



SBP Kredit AB (publ) Green Finance Second Opinion

November 9, 2021

SBP Kredit AB (publ) (“SBP”) provides financing for real estate projects in Sweden, typically residential developments, either in the form of senior facilities with collateral or as junior facilities on top of senior facilities provided by a bank. SBP was founded in 2016 and per Q3 2021, the company has approved SEK 1.6 bn of loans, of which SEK 801 m has been disbursed. Most loans in SBP’s portfolio have a tenor of between 1-3 years and are made to small and medium-sized developers situated throughout Sweden.

Categories in SBP’s green finance framework cover Green and energy efficient buildings and Energy efficiency, with an estimated 90% of proceeds going to the first category. The green building criteria include either certification schemes combined with energy use requirements or energy performance certificate (EPC) with energy class A or B (at least 25% better than regulation), or major renovation that leads to a 30% decrease in overall energy use. Wooden buildings mainly based on Swedish wood and expected energy use 5% better than regulation are also eligible. A large number of life cycle analyses (LCA) show that wood-frame building results in lower primary energy and GHG emission compared to non-wood alternatives. Sweden has a surplus of wood so it is improbable that imported wood will be used.

While an analysis of the physical climate risk is part of the credit assessment, the environmental targets for the issuer’s lending portfolio lack quantifiable formal requirements and are quite general. The environmental ambition level is not the highest, but represents steps in the right direction. As a credit organisation, SBP does not have quantitative energy or environmental targets for its own operations and does not report on own energy use or greenhouse gas emissions. SBP’s relationship with the developers (customers) are described as close by the issuer, but still lack clear and quantifiable formal requirements when it comes to selection of materials, life cycle climate footprints, local transport solutions and climate resilience concerns. The issuer is not reporting in accordance with the TCFD, nor uses climate scenarios.

Overall, SBP has a good governance structure in place. The issuer has set quantifiable selection criteria and requirements for the eligible projects categories, and has a well-defined selection process that evaluates the resilience and environmental impact of eligible projects. The issuer further has reasonable allocation and impacts reporting practices.

Based on the overall assessment of the project types in SBP’s framework, governance and transparency considerations, the green finance framework receives an overall **CICERO Light Green** shading and a governance score of **Good**. The framework could be improved by having more ambitious eligibility criteria in the green buildings category supported by reporting of energy efficiency improvement over time. The issuer would also benefit from implementing the TCFD recommendations.

SHADES OF GREEN

Based on our review, we rate the SBP’s green finance framework **CICERO Light Green**.

Included in the overall shading is an assessment of the governance structure of the green finance framework. CICERO Shades of Green finds the governance procedures in SBP’s framework to be **Good**.



GREEN BOND and GREEN LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.





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1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated October 2021. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

Expressing concerns with 'Shades of Green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

CICERO Shades of Green



Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated.



Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered.



Light green is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them.

Examples



Wind energy projects with a strong governance structure that integrates environmental concerns



Bridging technologies such as plug-in hybrid buses



Efficiency investments for fossil fuel technologies where clean alternatives are not available

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



2 Brief description of SBP's green finance framework and related policies

SBP Kredit AB (publ) ("SBP") offers property loans and construction loans to property owners in Sweden. SBP was founded, together with its parent company Svensk Bostadspartner, in 2016 in Sweden and is today comprised of 8 full time employees. Per Q3 2021, the company has approved SEK 1.6 bn of loans, of which SEK 801 m has been disbursed.

SBP's provides financing for real estate projects in Sweden, typically residential developments, either in the form of senior facilities with collateral or as junior facilities on top of senior facilities provided by a bank. A majority of the portfolio is comprised of the former.

Most loans in SBP's portfolio have a tenor of between 1-3 years and are made to small and medium-sized developers situated throughout Sweden. In terms of the end use of the properties, the portfolio as of September 15, 2021, consisted of 69% co-ops (housing associations), which will also be the case going forward. As per Q3 2021, the average loan volume (excluding approved loans not paid out) was SEK 21 m with an average initial tenor of 1.5 years.

Environmental Strategies and Policies

As a credit organisation, SBP does not have quantitative energy or environmental targets for its own operations and does not report on own energy use or greenhouse gas emissions. However, its main environmental impact comes from its lending portfolio, for which it only has quite general environmental targets. Thus, SBP aims to contribute to a more sustainable future by carefully evaluating which real estate projects and properties to finance. SBP aims to support the development of energy-efficient properties with sustainably sourced materials, primarily wood. According to the issuer, its customers (property developers) strive to minimize waste in the construction process. A majority of the projects financed are units prefabricated in factories, a process which leads to considerably less waste than traditional construction methods.

SBP requires (in the loan contracts) that its clients only use electricity from renewable sources (through guarantees of origin) and secures resource efficiency in both the transportation of raw materials to construction sites and the broader construction process.

SBP's direct counterparties are always Swedish. As part of the onboarding process a Know Your Customer and light counterparty assessment take places, whereby SBP can gain a greater understanding of both the lender and associated contractor. An analysis of the physical risks from climate change are a natural part of the credit decision process. Projects and properties which are naturally at risk, for example situated in flooding-prone locations, are subject to more rigorous risk analyses. There are currently no plans to implement the TCFD reporting guidelines.

SBP has started to investigate what the EU taxonomy would mean for the company's activities. At the time of the Framework's composition, SBP lacks some of the data and methodologies required to perform a complete EU Taxonomy assessment.



Use of proceeds

An amount equivalent to the net proceeds from SBP's Green Finance Instruments shall be used to finance or re-finance, in part or in full, eligible projects and properties in Sweden providing distinct environmental benefits ("Eligible Green Projects and Properties"). Eligible categories are Green and energy efficient buildings and Energy efficiency. SBP expects approximately 90% of the proceeds to be for new financing of Green and energy efficient buildings.

The proceeds of SBP's Green Finance Instruments will not be used to finance either fossil fuel energy generation (including fossil fuel heating of properties), nuclear energy generation, the weapons and defence industries nor potentially environmentally negative resource extraction, gambling or tobacco.

Selection

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

The selection of eligible green projects and properties is managed by a dedicated in-house group, the Green Finance Committee ("GFC"). Members of the GFC consist of CEO, Head of Investor Relations and CFO. SBP will assure that the sustainability expertise always relies within the GFC. SBP is open to hiring an external candidate with environmental competencies in the future if it deems it necessary to do so. All decisions are made in consensus, and that applies to the selection process of eligible green projects and properties as well.

SBP relies on the recommendations of both past clients and persons active in the sector, meaning that potentially controversial projects may have a large impact on the business. For this reason, projects are always screened, typically in the form of light counterparty assessments.

A list of eligible green projects and properties is to be kept up to date by SBP and the CFO is responsible for keeping this list up to date.

The list of eligible green projects and properties is monitored on a regular basis during the term of the Green Finance Instruments by GFC to ensure that the proceeds are sufficiently allocated to eligible green projects.

Management of proceeds

CICERO Green finds the management of proceeds of SBP to be in accordance with the Green Bond and Green Loan Principles.

Net proceeds from SBP's Green Finance Instruments will be tracked using a spreadsheet where all issued amounts of Green Finance Instruments will be inserted. The spreadsheet will also contain the list of eligible green projects and properties. Information available in the spreadsheet will in turn serve as basis for regular reporting described below. Allocation of proceeds will be subject for an annual review by an external part/verifier. A verification report provided by the external part will be published on the company's website.

All Green Finance Instruments issued by SBP will be managed on a portfolio level. This means that a green finance instrument will not be linked directly to one (or more) pre-determined eligible green projects. SBP will keep track and ensure there are satisfactory eligible green projects and properties in the portfolio. Projects can, whenever needed, be removed, or added to/from the eligible green projects and properties portfolio. Any unallocated



proceeds temporary held by SBP will be placed on the company's ordinary bank account or in the short-term money market. Should there be any unallocated proceeds, SBP strives to allocate them within one year.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

To be fully transparent towards the investors and other stakeholders, SBP commits to regular reporting at least on an annual basis, providing that at least a full calendar year has passed since the first issuance of Green Finance Instruments. All projects financed will be listed and allocated amounts and green finance share of financing will be reported, but at the portfolio level. The CFO of SBP will be responsible for the reporting which will not be linked to individual bonds. SBP commits to said reporting until no Green Finance Instruments are outstanding. The report will cover the following areas:

Allocation reporting for Green Finance Instruments will be published on the company's website on an annual basis and will contain:

- Total amount of Green Finance Instruments issued, as well as the total amount of any other NPSI Position Paper gr issued
- Share of proceeds used for financing/refinancing as well as share of proceeds for the eligible categories
- Share of unallocated proceeds (if any)

SBP intends to report on quantitative impact indicators where reasonable and where relevant data is available for the two below main categories:

Green Buildings:

- Type and degree of certification (e.g., Nordic Swan Ecolabel, Miljöbyggnad Silver, etc)
- Energy performance certificate (EPC) class (if any)
- Energy use (kWh/m²)

Energy efficiency:

- Amount of energy saved per sqm
- Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)

SBP will use the NPSI Position Paper grid factor¹ developed in 2017 to calculate the net CO₂-effect. Allocation of proceeds will be subject for an annual review by an external part/verifier. A verification report provided by the external part will be published on the company's website. The impact reporting will not be independently verified.

¹ https://kommuninvest.se/wp-content/uploads/2020/02/NPSI_Position_paper_2020.pdf. This recommendation uses an EU Mainland grid factor including the UK and Norway as the baseline.



3 Assessment of SBP's green finance framework and policies


The framework and procedures for SBP's green finance investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where SBP should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in SBP's green finance framework, we rate the framework **CICERO Light Green**.

Eligible projects under the SBP's green finance framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green finances aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed and that the selection process should be "well defined".

Category	Eligible project types	Green Shading and some concerns
Green and energy efficient buildings 	<p>Eligible Green Projects and Properties include financing and refinancing of loans to either projects or existing properties which meet, or will meet, at least one of the following requirements:</p> <ul style="list-style-type: none">i. New construction and existing buildings that either have, or with the objective to receive, an energy performance certificate (EPC) of class A or Bii. Wooden buildings produced on site or in factories using, to the extent possible, locally grown Swedish wood as an input material. These must also have energy use at least 5% below the national building regulation, such as Boverket's Building Regulations ("BBR"), applicable at the time of construction.	<p>Light Green</p> <p>✓ The criteria allow for buildings with energy performance ranging from 5% to 50% better than regulation, some with certifications and some in wood. In sum, the financed buildings will reduce emissions, but are not fulfilling the long-term vision of passive or net negative energy houses. Buildings with direct heating with fossil fuels are excluded, but small fractions of fossil elements may remain in district heating.</p> <p>✓ Point based environmental certification schemes like <i>BREEAM</i> and <i>LEED</i> fall short of guaranteeing a low-climate impact building, as they may not ensure compliance with all relevant factors e.g., energy efficiency, access to public transport, climate resilience, and sustainable building materials. This</p>



iii.	<p>New construction and existing buildings that either have, or with the intention to receive, major well-known environmental certifications, such as:</p> <ul style="list-style-type: none"> - LEED “Silver” or better - BREEAM “Very Good” or better - BREEAM-In-Use “Very Good” or better - Nordic Swan Ecolabel (Sw. “Svanen”) - Miljöbyggnad “Silver” or better - GreenBuilding - Passive house (Sw. “Passivhus”) - any other well recognized certification scheme of similar level subject to approval from the Green Finance Committee. 	<p>weakness is mitigated somewhat by SBP’s energy requirement.</p> <p><i>Miljöbyggnad Silver</i> means that energy use has to be 20 % lower than that required by BBR (Swedish Building regulations) (if heated by electricity, it has to be 5 % lower). <i>GreenBuilding</i> is aimed at property owners and managers who want to make energy use more efficient in their premises and homes. The requirement is that the building uses 25% less energy than before or compared to the new construction requirements in BBR. For a building to be considered a <i>Passive House</i>, it must meet the following criteria (among others): The Space Heating Energy Demand is not to exceed 15 kWh/m² of net living space per year or 10 W/m² peak demand. The total energy to be used for all domestic applications must not exceed 60 kWh/m² of treated floor area per year. To be able to certify a building according to <i>Nordic Swan Ecolabel</i>, the buildings must be included in a life cycle analysis. Building materials and chemical products are inspected. In Sweden the Nordic Swan Ecolabel require an energy use 10-15% lower than BBR.</p>
iv.	<p>New construction and existing buildings with an energy use² per year 20% below the national building regulation, such as Boverket’s Building Regulations (“BBR”), applicable at time of construction.</p>	<p>✓ In the Nordic context, approximately half of emissions stem from buildings materials and efforts should be made to reduce those indirect emissions in the design phase of the buildings. Wood as construction material is far preferable to other materials from a climate perspective. Still, the energy criteria for wooden buildings in this framework does not go far beyond current regulations. Sweden has a surplus of wood so it is improbable that imported wood will be used.</p>
v.	<p>Major renovations resulting in reduced energy consumption of at least 30% compared to pre-renovation.</p>	<p>✓ The issuer informs us that most projects will be based on prefabricated elements. Prefabrication will usually minimize waste substantially.</p>

² Primary energy demand – PED.





		✓ IPCC recommends 50% energy efficiency improvement in deep renovations. According to IEA, efficiency of building envelopes needs to improve by 30% by 2025 to be aligned with the Paris target.
Energy efficiency	Energy retrofits such as heat pumps, converting to LED lighting, improvements in ventilation systems, extension of district heating and cooling systems, on-site solar panels, geothermal heating, sewer improvements etc.	Medium to Dark Green
		✓ Eligible green projects and properties correspond to the relevant invested amount.
		✓ Any geo-thermal heating will be by on-site systems.
		✓ District heating can involve some fossil fuel elements.

Table 1. Eligible project categories

Background

Financing institutions and banks are vital driving forces to reach the Paris Agreement and can provide leadership through providing financing of activities necessary to reduce greenhouse gas emissions and adapt to a changing climate. Financial institutions and banks also have a significant role in managing climate risks. Having climate goals for the bank's operations and portfolio, including science-based targets, implementation of TCFD reporting and climate risk assessment of their customers in the ESG due diligence, represents best practices of the sector.

The construction and real estate sector have a major impact on our common environment. According to the National Board of Housing, Building and Planning's environmental indicators, it accounts for 32% of Sweden's energy use, 31% of waste and 19% of domestic greenhouse gas emissions. Calculations from Sveriges Byggindustrier indicate that the climate impact of new production of a house is as great as the operation of the house for 50 years.

The building sector accounts for a large share of primary energy consumption in most countries, and the IEA reports that the efficiency of building envelopes needs to improve by 30% by 2025 to keep pace with increased building size and energy demand – in addition to improvements in lighting and appliances and increased renewable heat sources.³ The energy efficiency of buildings is dependent on multiple factors including increasing affluence and expectations of larger living areas, growth in population and unpredictability of weather, and greater appliance ownership and use. Additionally, in the Nordics, approximately half of life-cycle emissions from buildings stem from materials/construction⁴. The other half stems from energy use, which becomes less important over time with the increasing adoption of off-grid solutions such as geothermal and solar. All of these factors should therefore be considered in the project selection process. In addition, voluntary environmental certifications such as BREEAM or equivalents measure or estimate the environmental footprint of buildings and raise awareness of environmental issues. These points-based certifications, however, fall short of guaranteeing a low-climate impact building, as they may not ensure compliance with all relevant factors e.g., energy efficiency, access to public transport, climate

³ <https://www.iea.org/reports/building-envelopes>

⁴ Sustainable Edge Sector Brief: Real Estate, https://cicero.oslo.no/file/2/sectorbriefs_realestate_17_12.pdf/download



resilience, sustainable building materials. Many of these factors are covered under the World Green Building Council's recommendations for best practices for developing green buildings.⁵

The Exponential Roadmap⁶ lays out a trajectory for reducing emissions by 50% by 2030 and requires that emissions reductions strategies within the buildings sector be rapidly scaled up. The roadmap advocates for standardised strategies that are globally scalable within areas such as new procurement practices for construction and renovation that require dramatically improved energy and carbon emission standards, developing new low-carbon business models for sharing space and smart buildings to achieve economies of scale, and allocating green bond funding for sustainable retrofitting and construction.

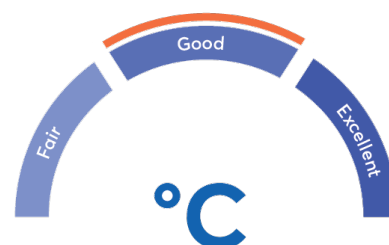
Choice of building materials is becoming more important for climate footprint than heating/cooling and power. A large number of life cycle analyses (LCA) show that wood-frame building results in lower primary energy and GHG emission compared to non-wood alternatives including concrete and steel. Less energy, in particular fossil fuels, is needed to manufacture wood-based building materials compared with alternative non-wood materials. Wooden materials also store carbon during their lifetime, temporary sequestering carbon from the atmosphere. Hence, wood-based buildings are appropriate for long-term strategies for reducing fossil fuel use and GHG emissions when combined with sustainable forestry⁷. Quantitative estimates are imprecise, but some studies indicate energy savings of the order of one third in the construction phase of wood buildings compared to buildings using mainly other materials.

Governance Assessment

Four aspects are studied when assessing the SBP's governance procedures: 1) the policies and goals of relevance to the green finance framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

As a credit organisation, SBP does not have quantitative energy or environmental targets for its own operations and does not report on own energy use or greenhouse gas emissions. The environmental targets for its portfolio of projects are quite general and qualitative in nature. In the selection process, local transport solution considerations are included, as easy access to public and clean transport are typically important factors for potential buyers/renters. An analysis of the physical risks from climate change are a natural part of the credit decision process. Projects and properties which are naturally at risk, for example situated in flooding-prone locations, are subject to more rigorous risk analyses. There are usually no dialogues with customers on life cycle considerations of proposed projects. The management of proceeds is in accordance with the Green Bond and Green Loan Principles. The reporting is on a portfolio basis and contains relevant key performance indicators. TCFD guidelines are not followed.

The overall assessment of SBP's governance structure and processes gives it a rating of **Good**.



⁵ <https://www.worldgbc.org/how-can-we-make-our-buildings-green>

⁶ https://exponentialroadmap.org/wp-content/uploads/2020/03/ExponentialRoadmap_1.5.1_216x279_08_AW_Download_Singles_Small.pdf

⁷ R&D Fund for public real estate, The Swedish Association of Local Authorities and Regions (2016): Climate impacts of wood vs. non-wood buildings.



Strengths

The clear exclusion of fossil technologies is a strength of the framework. Environmental certifications, although not at the most ambitious level, combined with minimum energy efficiency requirements, secures those projects financed under the framework are green. SBP's description of their close relationship with developers support their stated intention of supporting affordable and green housing with a small climate footprint.

Weaknesses

We find no material weaknesses in SBP's green finance framework.

Pitfalls

The CICERO Dark Green shading is difficult to achieve in the real estate sector because buildings have a long lifetime. CICERO Dark Green shading in this sector should therefore conform to strict measures and is reserved for the highest building standards and passive or net positive houses. The green buildings eligible under SBP's framework are falling short of the long-term vision of zero-energy buildings or passive houses, but still go beyond requirements in current building regulations.

SBP's relationship with the developers (customers) are described as close by the issuer, but still lack clear and quantifiable formal requirements when it comes to selection of materials, life cycle climate footprints, local transport solutions and climate resilience concerns.

We note that district heating/cooling is the predominant heating/cooling method in Sweden and probably represents a major part of SBP's portfolio energy use. Most of the district heating companies in Sweden seek to minimize the use of oil or other fossil fuels. However, when waste-to-energy is utilized, it is sometimes difficult to know the fossil fraction of the waste stream, e.g., the amount of plastics. Again, many Swedish district heating companies have strong policies to minimize these types of fractions, but without specific information of suppliers of district heating, it is difficult to guarantee against the use of some fossil fractions.

SBP will use the NPSI Position Paper grid factor (based on the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting first developed in 2017) to calculate the net CO₂-effect. This grid factor is higher than the de facto grid factor in most places in Sweden, and hence the CO₂-effect is likely to be a high estimate.

Rebound effects represent a category of macro impacts. For example, improved energy efficiency of a dwelling and lower energy costs may induce tenants to use more energy, partly offsetting the initial anticipated energy and carbon dioxide savings.



Appendix 1:

Referenced Documents List

Document Number	Document Name	Description
1	Green Finance Framework - SBP Kredit AB (publ)	SBP's Green finance framework, dated October 2021
2	Kreditpolicy SBP 2021, beslutad augusti	SBP's credit policy
3	Hållbarhetspolicy, beslut styrelse 210225	SBP's Sustainability policy



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.

