
- Project-related Acquisition Finance.

Being a good practice note, Equator Principles Financial Institutions (EPFIs) may use the recommendations as they find appropriate and at their own discretion, also for financial products that fall outside the scope of the EP.

The **Biodiversity WG** was delegated by the EP Steering Committee (SC) to meet, discuss, develop and deliver guidance and knowledge sharing to all EPFIs with respect to good practice risk management of biodiversity related issues of relevance when financing in-scope projects globally. In 2024 the Biodiversity WG presented its 2025 work plan for the annual meeting. The WG aims to arrange a webinars series – one per quarter in 2025 focusing on Fundamentals of Biodiversity and Demonstration of tools. In addition, it aims to develop a new guidance note: Best practice for Biodiversity Action Plans and Assessments and host other internal education sessions for WG members as appropriate.

2024 Equator Principles Highlights

During the course of the year, 23 project financing transactions were assessed in accordance with the Equator Principles. This represents the largest number of annual EP transactions assessed in DNB since we became a signatory to the EP and is reflecting that 2024 was a busy year for our overall project finance activities. More than 91% (21 projects) were within the Power & Renewables sector and of these the majority were projects related to solar power/battery storage, on-shore and off-shore wind power generation. Within the oil & gas sector, we financed a life extension of natural gas liquefaction and storage facility. Within the Others sector we financed a hydrogen-based steel making facility and we were also financing a carbon transport and storage project and a combined cycle gas turbine project. Details of these projects (region, risk category and project names) are found in the '2024 EP projects' section below.

In 2024 we financed our first Carbon Transportation and Storage project – The **Northern Endurance Partnership** ("NEP"). This is also the first CCS project we have assessed under the EP framework. The project will develop end-to-end infrastructure across the Teesside and Humber region, transporting CO2 captured from selected local emitters (i.e. industrial companies, power producers etc.) and storing the CO2 offshore in perpetuity in the Endurance carbon store (geographical feature made up of permeable rock and brine) in the southern North Sea.

DNB acted as Mandated Lead Arranger ("MLA") in this GBP 3.9bn Senior Secured Project Financing which is the UK's first Carbon Capture Transport and Storage Project. It is also the first project financed Carbon Capture

and Storage (“CCS”) project in the world and a cornerstone transaction for DNB. We look to build a leading position in this segment, and it has also proved to be a solid learning ground for understanding relevant E&S risks inherent in such projects.

The project is a category A project under the EP framework and E&S risks are managed accordingly. In addition to relevant national and local laws and regulations (including international law and conventions and agreements into which the UK has entered), the project has been assessed and found to satisfy the following principles, standards and guidelines: Equator Principles 4 (July 2020), International Finance Corporation (“IFC”) Performance Standards (January 2012), World Bank Group General EHS Guideline including relevant industry sector guidelines, notably the World Bank Group EHS Guidelines for Offshore Oil and Gas Development (2015).

The project’s E&S risk management documentation has been independently reviewed by ERM (a leading E&S risk advisory company), on behalf of lenders involved.

2024 EP projects

Equator Principles Transactions				
Total number that reached financial close in 2024:	23			
	Project Finance			
Category	A	B	C	Total
Total	4	16	3	23
Sector				
Mining				
Infrastructure				
Oil & Gas		1		1
Power	2	15	3	20
Others	2			2
Sub total	4	16	3	23
Region				
Americas	1	15	2	18
Europe, Middle East & Africa	3		1	4
Asia Pacific		1		1
Sub total	4	16	3	23
Designated Country				
Designated Country	4	16	3	23
Non-Designated Country				
Sub total	4	16	3	23
Independent review				
Yes	4	15		19
No		1	3	4
Sub total	4	16	3	23

2024 Project Name Reporting for Project Finance Transactions

Below is the list of EP transactions signed by DNB, which reached financial close in 2024 and received client consent for disclosure.

No.	Project Name	Sector	Project Location
1	AES Bellefield Portfolio	Power	USA
2	Andes Solar III	Power	Chile
3	AES Bellefield 2	Power	USA
4	Urban Grid (UPG) 4	Power	USA
5	Rosamond South I	Power	USA
6	DESRI Crossroad Solar	Power	USA
7	Empire Wind	Power	USA
8	EnergyRE Lone star	Power	USA
9	H2 Green Steel	Others	Sweden
10	Hardin III	Power	USA
11	Honeycomb BESS	Power	USA
12	Hornshadow Solar	Power	USA
13	Iris & Leto PV Portfolio	Power	Poland
14	Luna Valley Solar I and Dagget I	Power	USA
15	Northern Endurance Partnership (NEP)	Others	United Kingdom
16	Net Zero Teesside Power (NZT)	Power	United Kingdom
17	RE Papago Storage	Power	USA
18	Revolution Wind	Power	USA
19	Stonepeak Coastal Virginia Offshore Wind	Power	USA
20	Top Hat	Power	USA
21	Tumbleweed Storage	Power	USA
22	Urban Grid (UPG) 3	Power	USA