2022

TCFD Report

In accordance with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD)

bulk™

Excecutive summary

Combating climate change is one of today's greatest challenges, and Bulk aims to be part of the solution delivering sustainability as a business. Climate-related opportunities are a central part of Bulks overarching mission.

The world is facing a growing demand for safe and resilient infrastructure, while physical environments are becoming increasingly hostile. To address these conflicting trends, Bulk recognizes the need for a clear understanding of risks and opportunities going forward. Through a climate analysis based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified increasing temperatures and extreme weather events as key risks to our physical assets, as the stability of our indoor environments is essential for our data centers and industrial real estate, and secure land areas are essential for all our resilient infrastructure.

In addition to the physical risks, there are also increasing legislative regulations at both the national and EU levels that have an impact on our operations. While these regulations are welcomed as a clear set of guidelines for our industry, they also present compliance risks and opportunities. As a leader in addressing global climate-related risks, Bulk sees great potential in maximizing our efforts to minimize future environmental and financial costs.

By providing a clear understanding of the financial risks and opportunities associated with climate change, TCFD enables Bulk's management team to make informed decisions and set strategies that are both financially and environmentally sustainable. This will allow us to minimize the financial costs of climate-related risks, while also positioning us to take advantage of the opportunities that arise.

Content

Sustainable Nordic infrastructure for the world

Bulk Infrastructure Holding AS (Bulk) is a leading provider of sustainable digital infrastructure in the Nordics. We are an industrial investor, developer, and operator of industrial real estate, data centers, and fiber networks. Bulk believes in the value creation opportunity of enabling our digital society to be fully sustainable.

The Group consists of three business areas that develop successfully with an increasing degree of autonomy, and a Group Management that explores future business opportunities as well as supporting the business areas. All of Bulk's business areas have an impact on the environment, on society and are confronted with governance issues. It is a fundamental part of the Bulk culture to accelerate the positive impact and reduce any potential negative effects.

Bulk Industrial Real Estate is a Nordic real estate developer and owner, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. We seek to be the preferred partner for our customers, offering prime locations, standardized, cost efficient and modular facilities, and sustainable solutions. All Bulk projects with a size above 5,000 sqm are from 2021 BREEAM-NOR (Building Research Establishment Environmental Assessment Method) certified and equipped with rooftop solar panels as part of our standard offering. Bulk has through 2022 increased the solar production capacity to a total of 3,300 KWp in 2022, contributing to a total production of 1,5 GWh of renewable energy through the year.

Bulk Data Centers is an industrial developer and operator of data centers and data center services across the Nordics. Bulk has a portfolio of assets, capabilities and partners to serve any data center customer requirement in a fast, secure, cost efficient and sustainable way. We operate scalable facilities, and we have access to strategically located land and renewable power. We can serve customers in dedicated hyperscale facilities and customers in need of server racks in a Colo environment. The data center industry constitutes mission-critical infrastructure for all parts of society, but is also power intensive. The industry has a responsibility to ensure that the infrastructure is powered by renewables and that the energy is used as efficiently as possible.

Bulk Fiber Networks owns and controls dark fiber infrastructure with the purpose of enabling the Nordics for large scale data processing. Our over 10,000 kilometer of fiber infrastructure includes new-built subsea and terrestrial cable systems. We offer dark fiber, telehousing and cable landing facilities to carriers, large scale data center customers and others that want to produce bandwidth services on top of our infrastructure. A requirement for all suppliers selected by Bulk is that their operations are run sustainably. Bulk takes care to reduce the environmental impact when fiber routes are planned both subsea and on land. Surveys are done in advance to minimize impact on the seabed and minimize interfering with spawning grounds for fish and other sea animals.

In 2022, Bulk generated revenues of NOK 276 million and had 81 employees. As a company, we are dedicated to delivering strong returns for our shareholders while also making a positive impact on society and the environment. We are continuously looking for new opportunities to grow and expand our business in the Nordics, and we strive to be a leading provider of sustainable digital infrastructure in the region.

Why we are committed to work on climate risk

Bulk has set ambitious emission targets to combat climate change, including a goal to achieve net-zero emissions across all scopes (1, 2, and 3) by 2050. Additionally, we will reduce our scope 1 and 2 emissions by 50 per cent and decrease our emission intensity by 30 per cent for scope 3 by 2030.

As part of our commitment to mitigate climate related risks and respond to the financial markets' increasing demand for transparency, Bulk has conducted a thorough analysis of climate-related risks in accordance with the guidelines set forth by the Task Force on Climate-related Financial Disclosures.

The world is facing a growing demand for safe and resilient infrastructure, while physical environments are becoming increasingly hostile. To address these conflicting trends, Bulk recognizes the need for a clear understanding of risks and opportunities going forward. This analysis will provide valuable insights to inform our decision-making and mitigate potential risks.

We conducted a climate risk assessment in late 2022 and incorporated the identified risks and opportunities into our overall risk management strategy early in 2023. As a company, it is crucial for us to understand the impact of climate change on our operations in order to achieve our long-term goals.

The TCFD Recommendations and Index

Recommendations

The Task Force on Climate-related Financial Disclosure (TCFD) developed the TCFD disclosure recommendations to facilitate standardized reporting structure for financially material climate-related risks and opportunities.

The TCFD recommendations are structured around four core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. The framework separates into three main categories: risks related to the transition to a lower-carbon economy, risks related to the physical impacts of climate change, and climate-related opportunities.

Core Elements of Recommended Climate-Related Financial Disclosures

Governance
The organization's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management
The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Recommendations and Supporting Recommended Disclosures

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Recommended Disclosures:

a) Describe the board's oversight of climate-realted risks and opportunities

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended Disclosures:

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2 °C or lower scenario.

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended Disclosures:

a) Disclose how the organization identifies, assesses, and manages climate- related risks.

b) Describe the organization's processes for managing climate-related risks

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended Disclosures:

a) Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

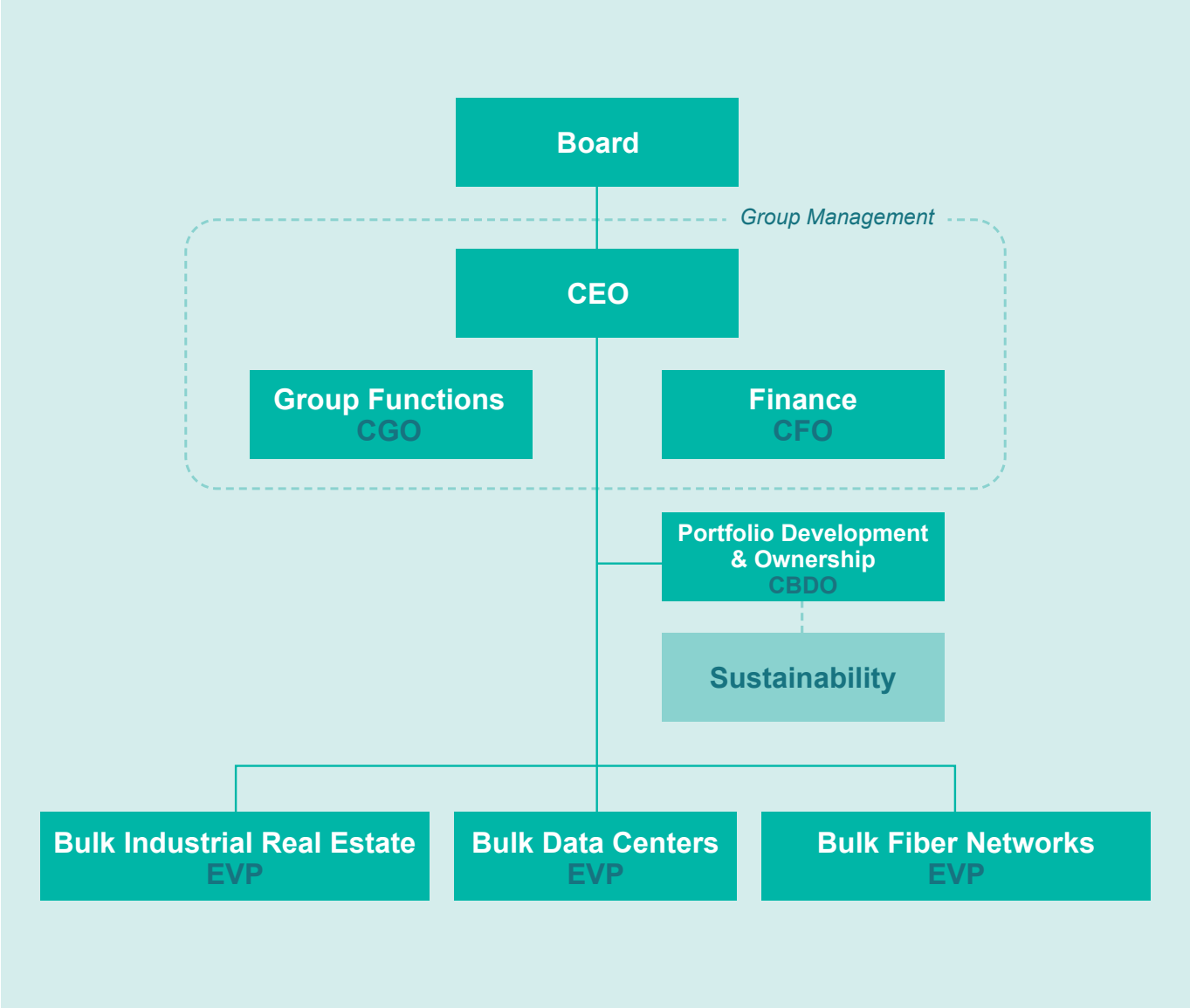
Governance

Board's oversight

The board of directors conducts an annual review of major risks and considers climate-related risks during investment decisions, major capital expenditures and other major plans for action. Climate-related issues are also considered by the board when reviewing Bulk's strategy. In addition, major risks and mitigating measures are discussed by the board at the request of the board or the group management. The Chief Governance Officer (CGO) oversees these in-depth reviews of the selected risks.

Management's oversight

The Executive Vice Presidents (EVP) in the three business units are responsible for identifying risks and opportunities, including climate-related risks and opportunities. In a bottom-up process involving input from the employees and the Chief Governance Officer, risks, opportunities, and mitigating measures are discussed and integrated in Bulk's risk management system. Group management reviews these risks and opportunities through the Business Review process, which is conducted on a quarterly basis for each business unit. The Chief Governance Officer is responsible for overseeing these reviews. The group management identifies Bulk's major risks and opportunities based on the Business Review process for each business unit. Bulk's Data Centers and Industrial Real Estate businesses are ISO 9001 and 14001 certified and Bulk's Integrated Management System is used to soundly manage, secure and continuously improve all work processes that affect environmental risk and opportunity.



Strategy

Selected time horizons

Bulk considers short-, medium, and long-term time horizons to be relevant when assessing climate-related risks and opportunities.

Short-term:	Medium-term:	Long-term:
0-5 years	5-10 years	10+ years

Transitional risks, such as energy and land use regulations, are the short- and medium-term climate-related risks that are identified to have the greatest impact on Bulk. Location has been one of the key elements in our sustainability framework from the beginning, of which availability of renewable energy and further plans for development in the area are among the main decision criteria.

As climate changes and temperatures continue to rise, Bulk's assets may face increased challenges in maintaining optimal operational conditions. Extreme weather events such as downpours and storms can lead to power outages, flooding, and other disruptions to operations. In a long term-scenario, we need to adapt our strategies to account for these changing conditions, such as implementing more advanced cooling systems, increase the resilience of building infrastructure, and keep the focus on right locations as our key assessment in site development.

Selected climate scenario

Uncertainty remains a challenge when it comes to predicting the future impacts of climate change, as different scenarios could play out depending on the rate of global warming and the effectiveness of mitigation and adaptation efforts. Bulk has developed plans to mitigate the risks. A strategic approach has been taken to manage the risks of climate change by analyzing two different climate scenarios, one with a 2°C temperature change and another with a 4°C temperature change. This approach enables us to estimate the medium and long-term physical and transitional risks associated with climate change and develop plans to mitigate these risks.

Short- and medium-term climate-related risks that are expected to have the greatest impact on Bulk are primarily transitional in nature. On a long-term basis, the potential impacts of physical climate change, such as increased frequency of heavy precipitation and storms, may become more significant, depending on global warming trends.

[1] IPCC: RCP2.6 and RCP8.5

Climate-related risks and opportunities

Bulk Industrial Real Estate (BIRE)

Climate-related opportunities			
Category	**Description**	**Expected impact**	**Capitalising effort**
Market	Standardised assets	The standardised Bulk module enables capacity to develop new and environmentally friendly solutions for the real estate portfolio at scale.	The Bulk module is a well-established brand in the market, which brings comfort to partners, customers and investors, which makes Bulk a preferred choice.
Regulatory	The majority of buildings are environmentally certified	BIRE has taken steps to be ahead of possibly stricter regulations and building codes. BIRE aims to BREEAM-certify all buildings over 5,000 sqm.	These factors will be an advantage facing stricter regulations and building codes due to environmental requirements. In upcoming tender processes, where environmental performance is weighed more than in current tenders, Bulk will have an advantage.
Market	Green and sustainable financing	The efforts made by Bulk to increase the environmental performance of its assets will make cheaper green, sustainable and sustainability-linked financing available.	Bulk has increased its market value and established a competitive edge by issuing a green bond with Medium Green shading by Cicero.
Technology	Front runner for new solutions	BIRE has highly energy efficient buildings. The rooftops of the warehouses we have built are ready for solar panels and make the buildings self-sufficient with energy.	Bulk has a strong focus on R&D, and climate-related risks and opportunities have impacted the focus areas. We are working on new technologies that could significantly reduce GHG emissions from the use of materials.

Physical climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Acute	Severe downpours and puvial floods	Heavy precipitation can lead to cascading events such as pluvial floods (surface water floods), flash floods, and soil erosion, posing a risk for Bulks assets. However, the national regulations for constructions in the Nordic are already set at a high standard.These regulations secure buildings that can withstand extreme weather conditions.	To mitigate these risks, Bulk conducts due diligence before investing in new sites. The locations are carefully selected based on avoiding areas exposed to flooding and soil erosion. In addition, drainage is established, and our asset are built to meet technical requirements proposed by the Planning and Building Act in both Norway and Denmark. BREEAM certifications also provide a framework for ongoing monitoring and management of the building's environmental performance, which ensures that the building remains resilient over time. This is critical for Bulk as it means the buildings stay ahead of changing environmental regulations.
Acute	Landslides and subsurface erosion	Slope instability can trigger soil erosion, with further risk of damaging warehouses. Landslides and erosion are events triggered by other physical risks such as inadequate surface drainage and heavy rainfall. Infrastructure such as pipelines located in the path of landslides can be subjected to significant damage.	To mitigate these risks, a due diligence is carried out for all new locations before investing. Bulk considers the potential impact of slope instability when planning and designing our infrastructure and implements measures to mitigate the risks it pose. As due diligence and national guidelines has changed over the years, Bulk possess some historical sites where the ground is considered less stable. For these sites Bulk has conducted significant improvements to ensure structural integrity and reach the same level as other sites when it comes to surface stability.

Transitional climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Regulatory	Stricter land use regulations	As environmental protection becomes a greater priority, it is likely that stricter regulations will be implemented in Scandinavia and the EU. These regulations may focus on preserving biodiversity and protecting natural carbon sinks, which could limit the availability of land for development and increase the cost and time required for obtaining approvals for new projects. This can increase the cost of the initial planning phase of each project.	The risk is addressed by extending the time and resources spent on project planning, including cooperation with local governments. The project planning teams are staffed up with relevant professionals. External resources such as ecologists are involved in assessing locations and setting measures to re-establish biodiversity. BIRE has a substantial landbank available as part of the long-term development strategy. As such, BIRE can offer a variety of locations that are already regulated for industry buildings to potential customers for new construction projects.
Regulatory	Changes in climate-related regulations	New EU-regulations such as the Carbon Border Adjustment Mechanism, may cause higher prices on materials and reduced access to key materials, such as steel. This could also lead to climate-friendly building materials, such as wood, becoming scarce and more expensive.	BREEAM certifications provide a framework for ongoing monitoring and management of the building's environmental performance, which ensures that the building remains resilient over time. This is critical for Bulk as it means the buildings stay ahead of changing environmental regulations. Targets and measures to reduce GHG emissions from our operations and value chain are crucial to reduce the risk.

Bulk Data Centers (BDC)

Climate-related opportunities			
Category	**Description**	**Expected impact**	**Capitalising effort**
Market	Increased market opportunities due to access to renewable energy	The energy shortage in Europe has resulted in stricter regulations on the data center industry, such as the temporary ban on hyperscale data centres in Amsterdam. Bulk is located in Norway and Denmark, where the power mix is dominated by renewable energy. This makes Bulk attractive to new customers due to an increasing demand for both carbon emission reduction actions and low renewable energy costs. Further, the risk that the Norwegian government will reduce the energy access for data centers, are deemed to be lower compared to other European countries due to access of energy, good regulations and a well-developed industry.	The opportunity is capitalized by marketing strategy focused on making the Nordic qualities of a cool climate, secure societies and renewable energy available to data center customers from all over the world. BDC's strategic and scalable locations are specifically selected due to the access of renewable energy. In addition, there are plans to increase the capacity of renewable energy at these locations, securing BDC and potential other energy demanding industries in the area. As such, there is low risk of competition for energy with other industries.
Reputation	Growing customer awareness	As global warming and climate extremes become more prevalent, customers are becoming increasingly concerned about the physical security of data centers and the carbon footprint of digital infrastructure.	Bulk must take a proactive approach to ensure that our facilities are equipped to handle the effects of climate change, while simultaneously taking a position as a leader in climate-smart data storage in the Nordics. In this way, Bulk can differentiate itself from its competitors and attract customers looking for sustainable, reliable and secure data storage and processing solutions.
Market	Operations located in a cool climate	With predictions of more extreme and frequent heatwaves and droughts in Central Europe, The Nordics is considered a favorable location for data centers in future scenarios. The climate is also expected to change in the Nordics, but relatively less to Central and Southern Europe.	This is a global strategic opportunity for Bulk, where our locations have less risk of extreme heat and low probability of water scarcity.
Market	Green and sustainable financing	The efforts made by Bulk to increase the environmental performance of its assets will make cheaper green, sustainable and sustainability-linked financing available.	Bulk has established a competitive edge by issuing a green bond with Medium green shading by Cicero.
Technology	Advancing technologies	New legislation and stakeholders' expectations for sustainable solutions create an opportunity for Bulk to be a front runner that can contribute to finding new solutions.	Bulk has a strong focus on R&D, and climate-related risks and opportunities have impacted the focus areas. Feasibility studies have been undertaken to explore the use of heat from our data centers and to develop partnerships to find solutions for circular industry clusters.

Physical climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Acute	Severe downpours and pluvial floods	Heavy precipitation can lead to cascading events such as pluvial floods (surface water floods), flash floods, and soil erosion, posing a risk for Bulks assets.	To mitigate these risks, Bulk conducts due diligence before investing in new sites. The locations are carefully selected based on avoiding areas exposed to flooding and soil erosion. In addition, drainage is established, and our assets are built to meet technical requirements proposed by the Planning and Building Acts in both Norway and Denmark.
Acute	Landslides and subsurface erosion	Slope instability can trigger soil erosion, with further risk of damaging data centers. Infrastructure, such as pipelines, located in the path of landslides can be subjected to significant damage.	To mitigate these risks, Bulk conducts due diligence before investing in new sites. Bulk considers the potential impact of slope instability when planning and designing our infrastructure and implements measures to mitigate the risks it poses. As such, no current Bulk data centers are exposed to the risk of landslides and surface erosion.
Acute	Wildfires	Wildfires are seen as a compound risk that can occur in connection with chronic risks such as drought, and/or seasonal extreme episodes like heatwaves. The smoke arising from the wildfire is the biggest risk factor in this regard.	Forest surrounding the data center locations are reduced to minimize the risk of wildfires and smoke getting to close. There are also business continuity plans for each site, which include guidelines on how to handle a fire in the area around the data center. Data centers are further designed with redundant systems and backup power sources to minimize the impact of natural disasters such as wildfires.

Transitional climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Regulatory	Stricter land use regulations	As environmental protection becomes a greater priority, it is likely that stricter regulations will be implemented in Scandinavia and the EU. These regulations may focus on preserving biodiversity and protecting natural carbon sinks, which could limit the availability of land for development and increase the cost and time required for obtaining approvals for new projects	The risk is addressed by extending the time and resources spent on project planning, including cooperation with local governments. The project planning teams are staffed up with relevant professionals. External resources such as ecologists are involved in assessing locations and setting measures to reestablish biodiversity. BDC has substantial area available at our data center campuses N01 and DK01 as part of the long-term development strategy. As such, BDC can offer sites that are already regulated for data centers to potential customers for new construction projects.
Regulatory	Changes in climate-related regulations	New EU-regulations, such as the Carbon Border Adjustment Mechanism, may cause higher prices on materials and reduced access to key materials, such as steel. This could also lead to climate-friendly building materials, such as wood, becoming scarce and more expensive.	BDC collaborates with the industry across Europe in the Climate Neutral Data Centre Pact and the Sustainable Digital Infrastructure Alliance to keep track of legislation and regulation related to sustainability in the EU. BDC is not critically dependent on one single material or supplier. Targets and measures to reduce GHG emissions from our operations and value chain are crucial to reduce the risk.

Bulk Fiber Networks (BFN)

Climate-related opportunities			
Risk category	**Description**	**Expected impact**	**Capitalising efforts**
Market	Increased market opportunities due to access to renewable energy	Bulk is located in Norway and Denmark, where the power mix is dominated by renewable energy, which makes the region attractive to new customers due to an increasing demand for both scope 3 emission reduction actions and low renewable energy costs. As the Nordics is a favorable location for data centers, there also needs to be facilitated fiber cables connecting the data centers.	The opportunity is capitalised by marketing strategy focusing on making the Nordic qualities of a cool climate, secure societies and renewable energy available to businesses all over the world.
Market	Green and sustainable financing	The efforts made by Bulk to increase the environmental performance of its assets will make cheaper green, sustainable and sustainability-linked financing available. Norwegian and Scandinavian banks are expected to offer financing and bonds with better terms in the years to come when a company can prove high or improved environmental performance.	Bulk has established a competitive edge by issuing a green bond with Medium Green shading by Cicero. Measures to improve the shading are being implemented.

Physical climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Acute	Severe downpours and pluvial floods	Heavy precipitation can lead to cascading events such as pluvial floods (surface water floods), flash floods, and soil erosion, posing a risk for Bulks assets.	To mitigate these risks, Bulk conducts due diligence before investing in new sites. The locations are carefully selected based on avoiding areas exposed to flooding and soil erosion.
Acute	Storms at increased frequency and intensity	There is an amplified risk of storms affecting the fiber network and telehousing located at the coastline both the 2°C and 4°C climate change scenarios. This impact will become more severe in the medium to long-term horizon. Increasingly unpredictable weather patterns such as event-based disruptions increase the days cable laying vessels need to spend offshore and can drive up costs.	To mitigate this risk of storms affecting the fiber network projects at sea, careful planning is needed. To mitigate the risk of damage, the cables are buried deep in the onshoring areas. The construction and location of telehouses are considered based on sea level on the relevant location. BFN will select the best available area and solution for each Telehouse. Of which, protection against damage from high waves and flooding are taken into account. BFN has back-up generators in all telehouses in case of power failures with close follow-up by BFN.
Acute	Landslides and subsurface erosion	Slope instability can trigger soil erosion, with further risk of damaging telehousing. Landslides and erosion are events triggered by other physical risks such as inadequate surface drainage and heavy rainfall. Infrastructure such as pipelines located in the path of landslides can be subjected to significant damage.	To mitigate these risks, Bulk conducts due diligence before investing in new sites. Bulk considers the potential impact of slope instability when planning and designing our infrastructure and implements measures to mitigate the risks it poses.
Acute	Wildfires	Wildfires are seen as a compound risk that can occur in connection with chronic risks such as drought, and/or seasonal extreme episodes like heatwaves. BFN has built cable infrastructure along railways, and sparks from the railway are possible instigators.	This risk for BFN is considered low due to safety measures such as underground cables, but it is still considered when assessing new projects. BFN has established a cooperation with Bane NOR regarding flame inhibiting cables in the tunnels. Further, all cables in the telehousing are free of halogen, which prohibits toxic gases if a fire were to occur.

Transitional climate risk			
Risk category	**Description**	**Expected impact**	**Mitigation efforts**
Regulatory	Changes in climate-related regulations	Changes in regulations such as the EU ETS, may in a medium- and long-term horizon, increase costs for vessel fuel used in our supply chain.	BFN is planning projects to mitigate the risk in construction and operation. Targets and measures to reduce GHG emissions from our operations and value chain is crucial to reduce the risk.

Climate-related risks and opportunities influencing the strategy

The identified risks and opportunities will influence Bulk's business, strategy, and financial planning.

Operations

The world is facing a growing demand for safe and resilient digital infrastructure and at the same time we are affected by the energy crisis in Europe. All over Europe, the energy transition from fossil to renewable energy as well as Russia's war against Ukraine, has resulted in higher energy prices. In the short- and medium-term there is a risk that this will lead to discussions on the prioritization of renewable energy use and tighter regulation of power intensive industries across Europe. Bulk will continue our strategic approach providing the market with digital infrastructure by scaling our solutions in locations near renewable power hubs, and plans to secure stable access to power in the future. Utilizing local energy avoids transmission loss. Changes in regulations on land-use will be implemented in the short- and medium-term, such as national regulations based on the global biodiversity framework, adopted at the UN Biodiversity Conference in 2022, and EU-regulations. This may be a risk for the company's project planning and may have an impact on access to plots of land. Mitigation measures are already in place, such as internal and external professionals on local regulations and biodiversity in the project planning teams. The risk will be mitigated through a continuous dialog with relevant local authorities.

Changes in regulations on land-use will be implemented on short- and medium-term, such as national regulations based on the global biodiversity framework, adopted at the UN Biodiversity Conference in 2022, and EU-regulations. This may be a risk for the company's project planning and may have an impact on access to plots of land. Mitigation measures are already in place, such as internal and external professionals on local regulations and biodiversity in the project planning teams. The risk will be mitigated through a continuous dialog with relevant local authorities.

Mitigation activities

Short- and medium-term climate-related risks and opportunities that are expected to have the greatest impact on Bulk are primarily transitional in nature. This includes changes in political climate regulations and regulations as a result of the potential for energy shortages in Europe and increasing focus on the need to power the digital infrastructure on renewables. The increasing legislative regulations at both the national and EU levels have an impact on our operations. While these regulations are welcomed as a clear set of guidelines for our industry, they also present compliance risks and opportunities. As a leader in addressing global climate-related risks, Bulk sees great potential in maximizing our efforts to minimize future environmental and financial costs.

On a long-term basis, the potential impacts of physical climate change, such as increased frequency of heavy precipitation and storms, may become more significant, depending on global warming trends. On a short- and medium-term, mitigating measures are implemented in Bulk's procedures for project planning and operation. Measures mitigating the long-term climate-related risks will be identified and included in the risk management during the future risk reviews.

These identified risks will be included in the ongoing process for developing sustainability targets and initiatives for the three business units. New measures to mitigate the identified risks will be assessed and implemented. With 2022 as a baseline year, emission targets and actions will be implemented in order to support Bulk's plan to reduce greenhouse gas emissions in line with the Science Based Targets initiative. The targets will be established based on the 2022 climate account.

Risk Management

Business Governance

Strategic	Monitoring and Control	Risk and Opportunity	Risk and Opportunity	Information and Securiy	Emergency Response and Business Continuity	Change Management

Risks, opportunities, and mitigating actions are registered on project-level, on business unit-level and on group-level. They are also registered to Bulk's different strategic areas. The process is described in our Integrated Management System, based on ISO 9001.

Risk and Opportunity management is an ongoing process. In project planning, climate-related risks are identified and assessed for project sites, building materials and building techniques. Mitigating measures are considered, often in cooperation with professionals such as an ecologist. The relevant municipality is consulted in order to assess climate-related risks, in addition to nature-related risks. Regulatory requirements related to climate change, biodiversity and land-use are integrated in the risk assessments.

Risks are assessed according to probability and impact, and major risks are presented to the board and managed by the group management. Group management reviews risks and opportunities through the Business Review process, which is conducted on a quarterly basis for each business unit.

Metrics and Targets

Emission targets

Bulk has set a net-zero target by 2050 across its scopes 1, 2 and 3 emissions. We will reduce our scopes 1 and 2 emissions by 50 per cent by 2030 and our emission intensity by 30 per cent for scope 3 by 2030. The combination of absolute and intensity targets has been chosen because we are a company in growth. Intensity targets enable a visible effect of climate actions, even when a company is expanding, by measuring emissions per unit, such as MNOK. The base line is 2022.

We are in the process of setting targets to improve energy efficiency, material management, water management and protection of land and nature.

Energy targets

Bulk was awarded Norway's first BREEAM-NOR certification for industrial buildings, where we achieved the level "very good". We aim to certify all properties over 5,000 sqm to be BREEAM-NOR, and ensure that such projects will be designed to meet energy classification standards of A or B. We are also collaborating with the Norwegian Green Building Council to develop a new and bespoke methodology for data center buildings, in order to certify our next DC projects to the BREEAM-NOR standard.

The data center industry is energy intensive. By locating data centers in locations with cooler climate, Bulk reduces the energy needed. Bulk's data centers have a PUE (Power Usage Effectiveness) below industry average and target design PUE of 1.2 for new data centers.

Bulk is currently exploring various applications to re-use excess heat from its data center operations to nearby business.

Greenhouse Gas Emissions

Climate account

This section provides an overview of the organisation's greenhouse gas (GHG) emissions, which is an integrated part of the organisation's climate strategy. Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

Bulk started to collect data on emissions and perform climate accounting in 2020, according to the Greenhouse Gas Protocol (GHG Protocol). However, 2022 is the first year where the climate account is being published. We are continuously working to improve the quality of the data. The tables over the next pages outline the emissions for each business area in 2022, with 2021 as a comparison year.

Key assumptions and limitations

Bulk has chosen organisational boundary for its Carbon Accounting, in alignment with the GHG Protocol. Bulk has distinguished locations or activities of which we have operational control over, from those we do not. Operational control is based on type of contract and authority to make decisions concerning an operation. As such, emission sources within Bulk's operational control are registered in Scope 1 and 2, and emission sources outside Bulk's operational control are registered in Scope 3. All emissions related to a project are accounted for upon finalization of the project.

The accounting exercise encompasses all Scope 1 and 2 mandatory emissions, and (voluntary) Scope 3 Purchased Goods and Services, Capital Goods, Downstream leased assets, Upstream leased assets, Business Travel and Waste. Not all Scope 3 categories meeting the GHG Protocol's principles for inclusion are included in this accounting, such as employee commute to the office from home. Bulk has included the categories that are material and is actively working to increase the scope of its data gathering across more relevant Scope 3 categories over the next years.

Although a substantial amount of raw (primary) data was used to estimate emissions, some data gaps meant there was a need to use spend-based tCO2e estimates based on expenditures (in MNOK). As such, Asplan Viak and Vista's "The carbon footprint of central government procurement: Evaluating the GHG intensities of government procurement in Norway" (2015) was used to estimate kgCO2e per NOK of expenditures with categories of economic activities (eg. Electricity works in buildings), corresponding to Bulk's expenditures. This source and method were used to estimate emissions associated with activities across Purchased Goods and Services and Capital Goods in both years 2021-2022. Further, for a project within the business area Fiber Networks in 2022, where there were no supplier-specific EPDs used in the project, estimates were made based on EPDs from similar products. Another limitation is that flight data, received directly from Berg Hansen includes only CO2 gases for 2021 and 2022. Finally, estimates on one Industrial Real Estate projects' Capital Goods category in 2022 were also made based on average tCO2e per square meter of a previously built project.

Bulk Industrial Real Estate

Our location gives us the advantage of renewable power. Renewable power constitutes nearly 100 per cent of the energy in Norway. In addition, the majority of vehicles are electric. As a result, Bulk's emissions in scope 1 and 2 are very low. The majority of Bulk's emission derive from activities in our supply chain and is reflected in scope 3 emissions. Our scope 3 is already good compared to the construction industry. The Bulk module is in the low end of scope 3 emissions, and together with our suppliers, we continue to search for more sustainable materials for our buildings and solutions for our construction sites. With the scaling of our solutions over the coming years, it will be our main focus to reduce the impact from scope 3.

The table below outlines Bulk Industrial Real Estate's emissions in 2021 and 2022. The increase in emissions is due to an increase in developed property. Three projects were finalized in 2022, as such, all emissions for the construction are accounted for in this period.

Key Figures GHG Emissions Bulk Industrial Real Estate

Annual Location-based GHG Emissions

	Category	Unit	2022	2021
Scope 1	**Biodiesel, HVO**	**tCO2e**	**0.3**	**-**
Scope 2	**Electricity location-based**	**tCO2e**	**0.3**	**0.8**
Scope 3				
	Purchased goods and services	tCO2e	35.2	8.1
	Capital goods	tCO2e	15,131.9	9,937.5
	Business travel	tCO2e	4	0.8
	Waste	tCO2e	77.7	73.1
	Downstream leased assets	tCO2e	1,118.0	84.3
	Upstream leased assets	tCO2e	0.3	-
	Scope 3 emission	**tCO2e**	**16,367.0**	**10,103.7**
	Total (Scope 1 + 2)	**tCO2e**	**0.7**	**0.8**
	Total emissions (Scope 1 + 2 + 3)	**tCO2e**	**16,367.7**	**10,104.5**

Annual Market-Based GHG Emissions

	Category	Unit	2022	2021
	Electricity Total (Scope 2) with Market-based calculations	**tCO2e**	-	-
	Scope 1+2+3 Total with Market-based calculations	**tCO2e**	**16,367.3**	**10,103.7**

Carbon emissions for Industrial Real Estate according to the Green House Gas Protocol

Scope 1

Direct emissions from activities under the organizations' control, including fuel combustion.

Bulk has a fully electric vehicle park, with the exception of one vehicle on certified HVO in Bulk Industrial Real Estate, which is related to operations on one of the real estate locations.

0.3 tCO2e

Scope 2

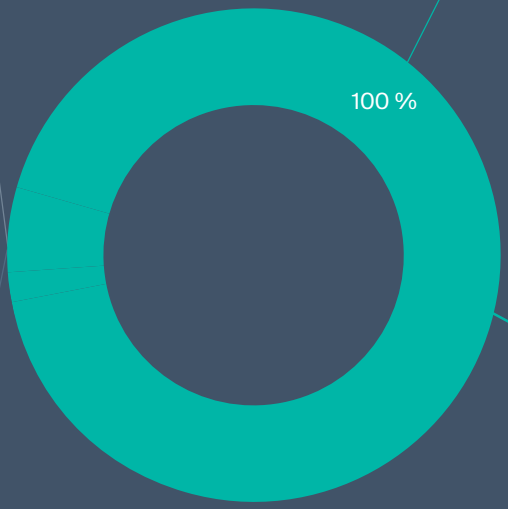
Indirect emissions from the production of purchased electricity, heating or cooling.

According to the GHG protocol there are two ways to report scope 2:

1. Market-based, include the impacts of renewable energy procurement through Guarantees of Origin. Bulk purchases Guarantees of Origins from renewable energy from where we are located.

2. Location-based, the physical approach tracking emissions that are generated by production of electricity locally where the company's operation is located. Emissions are calculated based on average emission factors [1] for each country where Bulk operates.

Market-based 0 tCO2e
Location-based 0.3 tCO2e



Scope 3

All other indirect emissions that occur in the company's value chain.

Scope 3 covers all parts of the value chain, upstream and downstream, and constitutes the majority of emissions for Bulk Industrial Real Estate. This scope includes several sub-categories, of which the relevant ones for Bulk's emissions will be outlined below.

Scope 3 represents the majority of Bulks' emissions and tracking and reporting against this category of emissions is critical for net zero progress. We BREEAM-NOR certify our buildings and a life cycle assessment (LCA) is included in the certification process. The assessment is based on Environmental Product Declarations (EPDs), which is provided by our suppliers.

16.367 tCO2e

Category 1 Purchased goods and services
Embodied emissions from purchased goods and services related to operation of our buildings

Category 2 Capital goods
Embodied emissions from materials, fuel combustion, equipment and activities from subcontractors during construction of Bulk's industrial buildings

Category 5 Waste
Include waste generated both from construction and operation of our real estate.

Category 6 Business travel
Employee travel for business-related affairs during the reporting year

Category 8 Upstream leased assets
Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2, mainly headquarters

Category 13 Downstream leased assets
Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor

The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol).
According to the GHG Protocol Corporate Standard, Bulk has defined the organizational boundary as operational control.
Scope 3 has 15 categories, Bulk reports on the essentials for our business
1. (IEA (2022): "IEA EMISSIONS FACTORS 2022", ""ELECTRICITY INFORMATION 2022")

Bulk Data Centers

Our location gives us the advantage of renewable power and a stable grid. Renewable power constitutes nearly 100 per cent of the energy in Norway. In addition, all vehicles in this business area are electric and the use of gensets is limited. As a result, Bulk's emissions in scope 1 and 2 are very low. The majority of Bulk's emission derive from activities in our supply chain and is reflected in scope 3 emissions. Our scope 3 is on par with the rest of the construction industry, and with the scaling of our solutions over the coming years, it will be our main focus to reduce the impact from scope 3.

The table below outlines Bulk Data Center's emissions in 2021 and 2022. The increase in emissions is due to extended capacity at our data centers, including associated infrastructure. In addition, preparation of land has caused increased emissions. Business travel has also increased in 2022 since 2021 was subject to travel restrictions due to the pandemic. In 2022 Bulk has returned to normal travel conditions.

Key Figures GHG Emissions Bulk Data Centers

Annual Location-based GHG Emissions

	Category	Unit	2022	2021
Scope 1	**Stationary combustion**	**tCO2e**	**115.7**	**109.6**
Scope 2	**Electricity location-based**	**tCO2e**	**328.9**	**367.0**
Scope 3				
	Capital goods	tCO2e	5,446.2	3,776.6
	Business travel	tCO2e	24.1	7.9
	Purchased goods and services	tCO2e	-	22.4
	Waste	tCO2e	4.8	32.2
	Upstream leased assets	tCO2e	0.9	-
	Scope 3 emission	**tCO2e**	**5,475.9**	**3,839.1**
	Total (Scope 1 + 2)	**tCO2e**	**444.6**	**476.6**
	Total emissions (Scope 1 + 2 + 3)	**tCO2e**	**5,920.5**	**4,315.7**

Annual Market-Based GHG Emissions

	Category	Unit	2022	2021
	Electricity Total (Scope 2) with Market-based calculations	**tCO2e**	**-**	**-**
	Scope 1+2+3 Total with Market-based calculations	**tCO2e**	**5,591.7**	**3,948.7**

Carbon emissions for Data Center according to the Green House Gas Protocol

Scope 1

Direct emissions from activities under the organizations' control, including fuel combustion.

The Data Center vehicles are fully electrical, hence the only emissions in scope 1 is from gensets on site. Due to the low risk of power outage, the emissions solely arise from monthly testing of gensets to ensure satisfactory functionality.

116 tCO2e

Scope 2

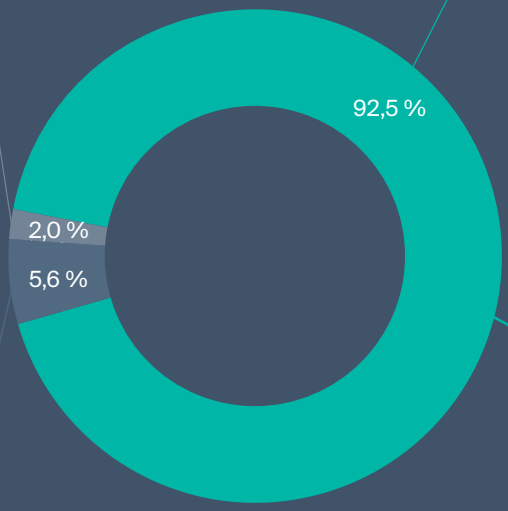
Indirect emissions from the production of purchased electricity, heating or cooling.

According to the GHG protocol there are two ways to report scope 2:

1. Market-based, include the impacts of renewable energy procurement through Guarantees of Origin. Bulk purchases Guarantees of Origins from renewable energy from where we are located.

2. Location-based, the physical approach tracking emissions that are generated by production of electricity locally where the company's operation is located. Emissions are calculated based on average emission factors [1] for each country where Bulk operates.

Market-based 0 tCO2e
Location-based 329 tCO2e



Scope 3

All other indirect emissions that occur in the company's value chain.

Scope 3 covers all parts of the value chain, upstream and downstream, and constitutes the majority of emissions for Bulk Data Centers. This scope includes several sub-categories, of which the relevant ones for Bulk's emissions will be outlined below.

Scope 3 tracking and reporting against this category of emissions is critical for net zero progress. We strive to improve the input from our supply chain and want to move from cost-based estimates to accurate numbers from our suppliers based on life cycle assessments.

5.476 tCO2e

Category 2 Capital goods
Include embodied emissions, which is carbon emitted during the manufacture and transport of building materials and technical components building new capacity, as well as fuel consumption related to the preparation of land from subcontractors.

Category 5 Waste
Include waste generated both from construction and operation of our datacentres.

Category 6 Business travel
Transportation of employees for business-related activities during the reporting year

Category 8 Upstream leased assets
Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2

The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol).
According to the GHG Protocol Corporate Standard, Bulk has defined the organizational boundary as operational control.
Scope 3 has 15 categories, Bulk reports on the essentials for our business
1. (IEA (2022): "IEA EMISSIONS FACTORS 2022", *"ELECTRICITY INFORMATION 2022")

Bulk Fiber Networks

Our location gives us the advantage of renewable power and a stable grid. Renewable power constitutes nearly 100 per cent of the energy in Norway. In addition, all vehicles in the business area are electric and the use of gensets are limited. As a result, Bulk's emissions in scope 1 and 2 are very low. The majority of Bulk's emission derive from activities in our supply chain and is reflected in scope 3 emissions. We will continue to cooperate with our suppliers to find more sustainable alternatives. With the scaling of our solutions over the coming years, it will be our main focus to reduce the impact from scope 3.

The table below outlines Bulk Fiber Networks' emissions in 2021 and 2022. The increase in emissions is due to the construction of new telehousing and installation of additional subsea fiber cables. Business travel has also increased in 2022 since 2021 was subject to travel restrictions due to the pandemic. In 2022 Bulk has returned to normal travel conditions.

Key Figures GHG Emissions Bulk Fiber Networks

Annual Location-based GHG Emissions

	Category	Unit	2022	2021
Scope 1	**Stationary combustion**	**tCO2e**	**2.4**	**2.9**
Scope 2	**Electricity location-based**	**tCO2e**	**3**	**3**
Scope 3				
	Capital goods	tCO2e	977.1	831.1
	Business travel	tCO2e	29.8	9.8
	Purchased goods and services	tCO2e	-	2.7
	Upstream leased assets	tCO2e	0.1	-
	Scope 3 emission	**tCO2e**	**1,007.0**	**843.6**
	Total (Scope 1 + 2)	**tCO2e**	**5.4**	**5.9**
	Total emissions (Scope 1 + 2 + 3)	**tCO2e**	**1,012.4**	**849.5**

Annual Market-Based GHG Emissions

	Category	Unit	2022	2021
	Scope 2 Total with Market-based electricity calculations	**tCO2e**	**-**	**-**
	Scope 1+2+3 Total with Market-based electricity calculations	**tCO2e**	**1,009.4**	**846.5**

Carbon emissions for Fiber Networks according to the Green House Gas Protocol

Scope 1

Direct emissions from activities under the organizations' control, including fuel combustion.

Bulk Fiber Networks has gensets on each telehouse as back-up in case of power outage. A 100 per cent up-time was reported in 2022. The majority of emissions in scope 1 is stemming from testing of gensets, which is performed on a quarterly basis.

2.4 tCO2e

Scope 2

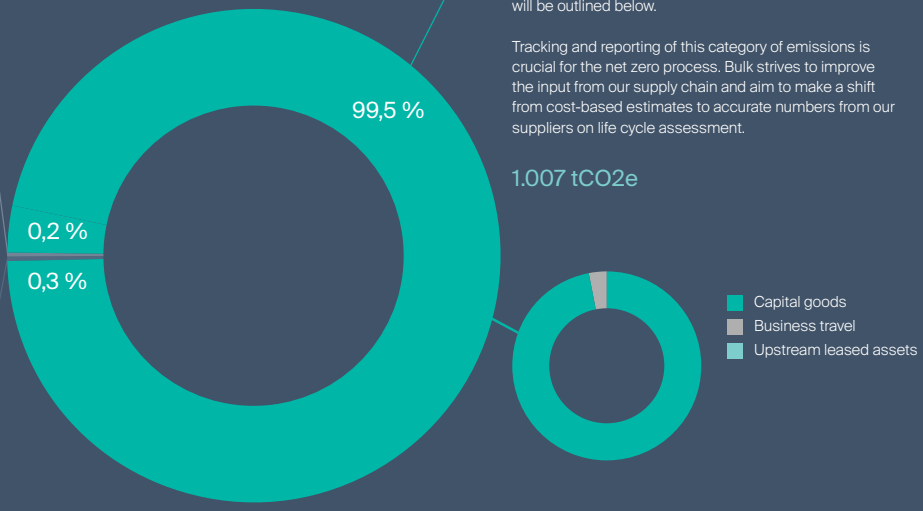
Indirect emissions from the production of purchased electricity, heating or cooling.

According to the GHG protocol there are two ways to report scope 2:

1. Market-based, include the impacts of renewable energy procurement through Guarantees of Origin. Bulk purchases Guarantees of Origins from renewable energy from where we are located.

2. Location-based, the physical approach tracking emissions that are generated by production of electricity locally where the company's operation is located. Emissions are calculated based on average emission factors[1] for each country where Bulk operates.

Market-based 0 tCO2e
Location-based 3.0 tCO2e



Scope 3

All other indirect emissions that occur in the company's value chain.

Scope 3 covers all parts of the value chain, upstream and downstream, and constitutes the majority of emissions for Bulk Fiber Networks. This scope includes several sub-categories, of which the relevant ones for Bulk's emissions will be outlined below.

Tracking and reporting of this category of emissions is crucial for the net zero process. Bulk strives to improve the input from our supply chain and aim to make a shift from cost-based estimates to accurate numbers from our suppliers on life cycle assessment.

1.007 tCO2e

Category 2 Capital goods
Include embodied emissions from materials, fuel combustion, equipment and activities from subcontractors' ship and machine park during the installation of fiber cables and construction of telehousing

Category 6 Business travel
Employee travel for business-related affairs during the reporting year

Category 8 Upstream leased assets
Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2, mainly related to headquarters

The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol).
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Bulk is racing to bring
sustainable infrastructure
to a global audience

Bulk Infrastructure Holding AS
Karenslyst Allé 53
0279 Oslo, Norway
Phone: +47 47 80 70 00
bulkinfrastructure.com