

PROJECT SNOWBALL

Project name: *Snowball*

Borrower: *Northvolt Ett AB*

Borrower's Shareholder:

Sector: *electronic and electric equipments*

Country: *Sweden*

Financial Product: *Project Finance*

Equator Principles category: *A*

Project description

The Project consists in developing two blocks of a large scale 32 GWh Li-Ion battery manufacturing plant in 4 blocks. It is a first-in-kind project in Europe aiming at producing the latest generation Lithium-ion technology currently available in the markets based on Nickel rich multi metal-oxide chemistry. The main plant, known as NV Ett or NV1, will be located in Skelleftea in the north eastern part of Sweden, 700KM north of Stockholm. Land is currently owned by the municipality and reserved for industrial purposes thus reducing permitting risks. It will be handed over to the Project at the latest by August 2019, when it takes full ownership. The ground preparation works at the Skelleftea site has commenced and are now well advanced under a contract with Peab Anlaggning AB (PEAB), the third largest Construction group in Swede. The objective of Northvolt AB is not only to produce the world greenest lithium-ion batteries, but also to be able to replicate the whole manufacturing process and use the NV1 factory as a knowledge base to expand elsewhere. As such, Northvolt AB expects to be able to build its second and third plants beyond 2024, targeting 25% European market share.

Summary of Key Environmental and Social Impacts and Risks

The main risks of the project potentially derive from the supply of raw materials, and the pristine ecosystem where the plant will be allocated.

In particular, the issues concerning the supply of raw materials (especially Cobalt) and the cooperation of Northvolt with major mining companies, trigger the following Performance Standards:

- o PS 2 – Labor and working conditions

- o PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources.

Northvolt publicly declares that it relies on international guides such as the OECD, the UN Global Compact, the ICMM (International Council on Mining and Metals) Principles, the Equator Principles and the Responsible Mineral Initiative (RMI) to evaluate potential suppliers and determine whether they are also part of a responsible supply chain approach.

Both Northvolt and Intesa Sanpaolo are very active in the UN Global Compact Initiative, where Supply chain issues, and child labor, are at the forefront of its agenda.