

# Second-Party Opinion

## Specialfastigheter Green Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Specialfastigheter Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds, Green Buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9.



**PROJECT EVALUATION AND SELECTION** Specialfastigheter has established a Green Bond Committee which will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria. The committee convenes at least once annually and consists of members from the Finance, Sustainability and Project Development departments. Specialfastigheter has internal ESG policies to monitor and mitigate environmental and social risks associated with the projects. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** Specialfastigheter’s Finance department will be responsible for the management of proceeds and will track their allocation in a spreadsheet using a portfolio approach. The Company intends to allocate proceeds within 12 months of each issuance. Pending full allocation, unallocated proceeds will be held as cash in Specialfastigheter’s ordinary bank account. This is in line with market practice.



**REPORTING** Specialfastigheter will report on the allocation of proceeds and the corresponding impacts in a Green Bond Investor Report, which will be published on its website until full allocation and in the event of any material developments. Allocation reporting will include the total amount of green bonds outstanding, the balance of eligible assets in the portfolio, a breakdown by eligible asset category, the share of financing versus refinancing, the share of unallocated proceeds. Sustainalytics views Specialfastigheter’s allocation and impact reporting as aligned with market practice.

<b>Evaluation Date</b>	November 06, 2024
<b>Issuer Location</b>	Linköping, Sweden

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**For inquiries, contact the Sustainable Corporate Solutions project team:**

**Siina Matihaldi (Amsterdam)**  
 Project Manager  
[siina.matihaldi@morningstar.com](mailto:siina.matihaldi@morningstar.com)  
 (+31) 20 751 1353

**Sneha Ananthkrishnan (Mumbai)**  
 Project Support

**Kibii Sisulu (London)**  
 Client Relations  
[susfinance.emea@sustainalytics.com](mailto:susfinance.emea@sustainalytics.com)  
 (+44) 20 3880 0193

## Introduction

Specialfastigheter Sverige AB (“Specialfastigheter” or the “Company”) is a Swedish state-owned real estate company that builds, owns and manages high-security properties. Headquartered in Linköping, the Company has a portfolio footprint of 1.2 million m<sup>2</sup> that includes correctional facilities, juvenile care homes, courts of law and police facilities.

Specialfastigheter has developed the Specialfastigheter Green Bond Framework dated November 2024 (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, existing and future projects aimed at contributing to the decarbonization of buildings in Sweden. The Framework defines eligibility criteria in the following area:

### 1. Green Buildings

Specialfastigheter engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>1</sup> The Framework will be published in a separate document.<sup>2</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>3</sup> opinion on alignment of the Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the GBP 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of Specialfastigheter to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Specialfastigheter representatives have confirmed that: (1) they understand it is the sole responsibility of Specialfastigheter to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with it.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Specialfastigheter.

Sustainalytics’ Second-Party Opinion assesses alignment of the Framework with market standards but provides no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the issuer.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> The Specialfastigheter Green Bond Framework will be available on Specialfastigheter’s website at: <https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona-obligationer#:~:text=Specialfastigheter%20har%20tillsammans%20med%20SEB,med%20en%20tydlig%20milj%C3%B6m%C3%A4ssig%20h%C3%A5llbarhetsprofil>.

<sup>3</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

completeness of any facts or statements and related surrounding circumstances that Specialfastigheter has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Specialfastigheter Green Bond Framework

Sustainalytics is of the opinion that the Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category, Green Buildings, is aligned with those recognized by the GBP.
  - Specialfastigheter has defined a look-back period of three years for refinancing operating expenditures, which Sustainalytics considers to be in line with market practice.
  - Under the Green Buildings category, Specialfastigheter may finance or refinance new and existing high security buildings<sup>4</sup> in Sweden according to the following criteria:
    - Buildings built after 31 December 2020 that meet the following criteria:
      - Primary energy demand (PED) at least 10% lower than the threshold set for the applicable nearly zero-energy buildings (NZEB) and certified or expected to be certified to the following minimum certification levels: i) Miljöbyggnad Silver;<sup>5</sup> ii) Nordic Swan Ecolabel;<sup>6</sup> iii) BREEAM Excellent;<sup>7</sup> iv) LEED Gold.<sup>8</sup> All certifications will be verified by a third party.
      - Buildings larger than 5,000 m<sup>2</sup> will also be tested for airtightness and thermal integrity upon completion and will have a life cycle global warming potential (GWP) calculated for each stage of its life cycle.
    - Buildings built before 31 December 2020 that meet one of the following criteria:
      - EPC A or in the top 15% of the national building stock in terms of operational PED demonstrated by adequate evidence.
    - Renovations leading to PED savings of at least 30% within three years compared to the pre-retrofit state and validated through an EPC upon completion of the renovation.
    - Specialfastigheter has confirmed to Sustainalytics that it will limit financing to expenditures related to renovations, unless a building meets the criteria for existing buildings as a result of the retrofit, in which case the asset value of the building can be financed.
    - Sustainalytics considers investments under this category to be aligned with market practice.
  - The Framework excludes the following sectors and activities: i) fossil fuel-based energy generation; ii) nuclear energy generation; iv) gambling; and v) tobacco.
- Project Evaluation and Selection:
  - Specialfastigheter has established a Green Bond Committee which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria.
  - The committee convenes at least once annually and consists of representatives from the Finance, Sustainability and Project Development departments.
  - The committee is responsible for the identification and management of environmental and social risks associated with eligible projects, in compliance with the Company's ESG policies<sup>9</sup> as well as applicable laws and regulations. This is applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of the GBP. For additional detail see Section 2.

<sup>4</sup> Specialfastigheter has confirmed to Sustainalytics that the Company aims to finance buildings whose tenants have high physical or information security requirements, including buildings dedicated to the Swedish military forces and the Swedish police, prisons, courts and prosecutors' offices. The Company follows specific security requirements regarding building design and construction materials.

<sup>5</sup> Miljöbyggnad: <https://www.sgbc.se/certifying/miljobyggnad/>

<sup>6</sup> Nordic Swan Ecolabel: <https://www.nordic-swan-ecolabel.org/>

<sup>7</sup> BREEAM: <https://breeam.com/standards/new-construction>

<sup>8</sup> LEED: <https://www.usgbc.org/leed>

<sup>9</sup> Specialfastigheter shared its internal ESG policies with Sustainalytics confidentially.

- Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Specialfastigheter's Finance Department will be responsible for the management of net proceeds and will track their allocation in a spreadsheet using a portfolio approach.
  - The Company intends to allocate proceeds within 12 months of each issuance on a best-effort basis. Pending full allocation, unallocated proceeds will be temporarily held as cash in the Company's ordinary bank account.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - The Company will report on the allocation of proceeds and corresponding impact in its Green Bond Investor Report, which will be published on its website on an annual basis until full allocation and in the event of any material developments.
  - Allocation reporting will include the total amount of green bonds outstanding, a balance of the eligible assets in the portfolio, the available headroom in the value of the assets, a breakdown by asset category, the share of financing versus refinancing, the share of unallocated proceeds, a list of eligible assets if they are not of confidential nature and, on a best-effort basis, information on the share of assets aligned with the EU Taxonomy. The allocation of proceeds will be reviewed by an external auditor or an independent third party annually until full allocation and in the event of any material developments.
  - Impact reporting will include relevant environmental impact metrics, where available, such as energy avoided below national building standards (in kWh/m<sup>2</sup>/year) and reduced or avoided GHG emissions (in tCO<sub>2</sub>e).
  - Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Sustainalytics has determined that the Specialfastigheter Green Bond Framework aligns with the four core components of the GBP.

## Section 2: Sustainability Strategy of Specialfastigheter

### Contribution to Specialfastigheter's sustainability strategy

Specialfastigheter's sustainability strategy focuses on the following three key environmental areas: i) reducing GHG emissions by improving energy efficiency in the building portfolio; ii) preserving biodiversity around the properties; and iii) increasing the use of sustainable construction materials.<sup>10</sup>

Specialfastigheter has set a target to reduce its absolute scope 1 and 2 GHG emissions by 50% by 2030 and its scope 3 GHG emissions from construction by 50% per built square metre of gross floor area by 2030 from a 2018 baseline.<sup>11</sup> These targets were validated by the SBTi in 2021 under the validation route for small- and medium-sized enterprises.<sup>12</sup> Additionally, the Company intends to achieve net zero emissions throughout its value chain by 2045.<sup>13</sup> To achieve its emissions reduction goals, Specialfastigheter intends to reduce purchased energy by 20% per square metre by 2030 compared to a 2012 baseline and limit energy purchases to fossil free energy by 2030.<sup>14</sup>

To improve the energy efficiency of its building portfolio, Specialfastigheter intends to obtain at least the Miljöbyggnad Silver green building certification for all new constructions. In addition, the Company has developed annual emission budgets for different building types in new construction projects.<sup>15,16</sup>

Regarding biodiversity protection, the Company aims to conduct inventories of nature conservation values (NVIs) on all its properties larger than 10 hectares.<sup>17</sup> The goal of the NVIs is to prepare action plans

<sup>10</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability report 2023", at:

[https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>11</sup> Ibid.

<sup>12</sup> SBTi, "Companies taking action", at: <https://sciencebasedtargets.org/companies-taking-action>

<sup>13</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability Report 2023", at:

[https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>14</sup> Ibid.

<sup>15</sup> Specialfastigheter, "Specialfastigheter Green Bond Framework", (2024), at: [https://www.specialfastigheter.se/ekonomi-](https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona)

[finans/finansiering/grona](https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona)

[obligationer#:~:text=Specialfastigheter%20har%20tillsammans%20med%20SEB,med%20en%20tydlig%20milj%C3%B6m%C3%A4ssig%20h%C3%A5llbarhetsprofil.](https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona)

<sup>16</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability Report 2023", at:

[https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>17</sup> Specialfastigheter shared its biodiversity policy with Sustainalytics confidentially.

to preserve biodiversity, specifically species listed under the IUCN Red List of Threatened Species,<sup>18</sup> in areas surrounding the properties.<sup>19</sup> In 2023, the Company performed 52 such inventories, resulting in the creation of 48 nature conservation plans. For 2024, Specialfastigheter plans to conduct more inventories, expected to cover approximately half of the Company's property portfolio.<sup>20</sup> Specialfastigheter is also a project partner for the Swedish measurement tool CLIMB (Changing Land Use Impact on Biodiversity) that calculates the positive and negative impacts on biodiversity, primarily associated with changes in land use. The Company incorporated the tool into an internal project, which is nearing completion in October 2024, to assess the applicability of CLIMB. Once the project is complete, the Company plans to integrate the learnings into its future strategy.<sup>21</sup>

Specialfastigheter assesses the environmental impact of its building materials by using a classification system, SundaHus.<sup>22</sup> In 2023, the Company reached its target of having 80% of the input materials classified in the two highest categories.<sup>23</sup> Furthermore, in 2023, the Company adopted additional sustainable construction solutions such as switching from steel to wooden frames in the design of a carpentry workshop, which helped to avoid 184 tCO<sub>2</sub>e in 2023. Additionally, the Company redesigned its steel frames avoiding the use of 58 tonnes of steel and saving approximately 158 tCO<sub>2</sub>e in the same year.<sup>24</sup>

Sustainalytics is of the opinion that the Specialfastigheter Green Bond Framework is aligned with Specialfastigheter's overall sustainability strategy and initiatives and will further its actions on its key environmental priorities.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity loss; ii) emissions, effluents and waste generated in construction; iii) occupational health and safety (OHS); iv) community relations; and v) business ethics.

Sustainalytics is of the opinion that Specialfastigheter is able to manage or mitigate potential risks through implementation of the following:

- Regarding risks related to land use and biodiversity loss, Directive 2014/52/EU<sup>25</sup> requires projects financed in the EU with expected significant environmental impacts to be evaluated before approval on their potential direct and indirect environmental impacts. The directive also requires such projects to have appropriate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, with the focus on species and habitats. For land intensive projects, the directive also requires projects to obtain an environmental impact assessment which identifies, describes and assesses land-related impacts. In addition, large scale projects must limit their effects on land and soil, including organic matter, erosion, compaction and sealing.<sup>26</sup> Additionally, the EU Habitats Directive and Birds Directive, which are part of the EU Biodiversity Strategy for 2030, require projects in the EU to support the conservation of biodiversity, particularly threatened and endemic species.<sup>27,28</sup> Specialfastigheter has a four-step biodiversity loss mitigation plan that describes dedicated action items for different stakeholder groups, including the Company's project managers, existing clients and building maintenance staff.<sup>29</sup> The plan also mandates projects to have an environmental risk

<sup>18</sup> The IUCN, "The IUCN Red List of Threatened Species", at: <https://www.iucnredlist.org/>

<sup>19</sup> Specialfastigheter, "Specialfastigheter Green Bond Framework", (2024), at: <https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona-obligationer#:~:text=Specialfastigheter%20har%20tillsammans%20med%20SEB,med%20en%20tydlig%20milj%C3%B6m%C3%A4ssig%20h%C3%A5lbarhetsprofil>

<sup>20</sup> Ibid.

<sup>21</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability report 2023", at: [https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>22</sup> iBinder Group, "SundaHus Material Data", at: <https://ibinder.com/sundahus/en/services/sundahus-material-data/>

<sup>23</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability report 2023", at: [https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>24</sup> Specialfastigheter, "Specialfastigheter Green Bond Framework", (2024), at: <https://www.specialfastigheter.se/ekonomi-finans/finansiering/grona-obligationer#:~:text=Specialfastigheter%20har%20tillsammans%20med%20SEB,med%20en%20tydlig%20milj%C3%B6m%C3%A4ssig%20h%C3%A5lbarhetsprofil>

<sup>25</sup> European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

<sup>26</sup> Ibid.

<sup>27</sup> European Commission, "Biodiversity strategy for 2030", at: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

<sup>28</sup> European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009L0147>

<sup>29</sup> Specialfastigheter shared its biodiversity policy with Sustainalytics confidentially.

assessment pre-acquisition, to minimize negative biodiversity impacts in the construction stage and to implement biodiversity restoration and compensation activities after construction.

- Regarding emissions, effluents and waste generated in construction, Directive 2008/98/EC<sup>30</sup> requires companies in the EU to manage their construction and demolition waste without causing harm to human health or the environment. In addition, Specialfastigheter's buildings are ISO 14001 certified<sup>31</sup> and audited regularly.<sup>32</sup> The Company also requires contractors to develop, implement and report on an environmental management plan that covers all steps in the building construction.<sup>33</sup> The plan must align with Specialfastigheter's environmental goals and include details on the buildings' energy use, inner air quality, building materials and recycling of construction waste.<sup>34</sup>
- With respect to occupational health and safety, Specialfastigheter is ISO 45001 certified<sup>35</sup> and its Workplace Environment Policy outlines the Company's processes to maintain a physically and socially safe work environment.<sup>36</sup> Specialfastigheter has a Work Environment Committee (*Arbetsmiljökommittén*) that consists of employer and employee representatives. The committee convenes four times a year and is responsible for conducting annual, property-specific risk assessments. Additionally, the Company's Supplier Code of Conduct<sup>37</sup> requires all suppliers to maintain a safe working environment, including setting limits to working hours and providing safety information in languages understood by all employees. The Company also conducts audits on the suppliers' compliance on the agreed upon health and safety practices.<sup>38</sup>
- To address risks related to community relations, Specialfastigheter's detailed development plan for new construction includes a process for early-stage community dialogue governed by local authorities. In addition, the Company is developing a Human Rights Policy, expected to be adopted in April 2025, which will outline the Company's processes for community engagement in more detail.<sup>39</sup> The processes will include engaging in dialogues with local communities and conducting stakeholder mapping to understand the needs and concerns of those impacted by the Company's operations.<sup>40</sup>
- To address risks related to business ethics, Specialfastigheter's Code of Conduct follows the UN Global Compact,<sup>41</sup> the UN Convention against Corruption,<sup>42</sup> the UN Guiding Principles on Business and Human Rights<sup>43</sup> and the OECD Guidelines for Multinational Enterprises.<sup>44</sup> The code outlines the Company's processes to prevent, detect, manage and report unethical business practices, including corruption, information security and privacy issues, human rights violations and discrimination.<sup>45</sup> Similarly, the Company's Supplier Code of Conduct also follows the UN Global Compact and requires its suppliers to maintain high ethical standards on information security, working conditions, human rights and business ethics.<sup>46</sup> Specialfastigheter has an anonymous whistleblower tool available to internal and external stakeholders.<sup>47</sup>
- Sustainalytics notes that the eligible projects will be located in Sweden, which is recognized as a Designated Country under the Equator Principles,<sup>48</sup> indicating the presence of robust environmental and social governance systems, legislation and institutional capacity to protect the environment and communities, including stakeholder engagement.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Specialfastigheter has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

<sup>30</sup> European Commission, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

<sup>31</sup> ISO, "ISO 14001:2015", at: <https://www.iso.org/standard/60857.html>

<sup>32</sup> Specialfastigheter, "Specialfastigheter Annual Report and Sustainability report 2023", at:

[https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter\\_AR23\\_ENG\\_16X9\\_240426.pdf](https://www.specialfastigheter.se/download/18.5111388918f0f9dd2fd18f1/1714139501919/Specialfastigheter_AR23_ENG_16X9_240426.pdf)

<sup>33</sup> Specialfastigheter has shared its Environmental Policy with Sustainalytics confidentially.

<sup>34</sup> Ibid.

<sup>35</sup> ISO, "ISO 45001:2018", at: <https://www.iso.org/standard/63787.html>

<sup>36</sup> Specialfastigheter shared its Work Environment Policy with Sustainalytics confidentially.

<sup>37</sup> Specialfastigheter, "Ansvarskod för leverantörer", at: <https://www.specialfastigheter.se/om-oss/hallbar-affar/ansvarskod>

<sup>38</sup> Ibid.

<sup>39</sup> Specialfastigheter, "Whistleblowing", at: <https://www.specialfastigheter.se/om-oss/visselblasning>

<sup>40</sup> Specialfastigheter shared the details of the Human Rights Policy with Sustainalytics confidentially.

<sup>41</sup> United Nations Global Compact, "About the UN Global Compact", at: <https://unglobalcompact.org/about>

<sup>42</sup> United Nations Office on Drugs and Crime, "United Nations Convention Against Corruption", at:

[https://www.unodc.org/documents/brussels/UN\\_Convention\\_Against\\_Corruption.pdf](https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf)

<sup>43</sup> OHCHR, "Guiding Principles on Business and Human Rights", at:

[https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf)

<sup>44</sup> OECD, "OECD Guidelines for Multinational Enterprises on Responsible Business Conduct", at: <https://mneguidelines.oecd.org/mneguidelines/>

<sup>45</sup> Specialfastigheter, "Uppförandekod", at: <https://www.specialfastigheter.se/om-oss/hallbar-affar/uppforandekod>

<sup>46</sup> Specialfastigheter, "Ansvarskod för leverantörer", at: <https://www.specialfastigheter.se/om-oss/hallbar-affar/ansvarskod>

<sup>47</sup> Specialfastigheter, "Visselblåsning", at: <https://www.specialfastigheter.se/om-oss/visselblasning>

<sup>48</sup> Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

### Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

#### Importance of financing green buildings in Sweden

Between 2005 and 2021, Sweden achieved a 64% reduction in GHG emissions from energy use in buildings, marking the most significant decline in emissions among EU countries in this period.<sup>49</sup> Nevertheless, the buildings sector remains a substantial contributor to the country's carbon footprint, accounting for approximately 34% of Sweden's total energy consumption and 22% of GHG emissions in 2021.<sup>50</sup> Sweden has set a target to reduce its total GHG emissions by 59% by 2030 from a 2005 baseline and achieve net zero emissions by 2045.<sup>51</sup>

To meet its decarbonization goals, the Swedish government has implemented the following measures in the buildings sector: i) limiting the energy consumption of non-residential buildings to 80 kWh/m<sup>2</sup>; ii) providing training programmes on low-energy buildings for stakeholders in the construction sector; and iii) promoting energy efficiency through financial support programmes.<sup>52,53</sup> Additionally, Sweden's 2022 Act on Climate Declarations requires developers of new buildings to obtain a climate declaration that includes reporting on climate impact indicators, such as GHG emissions per gross floor area, operational energy use and waste disposal.<sup>54</sup> In this regard, Boverket, the Swedish National Board of Housing, Building and Planning, intends to expand the scope of the climate declaration to cover the entire life cycle of a building, beginning January 2027.<sup>55</sup> This expansion will also lead to reporting requirements on climate impacts linked to groundworks and ground improvements.<sup>56</sup>

In view of the above, Sustainalytics considers that Specialfastigheter's financing of green buildings is expected to contribute to the decarbonization of the building stock in Sweden and the country's climate goals.

#### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Specialfastigheter Green Bond Framework are expected to advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

### Conclusion

Specialfastigheter has developed the Specialfastigheter Green Bond Framework, under which it may issue green bonds and use the proceeds to finance green buildings in Sweden. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines a process for tracking allocation and management of proceeds and makes commitments for reporting on allocation and impact. Sustainalytics is of the opinion that

<sup>49</sup> European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", (2023), at: <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-energy>

<sup>50</sup> Boverket, "Miljöindikatorer – aktuell status", (2024), at: <https://www.boverket.se/sv/byggande/hallbart-byggande-och-forvaltning/miljoindikatorer--aktuell-status/>

<sup>51</sup> International Energy Agency, "Sweden", at: <https://www.iea.org/countries/sweden>

<sup>52</sup> Government of Sweden, Ministry of Infrastructure, "Sweden's Third National Strategy for Energy Efficient Renovation", (2020), at: [https://energy.ec.europa.eu/system/files/2020-05/se\\_2020\\_ltrs\\_official\\_translation\\_0.pdf](https://energy.ec.europa.eu/system/files/2020-05/se_2020_ltrs_official_translation_0.pdf)

<sup>53</sup> Government of Sweden, "Sweden's draft integrate national energy and climate plan", (2020), at:

<https://www.government.se/contentassets/e731726022cd4e0b8ffa0f8229893115/swedens-draft-integrated-national-energy-and-climate-plan/>

<sup>54</sup> Boverket, "Climate declaration for new buildings", (2023), at: <https://www.boverket.se/en/start/building-in-sweden/developer/rfq-documentation/climate-declaration/>

<sup>55</sup> Boverket, "Limit values for climate impact from buildings", (2023), at: <https://www.boverket.se/globalassets/engelska/limit-values-for-climate-impact-from-buildings-and-an-expanded-climate-declaration.pdf>

<sup>56</sup> Ibid

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Specialfastigheter's Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goal 9. Additionally, Sustainalytics is of the opinion that Specialfastigheter has adequate measures in place to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Specialfastigheter is well positioned to issue green bonds, and that the Specialfastigheter Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

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