

An aerial photograph of a dense forest. A path of bright, glowing light winds through the trees, starting from the bottom left and moving towards the top right. The rest of the forest is in deep shadow, appearing in various shades of dark blue and black. The overall mood is serene and natural.

LAMOR

GREEN FINANCE FRAMEWORK

APRIL 2023

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Background

About us

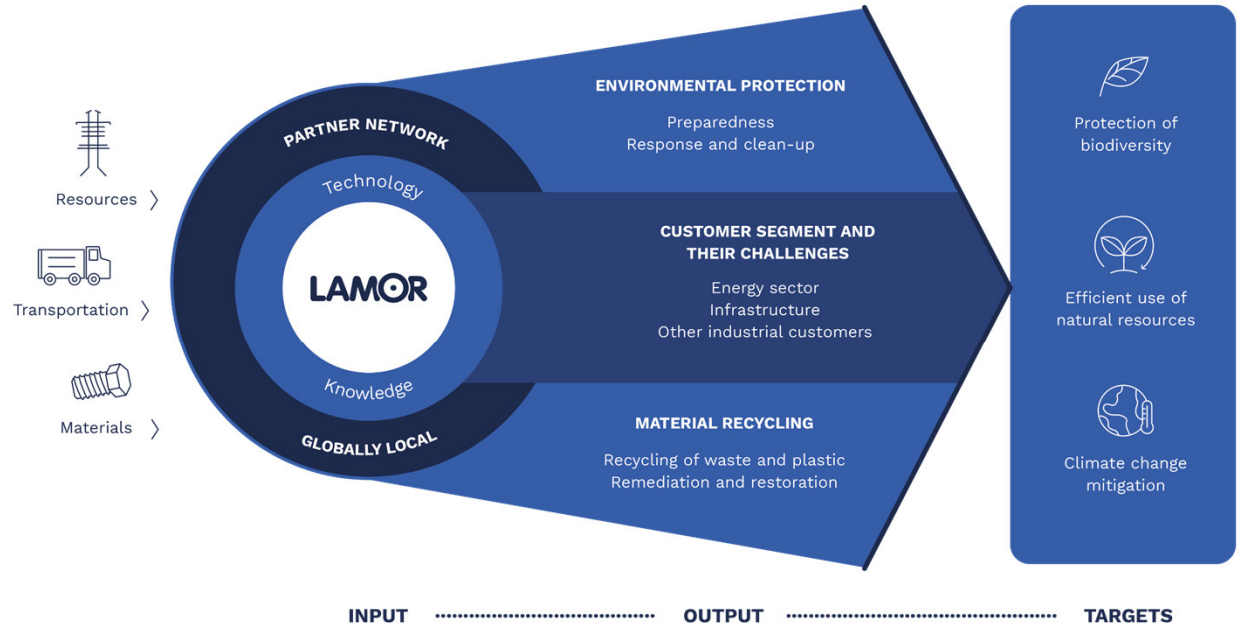
Lamor Corporation Plc (Lamor) was established in 1982 in Finland. The company's share is listed on the Nasdaq First North Premier Growth Market Finland marketplace.

Lamor is one of the leading global providers of environmental solutions, operating in over 100 countries through our subsidiaries and associated companies and our vast partner and distribution networks. Lamor offers solutions and technologies related to environmental protection and material recycling, thereby promoting a circular economy, the protection of biodiversity and ecosystems, and careful use of scarce resources.

Lamor's vision is a clean tomorrow, where future generations can enjoy clean water and soil. We bring together smart minds, advanced technology, and local knowledge to conserve our environment and to generate growth for businesses and communities. From preventing oil spills to massive clean-ups, and from material recycling to water and soil treatment, we are there to solve global problems locally.



Lamor's value creation



Background

Sustainability at Lamor

Lamor's goal is to protect biodiversity, use natural resources efficiently and mitigate climate change by delivering effective environmental protection and material recycling solutions together with its partner network. Sustainability is at the core of Lamor's strategy. The overall aim of the strategy is to maximise our positive impacts through environmental protection and material recycling solutions and at the same time create economical added value. To quantify the impacts of our activities clearly, we have assessed our carbon footprint and other positive and negative material impacts of our operations. The strategy is based on the results of this assessment and covers goals and related reporting indicators for each identified material topic, which will be monitored on an annual basis.

Lamor strives to support sustainable development in everything we do. Our personnel's job satisfaction and safety are important sustainability themes for us, and our goal is to further develop our leadership expertise so that we can respond to the changes caused by our growth. Additionally, we are working to support human rights and anticorruption, which are material for our business.

Sustainability management

Lamor's strategy is approved by the Board of Directors. The CEO is responsible for executing the approved strategy together with the Management Team. The Board of Directors also approves the sustainability goals and targets as well as the material topics defined by the management in accordance with GRI. Our sustainability performance and progress is monitored regularly and sustainability reporting is an integral part of Lamor's activities.

The impacts on the economy, environment, and people that Lamor is contributing to is monitored and managed by the Chief Development Officer together with the Management Team, area organisations and global support functions. The Management Team reviews the impacts semi-annually or annually depending on the character of the reported KPIs. In addition, the Audit Committee and the Board of Directors reviews the sustainability progress regularly.

External recognition of our impacts

In 2022, Lamor engaged with the Upright Project to assess the positive and negative impacts of our business activities on society, knowledge, health, and environment. The Upright project analyses how much each company is able to create in terms of sustainability value compared to the costs incurred and resources used. Lamor scored a net impact ratio of +66% in the assessment, which demonstrates our ability to create wide positive impacts on the environment, health, protection of biodiversity, reduced emissions and waste, and to saving scarce natural resources. Our aim is to continue to improve our net impact by developing more efficient ways of working to increase our positive impacts.

Furthermore, Lamor's operations and investments are assessed on an annual basis by the Norwegian company CICERO Shades of Green, part of S&P Global. CICERO provides independent, research-based second party opinions on green financing frameworks as well as climate risk and impact reporting reviews of companies. As a result of the assessment, Lamor became the first Finnish company to receive the Nasdaq Green Equity Designation¹ in 2022, which was renewed in 2023. For Lamor, this is a testament of our strong commitment to the green transition and to achieving our environmental targets.

¹ The Nasdaq Green Equity Designation targets companies that have over 50 percent of their turnover derived from activities considered green and continue to invest a significant share in green activities.

Background

Material topics of Lamor

Lamor has conducted a materiality assessment to define material topics for sustainable development value creation according to GRI. The assessment provided us with critical information for identifying our actual and potential impacts. We have also defined strategic targets and reporting indicators for each material topic which we will report on annually.

Material topic	SDGs	Medium / Long-term target	KPI
Material topic 1: Enabling environmental protection Material topic 2: Efficient material recycling Material topic 3: Targeting protection of biodiversity, efficient use of natural resources and climate change mitigation Material topic 4: Social sustainability as part of Lamor's Culture Material topic 5: Financial value creation		Increase the amount of green environmental solutions delivered	Amount of green revenue
		Increase the amount of green investments	Amount of green investments
		Increase the share of recycled or renewable raw materials in the sources used	Revenue from products utilising recycled or renewable raw materials
			Increase the relative consumption of green electricity
			Increase the amount of electrical equipment used in the service delivery
		Reduce CO ₂ emissions from solutions provided	Decrease of emissions in project transportation based on optimisation
			Actions taken to optimise purchased logistics
		Safe working environment irrespective of the working location	Number of high consequence injury 0
		Leadership development	LIT Index
		Screen significant high-risk business partners for anti-corruption and respect for human rights	Amount of screenings performed and actions taken
Business partner code of conduct in use for all partners	Amount of partners applying Lamor code of conduct		
Increase reliability in the grievance mechanism	Increase knowledge and practices relating to grievance mechanisms		

Background

1. Enabling environmental protection

Building preparedness

The core of Lamor's business is to deliver environmental solutions and technology, consultation, expert, planning and training services, based on solid experience. Having the capacity to efficiently respond to environmental incidents is particularly important in high-traffic areas and areas with water stress, as an incident can have a paralysing effect on the whole region. Building preparedness contributes to significant positive impacts in terms of pollution prevention, protection of natural resources, mitigation of threats to biodiversity, and the protection of human health and possibility to proceed with commercial activity. It also controls for negative impacts, such as improved control and mitigation of emissions and resource use.

Response and clean-up of spills

By recovering oil spills and contaminations, Lamor mitigates negative environmental impact. We offer environmental solutions that make removal of hazardous waste and contaminations possible at every stage of an environmental incident, preventing the loss of biodiversity and environmental degradation. A fast response reduces the contaminated area, which also reduces the negative impacts and needed response capacity. Lamor addresses negative impacts by optimising its solutions and through efficient project execution.

Lamor's equipment is designed to be energy efficient, with an optimised operational recovery capacity, meaning faster recovery by a higher oil and a lower water intake. The green transition will not happen overnight, but an efficient oil spill response and clean-up is a step towards a cleaner environment. Uncleaned spills increase health problems, threaten biodiversity and pollute soil and groundwater. Furthermore, recent extreme weather events have shown that climate change can cause unprecedented spills and pollution, and these events are likely to become more common over the near future. Being prepared for spills is thus essential for climate change adaptation.

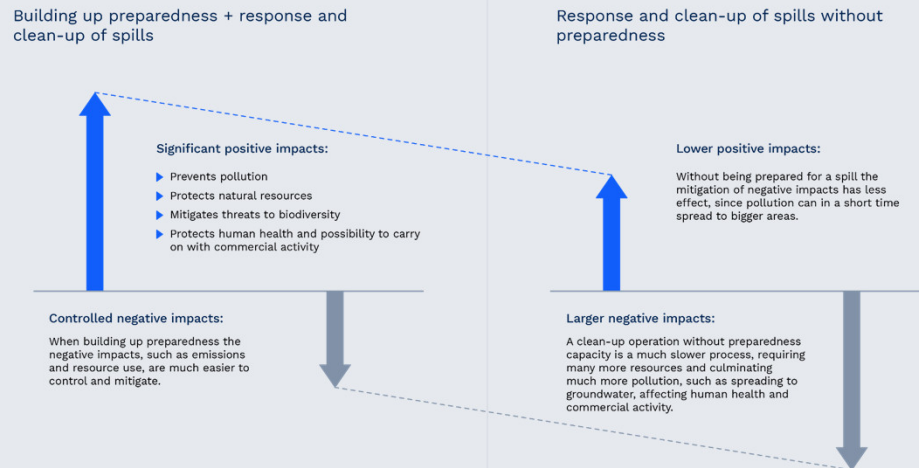


Figure 1: Building preparedness contributes to improved environmental protection

Background

2. Efficient material recycling

Recycling of waste

In the current waste-intensive world, material recycling has become a priority. Efficient recycling is closely related to Lamor's other solutions to tackle natural resource depletion and to increase resource use efficiency. For instance, oil and gas activities typically generate high volumes of hazardous waste. Waste streams may contaminate surface water, groundwater, seawater and negatively impact plant and animal species as well as human health. Lamor offers solutions that enable diverting hazardous waste from disposal and avoid contamination of land and water, making the materials present in the waste streams available for future use.

Lamor has the best available technologies to treat waste and aims to add value through recovery, reuse and recycling. Our processes are guided by the waste hierarchy, with a focus on maximising recovery and recycling rates. Lamor delivers recycling solutions to its customers and partners where pollutants like oil as well as water and solid substances are separated and treated. This reduces local pollution and enables reuse of these resources in production processes and local communities.

Lamor's water treatment solutions contribute to increased water reuse, which will be increasingly important to tackle water security. Lamor's process separates contaminated materials from water to meet the degree of treatment required by international standards. In water treatment, Lamor searches for a closed water circulation to be able to produce and make it suitable for a specific end-use: drinking water, industrial water supply, irrigation, river flow maintenance, water recreation and many other uses, including being safely returned to the environment.

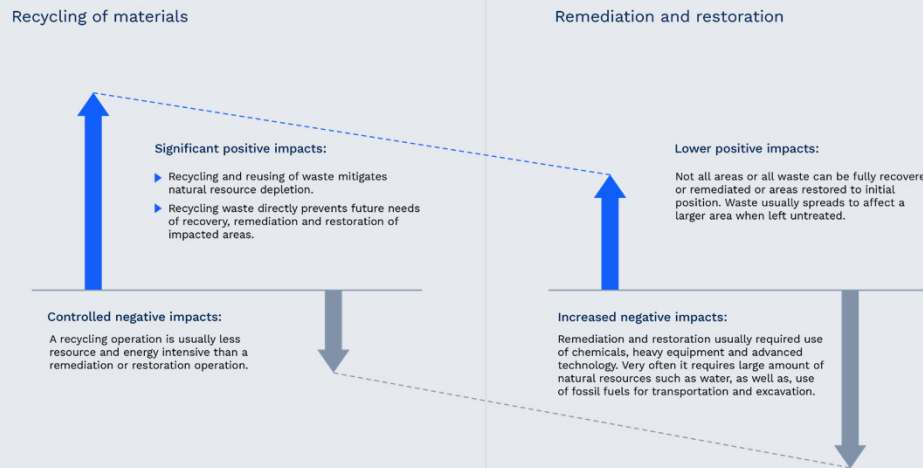


Figure 2: Efficient recycling tackles natural resource depletion and pollution

Background

2. Efficient material recycling

Plastic waste – a valuable raw material

Plastic waste is one of the biggest environmental threats of our lifetime, with huge amounts of plastic waste accumulated in the environment and only less than 10 percent of it recycled globally. Lamor considers this as a huge problem that it wants to be involved in solving. Lamor is initiating activities in the plastics recycling business as an extension to its offering for combating environmental pollution. The project is unique, as no facility of chemical recycling of plastics on this scale has been carried out in Finland before. The recycling plant will produce raw material for use in the petrochemical industry to produce recycled plastics and for suitable refineries for further processing.

Remediation and restoration

When untreated, waste can have negative impacts, which usually extend beyond the locations where waste is generated and discarded – increasing the area for remediation and restoration. Lamor has many years of experience in handling remediation projects and can provide its expertise globally. The remediation projects themselves have a positive impact on the environment in which they are executed. Positive impacts include prevention of groundwater contamination, minimisation of hazardous waste sent to landfills, and restored ecology of the direct area of influence and its surroundings. Additionally, the projects have a positive impact on people through generation of local employment, distribution of environmental knowledge among the population and reduction of risks for human health.

Remediation and restoration usually require use of chemicals, heavy equipment and advanced technology. Use of natural resources such as water and of fossil fuels for transportation and excavation is still common, especially in areas where Lamor operates. To mitigate the negative impacts of the projects, Lamor has various measures in place that will allow, for example, recycling around 70 per cent of the water used in the soil washing process, or optimising road transportation to reduce the amount of fuel needed to run the project. Likewise, remediation processes are optimised to minimise the amount of chemicals used. With a diversified offering, Lamor is able to support its customers in combating a larger scale of environmental pollution. Having the available resources and expertise at hand, Lamor always aims for a higher quality than locally required.

3. Targeting protection of biodiversity, efficient use of natural resources and climate change mitigation

Protection of biodiversity

Like most human activity, also Lamor's operations cause negative impacts on biodiversity. The negative impacts are mainly linked to our business relationships, but partly also directly through Lamor's own activities. With its offering, Lamor aims to prevent the loss of biodiversity. Protection of biodiversity is additionally one of the reasons why Lamor in 2020 initiated its

GHG emission calculations, which allows for not only defining its carbon hotspots, but also provides the company with insights to its potential negative impacts on biodiversity. Both environmental and social assessments are an essential part of Lamor's project execution and is an ISO 9001 (Quality), 14001 (Environment) and 45001 (health and safety) certified company.

Resource scarcity

Lamor's vision and strategy focuses on tackling the global resource depletion and to provide recycled material for a globally growing demand of natural resources. Lamor allows the reuse of remediated water and soil, and already extracted fossil materials, to be reused in production processes, infrastructure and by local communities. The recycling and reuse of resources tackle the most severe problems of our lifetime, such as increased water scarcity and climate change. Recycling enables continuance of efficient industrial activities, which in turn has an impact on people and human rights.

Impacts on climate change

As sustainability is at the heart of Lamor's business, Lamor aims to assess all its operations to design measures compliant with the Do no significant harm (DNSH) criteria of the EU Taxonomy. By adopting the best available levels of environmental performance combined with increased preparedness, Lamor's actions can demonstrate DNSH. Increasing availability of low carbon materials and fuels will play a significant role in reducing of Lamor's carbon footprint.

Background

4. Social sustainability as part of our culture

The Lamor way of working has always fostered non-discrimination and care for Lamor's personnel and all people involved in its operations. The Lamor family is an international family prioritising well-being, as well as health and safety, in addition to conducting a profitable business.

Lamor's ethical principles are reflected in its codes of conduct and form the basis for its daily activities and operations. The guidelines define Lamor's commitment to sustainable development, responsible business conduct and compliance with laws and regulations. Internationally recognised human rights as declared in the UN Universal Declaration of Human Rights are the cornerstone of social sustainability and are covered by Lamor's codes of conduct.

Furthermore, Lamor has zero tolerance for corruption in any form and the company requires its business partners to operate in the same manner. Lamor expects both its employees and business partners to comply with its ethical standards and has reserved the right of conducting due diligence to identify, prevent, mitigate, and account for negative impacts.

5. Economic value creation

Lamor creates economic value in societies with a low education level and high unemployment rate. As part of its risk management, Lamor also assesses the risks posed by climate change. These risks are related to the availability of materials, pricing, reducing the carbon footprint and extreme weather conditions.

In addition, Lamor's operations in oil spill response pose a risk as an industry, which the company is actively monitoring and planning green transition-related activities to reduce the risk in the long term. The company's Management Team prepares the risk matrix annually. The matrix contains an assessment of the possible negative effects of risks, as well as actions to minimise risks. As part of the assessment, they also evaluate the economic impact of the materialisation of a risk, how long it would prevail and the types of action and investment required to prevent or minimise the risk.



Rationale for Lamor's Green Finance Framework

Lamor is on a mission for a better tomorrow and through our solutions, we aim to make a positive contribution on society and the environment. Our vision is a clean tomorrow where future generations can enjoy clean water and soil. Lamor strives to follow best market practice and was the first Finnish company to receive a Nasdaq Green Equity Designation in January 2022. Nasdaq Green Designations support equity issuers with their green business models and strategies and enable increased visibility and transparency towards investors looking for sustainable investments. By setting up this document (the Green Finance Framework or "Framework"), Lamor aims to also link capital markets with our sustainability agenda and investments.

The Green Finance Framework enables Lamor to mobilise debt capital to support investments to protect the environment and ecosystems globally and to promote a circular economy. It is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles (2021) and the Green Loan Principles (2023) administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA).

The four core components of the Principles along with the recommendation of External Review form the basis of this Framework:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting
- 5) External review

The Framework allows Lamor to raise capital through green debt products such as bonds, commercial paper and loans (Green Debt). The terms and conditions of the underlying documentation for each Green Debt instrument issued by Lamor shall provide a reference to this Framework. Lamor has worked with Danske Bank to develop the Framework and CICERO Shades of Green has provided a second party opinion, which is publicly available at our website.



1. Use of Proceeds: definitions

Allocation of net proceeds

An amount equal to the net proceeds of the Green Debt will finance or refinance, in whole or in part, investments undertaken by Lamor or its subsidiaries that are in accordance with the Green Project categories defined in the next pages (Green Projects), in each case as determined by Lamor. Green Projects may take the form of capital expenditures, operating expenditures and equity investments², which together will form a portfolio of assets eligible for financing and refinancing with Green Debt. The overarching goal of the Green Projects is to contribute to a circular economy, the protection of biodiversity and ecosystems, and careful use of scarce resources.

Exclusion criteria

Proceeds from Lamor's Green Debt will not be allocated to investments relating to ongoing (including up-, mid-, and downstream) oil and gas activities. Moreover, proceeds will not be directly allocated to projects for which the purpose is fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction, gambling or tobacco.

Financing and refinancing

An amount equal to the net proceeds can finance both existing and new Green Projects financed by Lamor. New financing is defined as allocated amounts to Green Projects financed within the reporting year, and refinancing is defined as allocated amounts to Green Projects financed prior to the reporting year. Operating expenditures qualify for refinancing with a maximum look-back period of three years prior to the issuance date of the Green Debt instrument. The distribution between new financing and refinancing will be reported in Lamor's annual Green Finance Reporting.

The EU Taxonomy

The EU Taxonomy is a classification system aiming to scale up sustainable investments and establishes a list of environmentally sustainable economic activities. The first Delegated Act of the Taxonomy – the Climate Delegated Act - started to apply in January 2022 and defines the technical screening criteria for making a substantial contribution to climate change mitigation and adaptation as well as criteria for Do No Significant Harm (DNSH) to the other objectives.

The criteria for climate change mitigation and adaptation are, however, only relevant to a minor share of Lamor's activities. Our activities mainly relate to the other environmental objectives, such as the "Transition to a circular economy", "The sustainable use and protection of water and marine resources, and the "Pollution prevention and control" objectives. A delegated act establishing technical screening criteria for these objectives are yet to come. Lamor will follow the development and implementation of the full Taxonomy going forward and aims to assess all its operations to design measures compliant with the DNSH criteria of the EU Taxonomy and adopt best available levels of environmental performance.

² Equity participations in entities where at least 90% of the revenues can be attributed to the Green Project categories

1. Use of Proceeds: Green Project categories

Pollution prevention and control

1. Waste management

Expenditures related to the collection and management of hazardous and non-hazardous waste for the purpose of reusing and recycling the materials and contribute to a circular economy as well as pollution prevention and control.

	Contribution to pollution prevention and control
1.1. Recycling of oily waste, including tank cleaning and oil pond clean-up of legacy waste pits.	By recycling oily waste, Lamor minimises the amount of waste going to landfill or incineration and prevents the contamination of surface water, groundwater and seawater, thereby avoiding negative impacts on plant and animal species. The recycling of oily waste further increases the reuse of oil and contributes to reduced demand for virgin fossil fuels and other virgin raw materials. Moreover, Lamor contributes to increased recycling rates in countries where the local legislation on waste management and recycling is weak or non-existent.
1.2. Recycling of other hazardous and non-hazardous waste, including MARPOL ³ accredited waste reception facilities.	Appropriate waste management and treatment contributes to improved material reuse and recovery, thereby reduced need for virgin materials, as well as reduced pollution in local areas. Managing and increasing the recycling of hazardous and non-hazardous waste also contributes to increased recycling rates in countries where local waste management legislation is poor.
1.3. R&D to develop new waste management solutions targeting a higher energy efficiency or recycling rate.	Lamor is focused on developing new techniques and processes for waste management. These solutions aim to create more energy efficient systems (with less CO ₂ emissions per unit) to collect, treat, recover and reuse different industrial and municipal waste streams. We are also creating new methods to remediate and restore polluted sites as efficiently as possible with reduced climate impact.

2. Recycling of plastic material

Expenditures promoting increased recycling of plastics for the purpose of replacing virgin plastic materials in new products.

	Contribution to pollution prevention and control and a circular economy
2.1. Collection and sorting of plastic waste through mechanical recycling (i.e. the grinding, washing, separating, drying, re-granulating and compounding of plastic materials). The activity converts at least 50%, in terms of weight, of the processed waste into secondary raw materials suitable for replacing virgin materials in production processes.	Mechanical and chemical recycling of plastics contribute to substituting virgin fossil feedstock in plastic products and thus substantial reductions in GHG emissions associated with the production and incineration of plastic materials. Increased recycling also contributes to a reduction of plastics being landfilled and avoids the pollution of land and water.
2.2. Chemical and thermochemical recycling of plastic waste into new raw materials suitable for replacing virgin materials for the petrochemical sector. The activity converts at least 50%, in terms of weight, of the processed waste into secondary raw materials.	To guarantee an efficient recycling process, plastic waste is always recycled mechanically at first hand while plastics that could not be recycled due to poor quality is subject to chemical recycling. Mechanical recycling is less energy intensive than chemical recycling, while the chemical recycling process provides new means to increase the recycling of a wider range of plastics than what the traditional, mechanical recycling allows for. Chemical recycling enables production of high-quality end products and is thus decreasing the dependency on virgin fossil feedstock. Lamor will run the process efficiently and will ultimately contribute to cutting the carbon footprint of plastic products.

³ MARPOL, the International Convention for the Prevention of Pollution from Ships, covering regulations aimed at preventing and minimising pollution from ships – both accidental pollution and that from routine operations.

1. Use of Proceeds: Green Project categories

Pollution prevention and control	
3. Remediation and restoration of contaminated land and water areas Expenditures related to soil remediation and recovery for the purpose of pollution prevention and restoration of biodiversity in polluted areas.	
	Contribution to pollution prevention and control and the restoration of biodiversity and ecosystems Through remediation and treatment of contaminated soil, Lamor contributes to the prevention of pollution and enables restoration of biodiversity in the polluted areas. In addition, the solutions may include the recovery of oil that can replace virgin fossil fuels. Lamor promotes bioremediation techniques which use less chemicals, water and other resources in the remediation processes, which allows for more efficient resource use and decreases negative impacts on the environment and climate. Lamor also promotes on-site remediation whenever possible and the minimising of waste incinerated or landfilled, which significantly cuts the amount of emissions. To minimise the usage of water in the remediation processes, Lamor aims to use soil-washing only for materials that are heavily polluted. Using the soil-washing techniques are, however, less emission intensive than incinerating the waste.
3.1. Remediation of contaminated soil and polluted water areas	
3.2. Reforestation and afforestation of remediated areas to support biodiversity and reduce the impacts of climate change	Reforestation is an extension of our remediation projects. When the land area has been remediated, reforestation or afforestation can take place in the area when the pollutants no longer impact the growth of the plants in the area. Reforestation and afforestation are two of the leading nature-based solutions for tackling the impacts of climate change. Forests are a natural way of keeping the earth's CO2 levels lower. By absorbing CO2, forests help to lower the amount of GHG emissions in the atmosphere and reduce the effects of climate change. Reforestation and afforestation help to maximize these abilities of forests by increasing the overall amount of forested land areas.
4. Environmental protection Expenditures related to preparedness against environmental incidents and oil spill response and clean-up, contributing to valuable barriers and reductions in contamination and reduced environmental impacts of clean-ups and potential leaks.	
	Contribution to pollution prevention and control and reduced environmental impacts Improved preparedness against environmental incidents e.g., oil spills reduce the amount of emissions and pollutions of environmental incidents considerably. Lamor's solutions are efficient and able to collect relatively less water and more oil in case of an oil spill and we train personnel on-site to enable a quick response in case of an incident. The preparedness may also include consultation and identification of airborne emissions and mitigation of emissions from operational incidents supporting efficient mitigation and reducing emissions from the incidents by early detection and preventive maintenance.
4.1. Preparedness solutions	
4.2. Environmental incident response including oil spill response and clean-up services	Lamor's services are efficient and involve planning and high competences to minimise the impacts of environmental incidents. Through oil-spill response and clean-up services, Lamor contributes to the prevention of pollution and enables restoration of biodiversity in the polluted areas. In addition, the solutions may include the recovery of oil that can replace virgin fossil fuels. Lamor's oil skimmers are more efficient than competitors, reducing the energy needed for the process as well as increasing the volume of oil recovered and reducing local impacts.
4.3. R&D for new technologies for improved environmental protection	Lamor is focused on developing new techniques and processes for improved environmental protection. These solutions aim to create more energy efficient solutions (less CO ₂ emissions) to prevent environmental incidents and to clean-up in case of an incident.

1. Use of Proceeds: Green Project categories

Sustainable water and wastewater management

5. Water and wastewater management

Expenditures related to water and wastewater treatment and the remediation of water areas to promote increased water reuse and water security in areas of scarcity.

Sustainable water and wastewater management	
<p>5.1. Water and wastewater treatment solutions, such as ultrafiltration and membrane bioreactors</p>	<p>Contribution to a sustainable water and wastewater management</p> <p>Lamor's water treatment solutions contribute to increased recycling of industrial and municipality water streams, decreases the usage of "virgin" water resources, increases the amount of reusable water sources, and establishes a closed water circulation. This is a necessary activity for a low carbon and climate resilient future, given that the International Panel on Climate Change (IPCC) estimates that about 80% of the world's population already suffers from threats to water security. Climate change is likely to worsen the availability of water even further and water treatment is therefore crucial to strengthen resilience and water security going forward.</p> <p>These solutions may, for example, include polishing plants. Polishing plants allows for the treatment and recirculation of salt-free water, originally taken from the ocean, to be used in industrial processes or in the municipal sector. This process reduces the need for using new ocean water and reduces the GHG emissions significantly since treating salt-free water back to the needed quality standard is consuming significantly less energy than producing new-salt free water from the ocean.</p>
<p>5.2. Polluted groundwater remediation</p>	<p>Globally, there are several pollutants that have reached the ground waters. Bioremediation can be used for various chemistry-based pollutants, such as heavy metal pollution, where capturing technologies such as activated carbon or membrane filtering technologies would apply, or by capturing hydrocarbons with activated carbon followed by treatment with membrane technologies. Lamor's water treatment activities contribute to the treatment of polluted water, which increases the amount of potable water sources, provides a source for irrigation water, and restores polluted aquifers.</p>
<p>5.3. Creating artificial groundwater with MAR (Managed Aquifer Recharge techniques)</p>	<p>Lamor's technology can be applied for ground water remediation, to restore brackish water aquifers back to freshwater aquifers, and to store produced potable water or to store treated wastewater. Managed aquifer recharge is the game changer technology of the potable water industry and is part of Lamor's offering. The process uses nature's own treatment method (filtering through the soil and bioremediation with bacteria), and the amount of infrastructure required for both final and storage phases of the treatment process is therefore reduced since the final treatment phase will be done using soil as a filter, with less GHG emissions as a result. The method is thus an energy efficient way of producing sustainable and safe drinking water with a relatively lower climate and environmental impact.</p>
<p>5.4. R&D for the development of new water treatment and reuse solutions</p>	<p>Lamor aims to create more energy efficient systems (with less CO2 emissions per unit) for the purpose of increasing water reuse and recyclability, increase closed water circulation, decrease the usage of "virgin" water sources, and increase the amount of reusable water sources in both industrial and municipal water streams.</p>

2. Green Project evaluation and selection

Green evaluation & selection process

Lamor's overall management of environmental, social, corporate governance and financial risks is a core component of our decision-making processes. The process for Green Project evaluation and selection is based on the same standard due diligence procedures and decision-making processes.

The evaluation and selection process for eligible Green Projects is a key component in ensuring that an amount equivalent to the Green Debt net proceeds is allocated to Green Projects eligible under this Framework. To oversee this process, Lamor has established a Green Finance Committee (GFC) comprising the Chief Executive Officer, the Chief Financial Officer, and one representative from the sustainability and operations departments. The GFC will convene every 6 months or when otherwise considered necessary.

The evaluation and selection process is based on the following steps:

- i. i. From existing and new investments, sustainability experts and representatives within Lamor evaluate potential Green Projects' compliance with the Green Project categories presented in this Framework. Based on the analysis, the experts can nominate investments as potential Green Projects.
- ii. ii. When potential Green Projects have been nominated, a list including their environmental and/or sustainability-related details will be reviewed by the GFC. The GFC is solely responsible for the decision to acknowledge the project as eligible in line with the Framework. Eligible Green Projects will be tracked using a dedicated Green Register. A decision to allocate net proceeds will require a majority decision by the GFC. In addition, the sustainability representative holds a veto right. Decisions made by the GFC will be documented and filed.

The GFC holds the right to exclude any Green Project already funded by Green Debt net proceeds. If a Green Project is paid back or amortised, or for other reasons loses its eligibility, funds will follow the procedure under Management of Proceeds until reallocated to another Green Project.



3. Management of Proceeds

Tracking of the proceeds

Lamor will use a Green Register to track the allocation of net proceeds from Green Debt to eligible Green Projects. The purpose of the Green Register is to ensure that proceeds only support the financing of Green Projects or to repay Green Debt outstanding. The register will form the basis for the impact and allocation reporting.

Temporary holdings

In the event that the total outstanding net proceeds of the Green Debt exceed the value of the Green Projects in the register, such unallocated amount will temporarily be placed in the liquidity reserve and be managed accordingly by Lamor.

Exclusion criteria

Temporary holdings will not be placed in entities with a business plan focused on fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction, gambling or tobacco.



4. Reporting

Lamor will annually, until full allocation and in the event of any material developments, provide investors with a publicly available Green Finance Report describing the allocation of proceeds and the environmental impact of the Green Projects. The Green Finance Report will, to the extent feasible, also include a section on the methodology used in the impact calculations. In the event Lamor would have other Green Debt instruments than bonds outstanding, the company may choose to report, in relation to these other financial instruments, directly and non-publicly to the lenders or counterparties.

Allocation reporting

Allocation reporting will include the following information:

- i. Nominal amount of outstanding Green Debt
- ii. Amounts allocated for each project category
- iii. Relative share of new financing versus refinancing
- iv. Descriptions of selected Green Projects financed





In the event of outstanding Green Commercial Paper, Lamor will report quarterly on the value of Green Projects and the total value of outstanding Green Debt.

Impact reporting

The impact reporting aims to disclose the environmental impact of the Green Projects financed under this Framework, based on Lamor's financing share of each project. As Lamor can finance a large number of smaller Green Projects in the same Project Category, impact reporting will, to some extent, be aggregated. The impact assessment is provided with the reservation that not all related data can be recovered and that calculations therefore will be on a best effort basis. The impact assessment will, if applicable, be based on the impact reporting metrics presented in the table on the next page.



4. Reporting: impact indicators

Green category	Key Performance Indicators (KPIs)	SDG contribution
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Volume of waste/hazardous waste/non-hazardous waste diverted from disposal (m³) ▪ Built up capacity for diverting waste from disposal (metric tonnes) ▪ Volume and share of plastic waste processed into new raw material (tonnes and %) ▪ Estimated annual GHG emissions reduced/avoided compared to waste incineration or the alternative to not managing the waste (tonnes of CO₂e emissions) ▪ Number of spill response operations financed (number) ▪ Areas cleaned up from a spill (m²) ▪ Volume of oil recovered as part of a spill response project (m³) ▪ Total R&D cost and type of project 	 
Sustainable water and wastewater management	<ul style="list-style-type: none"> ▪ Volume of liquid waste diverted from disposal (m³) ▪ Produced potable water in water-stressed areas ▪ Area remediated (m²) ▪ Estimated amount of discharges of pollutants avoided (tonnes of pollutants) 	 

5. External review

Second Party Opinion

CICERO Shades of Green has provided a second party opinion to this Framework verifying its credibility, impact and alignment with the Green Bond and Loan Principles.

Post-issuance review

An independent external party, appointed by the Lamor, will on an annual basis, until full allocation of the net proceeds and in the event of any material changes, provide a review confirming that an amount equal to the Green Debt net proceeds has been allocated to eligible Green Projects.

Publicly available documents

The Green Finance Framework and the second party opinion will be publicly available on Lamor's website, together with the post-issuance review and the annual Green Finance Report once published.



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