

Results of Environmental Review

- (1) Reference Number
23-020
- (2) Project Name
Expansion of battery factory
- (3) Project Site
Västerbottens, Sweden
- (4) Project Outline
Expansion of Lithium-ion battery factory
- (5) Category
B
- (6) Reason of Categorization
Although the Project includes sensitive characteristics under the Environmental Guidelines, it is likely to have no significant adverse impact on the environment.
- (7) Environmental Permission / Approval by the Environmental Authority
Environmental Social Impact Assessment report has been prepared in accordance with local laws and regulations, and the most recent approval was obtained from Swedish Land and Environment Court in August 2022.
- (8) Pollution Prevention
It has been confirmed that appropriate measures will be taken to deal with pollution, including emission, effluent, and noise and vibration. In addition, it is planned that waste will be properly treated and disposed of.
- (9) Natural Environmental Considerations
The project site and its surrounding area are mainly utilized as production forests, and the local municipality has carried out

deforestation as part of the development of an industrial park. The municipality has prepared an afforestation plan and is taking appropriate mitigation measures. No particular impacts are foreseen on the other natural environment aspects.

(10) Social Considerations

There are communities of ethnic minority groups in the project country. Although the project site and its surrounding area are not regarded as important areas for living and livelihood of the communities, the project proponent voluntarily held consultation meetings with the communities as stakeholder engagement, and in 2020 reached an agreement including holding consultation meetings regularly, etc.

(11) Applied International Standards
IFC Performance Standards

(12) Monitoring

Environmental Monitoring Plan including pollution prevention has been prepared, and the monitoring results will be submitted regularly to the local environmental authorities.

(end)

Questions

Q1. Please provide the address of the project site.

Address of the project site: **Kanalgatan 71, 931 34, Skellefteå**

Q2. Please provide a brief explanation of the project.

Northvolt (the “**Sponsor**”) is currently developing one of Europe’s largest battery manufacturing plants in Sweden (“**Northvolt Ett**”) to manufacture the latest generation of Lithium-Ion (“**Li-Ion**”) batteries based on high-nickel NMC cell technology. Construction is well underway with the first two blocks (NV 1.1 and NV 1.2) for an aggregate 16GWh per year of production capacity – currently coming on stream. Once fully developed, Northvolt Ett’s annual production capacity is expected to exceed 60 GWh.

The first two blocks of Northvolt Ett has been financed on a non-recourse basis in July 2020 with a total of approx. \$1.6bn debt package.

Northvolt aims to become a European leader in the battery space with a target to commission more than 150GWh of annual production capacity in Europe by 2030. Further to the development of its first large-scale manufacturing site, Northvolt is now looking to progress towards the next stages of its industrial journey.

Northvolt has established a fully circular business model, and has the ambition to produce the world’s greenest battery manufactured with 100% renewable energy. This goal is enabled by a large-scale recycling of battery cells and materials, and by highest standards for raw material sourcing, and optimization of supply chains for minimal CO2 impact.

Northvolt Ett Expansion

Northvolt intends to develop and finance the next blocks of its main manufacturing site corresponding to [44]GWh additional capacity (“**Northvolt Ett Expansion**”).

Production Capacity	2021/2022	2023	2024	2025	[2026]
	NV 1.1 (7GWh)	NV 1.2 (9GWh)	NV Ett Expansion Up to ([44]GWh)		
	Fully funded / under construction		To be developed		

Northvolt envisages raising additional external limited-recourse senior debt financing to finance this expansion through a global refinancing. Potential funders include commercial banks, funds, export credit agencies and multilaterals. Financing is expected to be secured early 2023 with a target to sign in Q2 2023 and close the financing in [H2 2022].

Q3. Is it a new project to be implemented or a project that has been implemented? If it has been implemented, has it received a serious complaint from local residents or a directive for improvement, a stop-work order, a project suspension order, etc., from a local environmental authority?

☒ **New project to be implemented** (Project that has been implemented (without a complaint) + expansion of the existing one (on the same site under the same Environmental permit already obtained for Snowball))

☐ Project that has been implemented (with a complaint)

☐ Project that has been implemented (without a complaint) + expansion of the existing one (on the same site under the same Environmental permit already obtained for Snowball)

☐ Other ()

Q4. Do the laws or regulations of the country where the project will be implemented require the project to conduct environmental and/or social impact assessments (such as an Environmental and Social Impact Assessment (ESIA) and Environmental Impact Assessment (EIA))? If so, have they been conducted or planned?

☒ **Required** (Assessments done and already reviewed in the context of Snowball) ☐ **Required** (Assessments in progress or being planned)
☐ **Not Required** ☐ **Other** (_____)

Q5. If environmental and/or social impact assessments have been conducted, have they been approved in accordance with the environmental and social impact assessment system of the country where the project will be implemented? If so, please also specify the date of the approvals and the name of the authorities.

☐ **Approved** (without condition(s)) ☒ **Approved** (with condition(s))
☐ **Under approval process** ☐ **Other** (_____)

Date of Approvals: **07/06/2018, 17/04/2019, 18/01/2021**

Name of Authorities: **UMEÅ DISTRICT COURT - Land and Environment Court**

Q6. Are there any environmental permits required other than environmental and/or social impact assessments? If so, have they been obtained? Also, if required, please specify the name of the permits.

☒ **Obtained** ☐ **Required, but not obtained yet**
☐ **Not required** ☐ **Other** (_____)

Name(s) of required permit(s): **Building Permit (issued by Skellefteå Municipality on December 2018)**

Q7. Will the insurance be used for the provision of goods or services that does not involve installation or implementation in particular sites or regions, as in the case of export/import or lease of machinery or equipment that is not connected with a particular project?

(Yes / No)

If "Yes", please disregard the following questions.

If "No", please go to Q8.

Q8. Are there any environmentally sensitive area(s) shown below in or near the project site(s)?

(~~Yes~~ / No)

If “Yes”, please mark the applicable items and go to Q9.

If “No”, please go to Q9.

- ☐ (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples, and cultural heritage, etc., designated by national governments)
- ☐ (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- ☐ (3) Habitats with important ecological value (including coral reefs, mangrove wetlands, and tidal flats)
- ☐ (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- ☐ (5) Areas in danger of large-scale salt accumulation or soil erosion
- ☐ (6) Areas with a remarkable tendency towards desertification
- ☐ (7) Areas with unique archaeological, historical or cultural value
- ☐ (8) Areas inhabited by ethnic minorities, indigenous peoples, or nomadic peoples with traditional ways of life (including areas which are used for cultural and spiritual purposes) and other areas with special social value

Q9. Does the project involve the following characteristics?

(Yes / No)

If “Yes”, please specify their scale and go to Q10.

If “No”, please go to Q11.

- | | |
|--|--------------------------------|
| <input type="checkbox"/> (1) Involuntary resettlement or loss of means of livelihood | (Number of affected people:) |
| <input type="checkbox"/> (2) Groundwater pumping | (Scale: m3 /year) |
| <input type="checkbox"/> (3) Land reclamation, land development, and land clearing | (Scale: ha) |
| <input checked="" type="checkbox"/> (4) Logging (has been performed) | (Scale: approx. 100 ha) |

Q10. Under the environmental and social impact assessment system of the country where the project will be implemented, do the applicable characteristics (1) – (4) of Q9 above and their scale serve as the basis for executing an ESIA for the project?

- ☐ ~~Yes, they do~~ X No, they do not
- ☐ Other (_____)

Q11. Is the project likely to have a significant social impact, including human rights?

(~~Yes~~ / No)

If “Yes”, please describe the impacts and go to Q12.

If “No”, please go to Q12.

- ☐ Likelihood of a significant impact on human rights ()
- ☐ Other ()

Q12. Will the insurable value by NEXI in the export, loan or investment project be equal to or less than 5% of the total project cost, or equal to or less than SDR 10 million? (If the support is additional to a project that has been insured by NEXI, please add up the previous insurable value and the insurable value being considered to apply for this time.)

(Yes / ~~No~~)

If “Yes”, please disregard the following questions.

If “No”, please go to Q13.

Q13. Is the project for capital investment or working capital in a project that has been implemented and does it involve no material change in output or function (as in the case of maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes / No)

If “Yes”, please disregard the following questions.

If “No”, please go to Q14.

Q14. Is the project in any of the following sectors?

(Yes / No)

If “Yes”, mark the applicable sectors and go to Q15.

If “No”, please disregard the following question.

- ☐ (1) Mining
- ☐ (2) Oil and natural gas development
- ☐ (3) Pipelines
- ☐ (4) Iron and steel (projects that include large furnaces)
- ☐ (5) Non-ferrous metals smelting and refining
- ☐ (6) Petrochemicals (manufacture of raw materials; including complexes)
- ☐ (7) Petroleum refining
- ☐ (8) Oil, gas and chemical terminals
- ☐ (9) Paper and pulp
- ☐ (10) Cement plants (including a greenfield quarry)
- ☐ (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- ☐ (12) Thermal power
- ☐ (13) Nuclear power
- ☐ (14) Hydropower, dams and reservoirs
- ☐ (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- ☐ (16) Roads, railways and bridges
- ☐ (17) Airports
- ☐ (18) Ports and harbors
- ☐ (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- ☐ (20) Waste management and disposal
- ☐ (21) Agriculture involving large-scale land clearing or irrigation
- ☐ (22) Forestry
- ☐ (23) Tourism (construction of hotels, etc.)

Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.). In addition, please explain whether an environmental and/or social impact assessment is required on account of the large scale of the project in the country where the project will be implemented.

The site consists of 200 hectares of greenfield land and Northvolt Ett's annual production capacity is expected to exceed 60 GWh once fully developed. Comprehensive E&S due diligence has been performed as part of Project Snowball.

An environmental impact assessment for Northvolt Ett site has been conducted in all phases of the project, the first EIA was approved in 2018-06-07 and the EIA for the expansion project was approved in 2021-01-18 (report made available on the dataroom). With that, all environmental permits for the total site has been obtained.