°CICERO Shades of Green

Landkreditt SA
Green Bond Second Opinion

23 June 2022

Executive Summary

Landkreditt SA (Landkreditt) is a medium-sized Norwegian financial institution, owned by Norwegian farmers, offering a range of products within banking, funds, insurance, and real-estate. Headquartered in Oslo, it has approximately 9,000 members and NOK 30 billion of assets under management. Landkreditt has both personal and business customers, with agricultural businesses comprising the largest share of business customers.

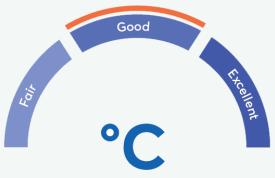
Proceeds will refinance loans for i) green buildings, ii) sustainable agriculture, and iii) sustainable forestry. Green buildings extends to new residential buildings, existing residential buildings, as well as renovations. Sustainable agriculture encompasses environmentally responsible agriculture, renewable energy in agriculture, and energy efficiency in agriculture. Under this project category, which is generally broadly drafted, Landkreditt aims to support investments made in the context of the agreement between Norwegian farmers' associations and the Norwegian government to reduce emissions and increase carbon sinks from agriculture by 4-6 Mt CO_2e between 2021 and 2030.

We rate the framework **CICERO Medium Green** and give it a governance score of **Good.** This reflects that a majority of proceeds will be allocated to green buildings (and around 80% of these will be allocated to residential buildings built between 2012 and the end of 2018). In respect of governance, Landkreditt's increasing integration of certain environmental and climate considerations in its credit approval process is a key step, and strengthens the selection process under the framework.

SHADES OF GREEN

°CICERO Medium Green

GOVERNANCE ASSESSMENT



GREEN BOND PRINCIPLES

Based on this review, this framework is found aligned with the principles.

Key Strengths

Strengths include the inclusion of sustainable agriculture in the framework and the extension of loans for adaptation measures. Over the past decade, agriculture has accounted for around 8% of Norway's emissions and, given its ownership and customer base, agricultural emissions may well be a large component of Landkreditt's portfolio emissions. By including loans to finance sustainable agriculture in its framework, for example through renewable energy use and transition from fossil fuel machinery, Landkreditt therefore targets a potetial material source of its own emissions. Agriculture is also particularly exposed to the physical effects of climate change, and the financing of loans for adaptation and resilience measures is therefore welcome.

Key Pitfalls

Pitfalls relate to i) the breadth of 'environmentally responsible agriculture', ii) the inclusion of potential investments in improvements in emission intensive processes and livestock agriculture, and iii) a lack of screening of certain risks and emission sources.

'Environmentally responsible agriculture' can be financed under the framework. Though Landkreditt works with *Norsk Landbruksrådgivning* (the Norwegian Agricultural Advisory Service) to inform its thinking on what constitutes such agriculture, the exact considerations and what can be financed are generally unclear, notwithstanding that positive examples are provided in the framework. This also manifests in uncertainty determining impact metrics, and this is reflected in a certain vagueness in the suggested impact metrics contained in the framework.

Under the sustainable agriculture project category, while it excludes investments in fossil fuel machinery, investments could entail efficiency improvements in emissions intensive processes, for example fertilizer use. This creates the risk of lock in and rebound, exacerbated by the lack of minimum improvement thresholds in the criterion. Lending to borrowers active in livestock agriculture is also not excluded, and related efficiency improvements or impacts must be seen in the context of generally higher emissions from such farming.

Increased screening for specific climate and environmental risks is encouraged. While certain climate and environmental risks are screened for in Landkreditt's standard credit process, for example the physical risk exposure of borrowers, there are criteria under the framework that carry specific risks and impacts but which Landkreditt does not currently screen for. In respect of new buildings, for example, Landkreditt does not consider embedded emissions in construction, despite, in a Nordic context, these accounting for up to 50% of a building's emissions. Lifecycle emissions are also not screened for in renewable energy projects – in a bioenergy project, for example, input type and transportation can heavily impact a project's associated emissions.

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1 Landkreditt's environmental management and green bond framework

Company description

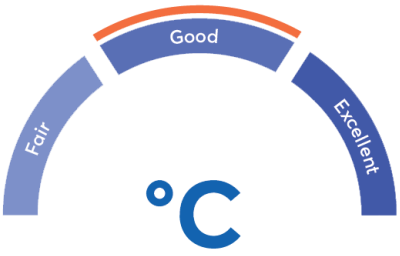
Landkreditt SA (Landkreditt) is a medium-sized Norwegian financial institution, owned by Norwegian farmers, offering a range of products within banking, funds, insurance, and real-estate. Headquartered in Oslo, it has approximately 9,000 members, NOK 30 billion of assets under management, and 200 employees. Landkreditt has both personal and business customers, with agricultural businesses comprising the largest share of business customers.

Governance assessment

Landkreditt's increasing integration of certain environmental and climate considerations in its credit approval process is a key step. This includes physical climate change considerations, to which agriculture is particularly vulnerable, and the inclusion of adaptation and resilience measures in its green loan offering supports the management of these risks. Landkreditt does not currently measure portfolio emissions, though this is under development for its agricultural lending. The process of measuring emissions for its agricultural lending will also provide data on the physical climate risk exposure of this element of the portfolio. Once completed, setting targets on portfolio emissions should be considered, while the results must guide the targeting and further development of Landkreditt's sustainability work.

The selection process under the framework is generally good: that potential loans must first pass through Landkreditt's credit approval process, which includes certain environmental and climate considerations, adds a level of screening. Nonetheless, there could be greater clarity on what climate risks will and will not be expressly considered in selection. This is particularly crucial in respect of the 'sustainable agriculture' project category, which contains broad eligibility criteria.

The breadth of some eligibility criteria makes the determination of impact metrics difficult, and this is reflected in a certain vagueness in the suggested impact metrics contained in the framework. Particularly for investment where impacts are hard to calculate, any reported impacts should be accompanied by transparency on methodologies, assumptions, and limitations of the approach taken.



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

Sector risk exposure

Physical climate risks. Through lending portfolios, banks can be indirectly exposed to a wide range of economic sectors and therefore a broad range of physical climate risks. In Landkreditt's case, it is naturally most exposed to the climate risks faced by the agricultural sector. More intense rainfall, storms, flooding, sea level rise, droughts, fires, and heat stress are expected to increase agricultural losses, and create operational and supply chain disruptions that may impact client creditworthiness and loan valuations.

Transition risks. Similarly, exposure to transition risks is likely to be wide-ranging due to banks' portfolio exposure to multiple (sub) sectors and clients' exposure to changing regulations, technologies, and market conditions. Growing regulatory and supervisory expectations for greater disclosure and oversight of climate financial risks and civil society focus on the finance sector's contribution to climate change create regulatory, liability, and reputational risks. Banks may also be exposed to systemic risks from mispricing of climate-exposed assets.

Environmental risks. As with climate change, nature and biodiversity loss can create physical risks due to loss of critical ecosystem services, e.g. soil stabilization, climate regulation, pollination, water purification, etc., which can contribute to operational and supply chain disruptions (e.g. via landslides, reduced crop yields, pandemics), while also reducing resilience to physical climate risks. Environmental risks can be exacerbated in the agricultural sector, often having a direct impact on primary products.

Environmental strategies and policies

In 2021, Landkreditt's emissions totaled 83.7 tCO2e. This is an increase of 23.7 tCO2e compared to 2020 (attributable to a colder winter and a warmer summer resulting in higher energy use). Scope 1 emissions totaled 46.1 tCO2e, principally from the use of fossil fuel powered vehicles. Scope 2 emissions were 22.2 tCO2e, while Scope 3 emissions amounted to 15.5 tCO2e (from business travel and waste). Portfolio emissions are not measured or reported, though according to Landkreditt this is under development for its agriculture lending (using indicators such as area-size, number of livestock, and standard emission factors per produced units). Landkreditt has no quantitative or timebound targets in place in respect of its emissions.

Landkreditt has identified ten 'themes' that guide its approach to sustainability. It has also mapped these against the Sustainable Development Goals. In respect of the 'climate and environment' theme, Landkreditt states that it will work continuously to reduce the environmental impacts of its own business, to increase its energy efficiency, and to reduce use of physical resources (such as paper) by moving towards electrical storage systems and communication.

Landkreditt updated its sustainability strategy in 2020 and in 2021 translated this into four action points:

i) Supporting Norwegian farmers to reach the environmental targets set out in the workers association *Bondelagets* agreement with the Norwegian Agricultural authorities (*Landbruksdepartementet*)
ii) Including sustainability evaluations in credit and risk-assessment models
iii) Developing green products with strict documentation requirements and competitive pricing
iv) Long-term focus to reduce negative environmental impact from its own activities within waste management, energy efficiency, use of electronic documents, and responsible investments

In respect of sustainability evaluations in credit and risk assessment models, in its credit approval process Landkreditt includes questions to assess the impact of the borrower on the environment, for example on climate initiatives implemented by borrowers, and also how climate change poses a risk to the borrower. Landkreditt aims to set up an interdisciplinary group to use the data from this process to consider climate risks and opportunities on a more general level.

Landkreditt identifies physical climate risk as a key material risk for its agricultural customers (not only damage from extreme and changing weather patterns, but also associated impacts on biodiversity and spreading of diseases). Its climate considerations in the credit approval process extend to exposure to physical risk, while its green agricultural loans extend to measures to protect against physical risk (e.g. drainage systems suitable for heavy rains). According to Landkreditt, its work on evaluating its agriculture portfolio will also provide information and include consideration of exposure to physical risk on a more general level. Landkreditt does not report in accordance with TCFD recommendations.

Regarding the development of green products, Landkreditt launched its green mortgages (in respect real estate) in 2020 and its green agricultural loans in 2021. The aim of the green agricultural loans is to finance measures that reduce emissions and exposure to damage from climate change.

Landkreditt publishes an annual sustainability report that includes emissions reporting prepared in accordance with the GHG Protocol.

Green bond framework

Based on this review, this framework is found to be aligned with the Green Bond Principles. For details on the issuer's framework, please refer to the green bond framework dated June 2022.

Use of proceeds

For a description of the framework's use of proceeds criteria, and an assessment of the categories' environmental benefits, please refer to section 2.

Selection

Landkreditt has established a green bond committee with members from risk management, finance, sustainability, and representatives from product development and sales for both private and agricultural clients, as well as senior relationship managers for agricultural clients. The green bond committee will assess potential projects and assets proposed by relevant business units against the eligibility criteria in the framework. The green bond committee will meet on a quarterly basis, make decisions by consensus, and the member from sustainability has a veto.

Prior to assessment by the green bond committee, the loan goes through Landkreditt's standard credit approval process and the environmental and climate considerations it entails (see Environmental Policies and Strategies, above). Through the standard credit approval process, the selection process considers issues such as 'ESG controversies' (e.g. local opposition to projects) and physical risk, however there is no systematic consideration of lifecycle impacts or potential fossil fuel lock-in.

A third-party auditor will provide limited assurance of selections made by the green bond committee once a year.

Management of proceeds

Landkreditt will establish a green bond register to monitor eligible assets and projects and the allocation of proceeds under the framework. For the duration of outstanding green bonds, it will maintain an aggregate amount

of projects and assets in the green bond register that is at least equal to the aggregate net proceeds of all outstanding green bonds. Landkreditt expects to allocate all proceeds within a short period of time (though a more specific timeframe is not provided).

If there are unallocated net proceeds, these will be held in accordance with Landkreditt's liquidity management policy. This involves placements in sovereigns, sub-sovereigns, agencies, financial institutions, and covered bonds.

Reporting

Landkreditt will publish an annual allocation and impact report. Where relevant, it will seek to align its reporting with the standards and practices identified by ICMA and the Nordic Public Sector Issuer's Position Paper on Green Bond Reporting.

Allocation reporting will, to the extent feasible, include the:

- total amount of green bonds outstanding
- share of green proceeds which have not been allocated
- allocation of proceeds per project category
- relative share of new financing versus refinancing

Impact reporting may utilize the following metrics:

- Green buildings
    - Shares of financed buildings with EPC label A, and B
    - Number of renovated buildings financed
    - Further indicators might be reported wherever practicable

- Sustainable agriculture
    - Number and type of measures that have been financed
    - Example of financed measures including their environmental benefits
    - Installed capacity in renewable energy (KW)
    - Number and type of energy efficiency measures that have been financed
    - Further indicators might be reported wherever practicable

- Sustainable forestry
    - Shares of allocations in this category to the acquisition, and management of forests
    - Area of responsibly managed forest financed, and shares of acquisitions and management
    - Further indicators might be reported wherever practicable

The report will, to the extent feasible, include a section on methodology, baselines and assumptions used in impact calculations. Impact reporting will not be externally reviewed, though Landkreditt may obtain a limited assurance report in respect of allocation of proceeds.

2 Assessment of Landkreditt's green bond framework

The eligible projects under Landkreditt's green bond framework are shaded based on their environmental benefits and risks, based on the "Shades of Green" methodology.

Shading of eligible projects under Landkreditt's green bond framework

100% of proceeds are expected to be allocated to refinancing existing loans.

According to Landkreditt, a majority of proceeds will be allocated to green buildings (and around 80% of these will be allocated to residential buildings built between 2012 and the end of 2018). It estimates that the rest of the proceeds will be allocated evenly between the Sustainable Agriculture criteria 'environmentally responsible agriculture' and 'renewable energy'.

The framework includes some overarching exclusions (production, storing or transportation of fossil fuels, nuclear energy production, weapons or defence, potentially harmful resource extraction, gambling, tobacco or other drugs), while assets in accordance with Landkreditt's investment policy (i.e. no investments in entities included in NBIM's exclusion list) or that breach internationally recognized frameworks (such as the ten principles of the UN Global Compact) are also excluded. Certain project (sub) categories also contain exclusion wording.

Category	Eligible project types	Green Shading and considerations
Green Buildings	<u>New and Existing green residential buildings</u>	**Light to Medium Green**
	• Buildings built between 1.1.2012 – 31.12.2018 which have received an Energy Performance Certificate character A or B	✓ Residential buildings will in all cases have an energy performance that is better than regulation in force at the time of their construction, though the extent to which buildings outperform those regulations varies. In respect of *current* regulations, for energy label A, energy performance is expected to be at least 10% better than current regulations. Buildings labeled B, on the other hand, may only align (but not be below) current regulations in respect of energy performance. ✓ Landkreditt does not consider building materials for new constructions, which are estimated to account for half of lifecycle emissions for new buildings in the Nordic context. New buildings in this category are therefore considered Light Green.
	• Buildings built after 1.1.2019 which have received an Energy	✓ Due to the importance of embodied emissions from building materials, renovations of existing buildings are important in a 2050 perspective. The thresholds for the renovation criteria are good, however, as the lower threshold is set at energy

	Performance Certificate character A <u>Renovated buildings which have achieved an improvement in energy-efficiency</u> • Improvement of the Energy performance certificate character with at least two steps • Improvement of primary energy demand (kWh/m2) per year by at least 30% compared to the calculated energy efficiency of the building code applicable when the building was completed. • A lower threshold is set at an achieved energy label D, documented through an EPC label or calculated energy performance character.	label D, they do not guarantee that the renovated buildings will be energy efficient. Note also that Landkreditt does not finance renovation costs, but the entire building. ✓ Landkreditt does not screen buildings for exposure to physical climate risk but is in the process of establishing a system to assess physical risks such as floods, slides, avalanches, extreme precipitation, dry-periods and extreme winds. ✓ Cabins and buildings heated with fossil fuels are not eligible.
Sustainable Agriculture	<u>Agriculture - Loans to finance or refinance environmentally responsible agriculture</u> Available for agricultural companies which have: • Completed latest version of KSL internal review	**Light to Medium Green** ✓ This project category contains potential investments across all three Shades of Green. The overall Light to Medium Green shading reflects i) the breadth of 'environmentally responsible agriculture' and the associated uncertainty as to potential investments, ii) lending to borrowers active in livestock agriculture is also not excluded, and iii) that, although investments in fossil fuel machinery are excluded, investments relating to the efficiency of emission intensive processes is possible. ✓ In all cases, loans for fossil fuel machinery and equipment is excluded. ✓ Loans under this project category are targeted at the 8 focus areas contained in the agreement between *Norges Bondelag* (Norwegian Farmers' Association) and *Norsk Bonde og Småbrukerlag* (Norwegian Farmers' and Smallholders'

- Completed *Klimasmart landbruk*'s online course on climate
- Deliver a copy of invoice detailing expenditures to activities that reduce emissions and increase the sustainability of production.

Activities might include:

- Roof for slurry- / manure-pit to prevent runoff
- Storage for dry manure
- Trailers for manure-spreading
- Ditches for drainage of rainwater
- Equipment for optimized fertilization to avoid oversupply of nitrogen and runoff
    - N-sensors, measuring and recording nitrogen levels in soils, enabling guided and precise application of manure
    - hose-spreader for targeted spreading of manure
    - GPS systems for tractors to enable guided soil treatment and fertilization, applying nutrients

Association) and the Norwegian government, entered into in June 2019. These focus areas are: 1) use of the '*klimakalkulator'* (climate-calculator)[1], 2) more climate friendly and sustainable feeding, breeding and healthier livestock, 3) fossil free machinery, 4) fossil free heating, 5) better use of fertilizer and good agronomy, 6) use of manure as raw material in industrial biogas, 7) using soil as carbon storage, and 8) new climate technology.

<u>Environmentally responsible agriculture</u>

- ✓ Over the past decade, agriculture accounted for around 8% of Norway's emissions, while agriculture is particularly exposed to physical climate risks. It is therefore welcome that both mitigation and adaptation/resilience measures can be financed. For adaptation measures, Landkreditt confirmed that it would not finance measures based on fossil fuels, and that it targeted investments that go beyond business as usual or regulatory requirements.
- ✓ Landkreditt does not define 'environmentally responsible agriculture' and informed us that this broad criterion was required so that lending could develop flexibly in accordance with new considerations and research on the topic, and developing technology. To inform its approach to 'environmentally responsible agriculture', and what activities it could encompass, Landkreditt works with *Norsk Landbruksrådgivning* (the Norwegian Agricultural Advisory Service). While this provides an additional layer of environmental input, there remains a general uncertainty about what may be financed, particularly as eligible activities may change going forward compared to the examples given in the framework.
- ✓ Lending to livestock agriculture is not excluded (though the purchase of livestock cannot be financed). For context, in 2022, 41% of Landkreditt's members were active in cattle and pig farming (an additional 17% produced milk). Livestock farming is generally more emissions intensive than crop farming.

<u>Renewable energy in agriculture</u>

- ✓ Renewable energy is crucial in a 2050 future.
- ✓ Renewable energy projects can entail significant lifecycle emissions. The framework does not include criteria regarding these, and we understand that supply chain emissions or embedded emissions in materials are not expressly screened for in selection, and that lifecycle assessments are not used. The framework also contains no additional criterion on bioenergy. Bioenergy projects can entail high lifecycle emissions, depending on, for example, the sourcing of the biomass and

[1] https://klimasmartlandbruk.no/klimakalkulatoren/

only in spots where there is a recorded need

- Equipment and retrofitting to enable transition from fossil to non-fossil fuels for heating

Renewable energy in agriculture - Loans to finance or refinance project development, construction and maintenance of renewable energy production, including related equipment

- Solar Energy: i.e. installation of solar-cells
- Wind-Power: onshore wind energy projects
- Bioenergy using locally sourced waste as feedstock
- Small-scale hydroelectric power projects using run-of-river infrastructure
    - < 25MW capacity

Energy efficiency in agriculture – loans to finance or refinance measures which replace the use of fossil energy and improve the energy efficiency of e.g. buildings.

May include, but is not restricted to:

- Replacing diesel generators with electricity from the grid.

transportation type and distance. Forestry waste, for example, requires consideration of whether the waste is from a certified and sustainably managed forest.

✓ Biodiversity impacts should also be considered. For larger projects in Norway, environmental impacts assessments are typically required. Landkreditt does not require environmental impact assessments in cases they are not required by law. Landkreditt notes that biodiversity impacts are considered on a general level when designing the relevant loan products – while this is welcome, biodiversity issues are often local and unique to a project, and screening on a more granular level is encouraged.

✓ Such projects can also engender local opposition, and Landkreditt informs us this is a 'controversy' for which it screens.

Energy efficiency in agriculture

✓ Energy efficiency improvements are needed and welcome in the agriculture sector. The criterion is not, however, limited to the replacement of fossil fuels, but extends to measures which 'improve the energy efficiency' more generally. In principle, this could entail efficiency improvements in emissions intensive processes. This creates the risk of lock in and rebound, exacerbated by the lack of minimum improvement thresholds in the criterion, though Landkreditt mentioned this would be considered in the selection process in such cases. As lending to livestock agriculture is also not excluded, any efficiency improvements in livestock agriculture must be seen in the context of generally higher emissions it generates.

	• Installing central operational control systems in buildings • Loans to finance the procurement of electric machinery which traditionally runs on fossil fuels • Local energy solutions (e.g. excess heat from non-fossil sources) The electrification of the production of oil and gas, as well as measures to improve the energy efficiency of such activities, is excluded.	
Sustainable Forestry 	<u>Loans to finance or refinance environmentally responsible forest management / Loans to finance or refinance the acquisition of forests which are managed in an environmentally responsible way</u> • Forest land certified in accordance with the Forest Stewardship Council (FSC) standards and/or the Programme for the Endorsement of Forest Certified (PEFC)	**Medium Green** ✓ The increase, management, and protection of carbon sinks such as forests are important. ✓ FSC and PEFC are internationally recognized forestry certification schemes which are a good starting point for sustainable forestry, however planted and semi-natural forests tend to be relatively poor in biodiversity and ecological benefits compared to original forests. Such standards are also quite vague when it comes to demonstrating that the forestry projects lead to an increase in the forests carbon stock. ✓ While fossil fuel machinery is excluded, the use of fossil fossil-fuel based maintenance machinery likely occurs. Moreover, while roads open to the public cannot be financed, private roads for maintenance and management may be financed. Some fossil fuel use is therefore common in sustainable forestry.

Table 1. Eligible project categories

3 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated June 2022**.** This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

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

'Shades of Green' methodology

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

Shading	Examples
Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	Solar power plants
Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	Energy efficient buildings
Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	Hybrid road vehicles

The "Shades of Green" methodology considers the strengths, weaknesses and pitfalls of the project categories and their criteria. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised, including potential macro-level impacts of investment projects.

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

Assessment of alignment with Green Bond Principles

CICERO Green assesses alignment with the International Capital Markets' Association's (ICMA) Green Bond Principles. We review whether the framework is in line with the four core components of the GBP (use of proceeds, selection, management of proceeds and reporting). We assess whether project categories have clear environmental benefits with defined eligibility criteria. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed. The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the selection process. CICERO Green assesses whether net proceeds or an equivalent amount are tracked by the issuer in an appropriate manner and provides transparency on the intended types of temporary placement for unallocated proceeds. Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs.

Appendix 1:
Referenced Documents List

Document Number	Document Name	Description
1	Green Bond Framework (June 2022)	
2	Sustainability Report (2021)	
3	Supplier Statement (undated)	

Appendix 2:
About CICERO Shades of Green

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

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

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

- **2020** External Assessment Provider Of The Year, Environmental Finance Green Bond Awards
- **2020** Largest External Review Provider In Number Of Deals, Climate Bonds Initiative Awards
- **2019** External Assessment Provider Of The Year, Environmental Finance Green Bond Awards
- **2019** Largest Green Bond SPO Provider, Climate Bonds Initiative Awards
- **2018** External Assessment Provider Of The Year, Environmental Finance Green Bond Awards
- **2018** Largest External Reviewer, Climate Bonds Initiative Awards
- **2017** Best External Assessment Provider, Environmental Finance Green Bond Awards
- **2016** Most Second Opinions, Climate Bonds Initiative Awards