

# REPORT REVIEW

## Samhällsbyggnadsbolaget I Norden AB

### Sustainable Bond Impact Report

Sustainable Bond Impact Report Samhällsbyggnadsbolaget I Norden AB

13 July 2023

#### VERIFICATION PARAMETERS

<b>Type(s) of reporting</b>	<ul style="list-style-type: none"><li>Green and Social Bonds Impact Report</li></ul>
<b>Relevant standard(s)</b>	<ul style="list-style-type: none"><li>Harmonized Framework for Impact Reporting (HFIR), updated June 2022, as administered by International Capital Market Association (ICMA)</li><li>Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2022, administered by the International Capital Market Association (ICMA)</li><li>SBB Norden's Sustainable Bond Impact Report (as of July 13, 2023)</li><li>SBB Norden's Sustainable Financing Framework (as of October 10, 2020)</li><li>Bonds identification:</li></ul>
<b>Scope of verification</b>	<p>Green Bonds:</p> <p>ISIN SE0012256741 /February 14, 2024 (SEK 187.5mn)</p> <p>ISIN SE0013042611 /March 27, 2023 (SEK 312.5mn)</p> <p>ISIN SE0014965919/April 12, 2024 (SEK 321.25mn)</p> <p>ISIN XS2050862262 /September 6, 2023 (SEK 509mn)</p> <p>ISIN XS2111589219 /January 30, 2027 (SEK 600mn)</p>

Social Bonds:

ISIN XS2271332285 / December 14, 2028 (EUR 700mn)

ISIN XS2461738770 / April 11, 2025 (SEK 260mn)

ISIN XS2275409824 /December 18, 2025 (SEK 145mn)

ISIN XS2290558282 /July 26, 2023 (SEK 748mn)

ISIN XS2346224806 /November 26, 2029 (EUR 950mn)

ISIN XS2438632874 /February 8, 2024 (EUR 558.83mn)

Social Hybrid Bond:

ISIN XS2010028186 / January 30, 2027 (EUR439.3mn)

**Lifecycle**

- Post-issuance verification

**Validity**

- As long as no changes are undertaken by the Issuer to its Sustainable Bond Impact Report as of July 13, 2023

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## SCOPE OF WORK

Samhällsbyggnadsbolaget I Norden AB (“the Issuer” or “SBB Norden”) commissioned ISS Corporate Solutions (ICS) to provide a Report Review<sup>1</sup> on its Sustainable Bond Impact Report by assessing:

1. The alignment of the SBB Norden’s Sustainable Bond Impact Report with the commitments set forth in SBB Norden’s Sustainable Financing Framework (as of November 24, 2020)<sup>2</sup>.
2. SBB Norden’s Sustainable Bond Impact Report - benchmarked against the Harmonized Framework for Impact Reporting (HFIR) and the Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2022, as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators – whether the impact metrics align with best market practices and are relevant to the Sustainability Bond issued.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in SBB Norden Sustainable Bond Developments Report. A review of the use of proceeds’ allocation and impact reporting is solely conducted against ICMA’s Standards (Green Bond and Social Bond Principles) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer [or SBB Norden] is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green Bond and Social Bond Principles as of as of November 24, 2020.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part 1.</b></p> <p><b>Alignment with the Issuer's commitments set forth in the Framework</b></p>	<p>The SBB Norden's Sustainable Bond Impact Report meets the Issuer's commitments set forth in the Sustainable Financing Framework. The proceeds have been used to (re)finance Green Buildings, Energy Efficiency, Affordable Housing and Access to Essential Services in accordance with the eligibility criteria defined in the Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part 2.a</b></p> <p><b>Alignment with the Harmonized Framework for Impact Reporting (HFIR)</b></p>	<p>The Sustainable Bond Impact Report is in line with ICMA's Harmonized Framework for Impact Reporting (HFIR). The Issuer follows core principles and where applicable key recommendations.</p> <p>SBB Norden did not issue any green bonds in the last year, but it reported on the associated impact indicators. The Issuer provides transparency on the calculation methodology, in line with best practices.</p>	<p><b>Aligned</b></p>
<p><b>Part 2.b</b></p> <p><b>Alignment with the Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB)</b></p>	<p>The Sustainable Bond Impact Report is in line with ICMA's Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB). The Issuer follows core principles and where applicable key recommendations.</p> <p>SBB Norden reports on the Social Bonds allocation of proceeds and impact indicators within one year of the issuance. SBB Norden uses a mix of output and impact indicators to measure its impact.</p>	<p><b>Aligned</b></p>
<p><b>Part 3</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework<sup>3</sup>.</p> <p>The SBB Norden's Sustainable Bond Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCING FRAMEWORK<sup>4</sup>

The following table evaluates the Sustainable Bond Impact Report against the commitments set forth in SBB Norden's Framework, which are based on the core requirements of the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines as well as best market practices.

ICMA HFIR	OPINION	ALIGNMENT WITH COMMITMENT
1. Use of Proceeds	<p>SBB Norden confirms to follow the Use of Proceeds' description provided by SBB Norden's Sustainable Financing Framework. The report is in line with the initial commitments set in the SBB Norden's Sustainable Financing Framework. The proceeds have been used to (re)finance Green Buildings, Affordable Housing and Access to Essential Services in accordance with the eligibility criteria defined in the Framework.</p> <p>Environmental and social benefits at the project level are described and quantified.</p> <p>The Issuer discloses the amount of proceeds allocated at portfolio level in the impact report and confirms that 100% of the proceeds are allocated to refinancing in line with the best market practices,</p>	✓
2. Process for Project Evaluation and Selection	<p>SBB Norden confirms to follow the Process for Project Evaluation and Selection description provided by SBB Norden's Sustainable Financing Framework. The report is in line with the initial commitments set in the SBB Norden's Sustainable Financing Framework.</p> <p>The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>SBB has produced an independent report accounting for climate-related risks and opportunities in accordance with</p>	✓

<sup>4</sup> The SBB Norden's Sustainable Financing Framework was assessed as aligned with the GBP, SBP, and SBG (as of June 2018) as of November 24, 2023.

	<p>the TCFD’s recommendations. The report is revised annually, and the most current version is available on SBB’s website<sup>5</sup>.</p> <p>Moreover, SBB Norden confirms that various stakeholders were involved throughout the process.</p> <p>The assets assessed as High or Very High risk are considered for divestment.</p>	
<b>3. Management of Proceeds</b>	<p>SBB Norden confirms to follow the Process for Management of Proceeds description provided by SBB Norden’s Sustainable Financing Framework. The report is in line with the initial commitments set in the SBB Norden’s Sustainable Financing Framework.</p> <p>The proceeds collected represent 100% of the SEK 35,535 million allocated to eligible projects with no exceptions. SEK 4,787 million is allocated to eligible green projects and SEK 30,748 million is allocated to eligible social projects. The proceeds are tracked in an appropriate manner and attested in a formal internal process.</p>	✓
<b>4. Reporting</b>	<p>The SBB Norden’s Impact Report is coherent with the Reporting description provided by SBB Norden’s Sustainable Financing Framework. The report is in line with the initial commitments set in the SBB Norden’s Sustainable Financing Framework: to publish an allocation report and an impact report on its social/sustainability bonds/loans issued.</p> <p>The sections “Allocation reporting” and “Impact Reporting” of the Sustainable Bond Impact Report comply with the pre-issuance commitment expressed in the framework. The report is intended to be publicly available<sup>6</sup>.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓
<b>5. Verification</b>	<p>ISS ICS has provided a Second Party Opinion (SPO) on SBB Norden’s Sustainable Financing Framework.</p>	

<sup>5</sup> SBB Norden Climate-related Risks and Opportunities TCFD Report 2022 <https://corporate.sbbnorden.se/en/wp-content/uploads/sites/2/2021/09/tcf-d-riskinventing-rapport-2022-eng.pdf>

<sup>6</sup> SBB Norden’s website, Sustainable Financial Instruments, <https://corporate.sbbnorden.se/en/sustainable-bonds/>

## PART II: ASSESSMENT AGAINST THE ICMA'S HARMONISED FRAMEWORK FOR IMPACT REPORTING (HFIR) AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS (HFIRSB)

### FOR GREEN BONDS

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. ICMA's Harmonized Framework for Impact Reporting (HFIR) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates SBB Norden Sustainable Bond Impact Report against ICMA's Harmonized Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	SUSTAINABLE BOND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	SBB Norden has reported within one year from issuance since 2021. SBB Norden did not issue any green bonds in 2022, but it reported the total amount of outstanding green bonds which amounts to EUR 173.45 million as of 31 <sup>st</sup> December 2022 originating from bonds issued in 2019 and 2020. All the proceeds have been fully allocated. The report will be available on SBB Norden's website <sup>7</sup> .	✓
Illustrating the environmental impacts or outcomes	<p>The assessment and measurement of the impacts generated by SBB Norden Green Bonds covered the following areas:</p> <ul style="list-style-type: none"> <li>a. Green building certifications: <ul style="list-style-type: none"> <li>▪ Miljöbyggnad Silver</li> <li>▪ Breeam In-Use Outstanding</li> <li>▪ Energy Class A</li> <li>▪ Miljöbyggnad iDrift Silver</li> </ul> </li> <li>b. Energy consumption in kWh/m<sup>2</sup></li> <li>c. Area in sqm per green building (re-)financed</li> </ul> <p>SBB Norden's vision was set with concrete targets such as reduction in energy use and carbon emissions by 5% per year, at least 50% of new</p>	✓

<sup>7</sup> SBB Norden's website, Sustainable Financial Instruments, <https://corporate.sbbnorden.se/en/sustainable-bonds/>



	production in wood and to develop properties close to community services and public transport. In addition, SBB Norden has created an action plan to certify 500 buildings according to Miljöbyggnad iDrift	
ESG Risk Management	<p>SBB Norden has respected its ESG risk management process in line with its framework.</p> <p>Sustainability-related risks are integrated into the ordinary risk management, which is handled by the management team, with the CEO being ultimately responsible. A thorough risk analysis with regard to climate-related issues at the property level was completed in 2021 and the risk analysis was updated in 2022 to include properties recently taken possession of and new knowledge regarding the risks. Both physical and regulatory risks were assessed. SBB has also produced an independent report accounting for climate-related risks and opportunities in accordance with the TCFD's recommendations. The report is revised annually, and the most current version is available on SBB's website<sup>8</sup>. The assets assessed as High or Very High risk are considered for divestment.</p>	✓
Allocation of proceeds - Transparency on the currency	SBB Norden reported on all outstanding green bonds and invested projects in SEK and provided the exchange rate used for conversion. The total amount of outstanding green bonds is EUR 173.45m as on 31 <sup>st</sup> December 2022.	✓

## RECOMMENDATIONS

ICMA HFIR	SUSTAINABLE BOND IMPACT REPORT	ASSESSMENT
Define and disclose period and process for Project Evaluation and Selection	The entirety of proceeds has been allocated to Green Assets. Assets can be removed from or added to the eligible asset portfolio when needed (i.e. sale of an asset allocated to sustainable bonds). However, these would be replaced by a new asset that comply with the eligibility criteria set forth in the Framework. The Issuer followed a transparent process for selection and evaluation of Eligible	✓

<sup>8</sup> SBB Norden Climate-related Risks and Opportunities TCFD Report 2022 <https://corporate.sbbnorden.se/en/wp-content/uploads/sites/2/2021/09/tcf-d-riskinventering-rapport-2022-eng.pdf>

	Green Projects. Projects financed and/or refinanced through the Green bonds issued under the Sustainable Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.	
Disclose total amount of proceeds allocated to eligible disbursements	The total amount of proceeds raised through the green, social and hybrid bonds is 2,648,139,000 EUR (3,083,250,000 SEK). The total amount of outstanding green bonds is EUR 173.45m as on 31 <sup>st</sup> December 2022. SBB Norden did not issue any green bonds in 2022. 100% of the proceeds has been allocated to Green Assets.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds. No new green projects were evaluated or selected in the last year as SBB Norden did not issue any green bonds in 2022, but it reported on the impact originating from bonds issued in 2019 and 2020.	✓
Report at project or portfolio level	The Issuer provides allocated proceeds at a portfolio level and provides a list of projects to which green bond proceeds have been allocated.	✓
Describe the approach to impact reporting	The Issuer clearly identifies the impact of each eligible project.	✓
Report the estimated lifetime results and/or project economic life (in years)	There is no reporting on the estimated lifetime impacts and project economic life in years.	-
Ex-post verification of specific projects	A ex-post verification will be conducted for all green assets after completion.  Since these are green building projects, the results are the certifications received provided after external verification.	✓
Report on at least a limited number of sector specific core indicators	SBB Norden reports on certification standards for green buildings and energy use which are core indicators for the sector.  a. Green building certifications: <ul style="list-style-type: none"> <li>▪ Miljöbyggnad Silver</li> <li>▪ Breeam In-Use Outstanding</li> </ul>	✓

	<ul style="list-style-type: none"> <li>▪ Energy Class A</li> <li>▪ Miljöbyggnad iDrift Silver</li> </ul> <p>b. Energy consumption in kWh/m<sub>2</sub></p>	
If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies	<p><b>Green building certification:</b></p> <p>Not applicable to certification standards.</p> <p><b>Energy consumption:</b></p> <p>The energy use is tracked automatically with SBBs' digital system for automated monitoring of energy use in buildings. The energy follow-up system is the main source of data for SBB Norden since it tracks both the actual energy use as well as energy use adjusted for temperatures that deviate from an average year.</p> <p>Complementary data from energy performance certificates are used since the energy follow-up system does not track energy use that is not controlled by SBB, for instance in triple-net properties.</p>	✓
Disclosure on the conversion approach (if applicable)	Not applicable because none of the reported units need to be converted.	-
Projects with partial eligibility	Not applicable because there are no projects with partial eligibility.	-
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The reporting covered the category Green Buildings, and impacts were not reported as a total of different projects.	-

## OPINION

*The SBB Norden follows HFIS's core principles and key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope and duration, aligned with best practices.*

## FOR SOCIAL BONDS

Reporting is a core component of the Social Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Social bond Issuers are required to report on both the use of social bond proceeds, as well as the social impacts at least on an annual basis until full allocation. ICMA's Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates SBB Norden Sustainable Bond Impact Report against ICMA's HFIRSB.

CORE PRINCIPLES		
ICMA HFIRSB	SUSTAINABLE BOND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	SBB Norden has reported within one year from issuance since 2021. During 2022, two new social bonds of EUR 700 <sup>9</sup> million and EUR 23.36 million have been issued. The total amount of outstanding social bonds is EUR 2751.75 million. Besides these, there is a hybrid bond with total outstanding amount of EUR 439.3 million. The report will be available on SBB Norden's website.	✓
Formal internal process to track proceeds	The SBB Norden confirms project selection and management of proceeds to be in line with the criteria set forth in the underlying Framework.	✓
Allocation of the proceeds to social project categories	In accordance with the criteria established within the Framework, in compliance with the Social Bond Principles issued by the ICMA, SBB Norden has allocated the net proceeds of the bond issued under this Framework to new and/or existing eligible assets within the following categories: <ul style="list-style-type: none"> <li>▪ Affordable Housing</li> <li>▪ Access to Essential Services</li> </ul>	✓
Target Population(s) identified	The Issuer has defined a specific target population for the respective project categories: Care homes for people with disabilities with access to assistance & Elderly care home with access to medical care and assistance  The target population for these categories is people with disabilities and dependent elderly people.	✓

<sup>9</sup> Green bond ISIN XS2438632874 that amounted to 700m EUR has been partially repurchased for approx. 141m EUR.

<p>Output, outcome and/or impact of projects at project or portfolio level</p>	<p>The Issuer referred to existing indicator lists and catalogs from the Annex III of the HFIRSB and uses a mix of output and impact indicators to measure its impact. A detailed analysis of impact indicators is available in Part III of this report.</p>	<p>✓</p>
<p>Illustrating of the social impacts</p>	<p>The assessment and measurement of the impacts generated by SBB Norden Social Bonds and hybrid bond covered the following areas:</p> <ul style="list-style-type: none"> <li>▪ Area in sqm</li> <li>▪ Number of patients accessed healthcare service through financed facilities</li> <li>▪ Number of apartments open to access for elderly</li> <li>▪ Number of students benefitted from Preschools, Primary and Secondary schools</li> <li>▪ Number of students benefitted from Higher education and universities buildings</li> <li>▪ Number of families housed in rent regulated apartments</li> </ul>	<p>✓</p>

## RECOMMENDATIONS

ICMA HFIRSB	SUSTAINABLE BOND IMPACT REPORT	ASSESSMENT
<p>Disclose the methodology and the assumptions used for the calculation of impact indicators</p>	<p>The Issuer reports on actual absolute output indicators and quantitative impact indicators.</p> <p>The property management organization discloses the social impact on an asset level. The majority of assets (both as share of total market value and share of total area) have been inventoried and confirmed by the regional managers of the property management organization. Based on the reported impact, KPIs (social impact per square meters) has been calculated for each type of property. The indicators don't represent an incremental change between a baseline and a target.</p>	<p>✓</p>
<p>When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach</p>	<p>The reporting covered the project categories Access to Essential Services and Affordable Housing, and impacts were reported per project separately.</p>	<p>✓</p>

Disclose the methodology used to determine the share of eligible project financing being applied to impact calculation	The Issuer identified the impact of each invested eligible project but provides allocated proceeds at a portfolio level only (and not per project)	✓
Collaborating with experts if reporting on the estimated lifetime impacts and/or project economic life in years	There is no reporting available on the estimated lifetime impacts and project economic life in years.	-
Assumptions and ex-post verification	There is no ex-post verification planned for all social assets.	-
Report Period	The entirety of proceeds has been allocated to refinance social assets. Assets can be removed from or added to the eligible asset portfolio when needed (i.e. sale of an asset allocated to sustainable bonds). However, these would be replaced by a new asset according to the eligibility criteria set forth in the Framework.	✓
Disbursement reporting	The social bonds were issued in February and March 2022. The total amount of outstanding social bonds is SEK 30,622m (including the hybrid bond which is SEK 4,888m) as of 31 <sup>st</sup> December 2022.	✓
Projects with partial eligibility	All projects are 100% eligible for financing.	-

## OPINION

*The SBB Norden follows ICMA's Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB) core principles and key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope and duration, aligned with best market practices. SBB Norden has clearly reported on the social bonds' use of proceeds as well as on the expected impacts.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' categories.

This is the fourth year of allocation reporting. In 2023, all proceeds of the social and green bonds have been fully allocated. The use of proceeds' allocation reporting occurred within the regular annual cycle from the issuance.

### Proceeds allocated to eligible projects/assets

The proceeds' allocation is broken down at the portfolio level. The Issuer has provided details about the assets included in the portfolio.

The allocation report section of the Sustainable Bond Impact Report of SBB Norden aligns with best-market practices by providing information on:

- The number of projects (re-)financed
- The name of the projects (re-)financed
- The total amount of proceeds in million Euros and in SEK allocated to green and social projects.

## Impact Reporting Indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome, and/or impact of projects/assets using impact indicators.



ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicators chosen by the Issuer for this bond is the following:</p> <ul style="list-style-type: none"> <li>a) Green buildings <ul style="list-style-type: none"> <li>▪ Green buildings certification and degree of certification</li> <li>▪ Energy consumption per square meter</li> </ul> </li> <li>b) Affordable Housing and Access to Essential Services: <ul style="list-style-type: none"> <li>▪ Number of patients accessed healthcare service through financed facilities</li> <li>▪ Number of apartments open to access for elderly</li> <li>▪ Number of students benefitted from Preschools, Primary and Secondary schools</li> <li>▪ Number of students benefitted from Higher education and universities buildings</li> <li>▪ Number of families housed in rent regulated apartments</li> </ul> </li> </ul> <p>The above indicators are quantitative and material to the Use of Proceeds categories financed through the green and social bonds and in line with the Suggested Impact Reporting metrics for Green Building Projects by the ICMA Harmonized Framework for Impact Reporting and for Affordable Housing and Access to Essential Services projects by the ICMA Harmonized Framework for Impact Reporting for Social Bonds. This aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p><b>Green Eligible Assets:</b></p> <p>Green building certification: For green buildings, the Issuer uses internationally recognized certification standards such as BREEAM, Miljöbyggnad Silver, Miljöbyggnad iDrift Silver and Energy Performance Certificates (EPCs).</p> <p>Energy consumption: The energy use is tracked automatically with SBBs’ digital system for automated monitoring of energy use in buildings. The energy follow-up system is the main source of data for SBB Norden since it tracks both the actual energy use as well as energy use adjusted for temperatures that deviate from an average year. Complementary data from energy performance certificates are used since the energy follow-up system does not track energy use that is not controlled by SBB, for instance in triple-net properties.</p> <p><b>Social Eligible Assets:</b></p>






	The property management organization discloses the social impact on an asset level. The majority of assets (both as share of total market value and share of total area) have been inventoried and confirmed by the regional managers of the property management organization. Based on the reported impact, KPIs (social impact per square meters) has been calculated for each type of property. The indicators don't represent an incremental change between a baseline and a target.
<b>Baseline selection</b>	<p>a) Certification standards for Green Buildings such as Miljöbyggnad Silver, Breeam In-Use Outstanding, Energy Class A + Miljöbyggnad iDrift Silver and Energy Class A provide important baselines against which the green building projects can be benchmarked.</p> <p>b) Energy consumption is calculated according to EU Energy Performance Certificate (EPC) standards, with a base year of 2020.</p>
<b>Scale and granularity</b>	The impact data is presented at the asset level for the indicators.

### High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer's Sustainable Bond Impact Report, the impact indicator(s) adopted by SBB Norden for its Social Bonds, Hybrid bond and Green Bonds can be mapped to the following SDGs, according to the ICMA "A High-Level Mapping to the Sustainable Development Goals"<sup>10</sup>.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Green Buildings</b></p> <ul style="list-style-type: none"> <li>Energy performance per square meter</li> </ul>	
<p><b>Green Buildings Certifications</b></p> <ul style="list-style-type: none"> <li>Miljöbyggnad Silver</li> <li>Breeam In-Use Outstanding</li> <li>Miljöbyggnad iDrift Silver</li> </ul>	
<p><b>Green Buildings Certifications</b></p> <ul style="list-style-type: none"> <li>Energy Class A</li> </ul>	

<sup>10</sup> [ICMA's Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds](#)

<p><b>Access to healthcare</b></p> <ul style="list-style-type: none"> <li>Number of people benefitting from access to healthcare</li> </ul>	
<p><b>Access to education</b></p> <ul style="list-style-type: none"> <li>Number of students benefitting from Preschools, Primary and Secondary Schools</li> <li>Number of students benefitting from higher education and universities buildings</li> </ul>	
<p><b>Affordable Housing</b></p> <ul style="list-style-type: none"> <li>Number of people/families housed in rent regulated apartments</li> </ul>	

**OPINION**

*The allocation of the bonds' proceeds has been disclosed, as proposed in the Framework and the SBB Norden's Sustainable Financing Framework has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices. Besides, the impact indicators used align with best market practices using ICMA's recommended metrics, in the HFIR and the HFIRSB.*

## DISCLAIMER

1. Validity of the Report Review (“Report Review”): As long as no changes are undertaken by the Issuer to its Sustainable Bond Impact Report as of July 13, 2023.
2. ISS Corporate Solutions, Inc. (“ICS”), a wholly-owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells/distributes Report Reviews which are prepared and issued by ISS ESG, the responsible investment arm of ISS, on the basis of ISS ESG’s proprietary methodology. In doing so, ISS adheres to standardized procedures to ensure consistent quality of responsibility research worldwide. Information on ISS’s methodology is available upon request.
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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The report review of post-issuance reports provides the Issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced. On the basis of the information provided by the Issuer, the alignment of the report is assessed with recognized market guidelines, the metrics chosen by the Issuer and the soundness of process and methodology of reporting. The metrics are analyzed based on specific sets of indicators using proprietary method referring to common market guidelines.

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### SCOPE

SBB Norden commissioned ICS to compile a Report Review on its Bond Report. The Report Review process includes verifying whether the Bond Report aligns with the Issuer's Green, Social and Sustainability Bond Framework and the respective market standards, i.e. the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and to assess the robustness and completeness of the reporting methodologies.

### CRITERIA

Relevant Standards for this Report Review:

- ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines
- ICMA Harmonized Framework for Impact Reporting
- ICMA Harmonized Framework for Impact Reporting for Social Bonds
- ICMA A High -Level Mapping to the Sustainable Development Goals

### ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Sustainable Bond Impact Report
- Sustainable Financing Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

### ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Issuer Name took place from June to July 2023.

### ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyzes companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent Report Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: [SPOsales@isscorporatesolutions.com](mailto:SPOsales@isscorporatesolutions.com)

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