



Green Financing Framework

March 2022





Important Notice

This document (the **“Green Financing Framework”** or **“Framework”**) contains information on Stockholm’s Kooperativa Bostadsförening, kooperativ hyresrättsförening (**“SKB”**) and its potential use of financing with added environmental criteria (the **“Green Terms”**).

Any financing that includes the Green Terms in its associated financing documentation, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as Green Financing (**“Green Financing”**). Other labels may apply to the specific type of financing, for instance Green Bond (**“Green Bond”**), Green Commercial Paper (**“Green Commercial Paper”**) or Green Bank Loan (**“Green Bank Loan”**). Under this Framework, SKB will only be able to borrow in a green format. A green label will signify that all of the proceeds will be allocated to projects and assets that are assessed as compliant with the green criteria in this Framework (as described in the Use of Proceeds section). Depending on the language of the financing documentation, the Green Terms in this Green Financing Framework may be translated into other languages, as required or preferred in the local jurisdiction. Furthermore, all parties are advised to review the applicable risk factors and terms specific for the type of Green Financing used, for instance in the relevant financing documentation, issuance prospectus or information memorandum.

Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Green Financing Framework, and for making such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Green Terms would be applicable, for instance regarding the adherence to current and future regulation, standards or market practices such as the Green Bond Principles (**“GBP”**), Green Loan Principles (**“GLP”**), the forthcoming European Green Bond Standard (**“EUGBS”**) or the EU Taxonomy (**“Taxonomy”**).

New green financing will include a reference to, or inclusion of, the most recently published Green Terms, which shall be subject to the version of the Green Terms specified in the associated financing documentation.



Table of Contents

Company Overview	4
About SKB	4
SKB’s Contribution to Sustainability	4
Path to Become Fossil Free and Reach Climate Neutrality	6
SKB’s Green Financing Framework	6
Methodology	8
Environmental Objectives (as outlined in the GBP and GLP)	8
Exclusions	9
Allocation of Net Proceeds	9
Alignment with the UN Sustainable Development Goals	9
Green Terms	10
1. Use of Proceeds	10
2. Process for Project/Asset Evaluation and Selection	14
3. Management of Proceeds	15
4. Reporting and Transparency	15
5. External Review	17
Definitions	17
Policy Documents that Govern SKB’s Sustainability Work	19



Company Overview

About SKB

Stockholm's Kooperativa Bostadsförening is a cooperative membership-owned housing association that builds, manages and rents residential properties to its members. It was founded in 1916 and born out of the desire to create better housing conditions together at a time when Stockholm was growing rapidly. The majority of the properties are located in the city of Stockholm and approximately half of them in the city center. SKB also owns properties in six other municipalities around Stockholm and Uppsala. SKB is the largest private housing association in Stockholm.

Facts (as of year 2021)

- 8 237 apartments (146 properties)
- 92 100 members
- 140 employees
- 812 MSEK turnover
- 146 MSEK profit
- 29 186 MSEK market value of properties

SKB distributes its apartments according to a queuing system. Apartments cannot be bought or sold. When an apartment becomes available, it is rented to the member who has been on the waiting list the longest. SKB is a not-for-profit association where the economic surplus is reinvested in SKB's daily operations. It has no political affiliation and is open to everyone. Members of the association are private individuals. SKB is proud to have won a number of awards in recent years. For example, SKB has several times been awarded "Best run housing organization with more than 2,000 apartments" in Sweden.

SKB's Contribution to Sustainability

SKB works with the three pillars of sustainability; Economic ("Have a sound economy"), Environmental ("Take green responsibility") and Social ("Be a responsible community builder") and is continuously and systematically working to improve sustainability across several areas. SKB has never sold any of its properties and can be described as an "eternal property manager". This enables SKB to work on long-term sustainability throughout the life cycle of the properties - from the construction phase to various maintenance activities performed over time. SKB also supports different social initiatives - among its members in the neighborhoods and the local society.





The association aims to pursue its sustainability work through three main ambitions:

- Ambition to create conditions that enable SKB's stakeholders to contribute to a sustainable development, especially in relation to housing and transportation.
- Ambition to always consider SKB's impact on people, environment and society in everything we do.
- Ambition to create collaborations with other members of society to enable innovation and drive development within the field of sustainability.

For SKB, the three pillars of sustainability have the following meanings (examples):

Environmental

- Become fossil-free by year 2030 (part of Sveriges Allmännyttas¹ Climate Initiative).
- Continue to reduce energy consumption with 30 percent between 2007 and 2030, for example, by building well isolated exterior walls, installing energy windows and other energy-efficient installations in new properties. This goal is also part of Sveriges Allmännyttas Climate Initiative.
- Project new buildings to have a maximum energy consumption of 55 kWh/sqm Atemp/year and meet the energy classification of at least Miljöbyggnad Silver or Svanen.
- Carry out heat recovery projects and other projects such as replacing windows, façade insulations, efficient lighting etc in existing properties. SKB also installs efficient water systems in order to reduce and streamline water consumption.
- Introduce "Sustainable living" to households renting apartments from SKB as an initiative to encourage tenants to make sustainable choices, for example by facilitating bicycle areas, charging stations for electric cars, garbage handling, efficient water consumption, cultivation possibilities etc.
- Undertake other measures continuously such as investments in renewable energy solutions, cleaner transports, using sound materials and chemicals, as well as installing "green" roofs and other activities that promote biodiversity.

Social

- Encourage members' engagement in different areas such as decision-making within the association, (elected representatives), create a pleasant atmosphere in the neighborhoods/properties where people live and develop the association.
- Work actively with the well-being of people living in SKB's properties to encourage social integration among households. This means, for example, to facilitate common spaces in the buildings and create nice and inviting outdoor environments.
- Support local presence by having SKB staff in each property.
- Enable reasonable rental levels (as well as yearly increases)
- Take social responsibility in SKB's neighborhoods by different collaborative initiatives (for example, SKB is a member of different property associations with the objective to enhance the attractiveness and to strengthen certain areas' reputation).
- Cooperate with organizations that support social development in a wide range of areas (examples are the foundation Låxhjälp and Stockholm's Stadsmission. Låxhjälp)

¹ Sveriges Allmännyttas is an industry and interest organisation for public housing companies.



offers help with homework free of charge in vulnerable areas and Stockholm's Stadsmission helps homeless people to have somewhere to stay overnight.)

- Increase safety and well-being by performing safety inspections/certifications throughout SKB's properties, leading to measures when assessed necessary.

Economic

- Ensure a financial surplus that will be reinvested in the association (to handle future commitments in terms of maintenance of existing properties, develop new properties with a sound debt-level as well as developing the association as a whole).
- Ensure a reasonable level of risk-taking that won't imperil the existence of the company or the economic interests of the members.
- Ensure a high level of green financing.

Path to Become Fossil Free and Reach Climate Neutrality

SKB aims at becoming fossil-free by latest year 2030. This means that electricity, district heating (heating systems) and fuel to owned vehicles/machines all shall have fossil-free sources. Since 2014, SKB uses 100% renewable and fossil-free electricity (25% wind and 75% water). As a compliment, solar-power systems are continuously being installed to generate additional "clean" electricity. About 99% of the district-heating is today fossil-free and the suppliers aim at becoming fossil-free by latest year 2030. When it comes to fuel to owned vehicles/machines, a program has been launched to phase out fossil fuel vehicles/machines. About 30% remains to be phased out.

SKB also aims at reaching climate neutrality by latest year 2045. An analysis has been done, using different scopes (scope 1, 2 and 3), where the most relevant sources of climate impact have been identified. Two standards, the Green House Gas Protocol (GHGP) and GRI Standards are used to calculate the climate impact. According to the analysis, SKB's main focus in the coming years will be on purchasing, remodeling and building new properties in alternative ways (for example by reducing the impact of using concrete as a building material) and affect/enable households living in SKB's properties to reduce their climate impact (for example by stimulating renewable transportation solutions, energy savings and recycling measures).

SKB's Green Financing Framework

This Green Financing Framework is an update to SKB's Green Bond Framework originally published in October 2016. Since SKB's sustainability ambitions have evolved, the association has decided to update the Framework to better reflect the work and progress as well as align with current market standards and best practices. SKB will always strive to monitor the development of the sustainable finance market to continually advance the Green Terms. As such the Framework may be updated from time to time to reflect current market best practices. This Framework's main update includes a revision of the methodology section, an updated and extended background section and inclusion of the UN Sustainable Development Goals ("SDGs"). This update will enable SKB to focus even more on positive green impacts in the future as well as linking these ambitions to specific objectives/goals.



Hence, the goal is that all debt financing operations should be green, including various instruments. Debt instruments will include Bonds, Commercial Papers, Bank Loans as well as Revolving Credit Facilities (RCFs). Bonds and Commercial Papers issued under this Framework will be aligned with International Capital Markets Association (“ICMA”)’s Green Bond Principles (GBP) as of June 2021. Bank financing under this Framework will be aligned with the GBP and the LMA, APLMA and LSTA Green Loan Principles (“GLP”) as of February 2021.

This Framework is aligned with the following four components of the GBP and GLP; Use of Proceeds (Section 1), Process for Project/Asset Evaluation and Selection (Section 2), Management of Proceeds (Section 3) and Reporting (Section 4).

SKB has worked with Handelsbanken to develop the Green Financing Framework. CICERO has provided a second opinion on the Framework, which is publicly available on SKB’s website.

March 1st, 2022

Ulf Nyqvist
CEO

Joakim Wernersson
CFO



Methodology

Eligible Projects and/or Assets are green assets identified within SKB that support the transition to low carbon intensity and sustainable development. All Green Eligible Projects and/or Assets shall contribute to one or more of the following set of objectives:

Environmental Objectives (as outlined in the GBP and GLP)

The Green Bond principles contains a set of high-level Environmental Objectives (EOs), which outline the main environmental benefits of the anticipated use of proceeds.

1. **Climate change mitigation:** Activities that contribute to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or by greenhouse gas removals.
2. **Climate change adaptation:** Activities that contribute to reducing or preventing the negative effects of the current and expected future climate on the location and context specific economic activities or natural and built environments.
3. **Natural resource conservation:** Activities that contribute to the sustainable utilization of natural resources, for instance soils, waters and plants, or the preservation of forests and watershed areas, to ensure that renewable resources are not used up faster than they are replaced, while decreasing the dependence and ensuring the sustainable use of non-renewable resources.
4. **Biodiversity conservation:** Activities that contribute to the preservation and regeneration of genetic, species and ecosystem diversity in the terrestrial, marine and aquatic environment.
5. **Pollution prevention and control:** Activities that contribute to a high level of environmental protection from pollutants other than greenhouse gases affecting air, water or soil whilst minimizing negative impact on human health and the environment.

Not more than 15 percent of the net proceeds will be allocated to Green Eligible Projects and/or Assets with a primary alignment towards Environmental Objectives 3-5.



Exclusions

The net proceeds will not be allocated or linked to fossil-based energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Allocation of Net Proceeds

An amount equal to the net proceeds will be used to finance Green Eligible Projects and/or Assets in accordance with the Green Financing Framework. The long-term ambition is to allocate additional/new financing to new projects and assets (defined as ongoing projects and assets financed within 12 months from the time of completion). The proportion of net proceeds allocated to new projects and assets will be disclosed in the annual reporting.

Alignment with the UN Sustainable Development Goals

Agenda 2030 and the Sustainable development goals (SDGs) were adopted by the United Nations General Assembly on September 25, 2015. There are 17 global goals with 169 defined underlying targets, aimed at achieving long-term sustainable economic, social and environmental development to end poverty, protect the planet and ensure that all people enjoy peace and prosperity². SKB has chosen to focus on six out of the 17 SDGs (where the company considers itself to have the greatest opportunity to contribute and/or where the goals are of greatest relevance). The Green Financing Framework will promote the following goals:

- SDG 3 Good health and well-being
- SDG 7 Affordable and clean energy
- SDG 8 Decent work and economic growth
- SDG 11 Sustainable cities and communities
- SDG 12 Responsible consumption and production
- SDG 13 Climate action



² <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>



SKB has mapped the SDGs with its own sustainability work in the following manner (examples):

<p>Have a sound economy (SDG 8, 12)</p> <ul style="list-style-type: none"> • There is an economic surplus that ensures future commitments such as building new properties with a sound debt-level as well as maintaining existing ones in a responsible manner. • The economic risk-taking is sound and does not jeopardize the future existence of SKB or the economic interests of the members. • Financing activities are green. • The supply chain is sound i.e. relevant sustainability requirements are set when purchasing. 	<p>Take green responsibility (SDG 7, 11, 12, 13)</p> <ul style="list-style-type: none"> • SKB's greatest climate impact has been identified and SKB is continuously working on reducing this. • SKB aims at becoming fossil-free by year 2030 and reduce energy consumption with 30 percent between 2007 and 2030. • Households living in SKB's properties have the possibility to participate and commit themselves to sustainable living. • All properties are environmentally classified. • Activities are implemented that promote biodiversity. 	<p>Be a responsible community builder (SDG 3, 11)</p> <ul style="list-style-type: none"> • SKB creates diversity in the housing market when it comes to different forms of lease. • SKB supply apartments to come to terms with housing shortages in the region. • SKB encourages members and staff' engagement within the association. • SKB works actively with the safety/security and well-being of the people living in SKBs properties. • SKB takes social responsibility in the neighbourhoods (where the organization has a presence). • SKB is a natural partner when it comes to collaboration.
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Green Terms

1. Use of Proceeds

An amount equivalent to the net proceeds from Green Financing will be used by SKB, in whole or in part, to finance and re-finance Green Eligible Projects and/or Assets that promote green benefits (see categories and criteria below) and adhere to the Exclusion criteria, Allocation criteria as well as the EOs described in the Methodology section.

Both financing and refinancing of the Green Eligible Projects and/or Assets (without age restriction) and operational expenditures (up to three years backward looking) can qualify. The combined financing of an Eligible Project and/or Asset (with respect to any type of financing) may not exceed market value. SKB only operates in the Swedish market and the net proceeds will therefore be used exclusively to finance and refinance investments and



expenditures in Sweden. The connection between the Green Eligible Projects and/or Assets to the EOs and SDGs is provided in the table below³. The mapping may not be fully exhaustive but should be regarded as the most relevant ones in each case.

GREEN BUILDINGS



Primary Contribution to the Environmental Objectives:
Climate change mitigation

Primary Contribution to the SDG Targets:

- 3 – Good health and well-being of people.
- 7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix.
- 7.3 – By 2030, double the global rate of improvement in energy efficiency.
- 8.4 – Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.
- 11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services etc.
- 11.6 – By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- 12.8 – By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- 13 – Take urgent action to combat climate change and its impacts.

³ Mapping of the GBP and SBP to the SDGs is provided by ICMA Green & Social Bonds, <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>



GREEN BUILDINGS *

Type	New buildings	Existing buildings
<p>Environmentally certified (buildings that have or will receive a design stage certification or a post-construction certification)</p>	<ul style="list-style-type: none"> • Miljöbyggnad Silver (or better) or Svanen • Primary energy demand is at least 10% lower than the applicable national NZEB requirement 	<ul style="list-style-type: none"> • Miljöbyggnad Silver (or better) or Svanen • A lower energy use than required by the applicable national building code, BBR for construction years (expressed as either primary energy use or specific energy use): 2006–2021 at least 15% 2022– at least 10% • Major renovation of buildings (construction years prior to 2006) that achieve at least 30% reduced energy (expressed as either primary energy use or specific energy use)
<p>Wood construction (buildings that have or will use FSC or PEFC certified wood as the main building component and thereby minimize the use of cement and steel)</p>	<ul style="list-style-type: none"> • Primary energy demand is at least 10% lower than the applicable national NZEB requirement 	<ul style="list-style-type: none"> • A lower energy use than required by the applicable national building code, BBR for construction years (expressed as either primary energy use or specific energy use): 2006–2021 at least 15% 2022– at least 10% • Major renovation of buildings (construction years prior to 2006) that achieve at least 30% reduced energy (expressed as either primary energy use or specific energy use)
<p>Energy efficient (buildings that are highly energy efficient and/or have achieved substantially improved energy efficiency through renovation)</p>	<ul style="list-style-type: none"> • Primary energy demand is at least 15% lower than the applicable national NZEB requirement 	<ul style="list-style-type: none"> • A lower energy use than required by the applicable national building code, BBR for construction years (expressed as either primary energy use or specific energy use): 2006–2021 at least 20% 2022– at least 15% • Major renovation of buildings (construction years prior to 2006) that achieve at least 30% reduced energy (expressed as either primary energy use or specific energy use)



* Green buildings also aim to address positive social outcomes such as reducing the housing shortages in Mälardalen (primarily in Stockholm and Uppsala), increasing the diversity of lease options (more cooperative rental units in these areas) as well as improving living conditions relating to security/safety for people living in SKB properties (through certifications by Svensk Trygghetscertifiering - for more information see www.svensktrygghetscertifiering.se).

ENERGY EFFICIENCY IN BUILDINGS

Investments (based on a sum of projects that are being undertaken at the same time) in the existing portfolio of buildings that target a lower overall energy use (minimum 20%). This could include, for instance, the installation of geothermal heating/cooling, energy efficient lighting, IT-solutions (monitoring, efficiency management and remote operation), energy efficient windows, additional insulation or an upgraded ventilation system. Only directly associated expenditures (e.g. material, installation and labor) are eligible for financing.

RENEWABLE ENERGY



Primary Contribution to the Environmental Objectives:

Climate change mitigation

Primary Contribution to the SDG Targets:

- 7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix.
- 11.6 – By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- 13 – Take urgent action to combat climate change and its impacts.

NEW SOURCES OF ENERGY

Installation of renewable sources of energy including wind power, solar power or geothermal energy (ground and surface systems connected to buildings), either as stand-alone installations or in the property portfolio.



CLEAN TRANSPORTATION



Primary Contribution to the Environmental Objectives:

Climate change mitigation

Primary Contribution to the SDG targets:

- 7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix.
- 11.6 – By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- 13 – Take urgent action to combat climate change and its impacts.

ALTERNATIVE WAYS OF TRANSPORTATION

Electric vehicles and bicycles and supporting infrastructure (providing electric car/bicycle pools for tenants, installing charging stations for electric vehicles, using electric vehicles for SKB's fleet of service and facilitating bicycle areas).

Collectively, the Projects/Assets in the above categories will form Green Eligible Projects and/or Assets.

2. Process for Project/Asset Evaluation and Selection

Sustainability Objectives for SKB

SKB's vision and its continued work with sustainability (including objectives/targets) are briefly described in the sections "Company Overview" and "Methodology".

Selection of Green Eligible Projects and/or Assets

Green Eligible Projects and/or Assets are evaluated and selected by SKB's Green Financing Committee ("GFC") consisting of the Chief Financial Officer (CFO), Sustainability Manager and Property Development Manager. The GFC will review information about the projects and assets and evaluate the overall environmental impact, which includes life cycle considerations, potential rebound effects, resilience considerations and adherence to at least one of the EOs. The projects and assets must also be compliant with applicable national laws and regulations, as well as policies and guidelines at SKB. The GFC can request additional information and consult with internal parties, but the mandate to make decisions is held by the group. The allocation of net proceeds will require a consensus decision within the committee as well as compliance with the Green Financing Framework. The selection decision will be documented, and a record will be filed. The GFC is also responsible for signing off on the forthcoming reporting, as detailed under the section Reporting and Transparency. A list of all Green Eligible Projects and/or Assets will be kept by SKB as a tool



to determine the Green Financing capacity, which is defined as the value of Green Eligible Projects and/or Assets less any allocated Green Financing. If a project or asset ceases to meet the Green Terms, it will be removed from the list (and the funds will be recycled).

Any future update of the Green Financing Framework must be approved by the GFC.

External Review

SKB acknowledges the recommendation in the Green Bond Principles regarding transparency and verification of net proceeds allocation. For further information, see the “Annual Review” section under Reporting and Transparency.

3. Management of Proceeds

An amount equal to the net proceeds of any Green Financing will be credited to a dedicated account (the “**Green Account**”) or otherwise tracked by SKB (the “**Green Portfolio**”). Deductions will be made from the Green Portfolio by an equivalent amount corresponding to the financing, refinancing, investment or expenditure of Eligible Green Projects and/or Assets or at repayment of any Green Financing.

If an Eligible Green Project and/or Asset no longer qualifies or if the underlying project or asset is divested or lost, an amount equal to the funds allocated towards it will be re-credited to the Green Portfolio. Funds may also be reallocated to other Green Projects and/or Assets during the term of any Green Financing, unless otherwise agreed in the loan documentation. The treasury department will keep a record of the purpose of any change in the Green Portfolio and ensure that the combined funds directed towards a specific Green Project and/or Asset, by one or several sources of Green Financing or other financing with specific use of proceeds, does not exceed its value.

While the Green Portfolio has a positive balance the net proceeds may be invested or utilized by the treasury in accordance with the financial policy. Funds may be held on saving accounts and/or invested in securities of approved counterparties such as the Swedish government, municipalities/county councils and reputable banks. Investments can only be made in local currency (Swedish krona). Investments in shares are not permitted.

The ambition is to fully allocate the Green Financing proceeds within one year from the time of issuance.

4. Reporting and Transparency

SKB will annually publish and disclose the use of proceeds and adherence to the Green Financing Framework as part of its annual financial reporting, in Swedish on SKB’s website (at latest in April the year following the reporting year).

Allocation Reporting

1. a list and a short description of each Green Eligible Project and/or Asset that have been financed with Green Financing (including the applicable green criterium).



2. the sum of allocated net proceeds to each Green Eligible Project and/or Asset, (and the corresponding market value/investment expenditure/operational expenditure for each project and/or asset as well as the financing source/instrument used).
3. the total proportion of net proceeds allocated to new projects and/or assets as well as refinancing activities.
4. the sum of any unallocated Green Financing
5. the total balance of Green Eligible Projects and/or Assets available to finance.

In the event of any outstanding Commercial Paper, SKB will report continuously on the value of Green Eligible Projects and/or Assets and the total amount of outstanding Green Financing, in Swedish on SKB's website.

SKB's Green Financing Committee (GFC) is responsible for the above mentioned reporting.

Impact Reporting

- **Environmentally certified properties:** type of certification and level, energy use as absolute consumption (kWh/year) and/or intensity (kWh/sqm) and/or a relative comparison (%) to levels set out by applicable national building codes and regulations (*BBR code*) and/or a relative comparison (%) to levels set out by applicable national NZEB requirement and/or estimated annual greenhouse gas emissions reduced or avoided (tCO₂e).* An estimation will be used for ongoing projects, until actual data becomes available.
- **Wooden properties:** energy use as absolute consumption (kWh/year) and/or intensity (kWh/sqm) and/or a relative comparison (%) to levels set out by applicable national building codes and regulations (*BBR code*) and/or a relative comparison (%) to levels set out by applicable national NZEB requirement and/or estimated annual greenhouse gas emissions reduced or avoided (tCO₂e).* An estimation will be used for ongoing projects, until actual data becomes available.
- **Energy efficient properties:** energy use as absolute consumption (kWh/year) and/or intensity (kWh/sqm) and/or a relative comparison (%) to levels set out by applicable national building codes and regulations (*BBR code*) and/or a relative comparison (%) to levels set out by applicable national NZEB requirement and/or estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)* and/or the energy use reduction relative to historical performance (percent) for energy efficiency investments in existing buildings. An estimation will be used for ongoing projects, until actual data becomes available.
- **Installation of renewable energy sources:** total renewable energy production (kWh/year) and/or the share (%) of a property's total energy use provided by an on-site installation and/or the share (%) of the total energy use in SKB by a stand-alone installation (for instance a wind turbine).
- **Clean transportation:** annual reductions of greenhouse gas emissions in percentage and absolute savings (tCO₂e)* for fuel to owned/leased vehicles/machines, the number of installed charging stations for electric vehicles and the number of facilitated bicycle areas.



** Carbon Footprint Calculation Methodology*

To calculate GHG emission reductions, SKB uses the Green House Gas Protocol and GRI Standards and reports on Scope 1, Scope 2 and Scope 3 emissions for SKB as a whole, and for individual projects when possible. Emission factors are life cycle based and calculations are carried out with actual statistics as far as possible. All values are location-based emissions equivalents and includes emissions per energy source or other emission-generated activities. Emissions are reported in carbon dioxide equivalent per year (CO₂e/year) and/or carbon dioxide equivalent per project (CO₂e/sqm). Calculations for projects with building permit from 1 January 2022 will follow Swedish legislation on “Klimatdeklaration” (climate declaration).

To assure consistency, the emission factor(s) used in SKB’s Green Financing reporting will equal the emission factor(s) used in the company’s sustainability reporting and annual report (according to the method described above).

5. External Review

SKB’s auditor of the annual report, or a similar third party with the relevant expertise and experience, will be appointed to investigate and report whether an amount equal to the net proceeds have been allocated to Eligible Green Projects and/or Assets that SKB has communicated in the Allocation Reporting. Conclusions of the external review will be provided in a signed statement, which will be published on SKB’s website (at latest in April the year following the reporting year).

Definitions

BBR

BBR is the Swedish national building regulation set up by the National Board of Housing, Building and Planning, determining the regulatory requirements and offering general advice regarding all stages of planning, construction and operations of real estate assets.

Greenhouse Gas Protocol

The protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions. According to the standard, the measuring and reporting of the emissions is divided into scope 1, 2 and 3.

- Scope 1 emissions are direct emissions from company-owned and controlled resources.
- Scope 2 emissions are indirect emissions from the consumption of purchased electricity, steam, heat and cooling.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occurs in the value chain of the company.



Miljöbyggnad Silver

Miljöbyggnad is a Swedish environmental certification for sustainable buildings that provide good living and working environment. Certification for Miljöbyggnad relies on sixteen different indicators for energy use, indoor environment and materials. Silver is the second highest rating.

NZEB

A Nearly Zero Energy Building is the EU standard/requirement of a high energy performance building (requires all new buildings to be nearly zero-energy by the end of 2020). This is also implemented in the Swedish national building regulation (BBR).

Primary energy use

The primary energy use is the delivered energy to a building divided by the floor area (A_{temp}). It takes into account the energy carrier used (for example electricity, district heating or biofuel) as well as the geographical location of the building (51 different geographical climate factors are used in Sweden). This calculation of energy use applies to newer buildings.

Specific energy use

The specific energy use is the delivered energy to a building divided by the floor area (A_{temp}). The calculation of energy use is adjusted to the characteristics of the building (electrically heated or not) and where the building is located (four different climate zones are used in Sweden). This calculation of energy use applies to older buildings.

Svanen

The Svanen certificate puts requirements on energy use, chemical products, construction products and a range of indoor environmental factors that are relevant to human health and the environment. In addition, there are requirements on quality management in the construction process and further maintenance. The certification scheme is developed and administered by the Nordic Swan Ecolabel.

Svensk Trygghetscertifiering

Svensk Trygghetscertifiering AB was formed in 2018. The company uses specially trained inspectors who also issue certifications. All inspectors have a police background. Svensk Trygghetscertifiering carry out quality controls for increased security and reduced exposure to crime in residential properties, by measuring and scoring the condition of properties. The method systematically inspects outdoor environments, stairways, basements, bicycle rooms, laundry rooms and other public areas. Checks are made on lighting, vegetation, doors, break protection, locks, signs, management routines and other things that affect the safety of residents, visitors and employees. If a residential property meets the mandatory requirements, it can be security certified. An issued certificate is valid for five years.



Policy Documents that Govern SKB's Sustainability Work

#	Name	Language
1	Sustainability strategy	Swedish
2	Code of Conduct (employees)	Swedish
3	Code of Conduct (suppliers)	Swedish
4	Procurement/purchase policy	Swedish
5	Work environment policy	Swedish
6	Purchasing policy – company cars	Swedish
7	Equal treatment plan	Swedish
8	Communication strategy	Swedish
9	Communication concept (sustainability)	Swedish
10	Sustainability policy	Swedish
11	IT policy	Swedish
12	Climate and energy action plan	Swedish
13	Digitalization strategy	Swedish
14	Self-control plan	Swedish
15	Strategy and action plan (safety and well-being of people)	Swedish
16	Guideline for community involvement	Swedish

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