

# INDEPENDENT ASSURANCE STATEMENT

## FIVEN SUSTAINABILITY LINKED BONDS 2022 PERIOD

### Introduction

DNV Business Assurance Norway ('DNV') has been commissioned by the management of FIVEN ASA ('FIVEN') to carry out an independent review of their sustainability performance targets ('SPTs'). These SPTs are specified in FIVEN sustainability-linked bonds ("SLB") terms set out in the FIVEN Sustainability Linked Bond Framework (the "Framework") dated 09<sup>th</sup> of June 2021. The SPTs are quantified by three Key Performance indicators ('KPIs') related to emissions to air:

- KPI 1: CO<sub>2</sub> emissions - total CO<sub>2</sub> emissions (in tons) per ton produced silicon carbide
- KPI 2: SO<sub>2</sub> emissions - total SO<sub>2</sub> emissions (in tons) per ton produced silicon carbide
- KPI 3: Water withdrawal - total volume of water withdrawal (in m<sup>3</sup>)

FIVEN has sole responsibility for preparation of the data and external reports provided to DNV. DNV, in performing our assurance work, is responsible to the management of FIVEN. Our assurance statement, however, represents our independent opinion and is intended to inform all stakeholders including FIVEN.

### Scope of Assurance

The scope of work agreed with FIVEN includes the following:

- Discussions with FIVEN management.
- Review of FIVEN's methodology to calculate CO<sub>2</sub> and SO<sub>2</sub> emissions and measure absolute water withdrawal.
- Review of FIVEN's Consolidated Environmental Reporting for 2022, with KPI performance calculations<sup>1</sup>.
  - Spot checks on underlying documentation for determining the performance for each KPI, including:
  - **SiC production:** Annual industrial reports documenting 2022 SiC crude production in Lillesand and Barbacena on a month-by-month basis.
  - **CO<sub>2</sub> and SO<sub>2</sub> emissions:** Methodology and documentation for CO<sub>2</sub> and SO<sub>2</sub> emissions from SiC production at Lillesand and Barbacena. For Lillesand, this includes documentation on carbon factors for CO<sub>2</sub> from SiC and carbon factors for light fuel/diesel, as well as sulphur content for petroleum coke used in the SiC production process. For Barbacena, this includes a check of underlying documentation for month-on-month carbon and sulphur contents in petroleum coke feedstock, as well as carbon factors for light fuel.
  - **Water withdrawal:** Documentation on meter measurements for week-on-week water withdrawal at Lillesand, Arendal and day-on-day water withdrawal at Barbacena has been checked.

### Level of Assurance

We performed a limited assurance engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical*

<sup>1</sup> Consolidated corporate level defined as the full FIVEN Group operations in Norway, Belgium and Brazil, excluding FIVEN's Venezuelan plants

*Financial Information' (revised)*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being an error is reduced, but not reduced completely.

### Assurance Methodology

DNV is a leading provider of sustainability services, including verification of GHG emissions data and other environmental metrics. Our environmental and social assurance specialists work in over 100 countries.

In that respect, the environmental footprint inventories have been evaluated against the following reporting criteria:

- ISO 14064-1:2018, ISO 14064-3:2019

DNV uses a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both FIVEN and its stakeholders. The following methods were applied during the assurance of FIVEN's SPTs, the data that supports them as they relate to the SLB and as presented by the company:

- Review of documentation, data records and sources relating to the Sustainability linked Bonds KPI and SPT performance assertions;
- Performed sample-based audits of the processes for generating, gathering, and managing the data.

### Data Verified

DNV reviewed independent reports related to the performance of verification and assessment activities for the SPTs including:

- General:
  - Fiven consolidated environmental calculations
  - Overview of total crude production in 2022 for Norway
  - Overview of total crude production in 2022 for Brasil
- KPI 1:
  - Overview of carbon factors for CO<sub>2</sub> from SiC and carbon factors for light fuel/diesel for the Norwegian plants per month
    - Screenshot of underlying database provided by Circkle K (provider) on Diesel and light fuels consumed in February.
  - Monthly emission calculations including carbon content in feedstock and light fuels for the Barbacena plant

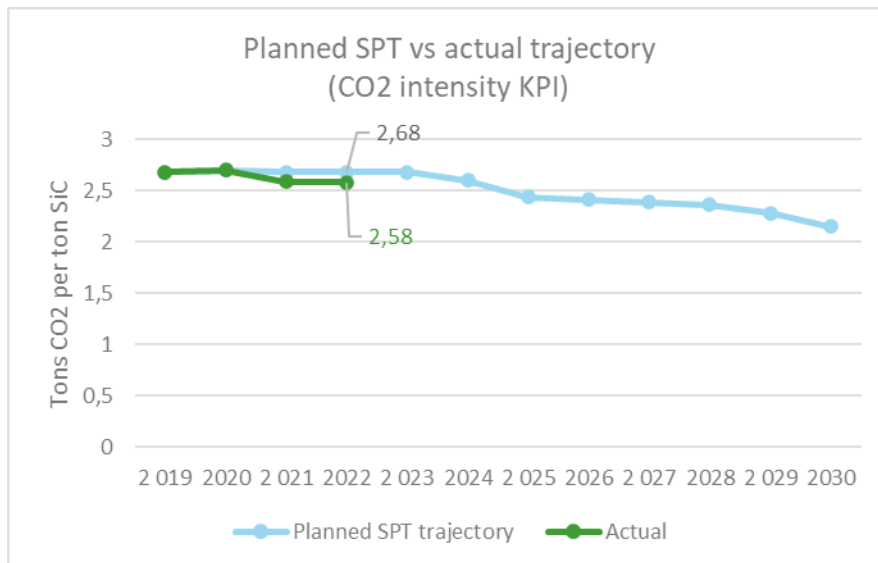
- Datasheet for diesel consumption in February
- KPI 2:
  - Calculations for monthly SO<sub>2</sub> emissions based on sulphur content for petroleum coke in the SiC production process for the Lillesand plant
    - Certificate issued by Bureau Veritas – Report of Sampling and Analysis of wet coke delivery (dated 18.02.2022)
  - Monthly sulphur content in feedstock for the Barbacena plant.
    - Datasheet of daily petcoke consumption for the period 01/02/2022 – 28/02/2022
- KPI 3:
  - Calculations of water consumption in Norway
    - Raw data for Water consumption week 3 – for the Lillesand plant
  - Day to day water consumption for the Barbacena plant

## Findings

DNV's findings for FIVENS SLB KPI performance are as follows:

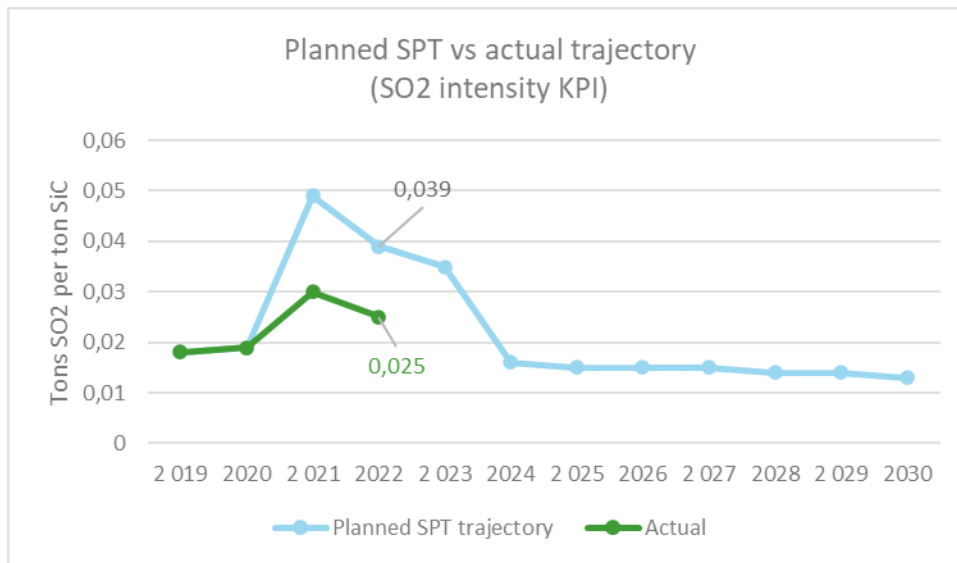
### KPI 1: CO<sub>2</sub> emissions

Reporting Year ('RY')	Sustainability Performance Targets	Reported Performance
RY 4 (ending December 2022)	<ul style="list-style-type: none"> <li>- 9% reduction in emissions from base year (2019) 2019-2025.</li> <li>- 20% reduction 2019-2030.</li> <li>- 2022 target– 2.68 Tons CO<sub>2</sub> (per tons of SiC)</li> </ul>	<ul style="list-style-type: none"> <li>- In line with KPI</li> <li>- Slight decrease in emissions of 0.4% compared to last year.</li> <li>- They are 4% ahead of target with 2.58 Tons CO<sub>2</sub> (per tons of SiC) emitted.</li> </ul>



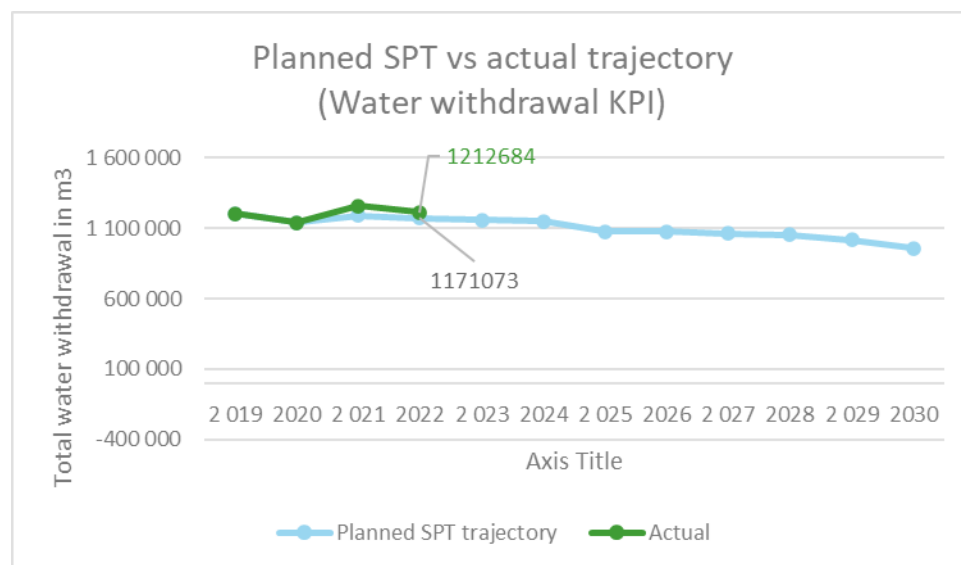
## KPI 2: SO<sub>2</sub> emissions

Reporting Year ('RY')	Sustainability Performance Targets	Reported Performance
RY 4 (ending December 2022)	<ul style="list-style-type: none"> <li>- 15% reduction in emissions from base year (2019) 2019-2025.</li> <li>- 30% reduction 2019-2030. 2022 target– 0.039 Tons SO<sub>2</sub> (per tons of SiC)</li> </ul>	<ul style="list-style-type: none"> <li>- In line with KPI</li> <li>- Decrease in emissions of 16.7% compared to last year.</li> <li>- They are 36% ahead of target with 0.025 Tons SO<sub>2</sub> (per tons of SiC) emitted.</li> </ul>



### KPI 3: Water Withdrawal

Reporting Year ('RY')	Thresholds	Reported Performance
RY 4 (ending December 2022)	<ul style="list-style-type: none"> <li>- 10.45% reduction in water withdrawal from base year (2019) 2019-2025.</li> <li>- 20.40% reduction 2019-2030.</li> <li>- 2022 target – 1,171,073 m<sup>3</sup> water withdrawal.</li> </ul>	<ul style="list-style-type: none"> <li>- Not achieved.</li> <li>- Volume of water withdrawal is 1,212,684 m<sup>3</sup>, 3.6 % above target.</li> <li>- However, closer to target than 2021, when withdrawal was 5.5% above target.</li> </ul>



Role	Name
Project Manager & Verifier	Hedda Blomhoff
Quality Assurance	Thomas Leonard

### Assurance Opinion


Based on the processes and procedures conducted with limited assurance of the GHG emissions (KPI 1 – CO<sub>2</sub> and KPI 2 – SO<sub>2</sub>) and water withdrawal (KPI 3), nothing has come to DNV's attention that causes us to believe that FIVEN's actual KPI performance for 2022 is incorrect. DNV also opines that FIVEN's methodology to calculate CO<sub>2</sub> and SO<sub>2</sub> intensity per ton produced SiC, as well as measure absolute water withdrawal, is consistent with the purpose of FIVEN's KPIs as defined in its Framework.

DNV notes that ongoing project of equipping all furnaces in Lillesand with hoods to capture SO<sub>2</sub> has been accelerated and FIVEN is now in the process of covering the last furnaces.

## Independence

DNV was not involved in the preparation of any part of FIVEN data. We adopt an independent approach towards all stakeholders when performing our evaluation.

**DNV Business Assurance Norway.**  
**Oslo, Norway**  
**27 March 2023**



**Hedda Blomhoff**  
**Project Manager**

**Thomas Leonard**  
**Quality Assurance**

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