

2ND PARTY OPINION



JOTUN A/S

GREEN FINANCING FRAMEWORK

DATED FEBRUARY 2024

Prepared by: DNV Business Assurance Norway AS

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Guidelines/Principles: Green Bond Principles 2021 (ICMA) Green Loan Principles 2023 (LMA, APLMA and LSTA)

This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial instrument being assessed.

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DNV INDEPENDENT ELIGIBILITY ASSESSMENT

Scope and Objectives

DNV Business Assurance Norway AS (henceforth referred to as "DNV") has been commissioned by Jotun A/S (henceforth referred to as the "Jotun" or "Issuer") to provide an eligibility assessment on their Green Financing Framework (the "Framework"). Our methodology to achieve this is described under *Work Undertaken*. DNV was not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Green Finance Instruments as issued via the Issuer's Framework, the value of any investments, or the long-term environmental benefits of the associated transactions. DNV's objective has been to provide an assessment that the Green Finance Instruments to be issued under the Framework have met the criteria established in the ICMA Green Bond Principles 2021 (GBPs) and LMA, APLMA and LSTA Green Loan Principles 2023 (GLPs) (henceforth collectively referred to as "the Principles").

The Green Financing Framework will enable Jotun to finance investments which contributes to climate friendly activities and a sustainable environment with Green Bonds and Green Loans (referred to as "Green Finance Instruments"). The Framework enables the Issuer to finance Green Projects and describes the use of proceeds, process for project evaluation and selection, management of proceeds and reporting for Green Projects covering activities and investments within the Issuer.

Founded in 1926, Jotun is a Norwegian chemicals company currently operating across over 100 countries, specialising in decorative paints, marine coatings, protective coatings, and powder coatings across a variety of industries. Jotun are guided by their values of loyalty, care, respect, and boldness; and over the past two years has placed sustainability at the heart of their growth strategy, linked to one of the company's core business purposes: the long-lasting protection of assets. Jotun believe that through integrating sustainability into the company's growth ambitions, Jotun can further deliver on its commitment to protect people, the environment and property.

Since 2010, Jotun GreenSteps has served as the company's environmental framework to track, document, and improve environmental performance. Underpinned by life-cycle assessments, Jotun's Value Chain Model allows them to understand and document the impact of products and solutions throughout the value chain; enabling Jotun to set targets which are founded in scientific, standardised methods and tools. In 2021, Jotun committed to reduce their Scope 1 and 2 emissions by 50% (from a 2017 baseline) by 2030 and achieve 70% renewable energy within the same timeframe. To achieve these targets, Jotun has already invested in solar systems for factories across Asia and has initiated projects to improve internal energy efficiency such as through reducing air compressor leakages. Jotun also continued to invest and develop solutions that can enable their customers to reduce their own environmental impact, for example through Jotun's Hull Performance and Hull Skater Solutions.

The Green Finance Instrument proceeds issued under the Framework will finance investments with eligible categories defined in the Principles:

- Renewable energy; and
- Energy efficiency.

Basis of DNV's opinion

We have adapted our eligibility assessment methodology to create an Issuer-specific Green Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol") to assess the Issuer Framework alignment with the Principles (see *SCHEDULE 2: JOTUN – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL*). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. As per our Protocol, the criteria against which the Green Finance Instrument have been reviewed are grouped under the four Principles, as outlined in the GBPs and GLPs:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an Issuer of a Green Finance Instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an Issuer of a Green Finance Instrument should outline the process it follows when determining eligibility of an investment using Green Finance Instrument proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green Finance Instrument should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the Green Finance Instrument investors should be made of the use of instrument proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible. The Issuers are recommended to appoint an external review provider to assess the Framework and internal tracking and allocation of funds.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by the Issuer in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of the Issuer-specific Protocol, adapted to the purpose of the Green Finance Instrument, as described above and in *SCHEDULE 2: JOTUN – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL* to this Assessment;
- Assessment of documentary evidence provided by the Issuer on the Green Finance Instrument and supplemented by a high-level desktop research. The checks refer to current assessment best practices and standards methodology;
- High-level desktop assessment of technologies/green projects and project examples;
- Discussions with the Issuer, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Findings and DNV's Opinion

DNV's summary findings are listed below, with further detail provided in *SCHEDULE 2: JOTUN – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL*.

1. Principle One: Use of Proceeds

DNV confirms that an amount equivalent to the proceeds from the Green Finance as issued under the Framework, will be used by Jotun to newly finance and/or refinance, in part or in full, the following eligible Green Project Categories :

- Renewable Energy; and
- Energy Efficiency.

The performance criteria for each of the eligible project under the associated categories as listed above and within the Framework are further defined in *SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS* of this Opinion.

Jotun intends to allocate funds generated to both capital expenditure (CapEx) and operational expenditure (OpEx) with the aim of facilitating new and existing Green Eligible Projects which contribute to Issuer's climate roadmap targets. Jotun defines new financing as funds allocated to eligible Green Projects financed within the reporting year, whereas refinancing is defined as the allocation of funds to eligible Green Projects prior to the reporting year. Evaluations of allocations to CapEx will have a look-back period of 3 years before the issuance date of the Green Finance Instrument issued under this Framework, whereas OpEx will have a maximum look-back period of 1 year prior to the issuance under this Framework. Jotun's main policy with respect to debt funding is that external long-term debt is held in Jotun A/S, with the subsidiaries receiving long-term funding from Jotun A/S in the form of equity and/or intercompany loans. Eligible Green Projects may take the form of capital and operating expenditures, to form a portfolio of assets eligible for financing, and refinancing using Green Finance Instruments.

Jotun has also mapped the eligible Green Projects to the stated UN SDGs, specifically: Goal #7 (Renewable Energy), Goal #8 (Decent Work and Economic Growth), Goal #9 (Industry, Innovation, and Infrastructure), - in which the eligible Green Projects are expected to contribute towards.

In addition to identifying eligible Green Project categories and outlining their respective eligibility criteria, Jotun has explicitly excluded the allocation of proceeds from any Green Finance Instrument issued under the Framework from assets or projects for which the purpose is fossil energy production, environmentally harmful resource extraction, gambling, or tobacco.

DNV concludes that the above Use of Proceeds falls within the categories as defined in the Principles. DNV has summarized its findings in a table, please see *SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS*.

2. Principle Two: Process for Project Evaluation and Selection

DNV can confirm that Jotun has specified the eligibility criteria for each type of eligible green project in the Use of Proceeds section of its Framework. We can confirm there is a robust decision-making process behind the approval of the eligible green projects that fall within the respective categories, which considers a comprehensive set of parameters, as outlined in the Framework.

The development, improvement and implementation of Jotun's sustainability strategy is under the responsibility of Jotun's Sustainability Board (SB), comprised of Group Vice President - Strategy and Sustainability, Group Executive Vice President and CFO, Group Vice President - Legal, Compliance and Corporate Affairs, Vice President Marketing Performance Coatings and Vice President Marketing - Decorative Paints.

Jotun has established a Green Finance Team (GFT), comprised of representatives from Group Treasury and Group Strategy and Sustainability who oversee the utilisation of Proceeds toward eligible green projects and ensure alignment respective eligibility criteria defined in the framework. The GFT will meet as necessary, at a minimum on an annual basis. In addition to the selection and evaluation of green projects, Jotun's GFT is responsible for reviewing and updating the Framework based on any relevant changes to Jotun's strategy, market developments or regulations.

The GFT will report to Jotun's SB, the GFT identifies and evaluates eligible projects and presents a proposal to the SB. This includes, among other information, estimated investments amount, impact/allocation analysis, debt capital market assessment and proposed funding structure etc. The SB is then responsible for final analysis of the proposed Green Project, based on the information provided by the GFT, and will provide a final recommendation based on the assessment.

Jotun employs a systematic process to identify and manage potential environmental and/or social risks as part of their product development cycle, this includes an initial screening and subsequent evaluation of perceived environmental and social risks in line with Jotun's Sustainability Policy and applicable legal requirements.

DNV has reviewed the Issuer's Green Financing Framework and concludes that it communicates how the Issuer's process for evaluation and selection will ensure that Green Finance Instruments are allocated to eligible Green Projects as defined by the Framework. DNV concludes that the eligible green projects to be financed by future issuances will be appropriately evaluated, selected, managed, and reported on as outlined within Jotun's Framework. We can also confirm that they meet the requirements of the GBPs and GLPs.

3. Principle Three: Management of Proceeds

DNV can confirm that Jotun will earmark proceeds under a portfolio approach, and a Green Register shall be used to track the allocation of net proceeds from Green Financial Instruments to eligible Green Projects. The Green Register will provide the basis for Jotun's annual impact and allocation reporting and will be managed by the GFT.

Jotun acknowledges that there may be instances where the total outstanding net proceeds of Green Finance Instruments exceed the value of eligible Green Projects. Jotun has therefore committed to hold and manage unallocated Proceeds in accordance with their Liquidity Management Guidelines. In the instance that a Green Project funded by an Instrument issued under the Framework is sold, terminated, cancelled, or deemed retroactively ineligible against the Framework, Jotun aims to replace the project by another eligible Green Project as soon as is practically possible.

DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework and that this meets the requirements of the GBPs and GLPs.

4. Principle Four: Reporting

DNV concludes that Jotun has committed to monitor and report on allocation and impact in line with the Principles – starting within one year of the first issuance and shall continue annually while Green Financial Instruments are outstanding. Jotun will provide reporting on total amount of Green Finance Instruments issued, the allocation between new financing, refinancing and any unallocated proceeds, and a list of eligible Green Projects financed under the Framework including case studies where relevant. The impact reporting will be made on a portfolio basis for each Green Project category and will be based on the impact indicators listed below, which align with the recommended indicators for the project categories described in the ICMA Harmonised Framework for Impact Reporting 2023.

Renewable Energy

- Annual GHG emissions reduced (tCO₂e)
- Annual renewable energy generation (GWh)
- Capacity of renewable energy (MW)

Energy Efficiency

- Annual energy savings (MWh/GWh) and savings linked to specific projects or activities.
- Annual GHG emissions avoided (tCO₂e) and savings in GHG emissions linked to specific projects or activities.
- Data on additional environmental benefits of projects as relevant and available

The Impact report aims to disclose the environmental impact of the Green Projects financed under the Framework using actual data and impact results. DNV concludes that the suggested metrics provide quantified performance measures relevant to the ICMA and LMA Green Project category. DNV deems the allocation reporting and impact reporting to be appropriate.

DNV concludes that Jotun has made the appropriate plans to produce reporting on both the allocation and the impact of future Green Finance Instruments issued, and that this is aligned with the requirements as listed under the GBPs and GLPs.

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Based on the information provided by Issuer and the work undertaken, it is DNV's opinion that the Jotun's Green Financing Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles 2021 and green loans within the Green Loan Principles 2023.

for DNV Business Assurance Norway AS

Oslo, 23. February 2024

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About DNV

Driven by our purpose of safeguarding life, property, and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 13,000 professionals are dedicated to helping customers make the world safer, smarter, and greener.

1 SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS

Eligible Green Categories	Eligible Projects	Eligibility Criteria	Potential Impact Metrics	UN SDG Alignment	DNV Findings
Renewable Energy	Renewable energy production facilities	Renewable energy production facilities, supporting infrastructure, technologies, and solutions, including but not limited to solar photovoltaic energy.	<ul style="list-style-type: none"> Annual GHG emissions reduced (tCO2e) Annual renewable energy generation (GWh) Capacity of renewable energy (MW) 	 	<p>The Issuer will ensure that the net proceeds from Green Finance Instruments to be allocated to renewable energy production facilities, supporting infrastructure, technologies, and solutions.</p> <p><u>Environmental Benefits</u></p> <p>DNV opines that using proceeds for projects dedicated to renewable energy production facilities, supporting infrastructure, technologies, and solutions, fit the category “Renewable Energy” as defined within the Principles.</p> <p>Jotun operates 40 production facilities across 23 separate countries. In their 2022 Group Report Jotun outlines that the Middle East, India and Africa are the locations which are responsible for the largest production volumes and have the most production facilities across the regions in which they operate. According the International Energy Agency (IEA) (2021), electricity generation from coal and O&G is approximately 99% in the Middle East, 74% in India and 52% in Africa. Hence, allocating proceeds towards projects that allow reduced reliance on these state energy mixes allows Jotun to avoid GHG emissions associated with fossil-fuel-based energy production. The same is true for facilities across other regions where Jotun operates, especially across North East Asia and South East Asia and Pacific where production volumes are high, and energy mixes are typically</p>

					<p>carbon intensive with limited access to renewable energy sources.</p> <p>DNV can confirm that the Jotun projects in their intended execution meet the criteria established and can be considered Eligible Green Projects.</p>
Energy Efficiency	Jotun HullSkater	<p>Proceeds may be used to finance activities, projects, products, equipment, R&D, and related infrastructure, enabling energy efficiency for Jotun or end-users of Jotun's products, with a minimum 15% saving.</p>	<ul style="list-style-type: none"> • Annual energy savings (MWh/GWh) and savings linked to specific projects or activities. • Annual GHG emissions avoided (tCO2e) and savings in GHG emissions linked to specific projects or activities. • Data on additional environmental benefits of projects as relevant and available 	  	<p>The Issuer will ensure that the net proceeds from Green Finance Instruments to be allocated to energy efficiency projects, proceeds may be used to finance activities, projects, products, equipment, R&D, and related infrastructure, enabling energy efficiency for Jotun or end-users of Jotun's products, with a minimum 15% saving.</p> <p><u>Environmental Benefits</u></p> <p>DNV opines that using proceeds to finance activities, projects, products, equipment, R&D, and related infrastructure, enabling energy efficiency for Jotun or end-users of Jotun's products, with a minimum 15% saving, fit the category "Energy Efficiency" as defined within the Principles.</p> <p>Jotun has highlighted to DNV that proceeds in this category, will primarily go toward the development and deployment of their Hull Skater Solution, a hull cleaning technology for the maritime industry which removes bacteria and biofilm layers before biofouling can occur. According to the IEA, international shipping accounted for approximately 2% of global CO₂ emissions, a 5% growth from 2020. The International Maritime Organization (IMO) state that in order to reach the industry 2050 net zero target, carbon intensity from an average across international shipping must reduce by at least 40% by 2030. Biofouling directly impacts a vessel's energy efficiency through increased resistance during voyage, a GloFouling</p>

				<p>Partnerships Report which assessed the relationship between biofouling management, energy efficiency and GHG emissions found that even a thin biolayer on a vessels hull (0.5mm) can increase GHG emissions by 25-30%. By offering a solution which removes the biofilm layer, Jotun's solution can help ship owners increase their energy efficiency and reduce GHG emissions associated with the voyage.</p> <p>An additional benefit afforded by the Hull Skater is that through removing the biofilm layer, it also prevents biofouling and the subsequent transport of non-native marine species, which can have severe impacts on local marine biodiversity and food webs.</p> <p>DNV can confirm that the Jotun projects in their intended execution meet the criteria established and can be considered Eligible Green Projects.</p>
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2 SCHEDULE 2: JOTUN – SPECIFIC GREEN FINANCE ELIGIBILITY ASSESSMENT PROTOCOL

2.1 Use of Proceeds

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
1a	Type of instrument	<p>Green Finance Instruments are any type of debt instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. Green finance instruments must align with the four core components of the GLP and GBP, as set out below.</p> <p>Green finance instruments should not be considered interchangeable with finance instruments that are not aligned with the four core components of the GLP and GBP.</p>	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> Jotun AS Green Financing Framework – February 2024 Jotun Group Report 2022 Jotun Sustainability Policy Jotun Business Principles Jotun Human Rights Policy Jotun Group HSEQ Policy Jotun Group Business Integrity Policy Formal Q&A Process 	<p>DNV concludes that the Framework appropriately ensures that any type of Green Finance Instrument will finance eligible Green Projects as defined in the Green Project Categories.</p> <p>The Issuer has described the principles behind the financing, provided guidance for the projects to be selected as Eligible Green Projects and described measures to ensure only Green Projects will be financed by the Green Finance Instruments. All the four components of the GLP and GBP are appropriately addressed in the Framework.</p> <p>The Framework allows the Issuer to issue both Green Bonds and Green Loans, under eligible Project Categories, the specific type of Use of Proceeds Instruments will need to be further assessed on an individual basis.</p> <p>As of DNV’s opinion, the Issuer’s Green Financing Framework ensures issuance of green bonds and loans with utilisation of proceeds to Green Projects is in line with the four core components of the GBP 2021 and GLP 2023.</p>
1b	Green Project Categories	<p>The cornerstone of a Green Finance Instrument is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.</p>	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> Jotun AS Green Financing Framework – February 2024 Jotun Group Report 2022 Jotun Sustainability Policy Jotun Business Principles 	<p>Jotun intends to use the proceeds from future issuances, to finance or re-finance, the following eligible categories, and green projects:</p> <p>Renewable Energy: Renewable energy production facilities, supporting infrastructure, technologies, and solutions, including but not limited to solar photovoltaic energy.</p>

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
			<ul style="list-style-type: none"> • Jotun Human Rights Policy • Jotun Group HSEQ Policy • Jotun Group Business Integrity Policy • Jotun HullSkater Calculation of CO2 Emission Reduction • Formal Q&A Process 	<p>Energy Efficiency: Proceeds may be used to finance activities, projects, products, equipment, R&D, and related infrastructure, enabling energy efficiency for Jotun or end-users of Jotun’s products, with a minimum 15% saving.</p> <p>DNV has evaluated the project categories and example projects provided by the Issuer.</p> <p>DNV concludes that the Use of Proceeds dedicated to the Green Project Categories are clearly described in the Green Projects table in the Green Financing Framework and <i>SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS</i> of this Opinion, are consistent with the GBPs and GLPs.</p>
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> • Jotun AS Green Financing Framework – February 2024 • Jotun Group Report 2022 • Jotun Sustainability Policy • Jotun Business Principles • Jotun Human Rights Policy • Jotun Group HSEQ Policy • Jotun Group Business Integrity Policy • Jotun HullSkater Calculation of CO2 Emission Reduction • Formal Q&A Process 	<p>The Issuer will allocate proceeds from the Green Finance Instrument into Green Projects under the Renewable energy, and Energy Efficiency category, with solar photovoltaic energy and Jotun’s HullSkater described as potential projects which may be financed under these categories respectively.</p> <p>As Jotun factories are primarily located in countries where access to renewable energy is limited (such as Malaysia, Oman, India and Vietnam), proceeds allocated towards the increase in solar photovoltaic energy in these locations will allow Jotun to avoid GHG emissions associated with fossil-fuel-based energy production.</p> <p>Jotun’s HullSkater Solutions minimises hull biofouling, Jotun calculations indicate that HullSkater can reduce fuel consumption and CO2 emissions by up to 16.2% (according to Jotun’s own calculations) and can reduce the transfer of non-native marine species.</p>

Ref.	Criteria	Requirements	Work undertaken	DNV Findings
				<p>Jotun has also committed to working towards the UN SDGs key to their sector and has outlined which SDGs its proposed initiatives and projects will contribute towards – specifically Goal #7, Goal #8, and Goal #9.</p> <p>From the evidence reviewed, DNV finds that the designated Green Project categories provide clear environmental benefits (see <i>SCHEDULE 1: USE OF PROCEEDS – DETAILED DNV FINDINGS</i>) and future issuances to be issued under the Framework will deliver clear environmental benefits.</p>
1d	Refinancing share	If a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing and clarify which investments may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible Green Projects.	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> • Jotun AS Green Financing Framework – February 2024 • Formal Q&A Process 	<p>Jotun intends to allocate funds generated to both capital expenditure (CapEx) and operational expenditure (OpEx) with the aim of facilitating new and existing Green Eligible Projects which contribute to Issuer’s climate roadmap targets.</p> <p>Jotun outlines that their debt funding Policy is that external long-term debt is held in Jotun AS, with the subsidiaries receiving long-term funding from Jotun AS in the form of equity and/or intercompany loans.</p> <p>Jotun defines new financing as funds allocated to eligible Green Projects financed within the reporting year, whereas refinancing is defined as the allocation of funds to eligible Green Projects prior to the reporting year. Evaluations of allocations to CapEx will have a look-back period of 3 years before the issuance date of the Green Finance Instrument issued under this Framework, whereas OpEx will have a maximum look-back period of 1 year prior to the issuance under this Framework. Jotun’s Green Financing Reporting will report the new financing and refinancing distribution.</p>

2.2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements		DNV Conclusion
2a	Investment-decision process	<p>The Issuer of a Green Finance Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Finance Instrument proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond/Loan Principles; • The criteria making the projects eligible for using the Green Bond/Loan proceeds; and • The environmental sustainability objectives. 	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> • Jotun AS Green Financing Framework – February 2024 • Formal Q&A Process 	<p>The documents reviewed by DNV demonstrates that Jotun has formalised a decision-making process and supporting structure to select and evaluate the eligibility of the Green Projects.</p> <p>The development, improvement and implementation of Jotun’s sustainability strategy is under the responsibility of Jotun’s Sustainability Board. Jotun has established a Green Finance Team (GFT), comprised of representatives from Group Treasury and Group Strategy and Sustainability who will meet as necessary, at a minimum on an annual basis to oversee the utilisation of Proceeds toward eligible green projects and ensure alignment respective eligibility criteria defined in the framework. In addition to the selection and evaluation of green projects, Jotun’s GFT is responsible for reviewing and updating the Framework based on any relevant changes to Jotun’s strategy, market developments or regulations.</p> <p>The GFT will report to Jotun’s Sustainability Board (SB), the GFT identifies and evaluates eligible projects and presents a proposal to the SB. This includes, among other information, estimated investments amount, impact/allocation analysis, debt capital market assessment and proposed funding structure etc. The SB is then responsible for final analysis of the proposed Green Project, based on the information provided by the GFT, and will provide a final recommendation based on the assessment.</p> <p>The Green Eligible Projects will be maintained in the established Green Register, which shall be used to track the allocation of net proceeds from Green Financial Instruments to eligible Green Projects. The Green Register will provide the basis for Jotun’s annual impact and allocation reporting and will be managed by the GFT. Jotun has outlined that if a Green Project funded by an Instrument issued under the Framework is sold, terminated, cancelled, or deemed retroactively ineligible against the</p>

Ref.	Criteria	Requirements		DNV Conclusion
				<p>Framework, Jotun aims to replace the project by another eligible Green Project as soon as is practically possible.</p> <p>Jotun has appointed an external third party to annually ensure the selection process for the financing of eligible Green Projects and that Jotun’s Green Financing Framework conducts the allocation of the net proceeds.</p> <p>DNV considers the eligible project selection criteria to be appropriately described in the Framework and in line with the GBP and GLP guidance.</p>
2b	<p>Issuer’s environmental and social and governance framework</p>	<p>The Issuer of a Green Finance Instrument should clearly communicate to its investors their environmental sustainability objectives; and are encouraged to:</p> <ol style="list-style-type: none"> 1. Position this information within the context of their overarching objectives, strategy, policy and/or processes relating to environmental sustainability. Issuers are also encouraged to disclose any green standards or certifications to which they are seeking to conform. 2. Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria, including if applicable, exclusion criteria; and also disclose any green 	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> • Jotun AS Green Financing Framework – February 2024 • Jotun Group Report 2022 • Jotun Sustainability Policy • Jotun Business Principles • Jotun Human Rights Policy • Jotun Group HSEQ Policy • Jotun Group Business Integrity Policy • Jotun HullSkater Calculation of CO2 Emission Reduction • Formal Q&A Process 	<p>DNV concludes that Jotun’s process for evaluating and selecting Green Projects is firmly placed within the company’s broader environmental sustainability strategy – with such projects set to play a key role in advancing an established strategy.</p> <p>Jotun has committed to, by 2030, achieve a 50% reduction in carbon footprint from operations from a 2017 baseline, and to achieve 70% renewable energy for business operations. Jotun also recognise that they can substantially contribute to their customers’ sustainability goals, for example through their advanced Hull Performance Solutions and Hull Skating Solutions, these systems help shipowners to manage issues such as biofouling which can enhance operational efficiency.</p> <p>Jotun has mapped the eligible Green Projects to the stated United Nations (UN) Sustainable Development Goals (SDGs), specifically: Goal #7 (Renewable Energy), Goal #8 (Decent Work and Economic Growth), Goal #9 (Industry, Innovation, and Infrastructure), - in which the eligible Green Projects are expected to contribute towards.</p> <p>Jotun explicitly excludes allocating proceeds from any Green Finance Instrument issued under the Framework from assets or projects for which the purpose is fossil energy production,</p>

Ref.	Criteria	Requirements		DNV Conclusion
		<p>standards or certifications referenced in project selection.</p> <p>3. Have a process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s). The identified mitigants may include trade-off analysis and monitoring of the potential risks are seen as meaningful by the issuer.</p>		<p>environmentally harmful resource extraction, gambling, or tobacco.</p> <p>Jotun has described a systematic process to identify and manage potential environmental and/or social risks as part of their product development cycle, this includes an initial screening and subsequent evaluation of perceived environmental and social risks in line with Jotun’s Sustainability Policy and applicable legal requirements. Evaluations of risks are assessed during a project proposal phase, and includes considerations of for raw material usage, health and safety impacts, and the potential to reduce energy consumption and CO₂ emissions. Jotun has also outlined the importance of social responsibility to their supply chain management, and therefore require all suppliers to comply with their Business Principles.</p> <p>DNV confirms that the Framework fits Jotun’s strategic goals and objectives with regard to the sustainability, sustainability of their operations, and how the eligible Green Projects play an integral part to meeting these.</p>

2.3 Management of Proceeds

Ref.	Criteria	Requirements	Work undertaken	DNV Conclusion
3a	Tracking procedure	The proceeds of a Green Finance Instruments should be credited to a dedicated account or otherwise tracked by the Issuer in an appropriate manner, to maintain transparency and promote the integrity of the product.	In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun: <ul style="list-style-type: none"> Jotun AS Green Financing Framework – February 2024 Formal Q&A Process 	<p>The net proceeds from Green Finance Instruments will be tracked in a manner appropriate under the Principles, with an amount equal to that of the net proceeds being earmarked for financing and refinancing of the projects listed in the Green Register (see 2a).</p> <p>The Green Finance Register and the process to track, manage and report will ensure traceability on all decisions to allocate net proceeds to Green Projects.</p>
3b	Tracking procedure	Issuers are encouraged to establish an internal governance process through which they can track the allocation of funds towards Green Projects.	In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun: <ul style="list-style-type: none"> Jotun AS Green Financing Framework – February 2024 Formal Q&A Process 	<p>DNV confirms that there is an appropriate internal governance process through which the allocation of funds towards Green Projects will be tracked, as described in 2a.</p> <p>Using the Green Register, the GFT will ensure the process to track, manage, and report, and ensure traceability on all decisions to allocate net proceeds to Green Projects, where such decisions will be documented and filed.</p>
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun: <ul style="list-style-type: none"> Jotun AS Green Financing Framework – February 2024 Formal Q&A Process 	<p>DNV concludes that Jotun has appropriately disclosed how it will manage any unallocated proceeds within its portfolio. Jotun has confirmed that any unallocated funds will be held as bank deposit or in short-term money market funds with relationship banks, managed in line with Jotun’s Liquidity Management Guidelines. This will be the case until the allocation of the proceeds can be made to an eligible project.</p>

2.4 Reporting

Ref.	Criteria	Requirements		DNV Conclusion
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Instrument proceeds have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	<p>In addition to reviewing the evidence below, DNV engaged in several detailed discussions with Jotun:</p> <ul style="list-style-type: none"> • Jotun AS Green Financing Framework – February 2024 • Formal Q&A Process 	<p>DNV opines that the reporting requirements are appropriately described in the Issuer’s Green Financing Framework. Reporting shall commence within one year of the first issuance and shall continue annually while Green Finance Instruments are outstanding and will be published publicly on Jotun’s website.</p> <p>Allocation reports shall contain total amount of Green Finance Instruments issued, the allocation between new financing, refinancing and any unallocated proceeds, and a list of eligible Green Projects financed under the Framework including case studies where relevant, and impacts of projects. The Issuer has provided sufficient metrics for the impact reporting for each of the Green Project category / type, which align with the recommended indicators for the project categories described in the ICMA Harmonised Framework for Impact Reporting 2023.</p> <p>DNV considers this to be in line with the GBPs and GLPs.</p>

Statement of Competence and Independence

The management of Jotun AS have provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Jotun's management and other interested stakeholders in the Bond or Loan as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Jotun. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Jotun's management and used as a basis for this assessment were not correct or complete.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

Our assessment relies on the premise that the data and information provided by Jotun to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.