Cloudberry

Sustainability report 2022

Cloudberry Clean Energy ASA

Content

What we do and why we do it

Climate change is a global crisis, and the world is already beginning to see its effects in the changing weather patterns and increasing frequency and severity of floods, droughts, and other extreme weather events. At the same time, these issues are compounded by nature degradation.

To slow down or stop the climate change and mitigate its impacts, the society must reduce its greenhouse gas (GHG) emissions and nature impact. This requires a significant reduction in the use of fossil and carbon-intensive energy, at the same time as global energy demand is increasing. This must be achieved through the development of renewable energy. We have high ambitions on increasing our production of renewable energy in the years to come and thus contribute to the much-needed globally decarbonization.

At Cloudberry, we are powering the transition to a sustainable future by developing and providing renewable energy today and for future generations. We create value in the communities in which we work, together with and for our employees, customers, business partners, and shareholders. Nevertheless, the positive effects we create, Cloudberry's development and construction of renewable energy plants generates GHG emissions and impacts the surrounding environment and society at large in a multitude of ways.

We aim to be transparent about all our impacts – good and bad. In the following sustainability report we describe how Cloudberry contributes to the shift to the renewable energy transition, the impacts we have on the climate, nature, and society, and how we proactively work to mitigate our negative impacts. We ensure that concern for environment, society and sustainability is at the core of everything we do.

Letter from the CEO

We are experiencing complex climate and nature crises around the world and are heading towards an energy deficit in the Nordics within a few years. Cloudberry's purpose is to provide solutions to these serious and imminent problems.

We provide renewable energy today and for future generations and believe that our long-term success is linked to operating our business in a sustainable and responsible way. As a developer, owner, and operator of renewable energy assets, we have placed sustainability at the core of everything we do. We view this as essential in achieving our long-term goals. We treasure the communities where we operate, and work closely with our employees, business partners, shareholders, Board of Directors, and local community members to create this value and share the rewards we create fairly.

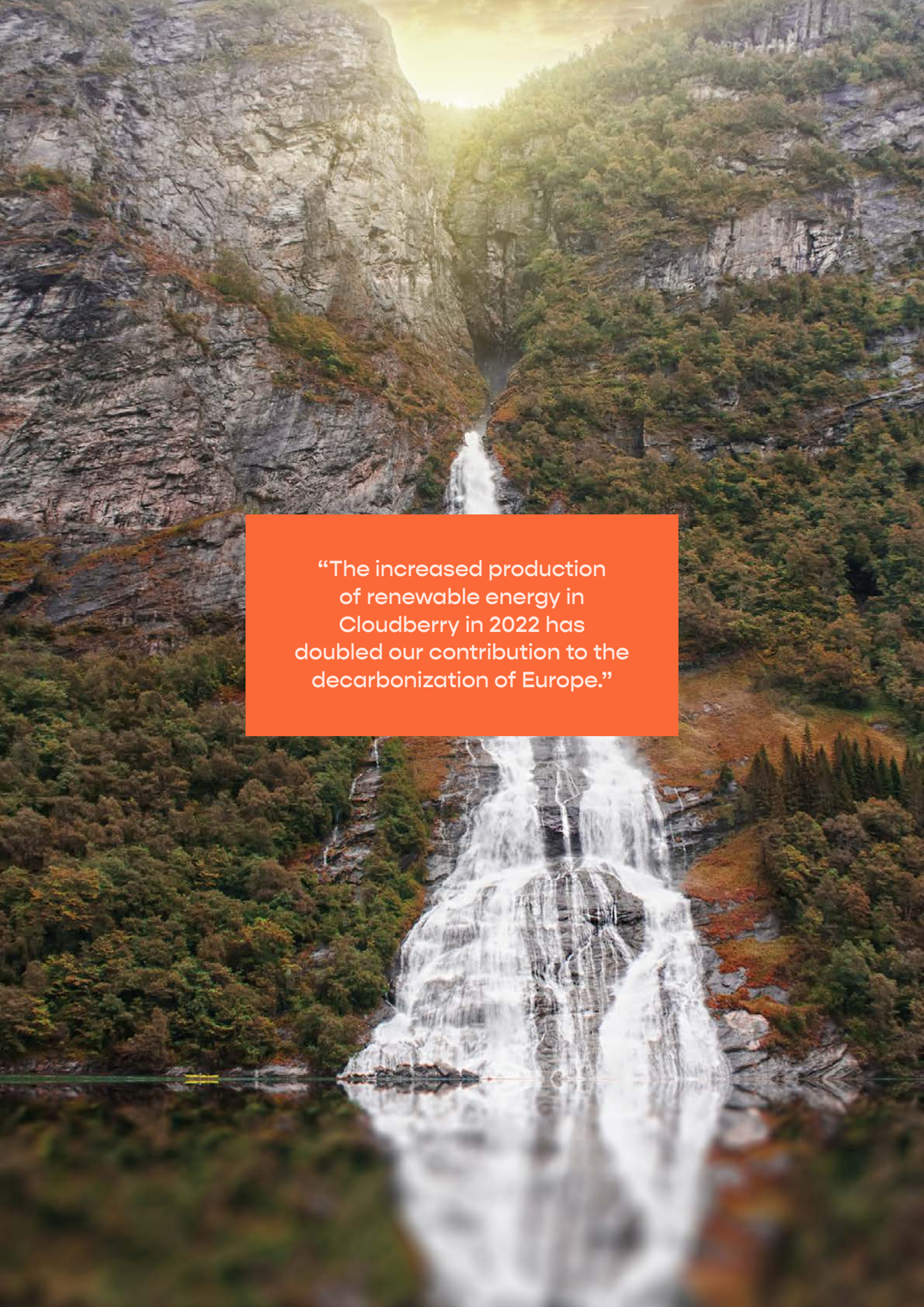
Our various stakeholders expect us to operate our business in line with the strongest environmental, social, and governance (ESG) principles. We have the same expectation of ourselves, as well as of our partners and suppliers. 2022 has been an important year for Cloudberry with significant growth and expansion that has seen the acquisition of the Captiva Group, the completion of our project at Hån wind farm and the opening of the Odal wind farm. In February 2023, we continued our growth through the acquisition of the Odin portfolio in Denmark.

As Cloudberry grows, we develop our sustainability strategy along with it. In 2022, our sustainability strategy was updated, including new material sustainability topics, new targets and preparing our sustainability reporting for the evolving industry practices and the coming CSRD requirements. Circular use of resources and materials has been introduced as a new material topic, there is an increased focus on nature impact and biodiversity, and we are adopting a more holistic approach in how we work with social topics towards our employees and on local communities.

We expect 2023 to be an important and eventful year, as we continue to closely monitor and improve our sustainability strategy and introduce new material topics. In the meantime, I am proud to present more details of the work we have already done and our ambitions for the future in our third annual sustainability report.

Sincerely,

Anders J. Lenborg
Chief Executive Officer



"The increased production of renewable energy in Cloudberry in 2022 has doubled our contribution to the decarbonization of Europe."

Introduction

Everything we do at Cloudberry is based on our desire to make a positive impact for all our stakeholders while contributing to society's transition to renewable energy. Our licence to operate is closely linked to our ability to act in a sustainable way and to develop and provide renewable energy for current and future generations.

In Cloudberry a long-term perspective colours everything we do. We want to be a driver for positive change. Developing new renewable assets is essential to reducing global CO_2 emissions. We realise, however, that our growth does not come without environmental and social impact. Construction and production have an impact on biodiversity, land use and individuals' interests. Cloudberry is conscious of these risks and seeks to understand and evaluate all aspects. We must carry out our work in a sustainable manner, and we recognize the need to continuously develop our approach to ensure sustainability remains a key aspect in all our processes. We know that the choices we make along the way matter, and conduct our business with concern for our impact on environmental, social, and governmental (ESG) aspects at all times. We work systematically towards our goal to be net zero across the value chain no later than 2040.

It is important to our various stakeholders that we manage our business according to the strongest ESG principles. We expect nothing less of ourselves and our partners. Thus, we continually improve our sustainability efforts and are transparent about what we have done and what we still need to work on. This report addresses what we have done in 2022, our ongoing sustainability processes, and the topics we plan to increase our focus on in the future.

Cloudberry grew significantly in 2022 through the acquisition of 60% of the Captiva Group (the

ESG Ambitions. Material Topics and Targets

	Environmental	Social	Governance
Sustainability ambitions	To power the transition to renewable energy aiming to be climate and nature positive	To act responsibly towards our employees and society, being a preferred employer and partner	To ensure solid governance internally and in our value chain at all times
Material topics	Climate change and energy transition Nature impact & biodiversity Circular use of resources and materials	Engagement, health and safety Diversity and equal opportunities Local community impact	Responsible business conduct Responsible value chain
Targets	Net zero by 2040 Minimize and repair adverse nature impact	Zero injuries Attract and retain a diverse and competent workforce	Zero compliance breach internally and in the value chain
Contribution to SDG targets			

Operations segment) and by organic growth. This growth, along with developments within the field of sustainability, necessitated an update and strengthening of our sustainability strategy. During 2022, we revised the material topics, a process which included updating our external stakeholder dialogue. The stakeholder meetings are treasured and of high importance to the company.

As a result of these processes, during 2022 we have updated our ESG material topics, and set our sustainability ambitions, targets, and key performance indicators (KPIs).

Over the past year we have constantly improved our formal efforts within social sustainability and sustainable governance. We conducted a due diligence assessment in accordance with the requirements of the Transparency Act to secure fundamental human rights and decent working conditions in our entire supply chain. The work included, among other measures, implementing pre-screening for all potential suppliers. Furthermore, we conducted an employee engagement survey focusing on HMS, compliance, work life balance and diversity, equity, and inclusion (DEI) in the organization. This will be an annual survey, in addition to introducing smaller employee surveys on compliance and employee well-being on a more frequent level. As Cloudberry has grown, we arranged a workshop for all employees with the purpose of further developing our value-based culture. This resulted in revitalised values:

Our Values

Be Supportive

We accept everyone's worth and dignity, respect and help each other. We encourage supportiveness and value diversity. We welcome different opinions, but always pull in the same direction towards Cloudberry's common goals.

Be Committed

We work together with passion and dedication to reach our purpose and goals today and for the next generation. We engage in our work and emphasize the value of collaboration and teamwork. We operate with a long-term perspective, and sustainability is integrated in everything we do.

Be Bold

We believe that our mission to accelerate the transition to renewable energy requires us to be bold, go in new directions, think innovatively and differently, and think big – but always act responsibly.

Be Exceptional

We know that to succeed we must always perform our best. Being exceptional means valuing diversity to strengthen our ability for problem solving and value creation. We set our standards high and ensure industry-leading competence and foster a culture that values the synergies of cooperation.

About the report

Reporting standards

Sustainability is a rapidly evolving field, with evolving reporting standards. When we wrote our first sustainability report in 2020, we chose to use the World Economic Forum (WEF) Stakeholder Capitalism reporting framework. This year we have decided to move away from the WEF structure in favor of an Environment, Social, and Governance (ESG) structure. We make this change because the ESG structure is becoming more standard in sustainability reporting, and to prepare for the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD). These standards have been detailed by the European Financial Reporting Advisory Group (EFRAG) and are based on the ESG structure. Accordingly, we have included some information related to the mandatory CSRD disclosures in this report and plan to conduct a CSRD gap analysis in 2023.

Despite our switch to the ESG reporting structure, this report contains many of the same disclosures as before, which are aligned with the Sustainability Accounting Standards Board (SASB) and elements of the UN Sustainable Development Goals (SDGs). Previously, Cloudberry's sustainability reports were also aligned with the Task Force on Climate Related Financial Disclosures (TCFD). This year we have published a separate TCFD report, although the sustainability report still highlights the most material climate risks. This report is also inspired by the Global Reporting Initiative (GRI) and therefore includes new GRI disclosures and a GRI reporting matrix at the end of the report.

ESG Key Performance and Targets

In 2022, we updated our material environmental, social, and governance (ESG) topics and developed corresponding ambitions, targets, and KPIs. The table below shows the targets and the KPIs we are reporting.

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Environment [1]	GHG emissions avoided tCO_2e	5 229	29 133	59 496	124 500	249 000
	GHG emissions tCO_2e	6 980	25 827	10 727	13 500	24 750
Social [2]	Work injuries (incl. Sub-contractors)	0	0	0	0	0
	Employee engagement index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
	Female employees % of total	20%	29%	29%	35%	> 40%
	Female managers % in mgmt. positions	20%	20%	33%	33%	> 40%
	Female BoD % in total BoD	40%	40%	43%	> 40%	> 40%
	Equal opportunities index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
Governance	Prescreening of suppliers	N/A	N/A	10%	50%	100%
	Whistle-blowing incidents	N/A	0	0	N/A	N/A
	Compliance training	N/A	100%	36%	100%	100%

[1] CO_2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. See the Key performance summary and the Environment section for details.

[2] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

Key performance summary

Cloudberry's sustainability management was strengthened in 2022, with focus on organizing and disclosing our ESG activities and performance. As a result, we have developed and expanded our set of targets and KPIs. We are continuously improving our sustainability efforts and acknowledge that some KPIs need to be further developed going forward. Nevertheless, our current KPIs are discussed in the Environmental, Social and Governance chapters of this sustainability report.

Cloudberry's 2022 proportionate power production totaled 268 GWh (117 GWh in 2021). The avoided emissions relative to baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2022) are equivalent to 59,496 tCO_2e (29,133 tCO_2e in 2021). The avoided emissions previously reported in 2020 and 2021 are adjusted in the 2022 report and is described in the Environment section. The 2023 and 2025 targets are based on expected proportionate production of renewable energy.

In 2022 Cloudberry's total direct and indirect GHG emissions from Scope 1, Scope 2 and Scope 3 amounted to 10,727 tCO_2e (25,827 tCO_2e in 2021). The previously reported Scope 3 emissions for 2020 and 2021 have been adjusted in the 2022 report, and includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm. This is described in detail in the Environment section. Targets estimated for 2023 and 2025 are calculated from the construction projects in the company`s project pipeline. Starting from 2023 we will report our GHG emissions on a quarterly basis.

All of Cloudberry's hydro power plants are aligned to the criteria of the EU Taxonomy. Detailed third-party assessments were carried out to evaluate our alignment to the criteria of the EU Taxonomy, and a verification statement has been issued for each of Cloudberry's hydro power plants. The internal analysis of our three wind power plants found that all are taxonomy aligned. The third-party assessment is currently ongoing for the wind power plants and will be reported on during 2023. For more information on the EU Taxonomy please go to the Environment section in this report.

In 2022 Cloudberry received a light green rating from Position Green, the annual review of ESG reporting of the 100 largest listed companies in Denmark, Norway, and Sweden.

ESG100
POSITION GREEN | 2022

During 2022 Cloudberry recorded no material incidents causing harm to people`s health and safety. We have a zero-incident target for injuries that cause absence from work, as well as for incidents causing harm to people`s health and safety.

The 2022 employee engagement survey focused on HSE, compliance, work life balance and diversity, equity, and inclusion (DEI) in the workplace. A DEI index of 5,2 was calculated of based on a bundle of responses to five questions, where six is the maximum possible score. This result will be used as a baseline for measures and targets within DEI and employee engagement. We will work systematically to sustain or improve the score in 2023. Furthermore, Cloudberry has set targets related to gender balance in the company. Gender balance and our work with DEI are described in detail in the Social section.

In 2022 we conducted a due diligence assessment in accordance with the Transparency Act requirements, to secure fundamental human rights and decent working conditions in our entire supply chain. Additional steps to strengthen our work on transparency and decent working conditions, such as implementing pre-screening of all potential suppliers, have been implemented. The work relating to prequalifying suppliers will be fully incorporated in Cloudberry from 2023. We have set targets related to screening suppliers with significant impact in our projects. This is described in more detail in the Governance section.

Supporting the UN Sustainable Development Goals

The development of renewable energy capacity contributes to the energy transition required to reach net-zero, European and national climate targets, and the UN Sustainable Development Goals (SDGs). In 2021 we reviewed our sustainability strategy with attention to the SDG targets and highlighted those we aligned with. In 2022 we evaluated our alignment with the UN SDGs in light of our updated environment, social and governance (ESG) strategy. As a result, we made some adjustments, including highlighting two additional SDGs as topics important to Cloudberry's business and how we operate: number 5; Gender Equality, and number 16; Peace, Justice and Strong Institutions.

Cloudberry is aware that the energy industry is highly male dominated. Supporting SDG number 5, Gender Equality, reflects how Cloudberry actively works to improve gender equality in an area where we can have a real impact.

Cloudberry is committed to acting ethically and using ethical suppliers. This includes working against corruption and bribery, which is a central part of SDG 16, as well as establishing transparency in institutions at all levels and ensuring inclusive decision making. Both goals are well aligned with Cloudberry's work to ensure a steady and transparent flow of information between the company and its stakeholders, as well as the focus we have on stakeholder collaboration.

The following UN Sustainable Development Goalss are particularly important to Cloudberry's business and how we operate

Gender equality

Cloudberry contributes improving gender balance and ensuring equal opportunities for all genders in own workforce and operations and brings the attention to recruitment agencies and contractors. Progress is measured through our social KPIs for share of female employees, -management, and -the Board of Directors.

Affordable and clean energy

Cloudberry ensures access to affordable, reliable and sustainable renewable energy for all. This opens opportunities for new economic opportunities, jobs and local value creation, and contribution to climate change.

Sustainable cities and communities

Cloudberry contributes to the development of sustainable cities and communities by developing and operating renewable energy infrastructure. In addition, Cloudberry seeks to protect cultural and natural heritage as well as using sustainable materials and solutions, e.g., reuse materials and engage local suppliers where possible.

Responsible consumption and production

Cloudberry aims to act responsibly in all development projects, focusing on environmentally sound management of chemicals and all waste throughout the life cycle, recycled and reuse of material as well as efficient use of natural resources. Secondhand furniture in own offices and improving circularity where we have an impact.

Climate action

Cloudberry contributes to mitigating climate change by developing and operating renewable energy with a focus on reducing our GHG emissions and minimizing our nature impact, and we have a goal of being net-zero before 2040. The effect of climate change has consequences for our operating assets therefore we consider our business planning and have assessed our climate related risks and opportunities to ensure that our assets are climate-resilient.

Life on Land

Cloudberry protects life on land through the company's contributions to climate change mitigation. Additionally, Cloudberry integrates ecosystem protection and biodiversity values into our development processes, and promotes sustainable forest and biodiversity management, including protection of threatened flora and fauna.

Peace, justice and strong institutions

Cloudberry contributes ensuring ethical value-chain, transparency, and include various stakeholders in our decision making and project planning processes. We track our work through our compliance and anti-corruption KPIs, as well as supplier screening.

In 2022 we received zero grievances from neither project under construction nor from those in operation. Cloudberry aims for zero non-compliance incidents in the years to come. However, we want to be made aware of irregularities or concerns regarding the organization and our business. We therefore welcome all whistle-blowing occurrences and encourage a culture of transparency. Compliance training includes training in Code of Conduct, notification routines for whistleblowing incidents and anti-corruption. In 2022, all Cloudberry and Captiva employees received information about the whistleblowing policy, and the updated Code of Conduct was shared. Mandatory training for all employees in anti-corruption and the Code of Conduct is embedded in Cloudberry from 2023.

Updated sustainability strategy

Cloudberry`s overarching purpose is to provide renewable energy for future generations and power the transition to a sustainable future. This purpose shapes everything we do, and our long-term success is linked to operating our business in a sustainable way. To fulfil this purpose, Cloudberry believes that identifying, understanding, and systematically managing the material sustainability topics in our value-chain is of utmost importance for future long-term value creation.

Cloudberry grew significantly in 2022 with the acquisition of 60% of the Captiva Group (the Operations segment) and through organic growth. The growth necessitated an update of our sustainability strategy and material topics list, facilitated by renewed external stakeholder dialogue.

As a result of this process, Cloudberry has revised its material topics and developed relevant sustainability ambitions, targets, and key performance indicators (KPIs). They have all been incorporated into our development, production, operations, and corporate business units. The targets and KPIs were approved by Cloudberry's ESG committee and Board of Directors at the end of 2022.This sustainability report addresses our updated strategy and sustainability material topics in more detail, as well as our plans to address each of them, divided into the Environmental, Social, and Governance dimensions.

Double materiality assessment and adjusted material topics

As part of our ESG strategy update we conducted a double materiality assessment inspired by the Global Reporting Index (GRI) and the methodology described in CSRD. This process represents our first step towards CSRD alignment and included interviewing our most important stakeholders. This resulted in receiving input on how our activities impact people and the environment, and on how different sustainability matters create risks and opportunities for Cloudberry.

We have linked the topics that came out of this process with the three ESG dimensions: Environmental, Social, and Governance.

Our assessment found our most material environmental topic dimensions to be climate change and energy transition, nature impact and biodiversity, and circular use of resources and materials. Our most material social topics are engagement, health and safety, diversity and equal opportunities, and local community impact. Under governance, responsible value chain and responsible business conduct were identified as the most material sustainability topics.

In the coming years Cloudberry will continue to raise our sustainability ambitions and goals and strengthen the work with our material topics. The integration of ESG topics is an ongoing process in both our own business units and the value chain. Good corporate governance and ethical business conduct are essential to Cloudberry as the company continues to grow organically and through acquisitions.

The table below gives an overview of our material sustainability topics, as well as our preliminary assessment of them related to double materiality. For each material topic, we have considered how Cloudberry impacts the outside world (also known as inside-out impact and sometimes called “impact”), as well as how changes related to the topic create risks and opportunities for Cloudberry (also known as the outside-in impact and closely related to financial issue).

Material sustainability topics

ESRS	Topic	Inside-out	Outside-in
E1 – Climate change	Climate Impact	**Positive:** Cloudberry's development and production of renewable wind and hydro power contributes positively to society's overall energy decarbonization, which helps to mitigate climate change. **Negative:** The manufacturing and transport of the components used in renewable energy production, along with production site construction, are significant sources of greenhouse gas emissions.	**Opportunities:** There will likely be an increase in funding for renewable energy development as society tries to limit climate change and reduce emissions. As an established clean energy company with a clear focus on environmental and social sustainability, Cloudberry is well positioned to take advantage of this growth opportunity. **Risks:** Climate change will cause changes in precipitation patterns, which will make hydro power less reliable in the future. This risk can be minimized by establishing a resilient network of hydropower plants in different locations. Climate change will also cause an increase in extreme weather events, which could damage assets.
E4 – Biodiversity and ecosystems	Nature impact and biodiversity	**Positive:** Cloudberry has an indirect positive impact on nature and biodiversity through the production of renewable energy, which contributes to the mitigation of climate change. This is positive because climate change constitutes a serious threat to the existence of many species, the world's ecosystems, and therefore biodiversity as a whole. **Negative:** On the other hand, Cloudberry has direct and indirect negative impacts on nature and biodiversity. Indirectly, the extraction of raw materials that Cloudberry uses harm nature in the areas they come from. Cloudberry's construction of projects have a direct negative nature impact, which we are working to minimize.	**Opportunities:** Cloudberry has the opportunity to be an industry leader regarding nature impact and biodiversity and is currently working to develop relevant KPIs and planning how to reduce our impact. This would make us an attractive partner to work with for organizations and communities which are focusing on reducing nature impact risk and halting biodiversity loss. **Risks:** Regulators, local communities, environmental activists, and the general public are becoming more aware of the global biodiversity crisis and focusing more on the risks that renewable energy generation pose to nature and biodiversity. Public opinion turning against development of wind and hydro power plants is a risk to Cloudberry's operations and we are working to minimize our impact and maintain an open, transparent dialogue with stakeholders in the areas in order to minimize this risk.
E5 – resource use and circular economy	Resource use and circularity	**Positive:** Cloudberry works to use resources in a circular manner wherever possible, such as in our own offices, and by encouraging suppliers to be as resource efficient as possible. In the future, Cloudberry will work actively to improve circularity related to wind turbines and other critical use components for renewable energy. **Negative:** While hydropower plants have long lifecycles, which is good for circular resource use, the opposite is for wind energy at current stage. It is still a challenge the recycling of the wind turbine blades, and the same for the concrete used in the foundations this is some of the negative impact on overall circular material use.	**Opportunities:** The renewable energy industry is not very mature when it comes to circular resource use, giving Cloudberry the opportunity to be a front runner. Increasing circular resource use is also a direct financial opportunity, as successful material or component reuse would reduce the company's costs. **Risks:** There are some regulatory risks regarding circular resource use in the renewable energy industry. For example, governing bodies may impose fees or other costs for the end of life handling of resources. Additionally, there is a reputational risk for Cloudberry if wind turbine blades end up in the landfill.

ESRS	Topic	Inside-out	Outside-in
S1 – own workforce, S2 – workers in the value chain	Engagement, health and safety	**Positive:** Cloudberry's employees are mainly office workers, and safety is therefore not a large concern. We work actively to ensure good employee engagement and promote employee health. **Negative:** Cloudberry hires subcontractors for development, construction, and maintenance of projects, and it is difficult to ensure that the subcontractors follow Cloudberry's standards. There is therefore a risk that our activities have an indirect negative impact on overall health and safety.	**Opportunities:** Having high levels of employee engagement makes Cloudberry an attractive employer. Employee engagement also creates opportunities for employee feedback and input which can improve our operations. **Risks:** It is impossible to completely eliminate health and safety risk, especially in construction, and Cloudberry has, therefore, some financial risk due to the risk of accidents on the job. We emphasize safety and strive to minimize this risk as much as possible.
S1 – Own workforce	Diversity and equal opportunities	**Positive:** Cloudberry is an equal opportunity employer and encourages diversity, equity, and inclusion in the workplace. We have a systematic process and work actively to promote equity and prevent discrimination across the company. **Negative:** Despite Cloudberry's status as an equal opportunity employer, our employees include a higher number of men. Additionally, manufacturing and construction are industries which are known to favor men.	**Opportunities:** Being seen as an equal opportunity employer is closely connected with employee engagement and contributes to making Cloudberry an attractive employer. Cloudberry has the opportunity to be a diversity, equity, and inclusion leader in the construction sector, making the company an attractive partner for future projects and for investors. **Risks:** Cloudberry faces reputational risks if we fail to fulfil our diversity and equal opportunity ambitions, or lag behind in the renewable energy industry.
S3 – Affected communities	Local value creation	**Positive:** Cloudberry strives to have a positive impact on local communities, and we use local suppliers and hire employees locally wherever possible. Cloudberry also engages with local stakeholders to determine the best way to create value in each community, which has lead to, for example, building local bike paths and walking trails. **Negative:** The construction and running of wind and hydro power plants do have some negative impact on local communities. The biggest complaints are generally noise, ruining the view, and impact on nature. We work hard to consult with the communities where we operate and minimize these negative impacts.	**Opportunities:** Successfully creating local value and developing a reputation for doing so can lead to future opportunities for Cloudberry, with community focused investors and partners, as well as the local communities themselves, considering this in their decision making processes. **Risks:** If Cloudberry fails to create enough local community value and maintain its reputation as a professional developer there is the risk of delaying or even losing future projects.

ESRS	Topic	Inside-out	Outside-in
G1 – Business conduct	Responsible value chain	**Positive:** Cloudberry has the opportunity to use the Transparency Act as a force for good, to uncover supply chain risks and end illegal and unfair practices when it comes to human and workers' rights. **Negative:** Cloudberry has a large network of suppliers and is, as is the case with all renewable energy companies, dependent on industries which are known for human rights' and workers' rights abuses, as well as damaging the environment. At Cloudberry we do our best to minimize this risk by choosing suppliers in Europe where possible, and expecting our suppliers and partners to uphold the standards in our Supplier Code of Conduct.	**Opportunities:** Establishing a reputation as a transparent and responsible employer and partner will make Cloudberry a desirable partner in the future. **Risks:** Regulations and potential fines in the case of human or workers' rights abuses as well as costs related to environmental damage in the supply chain constitute financial risks for Cloudberry. We do our best to mitigate this risk, but as with other companies in the industry, it is still a risk.
G1 – Business conduct	Responsible business conduct	**Positive:** Cloudberry emphasizes responsible business conduct throughout our operations, including in our Code of Conduct. We follow up our suppliers closely and have long relationships with them which builds trust and allows us to have more influence in their practices. **Negative:** Cloudberry has a large network of business partners which makes it difficult to ensure that they are all acting responsibly. We do our best to choose transparent, responsible business partners when possible.	**Opportunities:** Establishing a reputation as a transparent and responsible business partner will make Cloudberry a desirable partner in the future. **Risks:** If Cloudberry, or someone connected to the company fails to act responsibly or follow our Code of Conduct, there is a reputational risk, which could lead to loss of business and loss of investor confidence.

Stakeholder dialogue and managing stakeholder expectations

Cloudberry`s success depends on our ability to build trust amongst our stakeholders. It is essential that landowners lend their land to us, local communities have trust in us, people and partners want to work with us, and that investors and creditors value us. It is fundamental for the company to engage timely and openly with our stakeholders, and we have the ambition to maintain an open and transparent dialogue.

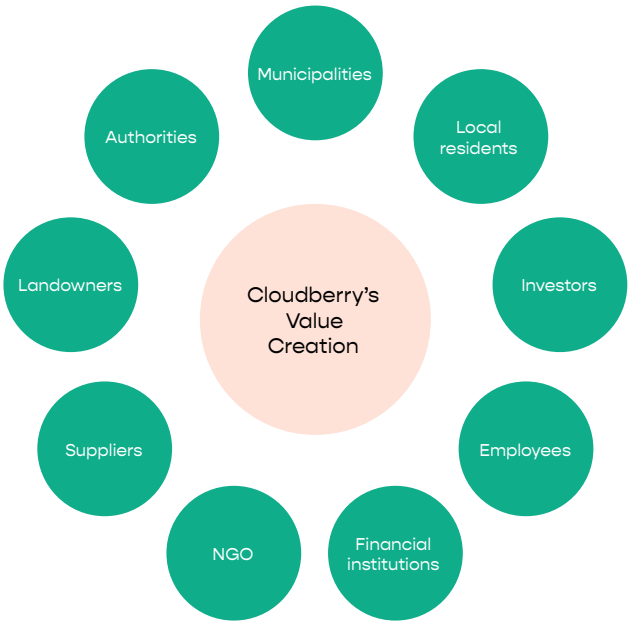
An important part of maintaining dialogue and building trust is ensuring Cloudberry a local presence, allowing us to understand the context we work in. We strive to have a transparent decision-making process. Regular dialogue with and input from our main stakeholders gives us valuable feedback and enables Cloudberry to continue to improve and enhance our trust and reputation.

When exploring a new opportunity, we evaluate landowners' interest in having a powerplant on their property as well as the local attitude towards the establishment of the relevant renewable energy power plant. After submitting the formal notification of a project to the authorities, we hold public meetings to inform residents about the project and identify local needs that we can accommodate them. Cloudberry creates opportunities for individual residents to discuss any concerns they may have throughout the process.

Dialogue with and input from all stakeholders are highly important to the company and contribute to and validate, our sustainability strategy. In 2022 Cloudberry engaged with external stakeholders as a part of our larger process to update our material topics. We conducted interviews with existing and potential stakeholders and individuals belonging to several stakeholder groups. Key stakeholders consist of landowners on whose land Cloudberry has projects, residents, municipalities, and politicians in communities where Cloudberry operates, suppliers, consultants, investors, relevant financial institutions, and an environmental NGO, as illustrated below. A full day workshop with employees and management was also conducted.

Cloudberry's stakeholders are particularly concerned with how we handle environmental and social impact, governance issues, health and safety, company culture and supplier management. In the table below we describe the main findings from the 2022 stakeholder interviews regarding Cloudberry's development and construction projects in Norway and Sweden.

Cloudberry's main stakeholders



Way forward

In 2023, Cloudberry will further systematize our stakeholder engagement. The input we receive is valuable and influence our sustainability framework and will be reflected in our strategic priorities going forward. On every construction project Cloudberry will continue to distribute newsletters, keep updated project websites, and hold meetings for authorities, landowners and other stakeholders involved. We maintain close dialogue with our stakeholders to understand and address their concerns.

Main stakeholders

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Landowners and residents	Frequent and transparent communication, protecting and minimizing damage to nature, consider cultural sustainability, financial funds for locally initiatives and contribute to local business opportunities creating jobs.	Direct contact with the landowners and residents through meetings, and consultation meetings with the residents of the neighbourhood.	Information letters to stakeholders on progress regarding the project. Several informational meetings were held locally to ensure understanding around the process, impact, risk, and opportunities, local value creation, and to facilitate Q&A sessions. In the Sundby Vindpark (Kafjärden), a specific budget is dedicated to environmental and social work in the construction phase. A budget for the production period is dedicated to investment in local initiatives. Participation in an open community hearing at Hån Vindpark in the early phase of construction. This participation was a result of Cloudberry's community outreach and relationship building, ensuring that our projects are carried out in the best possible way. Cloudberry engaged external consultants to investigate biodiversity at the Björnetjärnsberget wind development project and modified the wind farm layout based on the results of this work. At Hån wind farm dialogue with the local stakeholders resulted in a bike trail called "Unions-leden" in the area around the border of Sweden and Norway, as a part of Cloudberry`s contribution during the construction phase. A project website with updated information regarding projects during development and construction. At Tinnkraft hydro power plant Cloudberry set up benches for hikers in the area.
Municipalities and politicians	Energy supply locally, local value creation such as jobs on projects and infrastructure. Professional handling of conflicts, sustainability throughout the supply chain and minimizing the environmental impact. Recommend that the company enters into dialogue with the local community at an early phase.	Dialogue and meetings with the municipalities, politicians and authorities.	The development and production of wind and hydro power are highly regulated in both Norway and Sweden, including stringent environmental regulations. The company maintains a continuous dialogue with authorities and local stakeholders and held several meetings with the municipalities where our projects are located e.g., Sundby (Kafjärden), Munkhyttan and Düvhällen wind farm projects. Simpevarp project managers held regular dialogue with local stakeholders, visiting local municipalities, events, and businesses and held meetings with local politicians and interest groups. The dialogue improved our understanding of the community and established a good baseline for future discussions. In all our projects we have the policy to work with local suppliers as far as possible and to use local companies for food and accommodations.

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Suppliers and consultants	Transparent communication, focus on health and safety , minimizing environmental and climate impact, contribute to local value creation.,	Regular meetings with partners, suppliers, and consultants.	Cloudberry has implemented a supplier declaration form which is an overall assessment conducted when choosing a supplier for a project and is used as a basis for pre-screening suppliers of products and services to Cloudberry The prequalification formula reflects regulatory requirements, quality, sustainability topics and HSE. Supplier Code of Conduct is a part of procurement phases. Regular meetings on health and safety management on site with entrepreneur and other suppliers. Focus on health and safety routines and environmental and social impact. Registering incidents and mitigation plans. Reporting on GHG emissions from projects.
Investors and financial institutions	Close collaboration with investors and partners. Balanced and fact-based ESG reporting. Be ambitious on sustainability targets. Alignment to governance acts., Focus on environmental and social impact and circular use of material.	Meetings with investors nationally and globally, analyst presentations, company presentations in investor forums and at conferences.	Direct and indirect greenhouse gas (GHG) emissions will be reported quarterly from 2023 (annually previously). A plan for a pathway and commitment to Science Based Targets initiative (SBTi) to reach net-zero no later than 2040. Climate related financial risks and opportunities, which the scenario analysis is based upon, and integrated in the overall risk management in the company. The KPIs and targets on the material ESG topics are set, and are to be further developed. Alignment to the criteria of the EU Taxonomy on all hydro power plants. The wind power plants expected to be aligned and under assessment by a third party.
NGOs	Develop and produce renewable energy, minimize land use and nature impact, respect the needs and rights of indigenous people, prioritize wind projects in already impacted areas such as in industrial areas and areas already impacted.	Meetings with associations and NGO´s.	Reuse existing infrastructure to minimize environmental and nature impact. E.g., at Sundby wind farm project we reuse existing concrete foundations and cables. At Hån wind farm, we used just in time (JIT) deliveries for wind turbine blades. In this way we minimized and saved nature impact by not building storage area for the blades. At both Simpevarp and Björnetjärnsberget development projects we held meetings with local stakeholders to establish transparent dialogue at an early stage, focusing on biodiversity and nature impact, and how to create local value for stakeholders involved. At Åmotsfoss hydro power plant we maintain regular dialogue with local communities to safeguard and protect biodiversity surrounding the river, and particularly in the river. We set up reconciled solutions which contribute to a sustainable environment for the local inhabitants and society.

External Stakeholders	Expected of the company	Areas of dialogue	Examples of actions to address expectations
Investors	Measuring CO_2 emission, energy efficiency, life-cycle assessment and environmental impact. Prioritize developing windfarms in industrial areas.	Meetings (preferably digitally) with investors and analysts, company presentations.	Providing renewable energy and thereby reducing climate GHG emissions. Accessible for a broader universe of stakeholders and ESG focused investors as Cloudberry was listed on the fully regulated market Oslo Stock Exchange in 2021. Diversified and growing production portfolio with a highly efficient operating platform, a growing development backlog and pipeline both on- and offshore. The increased production of renewable energy in Cloudberry in 2022 has doubled our contribution to the decarbonization of Europe. Reports annually on direct and indirect greenhouse gas (GHG) emissions, assessed climate related financial risks and opportunities, which the scenario analysis is based upon.
Financial institutions	Ensure that suppliers and partners operate in line with the company's code of conduct. Focus on the company's emissions and HSE routines.	Meetings and presentations.	Beside reporting financially, the company is integrating environmental, social and governance in its reporting to highlight the focus on sustainability management in the company`s business strategy.

NATUR OG UNGDOM

Cloudberry met with Natur og Ungdom (NU), the largest environmental organization for young people in Norway. NU is a non-political, independent organization that works to take care of nature and biodiversity to secure the livelihood of future generations.

As a part of our stakeholder management, it is essential for Cloudberry to have dialogue with NGOs such as NU, to learn about and understand their views on how climate change and nature impact must be linked to each other when developing and constructing wind- and hydropower plants.

«Natur og Ungdom clearly sees that there is a necessity for much more renewable energy, as well as a need for an overarching plan to develop wind energy. We must improve our energy efficiency and develop more efficient renewable energy in order to secure our energy supply and facilitate profitable wind energy with a low nature impact. Since climate mitigation and nature impacts are complex, renewable energy asset development must quickly be planned locally, regionally, and nationally - integrated with existing infrastructure and in already impacted areas. We always encourage local anchoring and the establishment of some positive spin-offs for the local community and the landowners»,
says Simon Balsnes, Natur og Ungdom

Environment

Sustainability ambitions

To power the transition to renewable energy aiming to be climate and nature positive

Renewable energy is essential to reducing the worlds greenhouse gas (GHG) emissions, stopping climate change, and protecting the environment. At Cloudberry, concern for the environment and climate change lies at the center of everything we do. Our main ambition is to power the transition to renewable energy. While aiming to have a net positive impact on climate and nature, our goal is to be net-zero on GHG emissions no later than 2040. We plan to commit to the Science Based Targets initiative (SBTi) in our further work and is currently developing a roadmap which we aim to use actively to identify opportunities to even speed up the process and reach net-zero sooner. It is a high priority for Cloudberry to reduce our environmental footprint and our 2022 materiality assessment identified three environmental topics which we will prioritize in the years to come 1) climate change and energy transition, 2) nature impact and biodiversity, and 3) the circular use of resources and materials.

Our production of renewable energy positively impacts the energy transition which addresses the climate crisis. In addition, the impact also addresses major operational and financial risk posed by climate change that causes changes in weather patterns which makes wind energy and hydropower less predictable. Additionally, climate change may increase the frequency of extreme weather events which can damage our assets. At the same time, renewable energy development damages nature and negatively impacts biodiversity. Thus, minimizing nature impact is one of Cloudberry's highest priorities going forward. Finally, renewable energy, particularly wind energy, is known to be resource intensive with underdeveloped markets for reuse and recycling, as well as for manufacturing and transport of the components used in the production. These, along with site construction, are significant sources of GHG emissions. Addressing these issues and becoming more circular will contribute to our overall sustainability and minimize our material scarcity risks which is another of Cloudberry's focus areas.

Climate change end energy transition

Our approach

Climate change constitutes a global threat, and transitioning to a less carbon intensive energy system is essential. Contributing to this transition and helping to mitigate climate change is imperative for Cloudberry. We have an overall positive impact in this area, although we acknowledge that the development and operation of renewable energy sites are sources of GHG emissions.

Climate change itself is a risk for Cloudberry, although society's climate change mitigation efforts create financial opportunities for us. Climate change is altering precipitation patterns, which makes hydropower a less dependable source of electricity than it has been in the past. Additionally, climate change is increasing the frequency and severity of extreme weather events, which pose threats to our assets. At the same time, concern about climate change is leading many investors and governments to look towards renewable energy which will likely result in new renewable energy development opportunities for Cloudberry in the future.

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Environment[1]	GHG emissions avoided tCO_2e	5 229	29 133	59 496	124 500	249 000
	GHG emissions tCO_2e	6 980	25 827	10 727	13 500	24 750

[1] CO_2 reduction and the direct and indirect GHG emissions have been adjusted for previous years. See the Key performance summary and the Environment section for details.

Our activities

Climate related risks and opportunities

Financial markets, creditors and investors need clear, consistent, and comparable, high-quality information on the impacts of climate change on businesses. The Task Force on Climate-related Financial Disclosure (TCFD) developed the TCFD disclosure recommendations to improve and standardize the reporting of climate-related financial information and to enhance market transparency and stability.

In 2022 Cloudberry has further aligned with the TCFD disclosure recommendations, related to our growth and expansion during 2022, and we developed a more mature reporting. A workshop, facilitated by a third party, reassessed the financial risks- and opportunities. The update was used to determine the most material risks for Cloudberry. A summary report outlining the key elements of each risk and opportunity was developed. A wide range of key personnel were engaged to assist in quantifying each risk and opportunity based on its likelihood, financial impact, and time horizon. In total, ten changes to the risk and opportunities were identified. This was further used to formulate the most material financial risks for Cloudberry, on which the scenario analysis is based upon.

Transition risk: Volatile power prices.

- As observed in 2022, energy prices are constantly evolving and can, under certain circumstances, be extremely volatile. What are key drivers that could potentially lead to changes in volatility in the future? How might these drivers develop in a transition narrative where the world aligns with a well-below 2˚C scenario?

Physical risk: Changing weather patterns.

- Changes in average temperatures will impact the climate In the Nordics where Cloudberry currently operates. Overall warmer climate can lead to increased rainfall, increased wind, and longer periods of drought. Potential consequences include flooding at hydro plants resulting in less production, severe winds exceeding a wind turbine`s capacity leading to production stops, and droughts leading to low water levels and forcing the company to reduce or even fully stop the electricity production.

The risks were analyzed in two different scenarios. In the Business-as-Usual scenario, aligned with Intergovernmental Panel on Climate Change (IPCC)'s SSP5-8.5 and RCP 8.5 scenario, physical risks dominate the risk landscape. In the well-below 2°C scenario, IPCC's SSP1-2.6 and International Energy Agency (IEA)'s Net Zero Emissions were used as the premise, and transitional risks dominate.

The climate-related risks and opportunities related to Cloudberry`s business development and expansion are assessed annually. The full TCFD report and the scenario analysis is available on our website.

Cloudberry's Carbon Emissions

We positively impact the energy transition by developing and producing renewable energy. Sustainability is at the core of everything we do and well-integrated in our long-term strategy. To improve our climate footprint, we must reduce our environmental impact and avoid CO_2 emissions wherever possible. In 2022, we improved and conducted our Scope 3 screening of our carbon emissions, aligned with the Greenhouse Gas (GHG) Protocol, focusing on the most material categories of GHG emissions. The company has developed an in-house system to streamline the process of gathering data on emissions, including emissions from the value chain, our operations and Cloudberry`s offices. This will allow us to report GHG emissions on a quarterly basis from 2023. Cloudberry is planning to commit to SBTi and is currently developing a roadmap to reach net-zero no later than 2040. We aim to use this process actively, to identify opportunities to speed up the process and reach net-zero sooner.

Table 1. GHG emissions in tons for Scope 1, Scope 2 and Scope 3

Carbon Accounting	Unit	2020	2021	2022
Scope 1 Total	tCO_2e	-	-	-
Scope 2 Total Location-Based	tCO_2e	1	7	5
Scope 3 Total	tCO_2e	6 978[1]	25 820[2]	10 723
Total	**tCO_2e**	**6 980**	**25 827**	**10 727**

[1] Adjusted from 186 tCO2e previously reported for 2020. The number now includes the Scope 3 emissions from construction of the Odal wind farm.

[2] Adjusted from 196 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm.

Cloudberry`s carbon inventory is divided into the three main scopes of direct and indirect emissions, and in 2022 Cloudberry's reported GHG emissions from Scope 1, Scope 2 and Scope 3 were 10,727 tons CO_2e (25,827 tCO_2e).

Scope 1 covers all direct emissions sources, including the use of fossil fuels for stationary combustion (predominantly diesel generators) and transportation. Cloudberry does not have any company cars and did not purchase any gas (SF6) refills in 2022 and has, therefore, zero direct GHG emissions to report in Scope 1.

Scope 2 includes indirect emissions from Cloudberry`s purchased energy (i.e., electricity and heating/cooling). This includes purchased energy for Cloudberry`s offices in Oslo, Norway and in Karlstad, Eskilstuna and Särö, Sweden, as well as the energy used at our production sites. In 2022 Cloudberry used a total of 183 MWh of energy, corresponding to the emission of 5 tCO_2e.

Scope 3 comprises the reported indirect emissions resulting from Cloudberry`s value chain activities. Reporting of purchased goods and services, and upstream transportation and distribution, were identified as the most material reporting categories. The total registered emissions from Scope 3 were 10,723 tCO_2e. Please see Appendix for a Scope 3 breakdown of included categories.

Cloudberry follows the principle of Proportionate Share (by ownership) and is reporting 34% of the total emissions based on the ownership share in Odal wind farm. The previously reported Scope 3 emissions for 2020 and 2021 have been adjusted in the 2022 report. According to the GHG protocol, emissions from the Odal wind farm should be reported under Category 15 (investment Scope 1 and 2), but Cloudberry has decided to include emissions from the construction phase under Category 2 (capital goods) instead. Additionally, the Scope 3 Category 1 and 2 emissions from Hån wind farm have not previously been reported. This is adjusted and the 2020 and 2021 figures are updated including the construction activities respectively (concrete, steel, copper, diesel, and production of the wind turbines). The GHG emissions are reported based on the invoices from the construction period, both for Hån and Odal wind farms. In total, the Scope 3 emissions accounted for 99% of Cloudberry's GHG emissions in 2020, 2021 and 2022.

Principles on reporting emissions
In-house development projects: Cloudberry reports emissions on in-house development projects from final investment decision (FID) and starting point of the construction.

Projects under construction: Where Cloudberry is the initiator to the construction, the company will report emissions from construction start. On projects under

Table 2. GHG emissions in tons, Cloudberry Clean Energy

Carbon Accounting	Unit	2020	2021	2022
Scope 1	tCO_2e	-	-	-
Scope 2 (Location-Based)	tCO_2e	1.4	7	5
Scope 2 (Market-Based)	tCO_2e	9.1	56.1	49
Scope 3 (Purchased Goods and Services)	tCO_2e	183.7	1 134[1]	6
Scope 3 (Capital goods)	tCO_2e	6 793[2]	24 678[3]	10 693
Scope 3 (Fuel-and-energy related activities)	tCO_2e	-	-	1
Scope 3 (Waste Management)	tCO_2e	-	0.9	9
Scope 3 (Business Travel)	tCO_2e	1.6	4.6	11
Scope 3 (Investments)	tCO_2e	-	2.1	3
Total GHG emissions	**tCO_2e**	**6 980**	**25 827**	**10 727**
Total Energy	**MWh**	**34.6**	**226**	**183**

[1] Adjusted from 188 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Hån wind farm.
[2] Adjusted from 0 tCO2e previously reported for 2020. The number now includes the Scope 3 emissions from construction of the Odal wind farm.
[3] Adjusted from 0 tCO2e previously reported for 2021. The number now includes the Scope 3 emissions from construction of the Odal wind farm and the Hån wind farm.

construction where Cloudberry is the legal owner, Cloudberry reports construction phase emissions.

On assets under construction where Cloudberry has entered into an agreement to buy the power plant and is the legal owner after the construction is completed and commission period is approved, Cloudberry reports emissions from takeover.

Producing assets: Cloudberry reports its emissions on producing assets and from take-over (additionality principle).

CO_2 Reduction in the grid

In 2022, Cloudberry produced 268 GWh (117 GWh in 2021) of renewable energy, which is equivalent to reducing 59,496 tCO_2e (29,133 tCO_2e in 2021), based on the baseline emissions from the European electricity mix (EU-27 electricity mix, IEA 2022). As the underlying frameworks are continuously evolving the avoided emissions in 2020 and 2021 have been restated to exclude Cloudberry's GHG emissions which was previously included in the relevant year as an off set against the avoided emissions. The avoided emissions are a result of our production of renewable energy and is contributing to the much-needed globally decarbonization.

Hån wind farm

The majority of Cloudberry's total carbon emissions in 2022 were related to the construction of Hån and Odal wind farms. Hån wind farm started producing renewable energy in October 2022, and will from May 2023, by avoiding CO_2 emissions in the grid, have a carbon-neutral footprint assuming normal wind conditions.

Target
Cloudberry monitors national and international climate politics and their potential impact on our strategy and business. We strive to ensure that the company makes the right decisions and assessments on how climate risks might affect us. We have strengthened our risk strategy by including the topics identified in the materiality assessment where climate change and energy transition is one of the core topics.

Cloudberry has a scalable platform and is positioned for valuable growth, both in terms of energy production and in-house development backlog and pipeline. Cloudberry's strategy is to continue its sustainable growth organically and strategically in the Nordic market. Areas of our business will have residual GHG emissions, which we will neutralize while minimizing our footprint as much as possible.

To do our part for society to become a low-carbon economy, Cloudberry is planning to commit to SBTi. We will create a roadmap to reach net-zero from our emissions no later than 2040, with the aim of using this process to identify pathways to reach net-zero even earlier.

Starting from 2023 Cloudberry will report our GHG emissions on a quarterly basis.

The Taxonomy
Cloudberry has conducted thorough assessments of our producing assets' alignment to the criteria of the EU Taxonomy, and the internal analysis found that all wind and hydropower plants are taxonomy aligned. In 2022 Cloudberry engaged a third-party, Det Norske Veritas (DNV), to perform a detailed assessment to evaluate our alignment to the criteria of the EU Taxonomy. DNV stated all of Cloudberry's hydropower plants to be aligned to the criteria of

the EU Taxonomy, and a verification statement has been issued for each of the hydropower plants. The third-party verification for the wind power plants is ongoing and will be reported on during 2023.

Eligibility
In accordance with the EU Taxonomy requirements for the reporting year 2022, qualitative information and information on the proportion of taxonomy eligible activities in relation to total activities set out in the Delegated Act must be disclosed.

In 2022 Cloudberry assessed its eligible activities covered by the EU Taxonomy and technical screening criteria and its proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in its total turnover, capital expenditure, and operational expenditure.

Inventory of the eligible activities covered by the Taxonomy in Cloudberry`s business units:

1. Electricity generation from wind power. NACE code D35.1.1 (Production of electricity) and F42.2.2 (Construction of utility projects for electricity)

2. Electricity generation from hydro power. NACE code D35.1.1 (Production of electricity) and F42.2.2 (Construction of utility projects for electricity)

Basis and principles
Cloudberry reports on the company's proportion of Taxonomy-eligible activities: electricity generation from wind power and electricity generation from hydro power on consolidated units (IFRS). Units that are power producing at year-end are classified as "producing", while units that are under construction, ready for construction or in the concession process, (project inventory in the consolidated balance sheet) are classified as "construction". The eligible sales revenues from Note 11 in the 2022 annual report are divided into each of the two Taxonomy eligible activities above. Asset management services related to assets eligible-classified activities are assessed as closely related to that eligible activity and reported as part of it. Corporate activities (OpEx) were in 2021 allocated proportionately to the respective eligible activities, while in 2022 related KPI's are reported as non-eligible.

Eligible turnovers include sales revenue from the sale of products generated from wind or hydro electricity production or closely related to this activity. Closely related may include products originating from the sale of El-certificates or guarantees of origin (GoO) or asset management services related to the eligible activity. The denominator in the turnover KPI is "Sales revenue" (Note 11 in the Consolidated Group financial statements in the 2022 annual report).

Eligible capital expenditures are investments in property, plant, and equipment (PPE), intangible assets or lease agreements which have activities that are EU Taxonomy eligible.

The denominator for capital expenditures is the CAPEX KPI and includes total additions to intangibles and Tangibles assets (PPE), including capitalized

CAPEX and OpEx per activity and the proportionate share

Economic Activities	NACE Codes	Turnover (mNOK)	Revenue proportion	CAPEX (mNOK)	CAPEX Porportion	OPEX (mNOK)	OPEX Porpotion
A: Taxonomy eligible activities							
Electricity generation from wind power - Production of electricity	D35.1.1	42.0	20%	-	0%	3.5	4%
Electricity generation from wind power - Construction of utility projects for electricity	F42.2.2	1.9	1%	271.2	84%	-	0%
Electricity generation from hydropower - Production of electricity	D35.1.1	138.4	66%	-	0%	23.1	29%
Electricity generation from hydropower - Construction of utility projects for electricity	F42.2.2	0.7	0%	14.0	4%	-	0%
Total A: Taxonomy eligible activities		183.1	88%	285.2	88%	26.6	33%
B: Taxonomy non-eligible activities		25.3	12%	39.2	12%	54.0	67%
Total A and B		**208.4**	**100%**	**324.4**	**100%**	**80.6**	**100%**

leases. (Notes 16 and 17 in the Consolidated Group financial statements in the 2022 annual report).

Eligible operating expenses (OpEx) include direct costs related to the eligible activity, such as maintenance, repair, and variable lease.

The denominator of the operating expenditure, OpEx KPI is "Other operating expenses" (Note 13 in the Consolidated Group financial statements in the 2022 annual report).

88% of Cloudberry`s turnover and investments, and 33% of operating expenses were EU Taxonomy eligible in 2022. The table shows the turnover, CAPEX and OpEx per activity and the proportionate share of the Group's total reported figures.

Alignment
All of Cloudberry`s hydropower plants are aligned to the criteria of the EU Taxonomy, and verification statements are issued by the third-party Det Norske Veritas (DNV). The internal analysis found that the three wind power plants are aligned to the criteria of the EU Taxonomy, and a verification by DNV is currently ongoing and expected to be reported on during 2023.

Cloudberry's run-of-river hydropower plants and wind farms are within the substantial contribution criterion to climate mitigation, as there are no further requirements for such power plants. The hydropower plant with a reservoir is well within the substantial contribution criteria of 100 gCO_2e/kWh calculated with EU's G-res tool, as well as a power density above the limit.

In addition to the substantial contribution criteria, the EU taxonomy has three criteria for "Do not significant harm" that apply to electricity generation from hydropower: Climate adaptation, Water and Biodiversity.

To ensure no significant harm are done under Climate adaptation, Cloudberry has conducted physical climate risk assessments for each hydropower plant. These assessments identify the materiality of risks, document adaptation solutions and consider the potential environmental impacts for the physical climate risk mitigation strategy.

To meet the criteria for Water, Cloudberry has implemented all feasible and ecologically relevant minimum water flow measures and all feasible and ecologically relevant measures to protect or enhance habitats. Additionally, we have established monitoring plans for these measures. This includes the measures described in the water management plans for 2022-2027, as well as additional measures where needed.

Environmental Impact Assessments (EIA) have been conducted, and implementation of mitigation and compensation measures for protecting the environment have been documented. None of the hydropower plants are located near biodiversity-sensitive areas. For these reasons, Cloudberry considers the do no significant harm criteria for biodiversity to be met.

For the wind power farms, the same internal analysis for physical climate risk assessments has been carried out, environmental impact assessments conducted and an assessment of the recyclability and durability of the material and components has been performed.

The EU Taxonomy has a general minimum safeguard criterion for all economic activities. Cloudberry follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and has assessed risk for anti-bribery, anti-corruption, remuneration of staff and tax compliance. The relevant governance practices (management structures, and whistle blower mechanisms) are documented.

DNV has issued verification statements for each of Cloudberry's hydropower plants.

For the wind farms, the same exercise for physical climate risk assessments has been carried out, environmental impact assessments conducted and an assessment of the recyclability and durability of the material and components has been performed.

Target
Cloudberry continues to assess the company's economic activities in accordance to the criteria of the EU Taxonomy. Alignment to the EU Taxonomy is a continuous process and the Do No Significant Harm to Water and Biodiversity criteria, must be updated yearly to ensure that all feasible mitigation solutions are reevaluated, implemented, and followed up. We acknowledge that the EU Taxonomy will be further updated in the years to come with additional requirements, and Cloudberry aims to be top-of-the-range in terms of transparency and reporting, and to be 100 percent aligned to the criteria of the EU Taxonomy for our hydro and wind power plants.

Cloudberry currently develops a standalone Taxonomy report that will be published going forward. The focus of our taxonomy work in 2022 has been the company's producing assets, as they cover most of the revenue streams, as well as CAPEX and OpEx of our economic activities.

Cloudberry`s goal is to have 100 percent alignment in the coming years. It is crucial for society to shift to a low-carbon economy and reach net-zero, while doing no significant harm to the environment, water, climate adaptation efforts or other sustainability goals. Cloudberry will ensure that its organization reduces GHG emissions while the activities contribute to lower emissions in third parties.

Nature impact & biodiversity

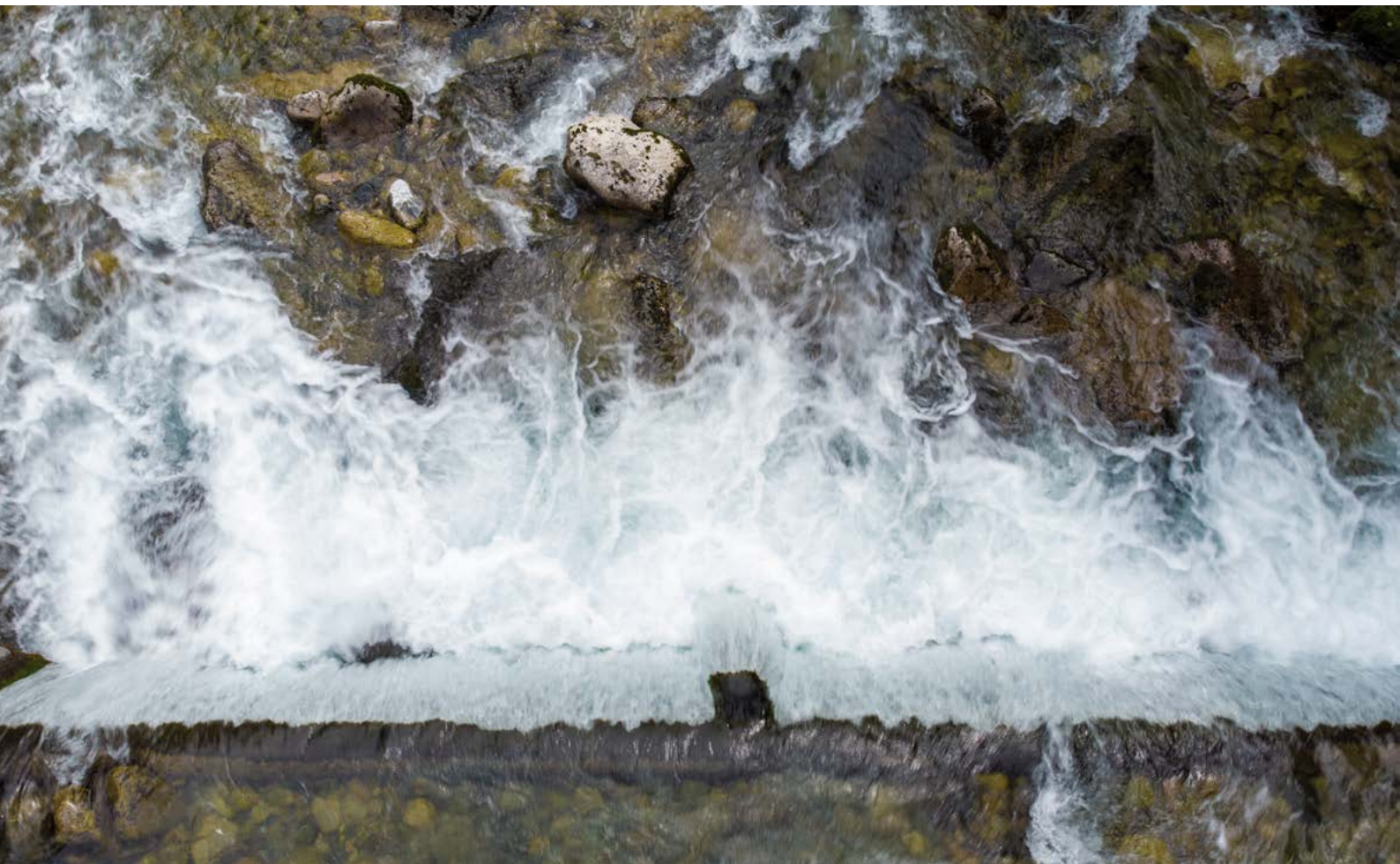
Healthy ecosystems and the natural environment are essential to humanity's survival, and a high level of biodiversity gives us resilience against shocks and diseases. It is therefore essential that we protect nature and biodiversity, and this topic is accordingly getting more and more attention in sustainability discussions. The science is clear that we currently are in the midst of a massive biodiversity loss, and that this loss is at least partially caused by climate change. For the sake of the future of us all, we must work to protect and strengthen nature and biodiversity.

Cloudberry's operations are closely linked with nature and biodiversity in two ways.

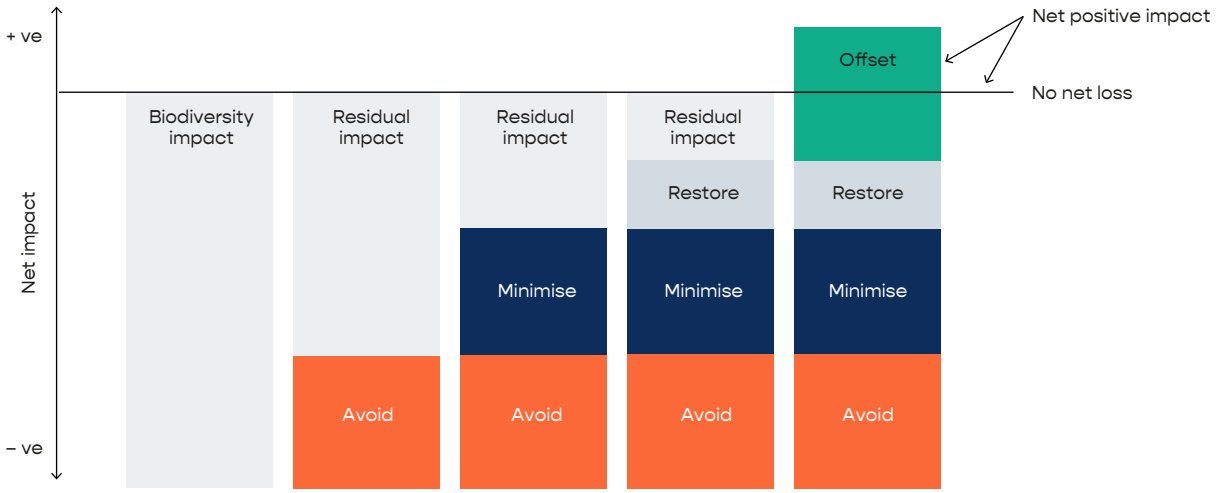
First, through the production of renewable energy, we positively impact the energy transition which addresses the climate crisis. On the other hand, building power plants has a negative impact on the natural areas and biodiversity where we operate, using natural habitat, destroying local plant life, disturbing wildlife, and impacting people and animals with noise and visual disruption. Hydropower plants disrupt water flow, change sedimentation patterns downstream, create obstacles for fish, and in some cases create lakes and flood large areas. Wind farms also impact the natural environment, both onshore and offshore. The main impacts of onshore wind farms include the prominence of wind turbines in the landscape, shadows, and noise. Offshore wind turbines are less prominent, especially if they are far from the shore, although they still disrupt the local ecosystem visually and with noise, in addition to disrupting the above water visual landscape. To protect sea life, there are also specific environmental impacts to address when constructing offshore wind farms.

Our approach

We aim to contribute to stopping the loss of, and even improving, biodiversity. An important part of this is ensuring that everyone at Cloudberry understands what biodiversity is and why it is important. This knowledge will allow biodiversity protection to be integrated into every aspect of Cloudberry's work. To structure our work with biodiversity, we will look to frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Target Network's (SBTN) upcoming guidance for working with nature protection. The "mitigation hierarchy", is a valuable tool that helps development projects prepare for impacts and aim to achieve no net loss of biodiversity. The first step in the hierarchy is to avoid impacting nature where possible. Where impacts are unavoidable, we try to minimize them. The next step is to restore the damaged nature after



The mitigation hierarchy



construction, and the final step is to make compensations for any remaining damage. Theoretically, a high enough level of compensation could lead to projects having a net-positive impact on nature (biodiversity net gain).

Our activities

To understand and assess our impact on biodiversity, Cloudberry will develop a strategy on how to track the effects of our impact in our future projects. It is essential that we collaborate with partners to develop measurement tools. Accordingly, in 2022 Cloudberry participated in the project group for Changing Land use Impact on Biodiversity CLImB, a method and tool for measuring biodiversity impact and avoidance under development projects.

Cloudberry always looks for solutions to minimize our impact on nature and biodiversity. During the construction phases in 2022 we:

- Consulted with biologists on how to conduct early-stage mapping of potential compensation areas at the Munkhyttan wind farm development project
- Minimized our nature footprint at the Hån wind farm by using just in time deliveries to avoid building curves for storage of wind turbine blade
- Established a fund to safeguard and protect biodiversity in and surrounding the river at the Åmotfoss hydropower plant
- For all early-stage development projects we have established a library of ideas and potential solutions on biodiversity and how to minimize nature impact

The construction of the Hån wind farm in Sweden, at the boarder to Norway, began in August 2021 and was in operation in December 2022. With its five turbines, Hån is expected to produce 74 GWh annually. The energy is transferred to the Norwegian grid due to a lack of capacity in the Swedish grid. Hån is the first wind farm in Cloudberry's portfolio where we oversaw the entire process, and sustainability topics and assessments on environmental, social and governance aspects have been reported on during the development and construction phases.

Hån wind farm

Our project manager at Hån wind farm, Sebastian Prause, shares his view on nature impact and biodiversity

At Cloudberry we have initiated efforts regarding the mitigation hierarchy. As a first step, we work to avoid and minimize the impact on nature. What actions have you been taking at Hån?

"We try to minimize the construction area and thereby the impact on nature, and we continuously learn what we can improve. At Hån we avoided building a blade storage area close to each turbine and focused on a logistics solution that minimized the land claimed. Instead, we built one common storage area for all the blades next to the E18 road, where nature was already strongly impacted by the road. When we add up the total constructed storage area, we reduced the impact on nature by 7,500 m^2 compared to constructing a storage area close to each turbine. When we planned the roads to each turbine, we reused the existing forest roads and tried to make the roads and their verges as narrow as possible according to laws and regulations.

When we find new solutions to minimize impact on the nature, we share our experiences internally so that our knowledge bank grows and brings us forward in our journey to minimize our impact on nature around our wind parks. I am inspired by our examination of how we can restore and compensate the nature to support biodiversity in our upcoming projects."

Our ambition at Cloudberry is to reduce our greenhouse gas (GHG) emissions and to reach net-zero no later than 2040. How have you worked in that direction at Hån?

"At Hån we used up to 70% less concrete by using rock-anchored foundations instead of gravity foundation depending on the ground conditions. It is our base line to always evaluate if we can use rock-anchored foundations."

We are all in a learning process in our aim to be nature positive. What will you bring to the next project to work even more with the mitigation hierarchy?

"The surfaces to be re-covered after the construction phase could be replanted with species that improve biodiversity and strengthen local resilience. All upcoming projects should strive to find opportunities to create better conditions for biodiversity. Which measures that could be relevant are highly project specific and should be evaluated in collaboration with experts."

Way forward
A goal at Cloudberry is to have a net positive impact on both society and nature. This necessitates protecting nature during the construction phase, and limiting our land use in order to do the least possible damage. We must preserve the natural areas near and around our power plants and contribute to biodiversity.

We are still in an early phase, but nevertheless, having a net positive impact on nature is of high priority to us. Cloudberry will collaborate with partners, have policies for biodiversity and nature impact, and continue the development of more sustainability KPIs and targets related to nature impact on our sites. To successfully implement the mitigation hierarchy, we will look to collaboration opportunities with technical specialists, such as ecology experts.

In each project we evaluate how we can minimize our impact on nature and biodiversity, and we have a concern for the unique circumstances at the site of the projects. E.g., at the Sundby wind farm project in Sweden, which will be constructed during 2023, we will use steel plates and wooden mats on the fields for temporary storage of turbine blades. This will reduce Cloudberry's impact on nature.

Åmotsfoss

At Åmotsfoss Kraft hydropower plant, Cloudberry has established a fund as an initiative to safeguard and protect biodiversity surrounding the river, particularly the habitat in the river. Cloudberry interacts with local communities, striving to establish reconciled solutions contributing to a sustainable environment for the local inhabitants and society.

Circular use of resources and materials

In recent years there has been increasing focus on the overuse of resources, their future availability, and the impact of heavy resource use on nature. The loss of biodiversity is also directly linked to the use of natural resources. These concerns have led to increasing use of the circular economy concept, where the main goal is to keep as many materials as possible in the value-chain for as long as possible at as high a value as possible. As of today, the renewable energy industry is not very circular, and Cloudberry faces the same obstacles to circular resource use as other renewable energy companies.

Our approach and activities
Cloudberry's complete material footprint is made up of the materials used in our renewable energy production, the materials used in our offices, and the materials used in the production of all these products. The extraction of raw materials and subsequent production of the essential components for building wind farms and hydropower plants have large, negative impacts on nature and produce significant amounts of greenhouse gases. At the same time, some components, such as wind turbine blades, are difficult to dispose of at end-of-life. Increasing circular resource use in this area could have an enormous impact, and significantly reduce Cloudberry's impact on nature and Scope 3 GHG emissions. Additionally, circular resource use could reduce our exposure to supply chain disruption risks and human and workers' rights violation risks.

Unfortunately, our ability to act in this area is somewhat limited by technological maturity, scientific advancements, and practical limitations such as land leasing agreements. Nevertheless, we strive to improve our circular resource use going forward and adhere to branch standards. We are currently in the process of developing suitable KPIs to track our progress.

An important part of limiting our material use is ensuring that our assets last as long as possible. Through repair and reuse, we can give our assets longer lifecycles and reduce our need for new materials. We further limit our material use by selecting products which have a long lifecycle and can be repaired.

Improving the circularity of our internal resource use is an area where we have more control and accordingly have taken more concrete actions. Everything starts with how we consider our ESG goals in our daily decisions and work. In 2022 Cloudberry moved into new offices in Oslo, Norway and established an office in Eskilstuna, Sweden. All furniture in both offices is second hand and in the Oslo office we have reused most of the glass walls that split the internal departments. Recycled material and reuse in procurement is a way of increasing the circularity of our resource use.

Way forward

During spring 2022, Cloudberry acquired the long-begun project Sundby that was abandoned during construction, with the foundations unused. For a long time, the project was ignored due to the rapid development of technology, but the recent high electricity prices and strained electricity supply situation made it important to develop electricity capacity wherever possible. Cloudberry believes that it is possible to refine the project through climate-smart reuse or "making use of unused infrastructure". At Sundby Vindpark, a significant part of the existing infrastructure such as foundations, roads and support structures will be reused. In collaboration with our supplier there will be specially designed turbine towers fitting onto the previously constructed foundations. This will reduce the GHG emissions compared to if the infrastructure had been dismantled. Even the existing underground cables within the wind farm will be reused, which will result in less need for new materials as well as a reduction in ground disturbance and impact on nature.

On a higher level, we plan to explore further opportunities for reducing our material use and increasing the circularity of the material use we can't avoid. At the same time, we are working to establish a KPI, such as reused and recycled material in procurement, which will allow us to monitor our circularity over time and ensure that we improve.

Social

Sustainability ambitions

To act responsibly towards our employees and society, being a preferred employer and partner

Providing renewable energy enables society's essential energy transition, and we seek to do this in a sustainable and responsible manner. Specifically, Cloudberry aims to act responsibly towards our employees and society at large and be a preferred employer and partner in the renewable energy industry. Our materiality assessment and strategy update process highlighted three social topics on which we will focus most of our efforts 1) engagement, health and safety, 2) diversity and equal opportunity, and 3) local community impact.

Cloudberry has responsibility for community employee health and safety. This is an area where Cloudberry can have a significant impact, and good results can, in turn, have a positive impact on Cloudberry. Thus, health and safety is a key priority for us. Fostering diversity, equity and inclusion (DEI) in the organization is of high importance for Cloudberry. In the fourth quarter 2022 we conducted our first employee engagement survey focusing on HSE, compliance, work life balance and DEI in the workplace. Additionally, Cloudberry recognizes that the development of wind farms and hydropower plants have a non-desired impact on nature and affect local communities. We aim to minimize the impact on nature caused by our activities. Cloudberry is a responsible developer, we work with the communities where we operate, to ensure that we make a positive local contribution. We recognize that minimizing damage to nature and having a positive relationship with local communities contribute to a positive public opinion on renewable energy. This may increase future renewable energy development, contribute to the energy transition and our own economic performance.

We are in the process of developing further targets and KPIs in order to measure our social impact and aim to report more fully on this going forward. Our current social performance KPIs are presented in the table below[1].

Engagement, health, and safety

Ensuring the health, safety, and overall well-being, of our employees and others in our value chain is essential to Cloudberry's larger goal to have a positive impact on society. Employers have an important impact on their employees' well-being, and maintaining high levels of employee engagement and establishing a culture of health and safety is of utmost importance to us.

Our approach

Cloudberry ensures that construction and operation partners maintain adequate safety policies and report on a variety of measures to safeguard the workplace during development, construction, and

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Social[1]	Work injuries (incl. Sub-contractors)	0	0	0	0	0
	Employee engagement index	N/A	N/A	5.2	≥ 5.2	≥ 5.3
	Female employees % of total	20%	29%	29%	35%	> 40%
	Female managers % in mgmt. positions	20%	20%	33%	33%	> 40%
	Female BoD % in total BoD	40%	40%	43%	> 40%	> 40%
	Equal opportunities index	N/A	N/A	5.2	≥ 5.2	≥ 5.3

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

operation projects. We have a zero-incident target for injuries that cause absence from work, and we work steadily to arrive at a stage where there are no incidents causing harm to people`s health and safety, nor any serious material or environmental damages in the development, construction, or operations phases in our projects and daily operations.

Cloudberry's own employees are predominately office-based, thus our biggest health and safety risks are among our suppliers and contractors. Construction is an inherently high-risk activity, and we know that our operations have the potential to negatively impact the health and safety of our value-chain workers. We require that all our contractors follow Cloudberry's standards but dependent on their own implementation of effective health and safety management systems. It is our responsibility to have good routines in place to follow up our contractors on sites.

Our activities

During 2022, no incidents causing harm to people`s health or serious material damage were recorded, although two near misses were reported. In one of the near misses, a rock rolled down a slope at a construction site, and in the other a truck slid off a construction road and into a shallow ditch. The causes of the incidents were thoroughly investigated, and corrective measures were implemented to reduce the risk of similar incidents in the future. There were no injuries or material damages detected at the site of either incident.

At Øvre Kvemma, a Norwegian hydropower plant construction site, an unintended discharge of sludge was reported during summer 2022. An investigation commenced immediately. Shortly after the incident the County Governor (No: Statsforvalteren) concluded that no adverse impacts were caused on the environment and the case was closed. Cloudberry will take over the Øvre Kvemma hydropower plant after commissioning in the first half of 2024. We are actively engaged with the current owner to ensure learning and reduced risk of similar incidents in the future.

Health and safety risks at Cloudberry's construction and operational projects will increase as the

company grows. To address these risks, Cloudberry has safety and health guidelines for the work environment ("SHA-plans") on every development project and is continuously improving our framework and reporting routines. We have weekly construction meetings for all our projects and have health and safety management on site as part of our regular supplier dialogue to ensure that routines are followed.

In 2022 the sick leave was 1.66% (1.06% in 2021) amongst the employees[1] in the Group.

Way forward

Cloudberry aims to continue to prevent incidents causing harm to people`s health and safety, and serious material or environmental damages. The largest health and safety risks are at our development, construction and operational projects, and the likelihood of injuries caused by work-related accidents will increase with the company's growth.

We maintain a zero-incident target for injuries and have significant liability for health and safety. We have mitigation measures in place to avoid injuries and material damage. We continue to update our routines and reporting structures on health and safety policies, and we place high priority on monitoring contractor safety, and we perform regular risk assessments.

Health and safety are also addressed in our Supplier Code of Conduct (SCoC) to ensure a mutual commitment between Cloudberry and our suppliers and contractors, and training and awareness is required in our agreements with contractors. We continue to encourage employee engagement and strengthen our focus on risk mitigation activities and preventive

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

measures, such as providing relevant training to build the required competence.

Diversity, equity, and inclusion

Cloudberry's business rests on a desire to have a positive impact on society. Strong, ethical approach to diversity, equity, and inclusion (DEI) is an important part of this. We have a positive impact on overall DEI through our dedication to being an equal opportunity employer and encouraging DEI in the workplace. This also gives positive impact on our business, as our employees are our greatest assets. Diversity brings new ideas and perspectives to the table, and fosters innovation, development, and growth in the company. Our commitment to diversity and inclusion is intersectional and encompasses all aspects of diversity, including gender identity and expression, sexual orientation, disability, ethnicity, age, personal beliefs and religion, family leave for childbirth and adoption, and care responsibilities. We embrace and celebrate differences and believe that a diversified workforce is vital for Cloudberry's success.

Cloudberry experienced significant growth in 2022, both in terms of workforce due to the acquisition of Captiva Group, and in terms of our expanding locations. Cloudberry has 42 employees[1] representing various backgrounds and competencies from the renewable energy sector. Of these, 28 employees work out of the main office in Oslo, Norway, and five employees work out of the Karlstad office in Sweden. In 2022 we opened new offices in Sweden; Gothenburg with three employees and Eskilstuna with two employees. Additionally, through the acquisition of Captiva, Cloudberry has an office in Bern, Switzerland, with three employees. In total, the company employs 30 men and 12 women.

Our approach

Our commitment to equal opportunities applies to all organizational processes, including but not limited to recruitment and hiring, training and development, compensation and benefits, and leave of absence. Developing a culture of openness, respect and support is fundamental for the health and wellbeing of our employees.

With a growing number of employees across several locations, it is essential for Cloudberry to work actively, targeted and systematically to promote equality and prevent discrimination in the workplace. Following the merger with Captiva Group in 2022, we have strengthened our efforts in accordance with the expectations set out in the Norwegian Equality and Anti-Discrimination Act, more specifically the Activity duty. Cloudberry practices a data-driven approach to the work on DEI, identifying potential obstacles through data-collection, and using the insights to identify measures, establish goals, and measure progress. The findings and proposed measures have been discussed and approved by the ESG committee and by the Board of Cloudberry.

Our activities

In 2022, Cloudberry conducted an employee engagement survey with DEI in the workplace as one of the focus areas, thus collecting insights relevant for the organization's work with the Equality Act. An equal opportunity index was calculated based on the result of five questions covering the employees' perceived DEI, with a score of 5.2 (6 is maximum score) in 2022. Cloudberry will work systematically to sustain or improve the score in 2023.

Our commitment to equal opportunities starts at the top through our board and management team. The results of the survey and suggested measures and targets were presented at board level. The company's Code of Conduct was updated and approved to reflect expectations from legislation, in addition to heightening the company's ambitions related to DEI and the workplace environment.

As part of Cloudberry's effort to utilize data to make informed decisions, the company measures and compares gender balance in the organization and sets gender balance targets. In 2022, 29 % of all employees in Cloudberry are female, and the company intends to increase that share to 35 % in 2023 and a minimum of 40 % by 2025. Cloudberry acknowledges the importance external recruitment agencies play in creating a balanced workforce and aims to keep them accountable through requiring the best possible representation in the shortlisting of candidates, hence 40 percent female candidates in the first selection and female representation in following rounds.

[1] The reporting covers employees and companies where the Group has more than 50% proportionate ownership. Companies not included are Enestor AS, Broentech Solutions AS and Kraftanmelding AS. See note 28 in annual report.

The war in Ukraine has horrified us all, and is a heavy toll on children and families. As part of our social engagement at Cloudberry, we have supported the important work of Save the Children locally in Ukraine to try and improve the fundamental needs and security for Ukrainian Children. We continue to applause and support the vital and brave work that Save the Children do in Ukraine.

Way forward
Numerous steps to strengthen Cloudberry's efforts have been taken in 2022. With the hiring of a Chief Compliance and Organization Officer, we have increased our ambitions for the year to come. The results from the employee engagement survey have been presented to all employees and will be discussed in local teams. The teams will decide on improvement measures, and the progress will be measured through smaller pulse surveys and a new annual employee engagement survey in 2023. The organization will develop a DEI policy, showcasing our commitment to fostering a culture where everyone can thrive and setting expectations towards all employees and partners. The employee handbook and guidelines for compensation and benefits will also be updated to enable coherency across the organization's policies and guidelines.

Cloudberry will further ensure knowledge and adherence to all company regulation and guidelines through the onboarding process of new employees. The company's general meetings and management meetings will also set DEI on the agenda, contributing to raising awareness and sharing experiences.

Local community impact

For society to achieve a just transition to clean, low-emission energy and successfully mitigate climate change, renewable energy companies must have a net-positive impact on the communities in which they operate. It is thus important to understand and address landowners' and residents' concerns. As a local business partner, Cloudberry's long-term growth strategy is based on creating value for all our stakeholders while developing essential renewable energy.

Our approach
At Cloudberry, we strive to have a positive impact on the communities in which we operate, despite both wind- and hydropower having a reputation for being unpopular and damaging the local environment. To us, responsible behavior towards local communities means communicating transparently as well as having local presence, providing regular information, and working with residents to find the best solutions for any issues that arise. The development team focuses on developing projects close to our offices, if possible, which allows for easy access to project facilities. Local presence makes it easier to cooperate with local stakeholders such as municipalities, politicians, landowners, and local industry.

Investing in local stakeholders and establishing good relationships with the local communities is fundamental to Cloudberry's business. We strive to ensure that local voices are heard and accommodated, from development through construction, and during operation.

Our activities
We establish balanced contracts with landowners and engage with local partners and suppliers when possible in our projects. The local municipalities profit on the local taxes we pay. For the broader society we provide renewable energy and contribute to reducing GHG emissions from fossil fuels, thereby contributing to meeting the SDGs and the Paris Agreement.

Local community impact and value creation are important to Cloudberry. We work hard to identify local stakeholders' needs and try to accommodate them.

In December 2022 Cloudberry made the final investment decision to construct the Sundby wind power plant (Kafjärden) in Eskilstuna. For the first time in Sweden, existing infrastructure will be reused. This will result in a lower climate footprint and a shorter construction time than usual. The nine wind turbines will start supplying renewable energy from late 2023, with an annual production of 89 GWh, which is almost a doubling of current electricity production in the municipality.

Sundby wind farm

Our project manager at Sundby wind farm, Joachim Espvik, shares his thoughts on local value creation and impact

How would you describe local value creation at our wind power project at Sundby?

"When we develop and construct wind power plants, we affect those in the local area in different ways over a longer period of time, and so also when the turbines are operating and producing electricity. It is important to respect the people who lives in the area, and we want to take care of the local knowledge. We have a clear ambition to provide jobs for the locals where possible, both during the construction of the wind power plant and during its operation and maintenance. For example, we need service technicians, maintenance of the roads, accommodations, and meeting facilities.

We have included a specific budget for environmental and social work in the construction phase. In addition, a budget for the production period is in place for investment in local initiatives. This is an integral part of returning value to the communities in which Cloudberry operates.

Seen in a greater perspective, Eskilstuna municipality currently consumes almost ten times more electricity than what is produced. With the construction of Sundby Vindpark, in just a year, we generate almost 89 GWh new renewable energy in the area, almost a doubling of current electricity production. This is extremely important to secure the electricity supply. For the municipality's it means possibilities for further growth."

How is it possible constructing a wind power plant in just a year?

"This project is very interesting in terms of climate and nature impact. The construction of the wind farm had already started. A lot of the infrastructure will be reused, so will also the foundations. We will use the existing support structures for the legs of the crane that will lift the turbines into place - not obvious at all, but by this we avoid emissions of 700 tCO_2e compared to building new ones. To be able to reuse the existing foundations we have also invested in turbines with custom designed towers made in collaboration with our supplier Vestas. This allows the turbines to fit onto the existing foundations, which were originally designed for another turbine model."

Under the construction phase at the Hån wind park in Sweden, Cloudberry engaged local and regional contractors. We also rented the temporary site offices from residents in the area. From late 2022 when Hån was in operation, Cloudberry hired local service technicians and subcontractors for road maintenance.

A road along the cable route at Hån wind farm, originally built for landowners' vehicles, has been adapted for bicycle use. This has led to frequent use by people in the area and the initiative reflects Cloudberry's intention to understand and interact with the local communities and is an example of Cloudberry's continuous efforts to make positive local contribution.

At Munkhyttan wind farm development project, Cloudberry is in dialogue with the municipality to assess the possibilities for cycling and will connect Munkhyttan biking trails to other nearby biking trails in the region.

At the Björnetjärnsberget wind development project Cloudberry is looking into finding synergies and solutions with a local sawmill. Wind power development will ensure power supply to the sawmill and provides an opportunity to increase its production with sufficient access to electricity. The project is plans to hand in the permit application during 2023. More detailed work and dialogue with the municipality will continue once the project gets its environmental permit. Cloudberry will also rent local venues under the construction phase at the Björnetjärnsberget project.

Cloudberry interacts with local communities and strives to establish reconciled solutions and contribute to a sustainable environment for the local society. As a part of the local stakeholder management, Cloudberry initiated a meeting with the landowners at the hydropower plant Åmotsfoss in Norway. Cloudberry has established a fund as an initiative to safeguard and protect biodiversity surrounding the river, particularly the habitat in the river.

At the Åmotsfoss hydropower plant we have also built a canoe paddling trail to facilitate paddling next to the power plant. In 2023 we plan to invest in canoe trolleys at the hydro plant to make the passing easier for the canoes.

The construction of the Norwegian Odal wind power plant was completed at the end of 2022 and all turbines have been in operation since then. We have contributed to more job opportunities and increased revenue for local businesses both in Nord-Odal municipality and in neighboring municipalities. The construction phase also made significant local contributions through the purchasing of overnight accommodation and food service. In the years ahead, we will use local suppliers whenever possible for snow plowing, road maintenance, modifications, electro upgrades and more. Private landowners will receive compensation based on turnover. A ski resort will be established, and the roads and infrastructure will make the area more accessible for anyone who wants to go hiking or access the surrounding nature. The fund "Odal Vind-fondet" contributes to growth and well-being in the local community and annually supports local teams and associations in Nord-Odal, Eidsvoll and Nes municipalities.

Way forward

Acting responsibly towards our employees and society is firmly connected to our actions in the local communities in which we operate. We shall be a preferred employer and business partner, and our goal is to create value together and share the result of our efforts fairly.

In the years to come we aim to evaluate how our local value creation initiatives have succeeded and been perceived by local stakeholders over time. Therefore, one of our main activities going forward related to this material topic will be developing suitable KPIs to track and report on the value we create in local communities and our overall community impact. Additionally, we will continue to seek cooperation opportunities with local communities and other stakeholders to ensure their needs are met and that value is created for them when we develop, construct, and operate our assets. Cloudberry will strive to engage local stakeholders through meetings and site visits, with the aim of learning from every project.

Governance

Sustainability ambitions

To ensure solid governance internally andin our value chain at all times

Responsible and good governance forms the basis for good business, and it is our ambition at Cloudberry to always ensure solid governance internally and in our value chain. Correspondingly, our materiality assessment has identified 1) responsible business conduct and 2) responsible value chain as material topics.

Acting responsibly throughout the whole organization and in our value chain is essential. Cloudberry sets high ethical behavior standards for everyone who acts on behalf of the company. We also aim to reduce business risk to safeguard the company's reputation. We need to ensure that our operations do not violate any human or workers' rights violations. Having a responsible value chain will benefit Cloudberry and limit our risk exposure to value chain disruption and our exposure to reputational risks. Cloudberry also focuses on responsible business conduct, which sets the basis for good business relationships and predictability. This makes Cloudberry a desirable business partner, securing future opportunities for the company.

Responsible business conduct

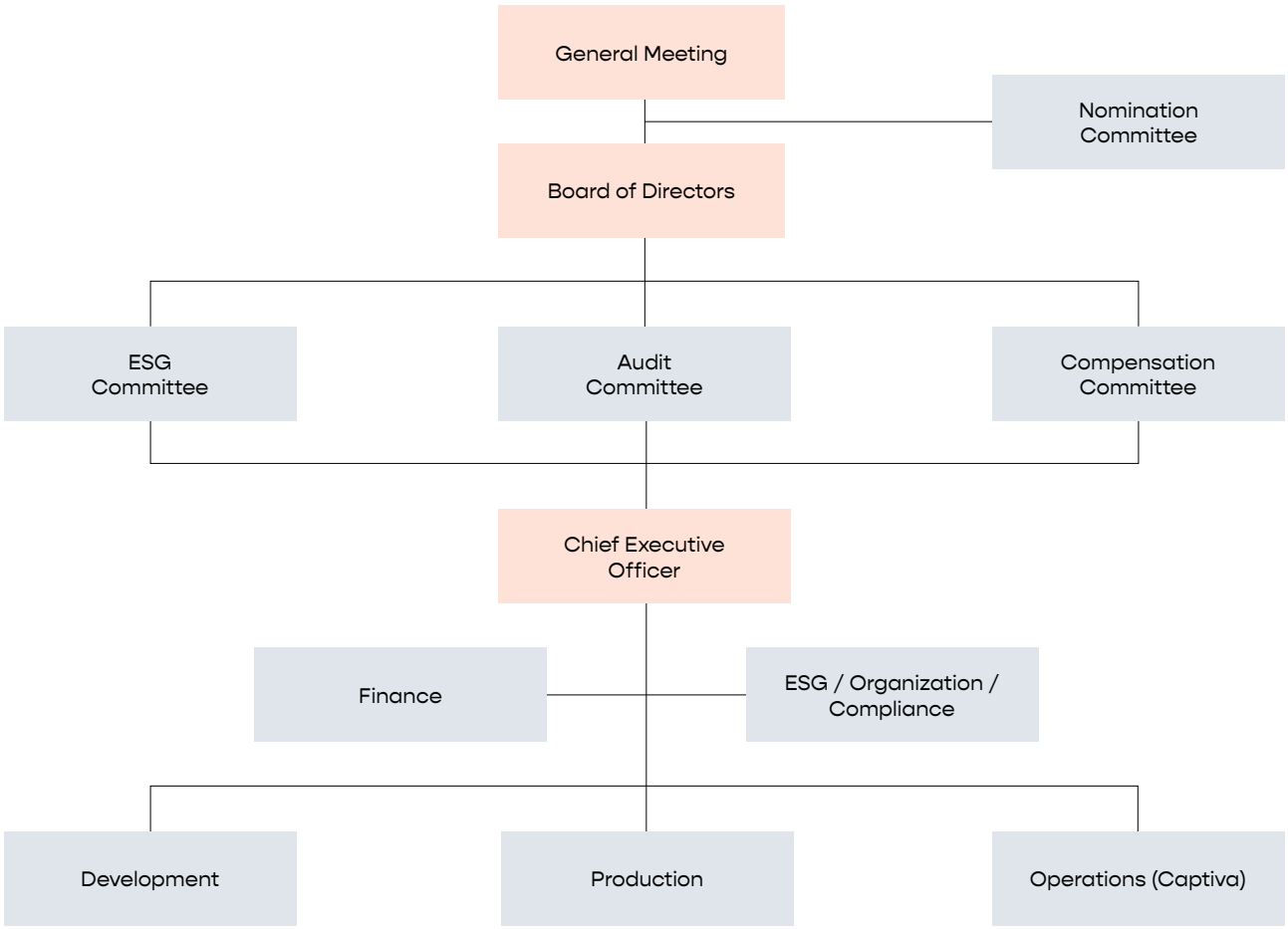
Conducting our business in a responsible way ensures our continued development and operation of renewable energy plants in the future. Well designed and implemented procedures and expectations for responsible business conduct also ensures fair decision-making processes as well as responsible consideration of important environmental and social impacts and financial risks. We can have a positive impact on overall business conduct by choosing to only work with suppliers and partners which live up to our standards. We minimize risk in this area by being as transparent as possible in all our activities.

Our approach and activities

Cloudberry`s commitment to sustainability starts at the top of the organization with the company`s Board of Directors and the management team. The company strengthened the management team and hired a Chief Compliance and Organization Officer (CCO). At the management level, the CEO and the CCO monitors the implementation of the sustainability strategy. They are responsible for ensuring that environmental, social and governance risks and climate-related risks and opportunities are integrated into the company's long-term business strategy. The CEO oversees and reports to the Board of Directors on the management's progress related to Cloudberry's key strategic sustainability and climate-related topics. At the operational level, the Chief Sustainability Officer (CSO) is responsible for managing sustainability. The CCO and CSO meet once a week to discuss and ensure that the ESG strategy is implemented in daily operations in all business units. Furthermore, the CCO and CSO work together to prepare ESG topics for both the management and the Board of Directors, and they ensure progress on ESG initiatives and reporting.

Key Performance Measures

		Actual 2020	Actual 2021	Actual 2022	Target 2023	Target 2025
Governance	Prescreening of suppliers	N/A	N/A	10%	50%	100%
	Whistle-blowing incidents	N/A	0	0	N/A	N/A
	Compliance training	N/A	100%	36%	100%	100%



In 2022 Cloudberry has further developed its alignment with The Task Force on Climate-related Financial Disclosure (TCFD) framework. Please confer the Environment section for information regarding our work to improve our maturity on the TCFD recommendations. The TCFD report and the scenario analysis are also available on our website.

The Chief Compliance and Organization Officer (COO) is a new member of the Environmental, Social and Governance (ESG) Committee. The other members of the committee are the CSO and two Board members. During 2022 the committee held eight meetings, a doubling from 2021. The purpose of these meetings is to ensure alignment with the company`s sustainability strategy and to discuss and evaluate ESG topics relevant to Cloudberry. The committee is responsible for evaluating and follows up on the administration's implementation of the ESG strategy in all business units. The committee will be holding a minimum of four meetings annually, in line with the quarterly reporting structure.

However, more meetings are likely to be scheduled, to review relevant ESG initiatives, topics and KPIs, in line with the sustainability ambitions and targets. Incorporating sustainability focus in the day-to-day business is a continuous process in the organization's business units and its total value chain.

In 2022 Cloudberry established an ESG project group with the intention of securing integration of environmental, social and governance ambitions and topics in all business units in the company. The group consists of employees representing different divisions of the company. In each workplace they actively work to improve methods and internal routines for ESG compliance. The team meets every second week to discuss important questions regarding sustainability within the company. In addition the group arranges a yearly ESG workshop with attendance from a broader representation of employees. Other workshops and events related to ESG are held to incorporate ESG tools in the whole organization.

In 2022 Cloudberry implemented a supplier declaration form which is used as a basis for pre-screening of suppliers of products and services to Cloudberry. The declaration form is a prequalification and reflects regulatory requirements, quality, sustainability topics and Health, Safety and Environment (HSE). Its use will be embedded in the overall assessment when choosing a supplier for a project. Cloudberry implemented the procedure in late 2022, and therefore the actual number of pre-screened suppliers in 2022 is low. The declaration form will be incorporated in processes with suppliers of significance from 2023, and we have set targets to pre-screen 50% of the suppliers in 2023 and 100% in 2025.

Cloudberry`s Code of Conduct was updated and approved by the Board of Directors in December 2022, with the requirements in the Norwegian Equality and Anti-Discrimination Act, and Cloudberry's ambitions related to diversity, equity, and inclusion (DEI) and workplace environment.

During 2022 all of Cloudberry's employees adhered in writing to the Code of Conduct, as a part of an annual mandatory process. All employees in the Cloudberry Group including Captiva will be trained in and expected to comply with Code of Conduct during 2023. Follow-up on the company`s values and training in the Code are integrated in the onboarding of new employees.

A whistleblowing channel is available on our website to all our employees, suppliers, partners, and other stakeholders. Our whistleblowing policy is also available on the company`s website. Cloudberry aims for zero whistleblowing incidents in the years to come (N/A), but we want to be made aware of all and any irregularities or concerns regarding the organization and our business. All notifications may be reported anonymously, and the whistleblowing channel is operated by an independent third party. There were no whistleblowing reports and no reported nor detected incidents of corruption or fraud during 2022.

Compliance with all laws and regulations is of the highest importance to Cloudberry. In fall 2022 the Norwegian Labor Inspection Authority (NO: Arbeidstilsynet) ordered one of Cloudberry's subsidiaries to address minor deviations in terms and conditions related to employment. The deviations were immediately corrected and the case was quickly closed by the authority. Cloudberry has taken measures to ensure that all employment conditions

meet the correct standards and to ensure proper learning from this incident.

During the construction phase on Hån Wind farm Cloudberry initiated a work environment audit. The purpose of such audit is to ensure that the execution by the project organization complies with all work environment laws and regulations. A third-party specialist from AFRY was assigned the task and performed the audit. The audit displayed that the construction of Hån Wind farm was complying with current laws and regulations (AML and AFS 1999:3). Cloudberry considers project audits to be an assurance to safeguard quality during the construction phase. This suport support is welcomed as a necessity for the team involved.

Way forward
Cloudberry emphasizes responsible business conduct throughout the company. We will continue to strengthen our procedures and policies and their implementation going forward. We will conduct annual Code of Conduct and anti-corruption trainings and with the target to train 100 percent of our employees in 2023. In addition to the annual employee engagement survey first held in 2022, smaller surveys will be conducted and discussed in focus groups across the organization during 2023, as part of Cloudberry`s continuous improvement. With these measures, we hope to increase the positive impact we can have by ensuring that all our employees act responsibly and select business partners and suppliers acting with the same responsibility, and thus simultaneously minimize our own financial risk.

Cloudberry has a large network of business partners, and we do our best to work with only transparent and responsible business associates. Building relationships and trust in the value chain allows us a greater influence on the work offered. At the same time, we are aware of the risk that our suppliers and business partners in the value chain may not always act responsibly, and will carry out audits and other control measures to mitigate the risk.

Responsible value chain

Cloudberry is dependent on a large network of suppliers and has an elevated risk of human and labor rights issues in the value chain. Our materiality assessment reflected the importance of ensuring a responsible value chain including decent working conditions. We have, from inception, focused on minimizing value chain risk and selecting well reputed local or European suppliers where possible. To uncover supply chain risks and illegal practices, we currently focus control measures on suppliers when it comes to responsible value chain, including decent working conditions and human and workers' rights.

Our approach
Cloudberry has developed guidelines to maintain decent working conditions and prevent violation of human rights, corruption, and environmental harm internally and in our value chain. These guidelines and procedures are evaluated on an annual basis. The standards Cloudberry adheres to in our own operations can be found in the organization's Code of Conduct (CoC). We expect our business partners and suppliers to uphold the same ethical standards and have highlighted our standards in the Supplier Code of Conduct (SCoC).

Suppliers Code of Conduct

Adherence to the Supplier Code of Conduct (SCoC) is required of all suppliers and adherence is implemented in procurement phases. We expect our suppliers and partners to uphold the standards in the SCoC and that their policies, statements, and commitments are enforced in their operations, and in their sub-suppliers. The SCoC is reviewed annually to ensure incorporation of relevant developments.

Human and Labor Rights

Cloudberry is committed to operating in accordance with responsible, ethical, and sound business practices. We have the duty to respect fundamental human- and labour rights, protect health and safety, to ensure environmental and nature management, prevent corruption, and care for local communities. Our commitments towards human- and labour rights are built on internationally recognized standards for responsible business conduct. The standards are understood at a minimum as the human rights expressed in the International Bill of Human Rights, as well as the principles set out in the International Labour Organizations (ILO) Declaration on Fundamental Principles and Rights at work. Cloudberry complies with high ethical standards, applicable laws, and regulations wherever we operate.

Cloudberry has worked systematically with its social responsibility since the conception of the company. We work closely with our suppliers and business partners to enable sustainable and just value chains. Before financial investment decisions (FID) are made, ESG topics are considered in the due diligence process. Mitigation plans are implemented where needed. Both positive and negative impacts must

be assessed and documented before FID. In tender processes Cloudberry pre-screens new suppliers and partners with a pre-qualification related to material ESG topics. This ensures awareness and commitment to sustainability in the value chain.
In accordance with the Norwegian Transparency Act, Cloudberry has incorporated human rights due diligence in accordance with the OECD guidelines for Multinational Enterprises and the United Nations Guiding Principles for Business and Human Rights.

Our activities
The act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Norwegian Transparency Act) came into force in 2022. The main purpose of the Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and provision of services.

As a company affected by the law, Cloudberry conducted a risk assessment in accordance with OECD guidelines based on ISO31000 for managing risks, to address the requirements for due diligence in accordance with the legal framework. The process was conducted through several interviews and workshops with key personnel with insight into relevant value chains, including the top management.

Cloudberry's suppliers are international, national, and local. In the due diligence assessment, we have primarily looked at the risk associated with players with direct supply to the entire business. In many contexts, Cloudberry uses large suppliers over which it has limited influence. The work around the due diligence assessment therefore focused on those suppliers and business associates where Cloudberry is a direct legal counterpart and has a real opportunity to influence.

The due diligence assessment related to the Transparency Act is published on our website. A list of concrete initiatives and measures was developed to reduce the likelihood of the identified threats and to strengthen Cloudberry's ability to deal with them if they do occur. The measures mainly focus on reinforcingCloudberry's inquiries into the status of human rights and decent working conditions related to suppliers. This involves, among other things, increased supplier dialogue on these topics as well as clarifying internal routines and responsibilities to employees authorized to make procurements (project managers, business unit leaders etc). This increases their awareness of the content, and adherence to, the Transparency Act.

Way forward
In accordance with these findings and the identified improvement measures, Cloudberry currently develops the necessary guidelines, internal systems, and routines for conducting due diligence assessments and complying with other obligations of the Transparency Act. The company will publish a report on the due diligence assessment in accordance with the expectations of the Transparency Act by 30 June 2023. The report will be made publicly available on Cloudberry's website.

Cloudberry acknowledges that due diligence assessment is a dynamic and continuous process as circumstances in the organization's operating environment are constantly changing. We will develop routines and systems to work preventively to mitigate potential negative impacts of our operations. Accordingly, the company will establish risk-based audits in the supply chain to secure the best risk management and practice on environmental, social and governance topics within the supply chain.

We believe that securing responsible business conduct and good governance, internally and in our value chain, contribute to a long-term positive reputation making Cloudberry a desirable employer and business partner.

Cloudberry adheres to good governance standards and always seeks to live up to the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021. The Code is available at the Norwegian Corporate Governance Board's NUES website. Our adherence includes disclosure and transparency throughout our business to provide shareholders and stakeholders with accurate and up to date information about Cloudberry.

For more detailed information on Corporate Governance Code please confer Cloudberry`s Corporate Governance Report 2022, also available in the Annual Report 2022.

Contact person for this sustainability report:
Suna F. Alkan, Chief Sustainability Officer
sa@cloudberry.no

GRI index

Disclosure		Location	Comment
General Disclosures			
1. The organization and its reporting practices			
2-1	Organizational details	Executive Management	
2-2	Entities included in the organization's sustainability reporting	About the report	
2-3	Reporting period, frequency and contact point	About the report	
2-4	Restatements of information	Overview and highlights, Sustainability Report: Introduction, Environment, Social, Governance	New structure from WEF to ESG, inspired by GRI
2-5 External assurance		-	No external assurance of the report
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Annual report: overview and highlights	
2-7	Employees	Sustainability Report: Social: Diversity Equity and Inclusion	
2-8	Workers who are not employees	-	Information unavailable, new topic from reporting 2022
3. Governance			
2-9	Governance structure and composition	Corporate Governance Report	
2-10	Nomination and selection of the highest governance body	Corporate Governance Report	
2-11	Chair of the highest governance body	Corporate Governance Report	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report	
2-15	Conflicts of interest	Corporate Governance Report	
2-16	Communication of critical concerns	Sustainability Report: Governance: Responisble Business Conduct	
2-17	Collective knowledge of the highest governance body	Board of Directors	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	
2-19	Remuneration policies	Financial Statements	
2-20	Process to determine remuneration	Financial Statements	
2-21	Annual total compensation ratio	Financial Statements	

Disclosure		Location	Comment
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability Report: Introduction	
2-23	Policy commitments	Sustainability Report: Governance: Responisble Business Conduct, Human and Labor Rights	
2-24	Embedding policy commitments	Sustainability Report: Governance: Responisble Business Conduct, Human and Labor Rights	
2-25	Processes to remediate negative impacts	Sustainability Report: Environment, Social, Governance	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Governance: Responsible Business Conduct	
2-27	Compliance with laws and regulations	Sustainability Report: Governance: Responsible Business Conduct	
2-28	Membership associations	-	Not applicable
5. Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainabiltiy Report: Introduction: Stakeholder dialogue and managing stakeholder expectations	
2-30	Collective bargaining agreements	-	Not applicable
GRI 3: Material Topics			
3-1	Process to determine material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
3-2	List of material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
3-3	Management of material topics	Sustainabilty Report: Introduction: Double materiality assessment and adjusted material topics	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Financial Statements	
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Report	
201-3	Defined benefit plan obligations and other retirement plans	Financial Statements	
201-4	Financial assistance received from government	-	Not applicable

Disclosure		Location	Comment
GRI 205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Sustainability Report: Governance: Responsible Business Conduct	
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report: Governance: Responsible Business Conduct	
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report: Governance: Responsible Business Conduct	
GRI 304: Biodiveristy			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Information unavailable, new topic from reporting 2022
304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability Report: Environment: Nature impact & biodiversity	
304-3	Habitats protected or restored	-	Information unavailable, new topic from reporting 2022
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report: Environment: Climate change and energy transition	
305-4	GHG emissions intensity	Sustainability Report: Environment: Climate change and energy transition	
305-5	Reduction of GHG emissions	Sustainability Report: Environment: Climate change and enery transition	
305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not applicable

Disclosure		Location	Comment
GRI 306: Effluents and Waste			
306-1	Waste generation and significant waste-related impacts	Sustainability Report: Environment: Nature impact & biodiversity	
306-2	Management of significant waste-related impacts	Sustainability Report: Environment: Nature impact & biodiversity	
306-3	Waste generated	-	Information unavailable, new topic from reporting 2022
306-4	Waste diverted from disposal	-	Information unavailable, new topic from reporting 2022
306-5	Waste directed to disposal	-	Information unavailable, new topic from reporting 2022
GRI 401: Employment			
401-1	New employee hires and employee turnover	Sustainability Report: Social: Diversity Equity and Inclusion	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Not applicable
401-3	Parental leave	Sustainability Report: Social: Diversity Equity and Inclusion	
GRI 403: Occupational health and safety			
403-1	Ocupational health and safety management system	Sustainability Report: Social: Engagement, health and safety	
403-2	Hazard identification, risk assessment, and incident investigation	-	Information unavailable, new topic from reporting 2022
403-3	Occupational health services	-	Information unavailable, new topic from reporting 2022
403-4	Worker participation, consultation, and communication on occupational health and safety	-	Information unavailable, new topic from reporting 2022
403-5	Worker training on occupational health and safety	-	Information unavailable, new topic from reporting 2022

Disclosure		Location	Comment
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Board of Directors, Sustainability Report: Social, Corporate Governance Report	
405-2	Ratio of basic salary and remuneration of women to men	-	Information unavailable, new topic from reporting 2022
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report: Social: Local community impact	
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report: Social: Local community impact	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Sustainability Report: Governance: Human and Labor Rights	
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report: Governance: Responsible value chain, Human and Labor Rights	

Appendix

Scope 3 breakdown

Category 1 (purchased goods and services): For 2022 Cloudberry reported a total of 6 tCO_2e in Category 1. These emissions include the transportation between service providers' location and the locations of hydro plants and wind farms that received service. This was a total of 31,425 km. Cloudberry's reporting system aims to include irregular emissions, such as those from the production and replacement of major parts and onsite work. For example, four days of work with an excavator at the hydropower plant Finnesetbekken has been included under Category 1. For the years in which we have construction using concrete, steel, copper, the associated emissions, and other construction related emissions, these will be reported under Category 1.

Category 2 (capital goods): This report includes the emissions from the production, transportation, and installation of wind turbines purchased by Cloudberry. In 2022, this amounted to 10,693 tCO_2e and included the wind turbines at the Odal and Hån wind farms. This was the most significant component of Cloudberry's scope 3 emissions, accounting for 99.7% of the total GHG emissions (Scope 1, Scope 2 and Scope 3). Our calculations are based on LCA numbers provided by the turbine manufacturer, adapted to fit site specific numbers such as hub height and wind conditions. Going forward, Cloudberry will report these emissions in line with payments made to the turbine manufacturer. I.e., when 20% of the payments are made, 20% of the emissions are reported. Cloudberry has adopted this approach as the payments follow the construction progress and the production under the turbine supply agreement. The exception is the initial payment under the supplier agreements, as the carbon emissions will occur at a later stage in the production cycle of the machinery. The number reported for 2022 includes 17% and 60% of the total Category 2 emissions for the construction of the wind farms Odal and Hån respectively.

Category 3 (Fuel-and-energy related activities): In accordance with the GHG protocol, Cloudberry reports the well-to-tank and transmission & distribution emissions related to the electricity use at the powerplants and offices. Since the power plants and offices are in the Nordics, this accounted for only a minor portion of the total emissions.

Category 5 (waste management): Cloudberry reports on waste management from our offices, projects under construction, and power plants under operation. Waste from Cloudberry's offices in Oslo, Karlstad, Eskilstuna and Särö accounted for 5,932 kilograms. The waste from Hån wind farm during construction in 2022 totaled 28,910 kilograms. Combined, all of Cloudberry's waste management contributed to 11 tCO_2e.

Category 6 (business travel): Cloudberry reports emission from air travel, rental cars and milage allowance, which in total accounted for 11 tCO_2e.

Category 15 (investments): Cloudberry reports the electricity used in the hydropower plants in Forte Energy Norway AS, where the company has 34% ownership.

The total registered emissions from Scope 3 were 10,723 tCO_2e in 2022. Cloudberry will continue to evaluate and include more aspects of emissions from its value chain activities going forward.

Design and production: Artbox AS

Cloudberry Clean Energy ASA
Frøyas gate 15
0273 Oslo, Norway

contact@cloudberry.no
www.cloudberry.no

Cloudberry