



Green Finance Framework

August 2022





This is Veas

Veas operates Norway's largest wastewater treatment plant, and is a crucial part of efforts to keep the waters of the Oslofjord clean.

Veas treats wastewater from businesses and from residential areas in Oslo, Bærum, Asker and Nesodden, and recovers resources in the form of heat, biogas and fertiliser. The volume of wastewater treated by Veas corresponds to wastewater from 867,000 people. Veas has approximately 100 employees.

Veas was established in 1976 by the municipalities of Oslo, Bærum and Asker as an inter-municipal company aimed at improving water quality, given the highly polluted water in Indre Oslofjord. Veas' responsibility was to design, build, own and operate a wastewater treatment plant and supply tunnels. Operations started in 1982, and by the end of the 1980s, Veas was able to remove, on average, 97% of the added phosphorus each year.

Wastewater from the three municipalities who own Veas is transported via a large tunnel from Oslo to the treatment plant at Bjerkås in Asker.

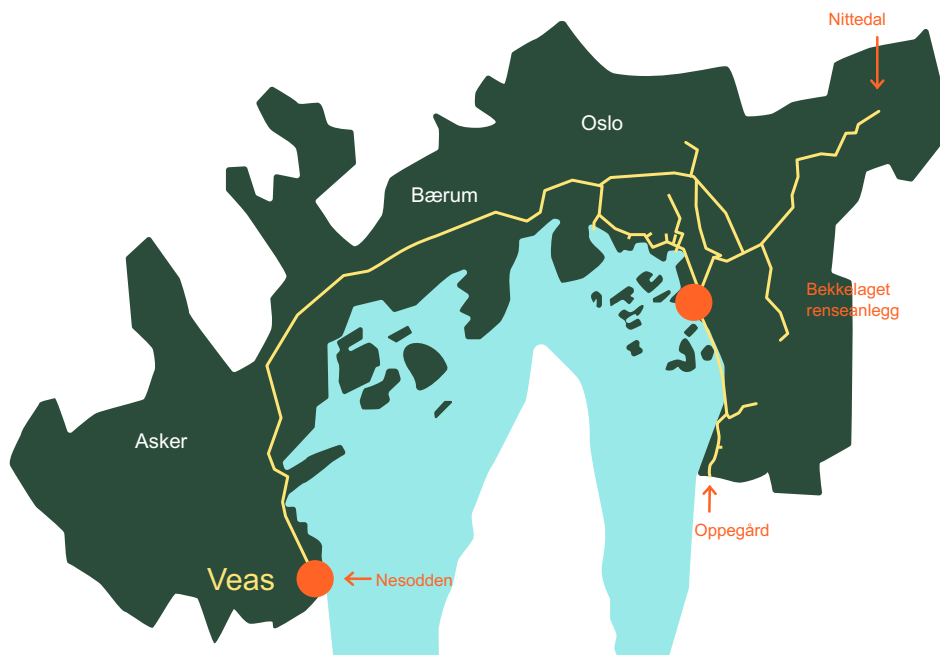
Veas' wastewater discharge permit is based on the Pollution Control Act and the Pollution Control Regulations. It requires

Veas to remove at least 70% of the nitrogen and 90% of the phosphorus from wastewater before discharged into the sea. In addition, Veas is required to reduce organic material, i.e., a 70% reduction of BOD (biological oxygen demand) and a 75% reduction of COD (chemical oxygen demand).

Over the past four to six years, Veas has invested more than NOK 2 billion in comprehensive rehabilitation and upgrading of the treatment plant at Bjerkås - all done while the plant has been in full operation. Additional investments will be required over the next three to five years.

In addition to its efficient water treatment, Veas helps to bring nutrients back to the biological cycle through the production of stabilised, sanitised and lime-added sewage sludge ("Veas-soil"), a nitrogen solution used in agriculture. Furthermore, Veas produces biogas which, until 2019, was used to produce electric power and heat. During the summer of 2020, a new production plant for liquefied biogas was put into operation. Liquid biogas is a renewable biofuel which is particularly well-suited for large vehicles such as heavy-duty trucks.

Veas has previously been an inter-municipal collaboration pursuant to section 27 of the Local Government Act, but as of 1 January 2022 Veas became a limited liability company (Norw.: "Aksjeselskap (AS)"), although its owners remain the municipalities of Oslo, Bærum and Asker.



Wastewater treatment facility

Veas operates the tunnel that leads wastewater from Fagerlia in the east, all the way to our treatment plant at Bjerkås in Asker. The municipalities of Oslo, Bærum and Asker are responsible for the wastewater network which collects wastewater from residential areas and leads it to the Veas tunnel.

In addition to wastewater, this sub-surface pipeline network collects ground surface water. The county governor (Norw.: "Statsforvalteren") has required the municipalities to reduce the supply of surface water to the sewer network. Although quite rare, situations can occur where there is an overflow of wastewater beyond what Veas can handle. This excess wastewater is then fed directly into the Oslofjord.

Veas treats 100-110 million m² of wastewater annually. Wastewater is pumped up from the inlet pumping station, 23 meters below the treatment plant, where a shaker removes rubbish, and heavier particles are removed in a sand trap. To remove phosphorus and organic matter, chemicals are added which cause small particles to bind together into larger particles that sink to the bottom and form sludge. This sludge is pumped out from the bottom of the pool, while the water then undergoes biological treatment, where nitrogen is removed through the use of bacteria. The treated water is discharged into the Oslo Fjord through an outlet tunnel and five long distribution pipes - diffusers. This way, the water is spread far and wide at a depth of about 40-50 metres.

The water squeezed from the sludge contains a lot of nitrogen, which is then removed in the stripping plant. About 5,000 tonnes of ammonium sulphate is produced every year, which can be used as fertiliser or industrial raw material.

Production of biogas

The sludge that is separated in the water purification process is also an energy resource. The sludge from the purification process is fed to the bioreactors and in large eradication tanks, it is broken down by bacteria over the course of 20 days. In this process, large amounts of biogas are formed that can be used to produce electricity, heat and fuel.

Until 2020, Veas has used this biogas in powering and heating the wastewater treatment plant and the administration buildings. After the construction of the new refining plant was completed, the biogas has now been upgraded to liquid fuel for the transport sector. The fuel product is ISCC-certified according to sustainability criteria for renewable fuels.

We want to expand cooperation with players in our immediate areas for an improved utilisation of energy and other resource flows which we generate. This way, we are helping our owners to establish and demonstrate future-oriented energy systems.



From sludge to Veas soil

The organic matter and nutrients removed from wastewater as sludge can be valuable resources. Veas soil is the remains of the sewage sludge after the biological degradation in the biogas production. Veas soil, which contains organic matter, phosphorus and other nutrients, has soil-improving properties and provides a beneficial lime effect to the soil, making Veas soil excellent for improving farmland.

For over 30 years Veas has been supplying Veas soil to farmers in the south-eastern part of Viken county, transporting around 40,000 tonnes from the treatment plant in Asker each year. The soil undergoes anaerobic stabilisation, lime addition, hygienisation and drying to become over 45 percent dry matter.

Going forward, our subsidiary Veas Marked AS aims to develop Veas soil into more advanced products. The aim is to develop high-quality sludge-based compost products and a future-oriented and predictable sludge treatment plant for players in the water and wastewater industry. The compost plant concept is designed and specially adapted for sludge processing. The concept solves the sludge manufacturer's perpetual challenge with sustainable storage and the disposal of bio-residue and sludge, and demonstrates that environmentally sound solutions are available for the further processing and disposal of sludge. The new composting plant aims to commence processing and refining sludge, and bio-residue of sludge, by the first half of 2024.

Biogen CO₂

In line with our strategic vision to utilise all resources from the wastewater and remove all emissions, Veas is now investing in production facilities for liquid CO₂ ("biogen CO₂") of sufficient quality to be applied as a food additive (food grade). This is possible because of our biogas production, which consists of 60% methane and 40% CO₂. Today, the two gases are separated and purified in the existing purification unit, after which the methane is liquefied and the CO₂ gas is released into the air.

Biogen CO₂ has different areas of application, such as food production, laboratories or the health sector. Obtaining approval for food-grade biogen CO₂ opens up a huge market in Norway and abroad, where today CO₂ of fossil origin is mainly used. A pilot project working with a local brewery to produce beer with CO₂ from Veas has successfully been completed. In phase 1, the production capacity of food-grade liquid CO₂ will be 6,000 tonnes per year. The plan is to expand the production capacity to 9,000 tonnes.



Innovation projects at Veas

The NOX2N innovation project

Emissions of the strong greenhouse gas nitrous oxide (N₂O) makes up about 1/3 of the food production sector's climate forcing. Despite extensive research no agricultural measures to date have been developed to reduce these emissions, beyond the small amount that can be achieved through "good agronomic practice". This difficulty is mainly due to the fact that N₂O emissions are regulated by the soil's microbiology, which is difficult to influence and manipulate.

Based on an understanding of the energy flows in the agricultural system, and inspired by the opportunities opening from biogas production, Veas is, in collaboration with NMBU (Norwegian University of Life Sciences), looking at ways to reduce these emissions. In the future a large part of the organic waste from food production

will likely be used for biogas production, and the residual product from biogas reactors –bio-residue – will be used as fertiliser. Through careful selection NMBU and Veas have isolated special N₂O reducing bacteria that grow in bio-residue and sustain their activity in agricultural soils; thus suggesting it could be possible to "fertilise away" the N₂O problem.

The concept will continue to be developed through the innovation project "NOX2N", which aims to establish a pilot plant to produce N₂O reducing bio-residue at Veas. This technology is considered to have a lot of potential and conservative estimates based on ongoing field experiments and national N₂O inventories suggest that as much as 50% of N₂O emissions can be reduced from European farmland if the technology is applied in all nitrogen fertilized systems.

Other innovation projects

Project :	Description:	Environmental impact:
INVAPRO/FCF	Use of data (incl. weather forecast) and computer modelling/AI for regulating the wastewater treatment plant with the purpose of maximizing utilization of infrastructure (avoid overflow of wastewater into the inner Oslofjord), input raw materials (less consumption) and treatment plant capacity (postpone extensive capacity expansions)	<ul style="list-style-type: none"> Utilization of waste as a resource Digitalisation of operations
ALGECO	<p>Cultivation of microalgae from residual nutrients in purified wastewater and the released CO₂ from the process to liquify the biogas (LBG).</p> <p>Microalgae potentially provide better water purification where "captured" nutrients instead end up in the sludge product after biogas production. CO₂ will be bound in biomass before it turns into methane and "new" CO₂</p>	<ul style="list-style-type: none"> Reduced release of nutrients to recipient Carbon capture Increased biogas production Improved nutrient content in sludge product
VOW	Assess/develop the production of biochar from organic waste with the aim of using the product for cleaning air, water and soil. At the same time, emissions to air and any residues of environmental toxins can be detected and documented in biochar.	<ul style="list-style-type: none"> Development of new green products Removal of organic pollutants found in sludge
New carbon source	Assess/develop if the existing carbon source (methanol) can be replaced with a renewable alternative in the biological treatment of wastewater.	<ul style="list-style-type: none"> Reduced greenhouse gas emissions (scope 3)
New sludge treatment method	Assess/develop alternative treatment method that produces more biogas while maintaining low transport requirements per tonne of raw material. This method is using thermal hydrolysis of sludge after the biogas reactor, where increased biogas production is achieved by sending the nutrient-rich water from hydrolysed sludge back to the biogas reactors.	<ul style="list-style-type: none"> Increased biogas production Reduced greenhouse gas emissions

Sustainability at Veas



Sustainability is a key focus for Veas company management, and we aim to contribute in three different ways: Minimising society's negative environmental impact, minimising the footprint of our own operations, and maximising the positive impacts of recycling products and providing extended services related to wastewater treatment.

The strategy is built upon a philosophy that wastewater can be turned into an asset once we succeed in turning our modus operandi from waste handling to nutrient management.

The approach is condensed into Veas' vision towards 2040, to deliver - "maximum societal benefit" - achieved through three focus areas: Remove all undesired emissions to water, air and soil, deliver net positive value from wastewater, and contribute actively to societal development.

Delivering our sustainability vision will be achieved through a holistic approach. However, we expect the following UN SDGs to be of highest relevance for our work:



The ambition for reducing the environmental impact to the inner Oslofjord is to reduce emissions related to organic substances, nutrients and possibly hazardous components as close to zero as economically viable by 2040.

Veas' ambitions for the climate and for energy can be summarised by the following targets:

- In 2022, Veas will be energy neutral
- In 2024, Veas' business will be **CO₂** neutral, when including the substitution effects of our products
- In 2030, Veas' business will generate 50% more energy than it consumes
- In 2030, Veas' business will bind more than 30% more **CO₂** equivalents than it generates

Veas is conducting an annual assessment of the sustainability impact of our operation. The findings are handled in Veas' management system for continuous improvement, where they are used to prioritise improvement measures, evaluate last year's measures and, if needed, to adjust the targets. Climate change mitigation

Veas has high ambitions for reducing greenhouse gas emissions. We take a holistic perspective when measuring the company's climate benefit and impact. Veas assesses the whole value chain and optimises all of its sections, not just one.

Veas reports the greenhouse gas emissions for scope 1-3, i.e. the climatic impact both from direct emissions and from indirect emissions related to input factors, transport and the use of our products. In addition, we report the emission savings achieved through the use of our products, as they replace more climate harming alternatives, to enable us to paint a picture of the total impact of our operations.

Veas will continue to work towards being CO₂ negative by not only reducing CO₂ emissions from our own operations, but also by developing solutions to capture more CO₂ in biomass than we emit. We do this by utilising the supply of energy-rich material, the infrastructure we possess, and the biological processes we control.

Based on our knowledge of microbiological processes, Veas can help develop biofertilisers that reduce greenhouse gas emissions from agriculture.

Sustainable energy production

Our ambition is to reduce or replace fossil input factors with more renewable sources, i.e. biogas and biofertilisers, without significantly increasing the size of our facility.

Wastewater is almost like an "energy bank", due to the heat it creates and to the large amounts of carbon it contains. Energy created during the wastewater treatment process in the form of biogas is considered sustainable.

Veas aims to become a net supplier of energy by utilising the renewable energy potential in wastewater, and by reducing the energy consumption in the wastewater treatment process. This requires active energy and climate management.

Certification

Veas has certified its operating systems and procedures to ensure and demonstrate that they are conducted in accordance with proper standards to a high level of quality.

The Kiwa certificate offers reliable, objective and internationally recognised evidence that Veas comply with all quality norms. Government institutions recognise Kiwa certificates and reports as reliable proof of complying with European laws and regulations.



Veas and Green Finance



By issuing green bonds and loans Veas wants to take part in the sustainable debt market to underscore our commitment to contributing to the development of an environmentally sustainable society.

This Green Finance Framework (the “**Framework**”) is aligned with the ICMA Green Bond Principles (“**ICMA GBPs**”) and LMA Green Loan Principles (“**LMA GLPs**”), both updated in 2021. The Framework defines the assets and projects (“**Green Projects**”) that can be financed by Green Bonds and/or Green Loans (“**Green Finance Instruments**”), and it also outlines the process to evaluate, select, track and report on such investments. Our aim is to meet best market practices by adhering to relevant standards and guidelines in the green finance market. Each Green Project category has, therefore, been mapped against the different categories listed in the ICMA GBPs and LMA GLPs, the relevant UN Sustainable Development Goals (“**UN SDGs**”).

Veas has not aligned the Green Project categories to Regulation (EU) 2020/852 - the “**EU Taxonomy**” - which sets out screening criteria for Substantial Contribution and Do No Significant Harm (DNSH) criteria for six environmental objectives. Currently it includes criteria for two of the objectives, namely “Climate Change Mitigation” and “Climate Change Adaptation”. Screening criteria for the remaining four objectives, which could be more relevant for Veas, have not yet been detailed and approved. These objectives are “Sustainable Use and Protection of Water and Marine Resources”, “Transition to a Circular Economy”, “Pollution Control and Prevention” and “Protection and restoration of Biodiversity and Ecosystems”.

This Framework may be updated over time, but new versions of the Framework shall have no implications for the Green Finance Instruments already issued under this version of the Framework.

1. Use of Proceeds

An amount equal to the net proceeds from Green Finance Instruments issued under this Framework will be used to finance a portfolio of assets and projects, in whole or in part, that contribute towards:

- reduced emissions from improved treatment of wastewater to achieve better water quality in the Oslofjord;
- enhanced conversion of residues from the wastewater treatment process to products such as liquified biogas and heat and fertilisers which sustainably improves land and food production
- reduce energy consumption and the use of chemicals in the wastewater treatment process
- increased use of sustainable building materials and with as much reuse as possible, and done in a way which take environmental concerns into account.

Only those assets and projects that comply with the list of Green Projects below are deemed eligible to be financed by Green Finance Instruments. Net proceeds from Green Finance Instruments can be used for the financing of new assets and projects as well as for refinancing purposes. New assets and projects are defined as ongoing Green Projects and those taken into operation after the issuance of a Green Bond.

For the avoidance of doubt, proceeds from Green Finance Instruments will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction, gambling or tobacco.

Green Projects

Green Finance Instruments issued under this Framework will finance and refinance capital expenditures and operating expenditures within the following Green Project categories. For operating expenditures, we will use a maximum look-back period of three years.

Green Finance Instruments can also finance and refinance acquisitions of Green Projects as well as investments in share capital of companies with such assets and where the use of proceeds should be directly linked to the book value of the eligible assets owned by the acquired company, adjusted for the share of equity acquired.

ICMA GBPs/ LMA GLPs	Green Project Categories	UN SDGs
<p>Wastewater management</p> <p>Aquatic biodiversity conservation</p>	<p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as related infrastructure, connected to securing resilient operation of the sanitary system and the treatment of wastewater to improve water quality and contribute to a cleaner Oslofjord</p>	  
<p>Renewable energy</p>	<p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to the generation of biogas from wastewater sludge.</p>	 
<p>Pollution prevention and control</p> <p>Environmentally sustainable management of land use</p>	<p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to treatment and hygienisation of wastewater sludge to be used as fertilizer in agriculture, as well as the production of compost and other soil improvement products.</p>	 
<p>Circular economy adapted products, production technologies and processes</p>	<p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to production of commercial biogen CO₂ and ammonium sulphate applied as an intermediate product for renewable nitrogen fertilisers.</p>	 
<p>Green buildings</p>	<p>Construction, ownership and renovation of office buildings built according to Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) and with BREEAM-NOR certification notation as "Excellent" or better, and specifically for renovated buildings a reduction in primary energy demand of at least 30%.</p>	

2. Process for evaluation and selection

To ensure the transparency and accountability around the selection of Green Projects, Veas has established a “Green Finance Committee”.

This committee consists of members of the executive management team and is responsible for the evaluation and selection process.

Only those assets and projects that comply with the Green Project criteria defined in the Use of Proceeds section of this Framework can be approved by the Green Finance Committee and become eligible to be financed with Green Finance Instruments.

Furthermore, every investment must follow a standard procedure set out in Veas’ Investment Policy (see appendix) which includes assessment of environmental factors. All decisions related to the inclusion of approved investments in assets and projects as eligible Green Projects under this Framework will be made unanimously. The Green Finance Committee also holds the right to exclude any Green Project already funded by Green Finance Instruments, which is further described below under “Management of Proceeds”.

To ensure traceability, all decisions made by the Green Finance Committee will be documented and filed. The committee will be responsible for ensuring that Veas keeps a register of all Green Projects.

In addition, the Green Finance Committee is responsible for oversight and potential future updates of this Framework, but any such updates will have no implication or impact on the Green Finance Instruments already issued hereunder.

For all construction projects Veas initiates, subcontractors and suppliers are required to establish a quality plan, describing all phases of a project from engineering and design to commissioning, taking into account laws and regulations as well as Veas’ internal policies and procedures. Veas has established an internal procedure for supplier evaluation and selection, as well as ethical guidelines for the suppliers to ensure inter alia that social safeguards are in place and aligned with UN Global Compact’s 10 principles and that considerations and care for the environment are made.

3. Management of proceeds

An amount equal to the net proceeds from issued Green Bonds will be earmarked for financing and refinancing of Green Projects as defined in this Green Bond Framework.

The Green Finance Committee will endeavour to ensure that the value of Green Projects always exceeds the total nominal amount of Green Bond outstanding.

Net proceeds from Green Finance Instruments awaiting allocation to Green Projects will be held as cash and short-term money market instruments. To the extent possible the exclusions listed in the Use of Proceeds section of this Framework also apply for such temporary holdings of net proceeds.

If a Green Project already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, it will be replaced by another qualifying Green Project as soon as practically possible.

4. Reporting

To enable investors and other stakeholders to follow the developments of our Green Projects funded by Green Finance Instruments, a Green Finance Report will be made available on our website.

The Green Bond Report will include an **Allocation Report** and an **Impact Report** and will be published annually if there are Green Bonds outstanding or until full allocation.

Allocation Report

The allocation report will include the following information:

- The nominal amount of Green Finance Instruments outstanding, split between Green Bonds and Green Loans.
- Green Projects that have been funded by Green Finance Instruments.
- Amounts invested in each of the Green Project categories and the share of new financing versus refinancing.
- The amount of net proceeds awaiting allocation to Green Projects (if any).

Impact Report

The Impact Report aims to disclose the environmental impact of the Green Projects financed under this Framework.

The Impact Report will, on a best effort basis, align with the portfolio approach described in “Handbook – Harmonized Framework for Impact Reporting” (June 2022)

where impact will be aggregated for each project category, and depending on data availability, calculations will be made on a best-efforts basis with assumptions being applied transparently. For projects under construction, calculations may be based on preliminary estimates. The impact assessment may be based on the following metrics:

ICMA/LMA category:	Eligible Green Projects:	Indicator:
Wastewater management Aquatic biodiversity conservation	Wastewater treatment facilities	<ul style="list-style-type: none"> Annual absolute amount of wastewater treated, reused or raw/untreated wastewater avoided before and after the project (in m³/annum and p.e./annum* and as %) *(Population equivalent (1 p.e.) or 60 g of BOD) BOD reduction in discharged water before and after project (in %)
Renewable energy	Production of biogas from sewage sludge	<ul style="list-style-type: none"> Capacity of plant(s) constructed or rehabilitated (in MW) Annual renewable energy generation (in MWh) Annual GHG emissions reduced/avoided (in tonnes of CO₂ equivalent/annum)
Pollution prevention and control Environmentally sustainable management of land use	Treatment and reuse of sewage sludge for composting and soil improvement products Extraction of nitrogen from treatment and reuse of sewage sludge	<ul style="list-style-type: none"> Annual absolute (gross) amount of raw/untreated sewage sludge that is treated for reuse as fertilizer, compost, and other soil improvement products (in tonnes of dry solids and in %) Annual absolute amount of sludge that is reused for soil improvement products (in tonnes of dry solids) Annual absolute amount of nitrogen extracted from sewage sludge (in tonnes of dry solids) Annual absolute amount of fertilizers produced (in tonnes)
Circular economy adapted products, production technologies and processes	Extraction of biogen CO ₂ Extraction of ammonium sulphate	<ul style="list-style-type: none"> Annual absolute (gross) amount of biogen CO₂ produced (in tonnes) Annual absolute (gross) amount of ammonium sulphate produced (in tonnes)
Green buildings	Construction, ownership and renovation of office buildings built according to Norwegian building codes of 2010 (TEK10) or 2017 (TEK17) and with BREEAM-NOR certification notation as “Excellent” or better, and specifically for renovated buildings a reduction in primary energy demand of at least 30%.	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided (in tonnes of CO₂ equivalent/annum)²

¹ Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf (icmagroup.org)

² When comparing the CO₂ emissions from the eligible Green Building with a standard building, the calculation will apply the grid factor recommended in the Nordic Position Paper on Green Bonds Impact Reporting, clause 22, page 20 (NPSI_Position_paper_2020_final.pdf (kuntarahoitus.fi))

External Verification

Second-Party Opinion

Veas has obtained a pre-issuance Second-Party Opinion from Cicero Shades of Green to confirm the transparency of this Green Bond Framework and its alignment with the ICMA Green Bond Principles and LMA Green Loan Principles.

The Second-Party Opinion will be made available on our website, together with this Green Finance Framework.

Post-issuance verification

An independent auditor appointed by Veas will provide a limited assurance report confirming that an amount equal to the net proceeds from issued Green Bonds has been allocated to Green Projects as defined in this Green Finance Framework.

This report will be made available on our website.



Appendix

Process and Decisions of Investment Selection

1. Purpose

Provide guidelines regarding the planning, selection, decision, organisation and implementation of investments to ensure that established requirements for sustainability, health, working environment, safety, quality, progress and finance are attended to in Veas' project model.

2. Investment model

Investments shall be carried out in accordance with Veas' project model (TQM ID 17512), illustrated in the figure below:

VEAS' PROJECT EXECUTION MODEL

CONCEPT STUDY		PRE-PROJECT PHASE		PROJECT IMPLEMENTATION		PROJECT COMPLETION	
BP0	BP1	BP2	BP3	BP4	BP5	BP6	BP7
Requirements/needs	Concept study budget	Mandate	Project outline	Project implementation budget	Contract decision	Training Commissioning	Hand-over Evaluation

3. Decision Points (DP)(DP)

Decision points are implemented through the submission and signing of respective decision documents. At all decision points from DP1 to DP7, the basis for a decision will include an updated financial status with a budget and progress plan for remaining phases.

In addition, the basis for a decision should be assessed and prioritised according to Veas' criteria for carrying out investments:

Criteria:	Requirement:	Yes/no:	Comments
Legally required	<ul style="list-style-type: none"> Law/regulation notified Law/regulation adopted 		
Strategically	<ul style="list-style-type: none"> Requirement for current strategy implementation Bottleneck removal 		
Sustainability	<ul style="list-style-type: none"> Impact on water quality (draining into the fjord) Impact on energy balance/renewable energy Environmental sustainability impact. Land use management Circular economy custom products, production, technologies and processes Green buildings 		
Financial earnings 1)	<ul style="list-style-type: none"> Pay-back period Internal rate of return (IRR) > 7% Present value: Positive at IRR 7% 		
HSE	<ul style="list-style-type: none"> External requirements Internal requirements 		
Reinvestment	<ul style="list-style-type: none"> Danger of accidents Old and unproductive technology Process automation 		

All projects must have an impact target and a performance target which are concrete and measurable. Projects should be measured against these objects after project completion:

a. DP0

Decision to conduct an investigation of a need. The need is put forward to Veas' Executive Board. They decide, in consultation with investment selection guidelines, whether the need should be further examined in a preliminary study.

b. DP1

The decision to start the planning phase of a project, and possibly release funds for pre-project work (DP1) is made up of a recommendation from an investigation regarding the choice of concept, and a description of the requirements, prerequisites and framework of the project. The Executive Board makes decisions in consultation with guidelines for the selection of investments. If a project needs funds for pre-project work, a Request for release of budget funds shall be prepared and approved by the CFO and Project Manager.

c. DP2

Decision to continue the planning phase and acquire external support for pre-project work.

d. DP3

Decision to continue the selected solution outline in pre-project work.

e. DP4

Evaluation of the pre-project and the decision to release funds to start the implementation phase

As part of the DP4 decision, the project must be quality-assured to ensure it is still within the guidelines for investment selection and the budget established, as well as whether funding has been secured. Any requests for the release of budget funds must be signed off before the implementation phases of a project can start. The decision shall be made by the Executive Board.

Investment in projects up to NOK 25 million and within budget framework is decided by the Executive Director. Investment in projects over NOK 25 million, as well as projects over NOK 10 million which have not been budgeted, is decided by the Executive Board.

f. DP5

The pre-contract quality assurance stage, with suppliers. This decision point ensures proper procurement from the correct suppliers in compliance with Veas' requirements and supplier policies.

4. Organisation and governance

The purposes of this chapter is to determine how projects at Veas are decided, and should be organised, governed and reported. Project governance includes management, control and follow-up of work scope, cost, and time, as well as status reporting. The project leader is responsible for ensuring this is carried out.

a. Organisation

Veas investment projects are organised in project departments where key resources are introduced to manage and administrate the project's portfolio with respect to priorities, sequences, time and cost frameworks, resource use, etc.

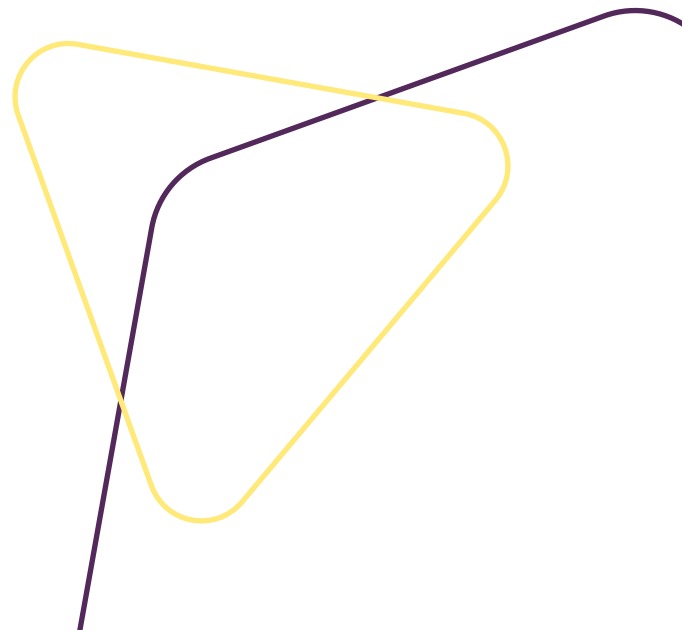
b. Steering Group

The Steering Group is an advisory and decision-making body that will help to ensure that projects receive the necessary resources. The group is not responsible for the day-to-day management of the project.

The Steering Group will also act as a control body regarding project objectives. This is a broadly composed group, and it is envisaged that members will safeguard and follow up on the implementation of the project using their own experience and skill-sets.

c. Resource group

The resource group is made up of internal technical, operational and/or maintenance staff who will provide support, advice and assistance to the project. The resource group has no authority over the project. The project owner and project manager define the needs for participants.





Veas

Bjerkåsholmen 125, 3470 Slemmestad

Telefon: 98 20 86 00 • E-post: veas@veas.nu

www.veas.nu

Foto: Knut Bry, Torbjørn Tandberg

Grafisk design: Konsis grafisk AS

