

# Swedish Export Credit Corporation (SEK)

## Second-Party Opinion – Sustainability Bond Framework



Excellent 
Good
Aligned
Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> <li>Sustainable Fitch views the sustainability bond framework to be aligned with the relevant ICMA principles in the sidebar.</li> <li>We view the green categories to have an excellent impact by contributing to EU environmental objectives. The Swedish Export Credit Corporation (SEK) indicates that all projects in the EU align with the EU taxonomy substantial contribution criteria (SCC), minimum safeguards and, on a best-effort basis, the do no significant harm (DNSH) criteria.</li> <li>SEK aims to align non-EU projects with the SCC where feasible, otherwise using criteria based on the CBI taxonomy or market best practice. All non-EU projects must comply with the EU's minimum safeguards.</li> <li>We view its social categories as excellent; they cover socially positive activities in line with the UN Sustainable Development Goals (SDGs), benefitting vulnerable populations primarily in developing countries. This enhances the positive social impact.</li> </ul>
Use of Proceeds – Other Information	Excellent	<ul style="list-style-type: none"> <li>SEK's framework includes a three-year lookback period for opex, a 90% threshold for "pure player" borrowers and robust exclusion criteria, minimising the risk of investments in controversial projects.</li> </ul>
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> <li>It has a robust process for selecting and evaluating projects, involving a sustainability bond committee and a multi-layered control structure, and a well-defined assessment framework, and committed to annual reviews of its eligible loans.</li> </ul>
Management of Proceeds	Good	<ul style="list-style-type: none"> <li>SEK defined a robust process for the management of proceeds, which includes virtual segregation of loans, holding unallocated proceeds in line with its liquidity management policy, and striving to allocate proceeds within 12 months.</li> </ul>
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> <li>SEK will provide annual allocation and impact reporting on a portfolio basis, broken down by project categories, until maturity. Allocation reporting will be verified annually by an independent external auditor, meeting market best practice.</li> </ul>

Framework Type	Sustainability
Alignment	<ul style="list-style-type: none"> <li>✓ Green Bond Principles 2021 (ICMA) (with appendix I from June 2022)</li> <li>✓ Social Bond Principles 2023 (ICMA)</li> <li>✓ Sustainability Bond Guidelines 2021 (ICMA)</li> </ul>
Date assigned	6 February 2025

See Appendix B for definitions.

### Analysts

Lea Gamsjager  
+34 934 92 95 21  
[lea.gamsjager@sustainablefitch.com](mailto:lea.gamsjager@sustainablefitch.com)

Claudia Pani  
+34 934 92 95 18  
[claudia.pani@sustainablefitch.com](mailto:claudia.pani@sustainablefitch.com)

### Relevant UN Sustainable Development Goals



### Media Contact

Tahmina Pinnington-Mannan  
+44 20 3530 1128  
[tahmina.pinnington-mannan@thefitchgroup.com](mailto:tahmina.pinnington-mannan@thefitchgroup.com)



Use of Proceeds Summary – ICMA Categories

Table with 2 columns: Category (Green, Social) and list of eligible activities such as Renewable energy, Green buildings, Affordable basic infrastructure, etc.

Source: SEK sustainability bond framework 2024, ICMA

Framework Highlights

Sustainable Fitch considers transactions under SEK’s sustainability bond framework to be aligned with the ICMA Green Bond Principles 2021 (with appendix I from June 2022), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021.

Lending is central to SEK’s operations, so the institution has a significant opportunity to address environmental and social challenges by allocating capital to dedicated sustainable projects.

SEK established its first green bond framework in 2015, so it is an experienced issuer of sustainable financing instruments. The company expanded its sustainable financing platform with a sustainability framework in 2021 to include the financing of both social and green loans.

The framework makes a distinction between selection criteria for eligible projects that are fully aligned with the EU taxonomy SCC, and other criteria that are either based on the CBI Climate Bonds Taxonomy or other market best practice.

Additionally, SEK will apply the DNSH criteria for all EU projects on a best-effort basis to assess potential risks related to projects. For projects outside the EU, SEK’s robust project due diligence framework indicates it uses the International Finance Corporation performance standards, which are widely accepted as market best practices.

All projects within and outside the EU will be screened for compliance with the minimum safeguards.

The updated framework adds one new green eligible project category (pollution prevention and control) and two new social eligible project categories (affordable housing and employment generation). Overall, the framework includes nine green and five social eligible project categories, covering a wide spectrum of investments in developed and emerging markets. For the purpose of this analysis, we assumed an equal weighting between the eligible project categories.

The updated framework encompasses export credits and other financing solutions that contribute to sustainable development, targeting environmental and social benefits. Achieving the goals of the Paris Agreement and Agenda 2030 requires a substantial increase in global investments. The Swedish and international export finance systems can act as catalysts for the required investments.

Source: Sustainable Fitch, SEK annual and sustainability report 2023, ESG factbook 2023, sustainability bond framework 2024

## Entity Highlights

SEK is a state-owned credit institution that operates on a commercial basis, providing financing to Swedish exporters, their subcontractors and subsidiaries, and international buyers of Swedish products and services. As of December 2023, SEK had total assets of SEK366 billion (USD36 billion) and over 280 employees.

SEK has offered loans since 1962 that have enabled numerous Swedish companies to expand their operations, increase production, complete acquisitions and grow their workforce, thereby selling goods and services to customers worldwide. Its main target groups are SMEs and large corporates with a turnover above SEK500 million (USD50 million). SEK is part of the Swedish export finance system, so it has a global presence, with lending activities in around 60 countries.

SEK provides long-term funding, often in conjunction with a guarantee from the Swedish Export Credit Guarantee Board. The specific countries and regions to which SEK lends can vary based on the projects and needs of Swedish exporters, but typically includes a focus on EU countries, as well as North America, Asia, LatAm and the Middle East and Africa.

SEK has a long history of promoting companies with low emissions or established solutions for reducing emissions, and continually develops its capacity to support projects in renewable energy, energy efficiency improvement, sustainable transport and other areas. SEK aims to be a driving force in decarbonising the most polluting sectors, and will focus on increasing the proportion of lending to companies with ambitious and credible plans to reduce their emissions in line with the Paris Agreement.

The company embedded sustainability in its overall strategy, with two main environmental targets: to increase the share of green lending to 50% by 2030, and to reach net-zero GHG emissions in its balance sheet by 2045. The company also committed to reach net zero in its operations by 2030. To achieve these targets, SEK continues to establish and refine criteria for green lending to support businesses in their own transition towards net zero. The company is also a member and signatory of various initiatives, including the UN-convened Net-Zero Export Credit Agencies Alliance.

The company manages its operational social impact through various policies surrounding the health and work environment, and through collaboration with trade union representatives. The company established policies for its lending activities to ensure environmental and social due diligence in its credit-granting process.

In its role as a government-owned entity, SEK is subject to the Swedish guidelines for state-owned companies, as well as its owner instructions, which require a commitment to the environment and human rights. To this end, the company implemented an overarching sustainable finance policy, as well as individual policies on money laundering and terrorism financing, anti-corruption and business ethics, labour conditions and human rights.

Source: Sustainable Fitch, SEK annual and sustainability report 2023, ESG factbook 2023



**Use of Proceeds**

**Alignment: Excellent**

**Company Material**

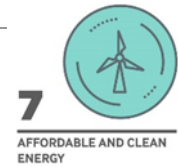
**Sustainable Fitch's View**

**Green Eligible Projects**

**Renewable energy**

- Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation.
  - Electricity generation, covering:
    - ◆ wind power in accordance with EU taxonomy activity 4.3;
    - ◆ solar energy (PV and concentrated solar power) in accordance with taxonomy activities 4.1 or 4.2;
    - ◆ hydropower energy in accordance with taxonomy activity 4.5; and
    - ◆ bioenergy exclusively from biomass, biogas or bioliquids in accordance with taxonomy activity 4.8.
  - Manufacturing of hydrogen, covering:
    - ◆ manufacture of equipment for the production and use of hydrogen in accordance with taxonomy activity 3.2; and
    - ◆ manufacture of hydrogen and hydrogen-based synthetic fuels in accordance with taxonomy activity 3.10.
- Outside the EU, the company can also make use of other criteria, including the following:
  - Electricity generation aligned with the CBI Climate Bond Taxonomy 2021, covering electricity generation facilities for bioenergy provided that the following conditions are met in line with the CBI Climate Bonds Taxonomy: 80% GHG emission reduction compared to fossil fuel baseline and sourced from a sustainable feedstock.
  - Manufacturing of hydrogen, covering production of hydrogen that meets the CertifHy criteria.

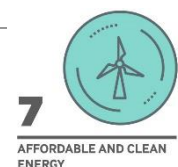
- We view this eligible project category to have a positive environmental impact by advancing the share of renewable energy in the energy mix of the project countries.
- The category covers renewable energy generation from zero-carbon energy sources (solar, wind and hydro) as well as low-carbon energy sources (bioenergy and hydrogen).
- The power sector is one of the largest contributors to global GHG emissions, with fossil fuels representing 81% of the total energy supply in 2022, according to the International Energy Agency (IEA). It is, therefore, crucial to increase the share of renewable energy in the global energy mix to achieve the targets of the Paris Agreement.
- The International Renewable Energy Agency estimates that the global share of renewable energy must increase to 77% by 2050 from 16% in 2020 to remain on a pathway to 1.5°C of warming from pre-industrial levels. A higher share of renewable energy can have additional benefits beyond reducing emissions, such as promoting energy security and addressing energy poverty by providing affordable and reliable energy sources, particularly in developing countries.
- We most positively assess the impact of zero-carbon energy sources (solar, wind and small hydropower), as well as low-carbon energy sources (bioenergy) aligned with the stringent criteria of the EU taxonomy. We positively view that the company excludes large hydropower installations with a capacity above 20MW.
- We view it positively that SEK defined selection criteria for bioenergy projects outside the EU that do not meet the taxonomy SCC that ensure efficient production in terms of GHG savings, as well as the sustainability of feedstock.
- Hydrogen manufacturing projects outside the EU that do not meet the taxonomy SCC must meet criteria from CertifHy, an EU-funded initiative aimed at establishing a certification scheme for hydrogen production. The CertifHy criteria require increased transparency around energy sources and aid in ensuring potential negative impacts are reduced, such as increased GHG emissions and water pollution.
- We consider the criteria applied within the EU to be fully aligned with the SCC. The projects include energy generation from wind, solar and hydropower, which are aligned with the SCC both inside and outside the EU, and energy generation from biomass and projects related to the manufacturing of hydrogen and related equipment within the EU.
- The criteria for bioenergy projects that can be applied outside the EU are aligned with the CBI Climate Bonds Taxonomy 2021. The criteria for hydrogen manufacturing projects that can be applied outside the EU follow market practice.
- We view this category to be aligned with the ICMA Green Bond Principles 2021.



**Green buildings**

- Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation.
  - Building acquisition, construction and renovation covering:
    - ◆ acquisition and ownership of buildings in accordance with EU taxonomy activity 7.7;
    - ◆ construction of new buildings in accordance with taxonomy activity 7.1; and

- We view this eligible project category to have a positive environmental impact by increasing the share of new, energy-efficient buildings and improving the energy efficiency of the existing building stock.
- This category covers the construction of new buildings, the acquisition of existing buildings, and major renovations and individual renovation measures to improve a building's environmental performance.





- ◆ renovation of existing buildings in accordance with taxonomy activity 7.2.
- Individual renovation measures, covering:
  - ◆ installation, maintenance and repair of energy efficiency equipment in accordance with taxonomy activity 7.3;
  - ◆ installation, maintenance and repair of charging stations for electric vehicles in accordance with taxonomy activity 7.4;
  - ◆ installation, maintenance and repair of instruments pertaining to the energy performance of buildings in accordance with taxonomy activity 7.5; and
  - ◆ installation, maintenance and repair of renewable energy technologies in accordance with taxonomy activity 7.6.
- Outside the EU, the company can also make use of other criteria, including the following.
  - Building acquisition, covering acquisition of buildings that have obtained or will obtain one of the following certifications: LEED Gold or better; BREEAM Very Good with a minimum score of 70% in the energy section or better; or any other equivalent.
  - Building construction and renovation, covering construction of new buildings or buildings under renovation that have obtained or will obtain one of the following certifications: LEED Platinum or better for new construction; LEED Gold or better for renovation; BREEAM Excellent or better; or any other equivalent.

- The IEA reports that buildings account for 30% of global final energy consumption, so green buildings can make substantial contributions to climate change mitigation.
- The EU taxonomy identifies investments in green buildings and renovation of buildings to reduce GHG emissions as key energy transition enablers and contributors to climate change mitigation. Investments in best-in-class new buildings, or in retrofitting existing buildings to achieve greater energy efficiency or higher environmental standards, have a material impact on climate change mitigation.
- We most positively assess projects where buildings meet the highest energy standards in terms of their primary energy demand. The EU and other legislators set higher standards for new buildings, and are increasingly promoting the renovation of the existing building stock, which is a major source of emissions and energy consumption. We hence view major renovations and individual energy-efficiency measures to have a strong positive environmental impact.
- For projects outside the EU, the company also uses best-in-class building certifications as a selection criterion alongside the taxonomy-aligned criteria. We positively view that these labels take crucial environmental metrics into account, such as material use, water efficiency and indoor environmental quality; but they provide less transparency on the energy use of the building.
- We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes the construction of new buildings and the acquisition and renovation of existing buildings.
- The other criteria that are applied outside of the EU, which include the construction, acquisition and renovation of certified green buildings, follow market practice.
- We view this category to be aligned with the ICMA Green Bond Principles 2021.



**Energy efficiency**

- Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation.
  - Construction and operation of electricity storage in accordance with one of the following criteria:
    - ◆ generated by renewable energy in accordance with EU taxonomy activity 7.6;
    - ◆ storage of electricity in accordance with taxonomy activity 4.10; and
    - ◆ storage of hydrogen in accordance with taxonomy activity 4.12.
  - District heating and cooling, covering district heating and cooling networks, in accordance with taxonomy activity 4.15.
  - Transmission of energy, covering transmission and distribution of electricity in accordance with taxonomy activity 4.9; and transmission and distribution networks for renewable and low-carbon gases in accordance with taxonomy activity 4.14.
  - Carbon capture and storage (CCS), covering:
    - ◆ transport of CO<sub>2</sub> in accordance with taxonomy activity 5.11;
    - ◆ underground permanent geological storage of CO<sub>2</sub> in accordance with taxonomy activity 5.12; and
    - ◆ R&D and innovation for direct air capture of CO<sub>2</sub> in accordance with taxonomy activity 9.2.
  - Energy-efficient industrial processes, covering:

- We view this eligible project category to have a positive environmental impact. We consider this category to contribute to climate change mitigation by financing enabling activities or technologies reducing the emissions.
- The category covers measures that enhance energy saving such as district heating networks, as well as infrastructure facilitating the storage and transmission of energy. The category also finances CCS technologies and research.
- Energy storage and transmission infrastructure are essential elements to enable the efficient distribution and reliability of renewable energy. District heating and cooling networks enable efficient distribution of energy to buildings, thereby improving a building's energy performance. CCS can be an effective way to reduce residual emissions, such as those from low-carbon energy sources.
- We positively view energy storage capacity for renewable energy when it meets scientific thresholds for the medium and composition of storage. We view energy storage as very positive, but the category includes criteria that can include both non-chemical (battery) and chemical storage with no information on the technology used.
- We further positively assess district heating and cooling networks, as they are an established form of efficient energy distribution; they reduce the negative environmental impacts of the operation of buildings such as GHG emissions, reduce waste heat and improve air quality.
- We positively assess that the transmission networks are aligned with the SCC, which require them to either be part of interconnected systems or meet criteria for the system grid





<ul style="list-style-type: none"> <li>◆ manufacture of batteries in accordance with taxonomy activity 3.4;</li> <li>◆ manufacture of other low-carbon technologies in accordance with taxonomy activity 3.6; and</li> <li>◆ manufacture of iron and steel in accordance with taxonomy activity 3.9.</li> <li>• Outside the EU, the company can also make use of other criteria, including the following.             <ul style="list-style-type: none"> <li>– Storage of electricity and thermal energy with the exclusion of energy from fossil fuels and natural gas.</li> <li>– Transmission or distribution of electricity infrastructure or equipment that allows higher inflows of renewable energy into the grid.</li> <li>– CCS, covering underground permanent geological storage of CO<sub>2</sub> for projects outside the EU, if the following criteria are met:                 <ul style="list-style-type: none"> <li>◆ if CO<sub>2</sub> is transported or stored, then a plan to monitor and mitigate leakage is in place; and</li> <li>◆ transparency on the sequestration capacities and their suitability in line with local regulatory and certification processes is provided.</li> </ul> </li> </ul> </li> </ul>	<p>emission factor. For projects outside the EU, we view it positively that SEK excludes transmission of fossil fuels.</p> <ul style="list-style-type: none"> <li>• We positively assess CCS installations; these play a significant role in reducing residual emissions from low-carbon activities and industrial processes for which no carbon-neutral alternative is available. CCS can efficiently reduce CO<sub>2</sub> emissions, but it does not offer solutions for other GHG emissions such as methane or nitrous oxide. CCS is currently still connected to high costs and faces challenges with regards to scalability.</li> <li>• We positively view energy-efficient industrial processes as they are crucial in enabling and transitional activities that provide the necessary elements for low-carbon technologies and infrastructure.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes energy storage, district heating and cooling, transmission and distribution, CCS, and energy-efficient industrial processes.</li> <li>• The company has not imposed any screening criteria for the other criteria that can be applied to energy storage outside the EU, but it confirmed the exclusion of energy generated from fossil fuels and natural gas. The energy transmission and CCS criteria that can be applied outside the EU are aligned with the CBI Climate Bonds Taxonomy 2021.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>
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**Clean transportation**

<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation.             <ul style="list-style-type: none"> <li>– Low carbon transport, covering:                 <ul style="list-style-type: none"> <li>◆ rail transport (passenger and freight) in accordance with taxonomy activities 6.1 or 6.2;</li> <li>◆ urban and suburban transport, road passenger transport in accordance with taxonomy activity 6.3;</li> <li>◆ transport by motorbikes, passenger cars and light commercial vehicles in accordance with taxonomy activity 6.5 (with the exclusion of hybrid cars);</li> <li>◆ road transport (freight) in accordance with taxonomy activity 6.6;</li> <li>◆ sea and coastal water transport (passenger and freight) in accordance with taxonomy activities 6.10 or 6.11; and</li> <li>◆ retrofitting of sea and coastal (passenger and freight) in accordance with taxonomy activity 6.12.</li> </ul> </li> <li>– Infrastructure for low carbon transport, covering:                 <ul style="list-style-type: none"> <li>◆ infrastructure for personal mobility and cycle logistics in accordance with taxonomy activity 6.13;</li> <li>◆ infrastructure for rail transport in accordance with taxonomy activity 6.14;</li> <li>◆ infrastructure enabling low-carbon road transport and public transport in accordance with taxonomy activity 6.15; and</li> <li>◆ infrastructure enabling low carbon water transport in accordance with taxonomy activity 6.16.</li> </ul> </li> </ul> </li> <li>• Outside the EU, the company can also make use of other criteria aligned with the CBI Climate Bond Taxonomy 2021, including the following.             <ul style="list-style-type: none"> <li>– Low-carbon transport, covering:</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive environmental impact by reducing GHG emissions and air pollution from the transportation sector.</li> <li>• This category covers low-carbon transport and infrastructure across modes of transport including road, rail and water.</li> <li>• The IEA reports that the transportation sector accounts for 23% of global energy-related CO<sub>2</sub> emissions, and transitioning to low-carbon transport can make a significant contribution to climate change mitigation.</li> <li>• Investments in low-carbon transport are key energy transition enablers and contributors to climate change mitigation. The promotion of urban public transport such as light rail, zero-emissions buses and bus rapid transit systems leads to emissions reduction and can also reduce pollution and traffic congestion in urban areas.</li> <li>• We view the projects financed in this category as meeting best practice across each mode of transportation. The projects exclusively finance zero-carbon modes of transport; hybrid vehicles are excluded from financing, which is more stringent than transition criteria set out in the EU taxonomy.</li> <li>• For all projects, SEK excludes financing of activities dedicated to the transport of fossil fuels, which we consider best practice.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes all forms of low-carbon transport (rail, road and water transport including public transport), as well as related infrastructure.</li> <li>• We consider the other criteria that can be applied outside of the EU to be aligned with the CBI Climate Bonds Taxonomy 2021; SEK's criteria also fully exclude transportation of fossil fuels. This includes all forms of low-carbon transport (rail, road and water transport including public transport), as well as related infrastructure.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>	 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>
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<ul style="list-style-type: none"> <li>◆ rolling stock and vehicles for electrified passenger transport, such as electrified rail, trams, trolleybuses and cable cars;</li> <li>◆ rolling stock for electrified freight rail;</li> <li>◆ buses with no direct emissions (electric or hydrogen);</li> <li>◆ electric or hydrogen passenger and freight vehicles; and</li> <li>◆ zero-emissions vessels.</li> </ul> <p>– Infrastructure for low-carbon transport, covering:</p> <ul style="list-style-type: none"> <li>◆ dedicated infrastructure for electrified passenger and freight transport;</li> <li>◆ dedicated charging and alternative fuel infrastructure (when separate from fossil fuel filling stations and garages);</li> <li>◆ public walking and cycling infrastructure, and cycling schemes; and</li> <li>◆ bus rapid transit systems.</li> </ul>	
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**Pollution prevention and control**

<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation and the transition to a circular economy.             <ul style="list-style-type: none"> <li>– Waste management, covering:                 <ul style="list-style-type: none"> <li>◆ collection and transport of non-hazardous waste source segregated fractions in accordance with EU taxonomy activity 5.5;</li> <li>◆ material recovery from non-hazardous waste in accordance with taxonomy activity 5.9; and</li> <li>◆ treatment of hazardous waste in accordance with taxonomy activity 2.4.</li> </ul> </li> <li>– Outside the EU, the company can also make use of other criteria aligned with the CBI Climate Bonds Taxonomy 2021, including the following.                 <ul style="list-style-type: none"> <li>– Waste preparation, covering facilities for collection, sorting and material recovery provided that the following conditions are met: the facilities process materials made from 100% recycled and recyclable materials, and support the source segregation of waste.</li> <li>– Reuse of waste, covering facilities for the reuse of materials provided that the following conditions are met:                     <ul style="list-style-type: none"> <li>◆ the products are put back to their original use without any further pre-processing required; and</li> <li>◆ for waste electrical and electronic equipment, the product is covered by ecolabelling schemes and only those products meeting the three lowest energy use categories are eligible.</li> </ul> </li> <li>– Recycling, covering facilities for the recycling of materials. The secondary raw materials (such as steel, aluminium, glass and plastics) shall cease to be waste and are sold to be used as secondary raw materials.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive environmental impact by contributing to efficient collection and management of waste.</li> <li>• This category covers activities within waste management for both hazardous and non-hazardous waste, as well as waste preparation, reuse of waste and recycling.</li> <li>• The UN Environment Programme predicts solid waste to grow globally to 3.8 billion tonnes by 2050 from 2.1 billion tonnes in 2023. The European Commission reports that 48% of municipal waste produced in the EU was recycled in 2022, with around 23% being sent to landfill. This can lead to significant negative environmental impacts as landfills are a significant source of GHG emissions and can also lead to soil, air and water pollution.</li> <li>• Increasing efficiency in waste management and increasing recycling rates can therefore have significant positive impacts.</li> <li>• We positively assess that the criteria set in line with the EU SCC set a minimum conversion rate of at least 50%. However, the scoring of this category was slightly limited by a lack of thresholds for the recycling or recovery rate for criteria not aligned with the EU SCC.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes waste management and material recovery of non-hazardous waste, as well as treatment of hazardous waste.</li> <li>• The other criteria that can be applied outside of the EU are aligned with the CBI Climate Bonds Taxonomy 2021. This includes projects related to waste management, preparation, recycling and reuse.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>	 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
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**Circular economy**

<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for the transition to a circular economy:             <ul style="list-style-type: none"> <li>– repair, refurbishment and remanufacturing in accordance with EU taxonomy activity 5.1;</li> <li>– preparation for reuse of end-of-life products and product components in accordance with taxonomy activity 5.3; and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive environmental impact by increasing the reuse, repair and remanufacturing of goods, reducing resource consumption.</li> <li>• This category covers reuse and recycling of products, as well as trading of secondhand items and recovery of materials.</li> <li>• The global consumption of raw materials is steadily increasing, with each European consuming 14.9 tonnes of raw materials annually, according to Eurostat. Raw material trade is often related to opaque supply chains, price volatility and import</li> </ul>	 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
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<ul style="list-style-type: none"> <li>– marketplace for the trade of second-hand goods for reuse in accordance with taxonomy activity 5.6.</li> <li>• Outside the EU, the company can also make use of other criteria, including the following.             <ul style="list-style-type: none"> <li>– Circular use and value recovery of use of goods and/or materials, meeting one of the following criteria:                 <ul style="list-style-type: none"> <li>◆ production of new products or assets from redundant products and assets that have been repurposed, refurbished, remanufactured or recycled; or</li> <li>◆ development and sustainable production of new materials from secondary raw materials, byproducts and/or waste.</li> </ul> </li> </ul> </li> </ul>	<p>dependency. Recycling existing raw materials can mitigate these negative side effects, as well as reduce GHG emissions, the use of natural resources and biodiversity loss.</p> <ul style="list-style-type: none"> <li>• We positively assess the repair, refurbishment and reuse of products as well as the production of goods from redundant products. We also positively assess the processes of repurposing, refurbishing, remanufacturing and recycling. However, these processes can be energy-intensive and lead to transport-related emissions for raw materials, which may offset some of the environmental benefits.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes repair, refurbishment and remanufacturing; preparation for reuse; and marketplaces for the trade of secondhand goods.</li> <li>• The other criteria that can be applied outside of the EU are aligned with market best practice. This includes the circular use and value recovery of goods.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>
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**Water and wastewater management**

<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation and the sustainable use and protection of water and marine resources:             <ul style="list-style-type: none"> <li>– construction, extension and operation of water collection, treatment and supply systems in accordance with EU taxonomy activity 5.1;</li> <li>– renewal of water collection, treatment and supply systems in accordance with taxonomy activity 5.2;</li> <li>– construction, extension and operation of waste water collection and treatment in accordance with taxonomy activity 5.3;</li> <li>– renewal of waste water collection and treatment in accordance with taxonomy activity 5.4;</li> <li>– urban waste water treatment in accordance with taxonomy activity 2.2; and</li> <li>– sustainable urban drainage systems in accordance with taxonomy activity 2.3.</li> </ul> </li> <li>• Outside the EU, the company can also make use of other criteria aligned with the CBI Climate Bonds Taxonomy 2021, including water and wastewater collection and treatment supply systems. The impact of the project or asset on GHG emissions and degree of mitigation over the operational lifetime of the project or asset should be disclosed.</li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive environmental impact by conserving water resources and protecting aquatic ecosystems.</li> <li>• This category covers water and wastewater treatment, as well as urban drainage.</li> <li>• Inadequate water and wastewater management can have severe negative environmental impacts, by contributing to water pollution, water scarcity and loss of biodiversity. Water pollution and degradation can lead to human health risks such as the spread of waterborne diseases. Sustainable water management is therefore crucial to reduce water-related risks and protect ecosystems.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes water collection, treatment and supply systems as well as wastewater infrastructure.</li> <li>• The criteria that can be applied outside of the EU are aligned with the CBI Climate Bonds Taxonomy 2021 under the activities of water treatment and water distribution. The company confirmed that it will conduct impact assessments at the project or asset level and that it expects projects to have no or negative net GHG emissions.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>	 <p><b>6</b> CLEAN WATER AND SANITATION</p>
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**Environmentally sustainable management of living natural resources and land use**



<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change mitigation.             <ul style="list-style-type: none"> <li>– Sustainable forestry, covering:                 <ul style="list-style-type: none"> <li>◆ afforestation in accordance with EU taxonomy activity 1.1;</li> <li>◆ rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event in accordance with taxonomy activity 1.2; and</li> <li>◆ forest management in accordance with taxonomy activity 1.3.</li> </ul> </li> </ul> </li> <li>• Outside the EU, the company can also make use of other criteria aligned with the CBI Climate Bonds Taxonomy 2021, including the following.</li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive environmental impact by maintaining ecosystems, promoting biodiversity, and ultimately mitigating climate change.</li> <li>• This category covers activities within sustainable forestry, sustainable agriculture, and preservation of conservation areas, wildlife and natural habitats.</li> <li>• The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services assessment from 2019 indicates that around 75% of land-based environment has been significantly altered by human actions.</li> <li>• The Stockholm Resilience Center considers land-system change as one of the significant planetary boundaries that has been crossed, due to activities such as deforestation and urbanisation. This leads to reduced carbon sequestration and moisture recycling, as well as biodiversity loss. Sustainable management of living resources and land use is therefore crucial to halt and reverse negative impacts on land.</li> </ul>	 <p><b>15</b> LIFE ON LAND</p>
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<ul style="list-style-type: none"> <li>- Sustainable forestry with a certification from the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).</li> <li>- Biodiversity, covering:             <ul style="list-style-type: none"> <li>◆ preservation and rehabilitation of natural ecosystems; and</li> <li>◆ preservation and protection of protected areas (eg regional natural parks), or according to the International Union for Conservation of Nature's Protected Area Categories System - Natura 2000, or other effective area-based conservation measures.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We positively assess activities relating to protection and restoration of forests and conservation areas, and the rehabilitation of ecosystems. We consider sustainable forestry activities that are aligned with the SCC as meeting best practice, as this helps ensure that the forest management activity aligns with the most stringent criteria.</li> <li>• We consider certification, such as from the FSC and the PEFC, as important components of sustainable forestry, but they might differ in robustness of criteria and provide less transparency in the certification process.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the SCC. This includes sustainable forestry.</li> <li>• The criteria that can be applied outside the EU are aligned with market practice, including having relevant external certifications for sustainable forestry and preservation of natural resources. This includes sustainable forestry as well as biodiversity projects.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>
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**Climate adaptation**

<ul style="list-style-type: none"> <li>• Within the EU, the company applies the following criteria, which are aligned with the cited EU taxonomy SCC for climate change adaptation.             <ul style="list-style-type: none"> <li>- Observation systems, covering:                 <ul style="list-style-type: none"> <li>◆ software enabling physical climate risk management and adaptation in accordance with EU taxonomy activity 8.4; and</li> <li>◆ consultancy for physical climate risk management and adaptation in accordance with taxonomy activity 9.3.</li> </ul> </li> <li>- Infrastructure resilience, covering: flood risk prevention and protection infrastructure in accordance with taxonomy activity 14.2.</li> </ul> </li> <li>• Outside the EU, the company can also make use of other criteria, including:             <ul style="list-style-type: none"> <li>- observation systems, covering efforts to enhance infrastructure resilience to climate change impacts, including climate observation systems, early warnings and data-driven climate monitoring and reporting systems; and</li> <li>- infrastructure resilience, covering adaptation measures to reduce harm from climate-related events, such as integrating climate resilience in buildings and infrastructure design, eg flood prevention.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have an excellent environmental impact as it contributes to climate change adaptation, including to floods and other physical risks.</li> <li>• Climate change adaptation measures are crucial due to the increasing frequency and severity of extreme weather events, and the long-term impact of climate change. The covered activities contribute to preventing and reducing risks from climate-related hazards.</li> <li>• We positively evaluate observation systems as they can be essential to improve climate prediction and enable early notification, which helps increase the climate resilience of agriculture and water resources, and contributes to food security.</li> <li>• We consider the criteria applied within the EU to be fully aligned with the EU taxonomy SCC. This includes observation systems and climate change resilience infrastructure.</li> <li>• Criteria applied outside the EU are not aligned with external taxonomies but are aligned with market practice.</li> <li>• We view this category to be aligned with the ICMA Green Bond Principles 2021.</li> </ul>	 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  <p><b>13</b> CLIMATE ACTION</p>
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**Social Eligible Projects**




**Affordable basic infrastructure**

<ul style="list-style-type: none"> <li>• Clean drinking water, sewage and sanitation, covering facilities, technologies and infrastructure designed to treat, distribute and conserve water.             <ul style="list-style-type: none"> <li>- Projects could include, but are not limited to: processing of wastewater, urban drainage systems, water purification processes, improved drinking water quality, improved reliability of fresh water supply and increased water use efficiency, upgrades in sewage infrastructure and processing of sanitation waste.</li> <li>- The target population is populations with unreliable, limited or no access to clean drinking water, sewage and sanitation</li> </ul> </li> <li>• Public transportation, covering projects and services related to mobility and passenger transportation, and</li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive social impact, as it contributes to the provision of basic infrastructure to clearly defined vulnerable target populations.</li> <li>• Funds have wide-ranging applications, including investments in clean drinking water, sewage and sanitation, public transportation, waste management, recovery and reconstruction, and information technologies.</li> <li>• Investments in essential infrastructure and services are particularly impactful in enhancing public welfare and sustainability in countries. Ensuring that these facilities meet the latest standards is essential for maintaining public trust and promoting citizens' welfare.</li> <li>• Investments in facilities and infrastructure designed to treat, distribute and conserve water are crucial, especially in regions that are remote or affected by water scarcity.</li> </ul>	 <p><b>6</b> CLEAN WATER AND SANITATION</p>  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>
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<p>the construction, modernisation and maintenance of transport infrastructure.</p> <ul style="list-style-type: none"> <li>- The target population is populations in rural, semi-rural or urban areas that have limited access to public transportation.</li> </ul> <ul style="list-style-type: none"> <li>• Waste management, covering projects and solutions that create or improve the management of waste in ways that reduce the harmful impacts on health and well-being for targeted communities. <ul style="list-style-type: none"> <li>- The target population is local communities with unreliable, limited or no access to waste management services.</li> </ul> </li> <li>• Recovery and reconstruction, covering projects to develop and restore infrastructure essential to the operation of society that has been damaged or destroyed due to natural disasters (eg flooding) or man-made disasters (eg war). <ul style="list-style-type: none"> <li>- Examples of infrastructure could include, but are not limited to, the legal system and community information services.</li> <li>- The target populations are populations with unreliable, limited or no access to electricity services; and populations affected by disasters as a result of climate change or human activities.</li> </ul> </li> <li>• Information technologies, covering projects and solutions that create, extend or improve access to technology services and related infrastructure. Examples could include, but are not limited to cybersecurity, Internet of Things and databases. <ul style="list-style-type: none"> <li>- The target population is people or populations with insufficient access to information technologies.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• These investments ensure that all citizens, particularly those with unreliable, limited or no access to clean drinking water, sewage and sanitation, have access to safe and clean drinking water and efficient sewage and sanitation systems. This contributes to public health, reduces the incidence of waterborne diseases, and promotes overall well-being.</li> <li>• Public transportation projects are vital for ensuring efficient and sustainable movement within cities and regions. Improving public transportation options can reduce traffic congestion, lower carbon emissions and improve the quality of life for residents. These projects are especially beneficial for populations in rural, semi-rural or urban areas that have limited access to public transportation.</li> <li>• The construction, modernisation and maintenance of transport infrastructure is essential for supporting economic growth and connectivity. These projects ensure that transportation networks are safe, reliable and capable of meeting the demands of a growing population.</li> <li>• Efficient waste management systems help reduce pollution, conserve resources and promote environmental sustainability. Projects and solutions that improve the management of waste to reduce harmful impacts on health and well-being for targeted communities are critical.</li> <li>• This is particularly important for local communities with unreliable, limited or no access to waste management services, and in areas affected by pollution through poorly managed waste, due to eg inadequate landfills or other forms of disposal, which contaminates land, air and water.</li> <li>• Projects to develop and restore essential infrastructure that has been damaged or destroyed due to natural disasters or man-made disasters are crucial for societal resilience. These projects ensure communities can quickly recover and rebuild, to maintain continuity of essential services and support economic stability. Such projects are vital for populations affected by disasters as a result of climate change or human activities.</li> <li>• Projects and solutions that create, extend or improve access to technology services and related infrastructures are vital for fostering innovation, economic growth and social inclusion. Investing in information technologies means SEK can ensure that all citizens, especially people or populations with insufficient access to information technologies, have access to the digital tools and resources needed for education, employment and communication.</li> <li>• We positively assess that investments in affordable basic infrastructure can lead to reduced inequality and greater social cohesion, contributing to countries' overarching goals of social equity and economic prosperity. SEK clearly sets out relevant vulnerable target groups, which ensures that social benefits are inclusive, reaching communities and individuals that are most in need of improved essential services.</li> <li>• This eligible project category directly contributes to SDGs 6 (clean water and sanitation), 7 (affordable and clean energy) and 11 (sustainable cities and communities).</li> <li>• We view this category to be aligned with the ICMA Social Bond Principles 2023.</li> </ul>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
<p><b>Access to essential services</b></p> <ul style="list-style-type: none"> <li>• Healthcare, covering healthcare facilities including hospitals, health centres, inpatient and outpatient clinics nursing homes and related health service equipment and hardware; as well as products and services focused on providing improved quality of, and access to, healthcare and vocational training. <ul style="list-style-type: none"> <li>- The target population is under-served populations in the hospital or health centre district.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive social impact as it contributes to the provision of essential services to excluded and under-served populations.</li> <li>• Investments in modern and well-maintained healthcare facilities have broad potential applications in the countries of investment. SEK has an important role to play in supporting healthcare exporters, which in turn can improve health care in countries receiving the exports, by providing state-of-the-art technology</li> </ul>	 <p>3 GOOD HEALTH AND WELL-BEING</p>







<ul style="list-style-type: none"> <li>• Education, covering education facilities such as schools, higher education campuses, education centres and related hardware; and products and services focused on providing improved quality of, and access to, education and vocational training.             <ul style="list-style-type: none"> <li>– The target populations are children, young people, displaced workers and under-educated population(s).</li> </ul> </li> <li>• Public safety services, covering emergency response services including equipment, hardware and communication intended to prevent, mitigate and recover from fire, crime and disasters.             <ul style="list-style-type: none"> <li>– The target population is populations exposed to the risk of fire, crime and disasters.</li> </ul> </li> <li>• Financing and financial services, covering projects and solutions focused on providing improved access to financing and financial services.             <ul style="list-style-type: none"> <li>– The target population is the population with limited or no access to financing and financial services.</li> </ul> </li> </ul>	<p>and research, as well as safe and high-quality healthcare facilities and products.</p> <ul style="list-style-type: none"> <li>• Demand for healthcare services is growing in developed countries in the face of an ageing population. Investing in healthcare infrastructure and training helps ensure that Sweden can meet this demand efficiently and sustainably. It also supports the economy by creating jobs and encouraging innovation in the healthcare sector, ultimately contributing to the nation's overall prosperity.</li> <li>• Modern and well-maintained education facilities also improve the quality of education, and foster innovation, employability and economic prosperity. Access to educational resources empowers individuals, leading to improved socioeconomic outcomes and reduced inequality.</li> <li>• Sweden is renowned for its strong welfare state and high standards of living, so such investments are critical. The clear definition of vulnerable target groups ensures that all individuals, regardless of their background, have access to adequate education resources.</li> <li>• Supporting access to professional training and continuous education resources helps individuals improve their skills and learn new ones, helping them adapt to changing job markets and contribute to economic resilience and growth.</li> <li>• We positively view investments in public safety services. These services help prevent, mitigate and facilitate recovery from fires, crimes and disasters, so reduce the risk of harm, injury and loss of life among vulnerable populations. This contributes to a safer and more resilient community, ultimately promoting overall well-being and quality of life. These investments are most efficient when combined with adequate safety regulations in the target countries.</li> <li>• Initiatives to improve financial inclusion support economic stability and growth, particularly for populations with limited or no access to traditional financial services. This is especially relevant in countries with a high share of an unbanked population, where financial inclusion can help reduce economic disparities and promote a more equitable society.</li> <li>• We view the target groups as clearly defined and relevant to the intended investments. The vulnerability of the target group will depend on the country of investment, though we view access to essential services as a crucial component in increasing individuals' well-being and furthering economic growth.</li> <li>• The eligible project category directly contributes to SDGs 3 (good health and well-being), 4 (quality of education), 8 (decent work and economic growth) and 10 (reduced inequalities).</li> <li>• We view this category to be aligned with the ICMA Social Bond Principles 2023.</li> </ul>	 <p><b>4</b> QUALITY EDUCATION</p>  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  <p><b>10</b> REDUCED INEQUALITIES</p>
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**Affordable housing**

<ul style="list-style-type: none"> <li>• Development and/or provision of housing that is in line with the respective country's national housing programme for social or affordable housing.             <ul style="list-style-type: none"> <li>– The target population is the population eligible for each country's social and affordable housing programmes.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive social impact as it contributes to providing access to safe, secure and affordable living conditions.</li> <li>• We positively assess the construction or repurposing of housing to serve public housing, which is generally more affordable. Providing safe, affordable housing can significantly improve the quality of life for vulnerable groups. This is especially important in countries where availability of public housing is limited and that have long waiting queues.</li> <li>• We view it positively that national public housing programmes often prioritise target populations that are especially vulnerable, such as lower-income individuals and families, elderly people and pensioners, single parents and young families, ethnic minorities and immigrants, and people with disabilities.</li> <li>• The eligibility criteria for public housing in some countries are very broad; this can be overall beneficial as it contributes to</li> </ul>	 <p><b>1</b> NO POVERTY</p>  <p><b>10</b> REDUCED INEQUALITIES</p>
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	<p>social integration and social security, but can also mean that the beneficiary is not necessarily from a specifically vulnerable or disadvantaged group of the population.</p> <ul style="list-style-type: none"> <li>• This eligible project category contributes to SDGs 1 (no poverty), 10 and 11.</li> <li>• We view this category to be aligned with the ICMA Social Bond Principles 2023.</li> </ul>	 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>
<p><b>Employment generation</b></p> <ul style="list-style-type: none"> <li>• Initiatives and solutions contributing to mitigation of unemployment, under-employment or promotion of employment creation. <ul style="list-style-type: none"> <li>– Projects include, but are not limited to, promoting agricultural SMEs, driving economic growth and sustainable jobs, crafting skilled workforces, entrepreneurship support and financial inclusion, quality education and skills development and assisting displaced workers.</li> <li>– The target population is local communities benefiting from job creation or other economic opportunities created by a project.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have a positive social impact as it contributes to improving social stability and security, reducing unemployment and poverty, and increasing economic mobility and social inclusion.</li> <li>• Funds will support initiatives and solutions aimed at mitigating unemployment and under-employment, and at promoting job creation. These initiatives are crucial for ensuring that individuals have access to meaningful employment opportunities, which in turn supports economic growth and social stability. These investments help create a robust job market, which can help reduce poverty, improve the standard of living, and empower individuals to achieve financial independence.</li> <li>• These funds also promote decent work, which helps ensure that employment is productive and delivers a fair income, providing security in the workplace and social protection for families. Furthermore, addressing economic disparities allows the funds to help reduce inequalities within and among communities, fostering a more inclusive and equitable society.</li> <li>• The target population includes local communities benefiting from job creation or other economic opportunities generated by these projects. This encompasses a wide range of individuals, including young people entering the workforce, displaced workers seeking new opportunities, under-employed individuals looking for better positions, and marginalised groups striving for economic inclusion.</li> <li>• This eligible project category contributes to SDGs 8 and 10.</li> <li>• We view this category to be aligned with the ICMA Social Bond Principles 2023.</li> </ul>	 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  <p><b>10</b> REDUCED INEQUALITIES</p>
<p><b>Food security and sustainable food systems</b></p> <ul style="list-style-type: none"> <li>• Food security and sustainable food systems, covering projects and solutions dedicated to agricultural transformation aiming at ensuring food security. <ul style="list-style-type: none"> <li>– Examples could include but are not limited to: <ul style="list-style-type: none"> <li>◆ development of the agricultural value chain;</li> <li>◆ creating jobs and ensuring food security under a changing climate;</li> <li>◆ building resilience of vulnerable populations to adapt to changing livelihoods and environment;</li> <li>◆ water management;</li> <li>◆ improving access to road networks and market infrastructure; and</li> <li>◆ implementing hydro-agricultural development projects for sustainable water use and construction of warehouses.</li> </ul> </li> <li>– The agricultural projects should have a sustainable certification where applicable, such as from the Marine Stewardship Council for fishery or UTZ for coffee, cocoa and tea.</li> <li>– The target population is the population with unreliable or limited access to agricultural growth and affordable and nutritious food, and in in countries listed by the UN Development Assistance Committee (DAC) as official development assistance (ODA) recipients, only including the first</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We view this eligible project category to have an excellent social impact by improving access to nutritious food, reducing hunger and malnutrition, and enhancing the livelihoods and well-being of vulnerable populations, particularly in developing countries.</li> <li>• Proceeds from the bond can finance projects and solutions dedicated to agricultural transformation with the goal of ensuring food security. These projects are vital for enhancing the sustainability and productivity of the agricultural sector, thereby contributing to food security and generating positive social impacts.</li> <li>• Swedish companies that invest in agricultural innovation and efficiency can help ensure a stable food supply, support rural economies, and reduce food production's footprint.</li> <li>• The target population includes communities in ODA-recipient countries with unreliable or limited access to agricultural development. Focusing on these regions means investments can empower local farmers with advanced agricultural techniques, access to high-quality seeds and fertilisers, and better irrigation systems. This can lead to increased crop yields, improved resilience to climate change and improved livelihoods for farmers and their families.</li> <li>• These projects can also stimulate local economies by creating jobs and supporting smallholder farmers, in turn promoting economic stability and growth. These initiatives can help address food security, so also contribute to reducing hunger and</li> </ul>	 <p><b>2</b> ZERO HUNGER</p>



<p>three pillars (least developed, other low-income and lower-middle-income countries).</p>	<p>malnutrition, improving health outcomes and fostering social well-being.</p> <ul style="list-style-type: none"> <li>• Overall, investing in agricultural transformation in DAC-listed countries promotes a more sustainable and productive agricultural sector, as well as strengthening the social and economic fabric of rural communities. These efforts align with global goals of reducing poverty, enhancing food security and promoting sustainable development.</li> <li>• This eligible project category directly contributes to SDG 2 (zero hunger).</li> <li>• We view this category to be aligned with the ICMA Social Bond Principles 2023.</li> </ul>
<p>Source: SEK sustainability bond framework 2024</p>	<p>Source: Sustainable Fitch</p>



**Use of Proceeds – Other Information**

**Company Material**

- Proceeds from SEK’s green, social and sustainability bonds will be primarily allocated to capex and may also be used to cover opex directly related to eligible projects, including R&D, maintenance and procurement, subject to a maximum three-year lookback period for refinancing.
- SEK’s green, social and sustainability bonds may be used to finance general corporate purposes of dedicated businesses, known as “pure players”, that derive more than 90% of their turnover or revenue from activities that meet SEK’s eligibility criteria and do not engage in activities inconsistent with this framework or listed in the exclusion criteria.
- For reporting purposes, financing is defined as the disbursed volume of eligible green and social projects during the reporting year, while refinancing refers to the disbursed volume prior to the reporting year. The distribution between financing and refinancing will be disclosed in SEK’s annual reporting.
- The proceeds of SEK’s green, social and sustainability bonds will not be allocated to projects involving palm oil, weapons, fossil fuel extraction, coal power generation, gambling, tobacco, alcohol or other activities deemed high-risk according to SEK’s sustainable finance policy.

Source: SEK sustainability bond framework 2024

**Alignment: Excellent**

**Sustainable Fitch’s View**

- SEK defined a lookback period for opex of three years; we consider this in line with market practice. SEK will consider capex as green or social as long as it meets the eligibility criteria set out in the framework.
- The company set a threshold for a borrower to be a “pure player” of at least 90% turnover or revenue within any of the eligible project categories, which we consider in line with market best practice as the remaining 10% is also subject to the exclusions outlined in the framework.
- SEK’s sustainable finance policy sets out robust exclusion criteria covering new and existing activities within coal, oil and gas, and other extraction-related operations. The exclusion criteria include an exemption for coal-fired power plants that have a credible transition plan in line with a 1.5°C scenario. We positively view that the company set additional social exclusions in the framework (for palm oil, weapons, gambling, tobacco and alcohol).
- The company intends for the majority of assets to consist of new projects, which positively affects the assessment of this section.

Source: Sustainable Fitch

**Evaluation and Selection**

**Company Material**

- SEK’s sustainability bond committee, a subcommittee of the asset liability committee, is responsible for preparing, deciding and following up on matters related to the classification and allocation of eligible projects, ensuring robust governance and oversight of the sustainability bond framework.
- Green eligible projects within the EU are evaluated against the EU taxonomy criteria, including the SCC, as well as the DNSH criteria on a best effort basis. Projects outside the EU will apply the SCC on a best effort basis but can also be evaluated based on the “other criteria” cited in the framework. For projects outside the EU, environmental due diligence is based on the International Financial Corporation performance standards.
- The minimum social safeguard principles apply to all projects within and outside the EU. This ensures projects’ alignment with the framework’s eligibility requirements, as well as SEK’s environmental minimum safeguards and exclusion criteria to prevent harm to the environment and society.
- Social eligible projects are assessed using a model that considers the availability, accessibility, acceptability and quality of the project’s end-use, taking into account additionality and the potential to address social, economic and cultural rights, while also considering environmental implications based on best-available technology and local contexts.
- Projects undergo thorough ESG due diligence, ensuring compliance with SEK’s sustainable finance policy, the Equator Principles and the OECD Common Approaches, and are screened for ESG controversies and risks to minimise potential negative impacts.
- Eligible projects are approved, flagged and monitored annually to ensure ongoing alignment with the framework’s eligibility criteria, and updates to the EU taxonomy criteria are applied prospectively, maintaining the integrity of the SEK green and social portfolios.

**Alignment: Excellent**

**Sustainable Fitch’s View**

- The company clearly outlined its process for evaluation and selection of eligible projects. The procedural steps are clearly described and the company has already implemented the process since this is an update to an existing framework.
- SEK has a designated sustainability bond committee; it is chaired by the head of sustainability and consists of representatives from various functions, including a sustainability analyst.
- It primarily screens green projects according to the EU taxonomy SCC, and only resorts to other criteria if compliance with these criteria is not possible for projects outside of the EU due to eg limited data availability or regulatory restrictions.
- Within the EU, projects are screened in line with the latest applicable SCC for each respective environmental objective. Projects are required to meet the DNSH criteria on a best-effort basis, with exclusions being made primarily for criteria that are difficult to measure, where data is difficult to procure.
- We positively view that, while the other criteria applied outside the EU may be less stringent than those of the EU taxonomy, they still follow credible market standards such as the CBI Climate Bonds Taxonomy or international standards aligned with market best practice.
- We positively view that SEK ensures that all projects within and outside the EU will comply with the minimum safeguards, mitigating negative social impacts.
- We positively view that the company uses a rigorous process for the assessment of social loans, to ensure the additionality of projects. The project-level assessment ensures that target populations are assessed on a loan-specific level, to maximise social impact towards vulnerable populations.
- The assessment of social loans also takes environmental considerations into account to ensure social projects do not cause negative environmental impacts.
- The client relationship management team is responsible for proposing eligible projects. The sustainability bond committee then approves the inclusion of these projects based on environmental and social due diligence, thereafter projects are flagged as sustainable in the system.

## Evaluation and Selection

## Alignment: Excellent

### Company Material

### Sustainable Fitch's View

We consider the internal control structure to be in line with best practice as the multi-layered process ensures that all included projects meet the framework criteria as well as the company's internal due diligence.

- The sustainable bond committee annually screens eligible projects and exchanges projects that cease to meet the criteria set out.

Source: SEK sustainability bond framework 2024

Source: Sustainable Fitch

## Management of Proceeds

## Alignment: Good

### Company Material

### Sustainable Fitch's View

- An amount equivalent to the proceeds of any SEK green, social or sustainability bond issued under this framework will be managed by the finance department on a portfolio basis.
- As long as bonds are outstanding and proceeds from issues are available, SEK will, at the end of every fiscal quarter, deduct funds in an amount equal to disbursements for the financing of eligible projects made during such quarter.
- Pending the allocation of an amount equivalent to the proceeds of SEK bonds to the eligible projects, the balance of the net proceeds will be held in cash; other green, social or sustainability bonds; or municipality and/or government debt with a minimum credit rating of AA. Temporary investments will not support activities referenced in the exclusion criteria in the use of proceeds section of the framework. SEK will strive to allocate proceeds within one year.

- The company flags sustainable loans in its internal systems. We consider this virtual segregation to align with standard market practice.
- SEK committed to holding unallocated proceeds in line with its standard liquidity management (ie as cash), invest in other sustainable assets or in government debt with a robust credit rating. We consider this in line with market practice and positively view the preference for temporary investments to be made in sustainable bonds.
- The company strives to allocate all proceeds within one year, which we consider as in line with market practice.
- The company highlighted that the eligible asset pool will be assessed annually and loans that no longer meet the criteria will be removed and replaced.

Source: SEK sustainability bond framework 2024

Source: Sustainable Fitch

## Reporting and Transparency

## Alignment: Excellent

### Company Material

### Sustainable Fitch's View

- SEK will provide an annual allocation and impact report on its website, enabling investors and stakeholders to track the development of eligible green and social projects and gain insight into prioritised areas, aiming to align with the Nordic Position Paper on Green Bonds Impact Reporting (2024) and the ICMA Harmonised Framework for Impact reporting for green and social bonds.
- The allocation report will include detailed allocation reporting, including the total amount of green, social and sustainability bonds issued and outstanding; a list of eligible projects with allocated and disbursed amounts; project descriptions; and distribution of allocation across portfolios, categories and geographies. If applicable, the allocation report will also reflect the percentage of projects aligned with the EU taxonomy.
- Impact reporting will provide expected and/or actual environmental and social outputs and impacts from eligible projects, where relevant and feasible, using the ICMA's Harmonised Framework for Impact Reporting guidelines for green and social bonds, and considering updates to these guidelines.
- Qualitative performance indicators and quantitative performance measures from eligible green and social projects will be reported, capturing positive impacts on the SDGs, as outlined in the ICMA's SDG map, as will the additionality of social projects, subject to data availability, competitiveness and confidentiality considerations.
- Reporting methodologies and assumptions used to report on environmental and/or social benefits of eligible projects will be disclosed, providing transparency and accountability in SEK's sustainability bond framework.

- SEK committed to report on the allocation and impact of proceeds annually until maturity.
- The allocation will be reported on a portfolio basis for outstanding bonds, including a list of eligible projects as well as project descriptions. We consider this granularity of reporting to be in line with best practice.
- The company will also provide additional information, including the allocation of proceeds between eligible project categories and geographies, the share of refinancing, and the remaining balance of unallocated proceeds.
- Impact will be reported at the category level, including project-level information where feasible. We consider impact reporting on a bond-by-bond basis as best practice, as it allows investors to clearly track the impact of the volume they invested in.
- The company's impact reporting for green bonds aims to follow recognised external methodologies such as the Nordic Position Paper on Green Bonds Impact Reporting (2024), a reporting guideline established by Nordic public sector issuers of green bonds. Besides this, the company also aims to follow the ICMA Harmonised Framework for Impact Reporting (2024). We consider reporting under this methodology as best practice, as it establishes clear guidance for impact metrics that are measurable, standardised and comparable.
- The impact of social bonds is reported based on the ICMA's Handbook – Harmonised Framework for Impact Reporting for Social Bonds (2024). Additionally, projects are mapped to SDGs and the company clearly lists potential impact indicators in the sustainability bond framework, which include an assessment of the project's additionality and specification of target populations.



- SEK committed to requesting annual assurance on the allocation of proceeds by an external auditor. The company does not commit to external review of reported impact.

Source: SEK sustainability bond framework 2024

Source: Sustainable Fitch





## Relevant UN Sustainable Development Goals

- **1.4:** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



- **2.1:** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
- **2.2:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- **2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.



- **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



- **4.2:** By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
- **4.3:** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
- **4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- **4.5:** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.



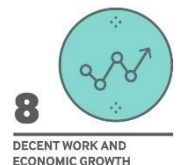
- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.



- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **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.
- **8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



## Relevant UN Sustainable Development Goals

- **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.



- **10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



- **11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- **11.3:** By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
- **11.5:** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
- **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.
- **12.2:** By 2030, achieve the sustainable management and efficient use of natural resources.
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- **15.2:** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



Source: Sustainable Fitch, UN



**Alignment with EU Taxonomy - Summary of criteria applied within the EU**

UoP	E/T	Technical Screening Criteria												MS	Full Alignment
		SCC						DNSH							
		EO1	EO2	EO3	EO4	EO5	EO6	EO1	EO2	EO3	EO4	EO5	EO6		
Renewable energy	E	✓	—	—	—	—	—	—	P	P	P	P	P	✓	P
Green buildings	E, T	✓	—	—	—	—	—	—	P	P	P	P	—	✓	P
Energy efficiency	T	✓	—	—	—	—	—	—	P	P	P	P	P	✓	P
Clean transportation	E	✓	—	—	—	—	—	—	P	P	P	P	P	✓	P
Pollution prevention and control	E	✓	—	—	✓	—	—	P	P	P	P	P	P	✓	P
Circular economy	—	—	—	—	✓	—	—	P	P	P	—	P	P	✓	P
Water and wastewater management	—	✓	—	✓	—	—	—	P	P	P	P	P	P	✓	P
Environmentally sustainable management of living natural resources and land use	—	✓	—	—	—	—	—	—	P	P	P	P	P	✓	P
Climate adaptation	—	✓	✓	—	—	—	—	P	P	P	P	P	P	✓	P
<b>Overall instrument alignment</b>														<b>P</b>	

<b>Key</b>	<b>UoP</b> Use of proceeds
✓ Fully aligned with the requirements	E Enabling, as per EU Taxonomy Compass
✗ Not aligned with the requirements	T Transitional, as per EU Taxonomy Compass
P Partially aligned with the requirements	SCC Substantial contribution criteria
— Not applicable	DNSH Do no significant harm criteria
	MS Minimum safeguards

Source: Sustainable Fitch, SEK sustainability bond framework 2024, annual and sustainability report 2023



## Alignment with EU Taxonomy - Details for Criteria Applied Within the EU

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

**Use of Proceeds** Renewable energy

Contribution to EU Environmental Objectives (EO)	EO1	EO2	EO3	EO4	EO5	EO6
	Yes	No	No	No	No	No

**Substantial Contribution Criteria (SCC)** Yes. The use of proceeds categories demonstrate full alignment with the EU taxonomy SCC for climate change mitigation across various electricity generation and manufacturing activities.

**EO1:**

Wind (category 4.3) and solar power (categories 4.1 or 4.2) generation activities are fully aligned with the EU taxonomy SCC, as they are exempt from specific thresholds. Hydropower projects (category 4.5) meet the required criteria for emissions intensity, power density, or plant configuration. Bioenergy projects (category 4.8) comply with stringent requirements on biomass sourcing, GHG emission savings, and operational efficiency for larger installations.

The “manufacture of equipment for the production and use of hydrogen” activity (category 3.2), as well as the “manufacture of hydrogen” and hydrogen-based synthetic fuels activity (category 3.10), fully comply with the EU taxonomy SCC, including strict life-cycle emission thresholds. These activities meet the requirements for life-cycle GHG emissions being below 3tCO<sub>2e</sub> per tonne of hydrogen and 70% GHG emission savings for hydrogen-based synthetic fuels compared to fossil fuel comparators. Additionally, the calculation methodologies comply with specific EU directives or ISO standards, and emission savings are independently verified.

Among the activities mentioned, “manufacture of equipment for the production and use of hydrogen” (category 3.2) is an enabling activity under the EU taxonomy, while the rest are low-carbon activities that directly contribute to climate change mitigation.

Focusing on these low-carbon and enabling technologies across the energy and manufacturing sectors allows this use of proceeds category to directly support the transition to a low-carbon economy. The comprehensive alignment with the EU taxonomy SCC demonstrates a robust approach to identifying activities that make a substantial contribution to climate change mitigation.

**Do No Significant Harm (DNSH)** Partial. SEK assesses the adherence to DNSH criteria for all projects in the EU, but not meeting individual criteria does not lead to the exclusion of loans. The nature of the framework means this assessment was based on the company’s process for assessing the DNSH criteria for granted loans, rather than on the project-level fulfilment of individual DNSH criteria.

SEK screens all transactions, regardless of size or sector, against sustainability criteria, including environmental factors. Additionally, SEK screens all green eligible projects within the EU individually for fulfilment of the DNSH criteria. For larger projects, SEK collects the necessary documentation and evidence to verify compliance with DNSH criteria. In cases of direct financing, SEK directly confirms the alignment with the individual DNSH criteria with the borrower. SEK employs a risk-based methodology, conducting more in-depth analysis for transactions with higher sustainability risks.

SEK’s sustainable finance policy stipulates principles for responsible lending, including a restrictive approach to transactions with a negative impact on the climate. For high-risk sectors and activities, such as fossil fuels, mining, and projects in complex markets, SEK conducts enhanced environmental due diligence. Where relevant, SEK includes contractual terms related to managing environmental risks in loan agreements, providing a legal basis for enforcing sustainability commitments. The company monitors compliance throughout the life of the loan and can require corrective action if issues arise.

Through this comprehensive approach, SEK aims to ensure its lending activities do not cause significant harm to environmental objectives, in line with EU sustainable finance principles and international best practices. The company takes a precautionary approach, refraining from transactions where environmental risks are deemed unacceptable or inconsistent with guidelines.

**Minimum Safeguards** Yes. SEK demonstrates alignment with the EU taxonomy’s minimum safeguards. SEK adheres to key international guidelines referenced in article 18 of the EU taxonomy regulation, including the UN Global Compact, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises for itself as a lender as well as recipients of financing.

SEK’s commitment to ensuring its operations and financed projects comply with international guidelines on environmental considerations, anti-corruption, human rights, labour conditions and business conduct aligns with minimum safeguard expectations.

In human rights, SEK established a human rights policy aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This policy includes a human-rights due diligence (HRDD) process that involves conducting risk assessments, engaging with stakeholders and integrating human rights considerations into credit-granting decisions.

SEK’s anti-corruption policy enforces a zero-tolerance approach to corruption and bribery. The company provides regular anti-corruption training to all employees and has established procedures for reporting and investigating corruption incidents. It also



**Alignment with EU Taxonomy - Details for Criteria Applied Within the EU**

follows the Swedish Anti-Corruption Institute’s code to prevent corruption in business and the OECD Anti-Bribery Convention at the entity level.

SEK is a state-owned company, so it outlines its commitment to full compliance with applicable tax laws and regulations. This includes maintaining transparent and cooperative relationships with tax authorities, and implementing tax risk management strategies and processes to ensure compliance and mitigate tax-related risks.

SEK promotes compliance with competition laws and regulations through its competition law policy. The company provides regular training to employees on competition law compliance and has procedures for reporting and addressing competition law violations.

Use of Proceeds	Green buildings					
Contribution to EU Environmental Objectives	EO1	EO2	EO3	EO4	EO5	EO6
	Yes	No	No	No	No	No
<b>Substantial Contribution Criteria (SCC)</b>	<p>Yes. The use of proceeds categories related to buildings and energy efficiency demonstrate full alignment with the EU taxonomy SCC for climate change mitigation across various construction and real estate activities.</p> <p><b>EO1:</b> The criteria cover a comprehensive range of activities, including “acquisition and ownership of buildings” (category 7.7), “construction of new buildings” (category 7.1) and “renovation of existing buildings” (category 7.2). These comply with stringent energy performance requirements, such as being in the top 15% of the national building stock, achieving energy performance certificate rating A, or surpassing nearly zero-energy building (NZEB) standards by at least 10%. Not all countries have defined official primary energy demand thresholds for the top 15% of buildings or the NZEB standard, so interpretation of this criteria will differ between countries.</p> <p>The company confirmed that the majority of EU taxonomy-aligned building projects are within the Nordic countries, specifically Sweden, where a relevant industry association defines technical thresholds such as NZEB and the top 15%, in the absence of legal provisions. For the assessment in other EU countries, the company considers the local context and will provide information in the post-issuance reporting about how thresholds were determined.</p> <p>Electric vehicle charging infrastructure (category 7.4) aligns with the taxonomy without additional criteria, supporting the transition to low-carbon transport. The installation, maintenance, and repair of energy performance measuring devices (category 7.5) contributes by enabling monitoring and optimisation of building energy efficiency.</p> <p>“Installation, maintenance and repair of renewable energy technologies” activities (category 7.6) contribute to climate change mitigation, with the SCC requiring on-site installation and compliance with energy efficiency standards. Lastly, “installation, maintenance, and repair of energy efficiency equipment” (category 7.3) contributes by improving building energy efficiency, with components required to meet specific energy performance standards as outlined in the taxonomy.</p> <p>Among the activities mentioned, “renovation of existing buildings” (category 7.2) is a transitional activity, all individual renovation measures (categories 7.3, 7.4, 7.5 and 7.6) are enabling activities, and the remaining (categories 7.1 and 7.7) are low-carbon activities that directly contribute to climate change mitigation.</p> <p>By focusing on these low-carbon and energy-efficient technologies across the building sector, this framework directly supports the transition to a low-carbon economy. The comprehensive alignment with the EU taxonomy SCC demonstrates a robust approach to identifying activities that make a substantial contribution to climate change mitigation in the construction and real estate sector.</p>					
<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.					
<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.					

Use of Proceeds	Energy efficiency					
Contribution to EU Environmental Objectives	EO1	EO2	EO3	EO4	EO5	EO6
	Yes	No	No	No	No	No
<b>Substantial Contribution Criteria (SCC)</b>	Yes. The use of proceeds categories demonstrate full alignment with the EU taxonomy SCC for climate change mitigation across various energy, manufacturing, and CCS activities.					



## Alignment with EU Taxonomy - Details for Criteria Applied Within the EU

**EO1:**

Energy storage projects, including “storage of electricity” (category 4.10) and “storage of hydrogen” (category 4.12) activities, comply with the SCC focused on construction and operation of dedicated energy storage facilities. For electricity, this includes pumped hydropower storage. For hydrogen, it includes construction of new facilities or conversion of existing gas storage to hydrogen.

“District heating/cooling distribution” activities (category 4.15) meet the definition of efficient systems as laid out in EU Directive 2012/27/EU, article 2 (paragraph 41). This requires the system to use at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat.

“Transmission and distribution of electricity” activities (category 4.9) align with the SCC by being part of the interconnected European system, enabling increased renewable energy integration, or having a low emissions factor. For “transmission and distribution networks for renewable and low-carbon gases” activities (category 4.14), the SCC include construction of new networks, or conversion or repurposing of existing networks for hydrogen and low-carbon gases.

CCS related activities, including “transport of CO<sub>2</sub>” (category 5.11) and “underground permanent geological storage of CO<sub>2</sub>” (category 5.12), meet specified criteria such as having CO<sub>2</sub> leakage below 0.5% for transport and proper monitoring systems for storage. These activities play a crucial role in reducing GHG emissions across various sectors.

“Manufacture of batteries” (category 3.4), “manufacture of other low carbon technologies” (category 3.6), and “manufacture of iron and steel” (category 3.9) activities all align with the taxonomy criteria. For batteries (category 3.4), the SCC focus on manufacturing rechargeable batteries that enable substantial GHG emission reductions. For other low carbon technologies (category 3.6), the SCC require the project to demonstrate substantial life-cycle GHG savings compared to alternatives. For iron and steel (category 3.9), the SCC set specific emissions thresholds for various production routes.

Among the activities mentioned, one is a transitional activity (category 3.9), seven are enabling activities (categories 3.4, 3.6, 4.9, 4.10, 4.12, 5.11 and 7.6) that facilitate emissions reductions in other sectors, and the others are low-carbon activities.

The comprehensive alignment across these diverse activities demonstrates a robust approach to identifying projects that make a substantial contribution to climate change mitigation.

<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.
<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.

**Use of Proceeds**    **Clean transportation**

<b>Contribution to EU Environmental Objectives</b>	<b>EO1</b>	<b>EO2</b>	<b>EO3</b>	<b>EO4</b>	<b>EO5</b>	<b>EO6</b>
	Yes	No	No	No	No	No

Yes. The use of proceeds categories demonstrate full alignment with the EU taxonomy SCC for climate change mitigation across various low-carbon transport activities and related infrastructure.

**EO1:**

The low-carbon transport category includes a wide range of activities, from rail transport (categories 6.1 and 6.2) and road transport (categories 6.3, 6.5 and 6.6) to sea and coastal water transport (categories 6.10, 6.11 and 6.12), covering both passenger and freight services. These activities align with their respective SCC, which generally require zero direct (tailpipe) CO<sub>2</sub> emissions or compliance with specific emissions standards. The company’s criteria align with the most stringent EU taxonomy criteria by exclusively focusing on zero-emissions vehicles and vessels, excluding hybrid options that are allowed under certain transitional taxonomy criteria.

**Substantial Contribution Criteria (SCC)**

For rail transport (categories 6.1 and 6.2), the taxonomy allows for bi-mode trains, while the company’s criteria only include fully electric trains with zero direct CO<sub>2</sub> emissions. For road transport (categories 6.3, 6.5 and 6.6), the company’s criteria strictly adhere to zero-emissions vehicles across all categories, surpassing the taxonomy’s allowances for certain low-emissions vehicles. For sea and coastal water transport (categories 6.10, 6.11 and 6.12), the company’s criteria exclusively allow vessels with zero direct CO<sub>2</sub> emissions, exceeding the SCC, which permit hybrid vessels until 2025.

The infrastructure for the low-carbon transport category encompasses projects that support personal mobility (category 6.13), rail transport (category 6.14), low-carbon road and public transport (category 6.15), and water transport (category 6.16). These infrastructure projects are crucial for enabling and supporting the transition to low-carbon transportation systems. The framework’s approach to infrastructure aligns closely with the taxonomy criteria, focusing on facilities that support zero-emission transport modes.



## Alignment with EU Taxonomy - Details for Criteria Applied Within the EU

	<p>Among the activities mentioned, none are transitional activities, as SEK applies the most stringent criteria of the EU taxonomy and excludes all hybrid and bi-mode vehicles (this includes categories 6.1, 6.2, 6.3, 6.6, 6.10, 6.11 and 6.12). Four activities are enabling activities (categories 6.13, 6.14, 6.15 and 6.16), with the remaining falling under low-carbon activities.</p> <p>By focusing on both zero-emission vehicles and supporting infrastructure, this framework comprehensively addresses the needs for transitioning to a low-carbon transportation sector, aligning with the EU taxonomy requirements for activities to make a substantial contribution to climate change mitigation in the transport sector.</p>					
<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.					
<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.					
<b>Use of Proceeds</b>	<b>Pollution prevention and control</b>					
<b>Contribution to EU Environmental Objectives</b>	<b>EO1</b>	<b>EO2</b>	<b>EO3</b>	<b>EO4</b>	<b>EO5</b>	<b>EO6</b>
	Yes	No	No	Yes	No	No
<b>Substantial Contribution Criteria (SCC)</b>	<p>Yes. The waste management activities demonstrate full alignment with the EU taxonomy SCC for climate change mitigation and transition to a circular economy.</p> <p><b>EO1:</b> "Collection and transport of non-hazardous waste in source segregated fractions" activities (category 5.5) align with the criteria requiring that all separately collected and transported waste is intended for preparation for reuse or recycling. Specifically, the SCC for EO1 for this activity state that the separately collected non-hazardous waste fractions are intended for preparation for reuse or recycling operations. This criterion ensures that the waste collection and transport activities contribute to the circular economy and reduce GHG emissions associated with waste disposal.</p> <p>"Material recovery from non-hazardous waste" activities (category 5.9) meet the requirement to convert at least 50% of the processed separately collected non-hazardous waste into secondary raw materials suitable for substituting virgin materials in production processes. The SCC for this activity further specify that the activity converts at least 50%, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. This requirement aims to promote the use of recycled materials, thereby reducing demand for virgin resources and the associated emissions from their extraction and processing.</p> <p>These waste management activities contribute to climate change mitigation by reducing methane emissions from landfills, decreasing the need for virgin material extraction and processing, and supporting the transition to a more circular economy. By focusing on these specific criteria, the framework ensures that the funded waste management projects make a substantial contribution to reducing GHG emissions, in line with the EU taxonomy objectives.</p> <p><b>EO4:</b> "Treatment of hazardous waste" activities (category 2.4) align with the criteria for material recovery of secondary raw materials from source-segregated hazardous waste, with recovered materials substituting primary raw materials in production processes. For substantial contribution to EO4, the SCC require that the activity recovers materials from separately collected hazardous waste streams. The recovered materials must be of sufficient quality to be suitable for substituting virgin materials in production processes. This ensures that even hazardous waste streams contribute to the circular economy by recovering valuable materials and reducing the need for primary raw material extraction.</p> <p>All three activities contribute to transitioning to a circular economy by enabling high-quality recycling and material recovery, in line with the EU taxonomy objective of making a substantial contribution to climate change mitigation in the waste management sector.</p>					
<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.					
<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.					
<b>Use of Proceeds</b>	<b>Circular economy</b>					
<b>Contribution to EU</b>	<b>EO1</b>	<b>EO2</b>	<b>EO3</b>	<b>EO4</b>	<b>EO5</b>	<b>EO6</b>



**Alignment with EU Taxonomy - Details for Criteria Applied Within the EU**

Environmental Objectives	No	No	No	Yes	No	No	
	Yes. The circular economy activities demonstrate full alignment with the EU taxonomy SCC for the transition to a circular economy.						
<b>Substantial Contribution Criteria (SCC)</b>	<p><b>EO4:</b> "Repair, refurbishment and remanufacturing" activities (category 5.1) align with the criteria for extending product lifetimes through these processes. For EO4, the SCC include specific requirements that ensure the activity extends product life and minimises pollution risks associated with repair and end-of-life processes. Sales contracts must include information on the repair and maintenance of the product, promoting long-term use and proper care. A waste management plan must be in place to ensure maximum recovery of materials at the end of use, reducing potential pollution from improper disposal. Additionally, any spare parts used must comply with Regulation (EC) No 1907/2006 and not contain substances listed in annex XIV or annex XVII to that regulation, further minimising potential environmental and health risks.</p> <p>"Preparation for re-use of end-of life products and product components" activities (category 5.3) meet the criteria for preparing end-of-life products for reuse. The SCC for EO4 ensure that preparation for reuse is conducted in a manner that prevents pollution and maximises resource efficiency. This includes the implementation of acceptance procedures to check the potential for reuse of collected items, ensuring that only suitable products enter the reuse stream. The use of appropriate tools and technologies for the disassembly, repair and testing of products is required, minimising the risk of pollution during these processes. Furthermore, the activity must report on the recovery rate achieved, promoting transparency and continuous improvement in resource efficiency.</p> <p>"Marketplace for the trade of second-hand goods for reuse" activities (category 5.6) align with the criteria for operating platforms that enable the trade of used goods for reuse. The SCC for EO4 address specific pollution prevention concerns related to different types of secondhand goods. For IT equipment and mobile devices, the criteria ensure that data are securely erased before resale, preventing potential information pollution. Data centres used for these marketplaces must comply with the European Code of Conduct on Data Centre Energy Efficiency or other accepted energy management systems, to reduce energy-related pollution. The implementation of waste management practices is required to ensure proper handling of items that cannot be resold, preventing improper disposal and associated pollution risks.</p> <p>All three activities contribute significantly to pollution prevention and control by extending product lifetimes, promoting reuse, and ensuring proper waste management. They align with the EU taxonomy criteria for activities that make a substantial contribution to pollution prevention and control in various sectors. By focusing on repair, reuse and responsible second-hand trade, these activities reduce the need for new product manufacturing and associated pollution, while also ensuring that end-of-life products are handled in an environmentally responsible manner. This comprehensive approach addresses pollution prevention at multiple stages of a product's lifecycle, from extending its useful life to managing its eventual disposal.</p>						
	<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.					
	<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.					

Use of Proceeds	Water and wastewater management					
Contribution to EU Environmental Objectives	EO1	EO2	EO3	EO4	EO5	EO6
	Yes	No	Yes	No	No	No
<b>Substantial Contribution Criteria (SCC)</b>	Yes. The water and wastewater management activities demonstrate full alignment with the EU taxonomy SCC for climate change mitigation and for the sustainable use and protection of water and marine resources.					
	<p><b>EO1:</b> The framework demonstrates alignment with the EU taxonomy SCC for climate change mitigation in water-related activities. For water supply activities, the systems meet the required energy efficiency or leakage reduction thresholds. The "construction, extension and operation of water collection, treatment, and supply systems" activities (category 5.1) achieve either a net average energy consumption for abstraction and treatment of 0.5kWh/m<sup>3</sup> or less, or an Infrastructure Leakage Index of 1.5 or less. The "renewal of water collection, treatment and supply systems" activities (category 5.2) result in at least a 20% decrease in energy consumption compared to baseline performance.</p> <p>Wastewater activities comply with the energy efficiency targets and emissions assessment requirements. The "construction, extension and operation of waste water collection and treatment" systems activities (category 5.3) maintain net energy consumption at or below 0.5kWh/m<sup>3</sup> of wastewater treated, with no increase in direct GHG emissions. The "renewal of waste water collection and treatment" systems activities (category 5.4) achieve either a 20% reduction in average energy consumption or a 20% reduction in direct GHG emissions compared to baseline performance over a three-year period.</p>					





## Alignment with EU Taxonomy - Details for Criteria Applied Within the EU

These activities contribute to climate change mitigation by significantly improving energy efficiency and reducing emissions in water supply and wastewater management, aligning with the EU taxonomy objectives for the water sector.

**EO3:**

The “urban wastewater treatment” activity (category 2.2) meets the discharge requirements set by Council Directive 91/271/EEC, ensuring appropriate treatment levels for biochemical oxygen demand, chemical oxygen demand and total suspended solids. In sensitive areas, it implements more stringent nutrient removal. The activity also includes measures to limit combined sewer overflows. These criteria ensure that the activity significantly contributes to improving water quality and protecting aquatic ecosystems.

“Sustainable urban drainage systems (SUDS)” activities (category 2.3) are integrated within the urban drainage system and demonstrably improve water retention and quality. These systems implement nature-based solutions and blue-green infrastructure for stormwater management. Their effectiveness is demonstrated through hydrological and hydraulic studies, showing improved water retention and pollutant removal compared to conventional systems. This approach contributes to both flood prevention and water quality improvement.

Both activities substantially contribute to sustainable water management by enhancing water quality, improving retention and supporting the achievement of good status in water bodies, aligning with the EU taxonomy objectives for urban water management.

**Do No Significant Harm (DNSH)** Partial, for the reasons outlined in the renewable energy use of proceeds.

**Minimum Safeguards** Yes, for the reasons outlined in the renewable energy use of proceeds.

**Use of Proceeds** Environmentally sustainable management of living natural resources and land use

Contribution to EU Environmental Objectives	EO1	EO2	EO3	EO4	EO5	EO6
	Yes	No	No	No	No	No

Yes. The forestry activities demonstrate full alignment with the EU taxonomy SCC for climate change mitigation.

**EO1:**

“Afforestation” (category 1.1) and “rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event” (category 1.2) activities align with criteria requiring comprehensive plans for establishment and management, ensuring long-term sustainability and climate benefits. These activities must demonstrate, through a climate benefit analysis, that the net balance of GHG emissions and removals over a 30-year period results in emission reductions.

“Forest management” activities (category 1.3) align with criteria for sustainable forest management practices that maintain or enhance carbon stocks over time. This activity must demonstrate improved climate benefits compared to a baseline scenario, with forest management plans including targets for maintaining and increasing carbon stocks.

**Substantial Contribution Criteria (SCC)**

All three activities must comply with sustainable forest management principles, including maintaining biodiversity, soil and water quality, and ecosystem services. They also contribute to climate change adaptation by enhancing forest resilience. The activities require establishing permanent forests that are not intended for felling or energy purposes, with afforestation and reforestation maintaining the forests for at least 20 years, and forest management plans covering a minimum of 10 years.

These forestry activities substantially contribute to climate change mitigation through increased carbon sequestration and storage, while supporting broader environmental objectives.

These forestry activities support the transition to a low-carbon economy by increasing and maintaining forest carbon sinks while providing sustainable wood products that can substitute more carbon-intensive materials.

**Do No Significant Harm (DNSH)** Partial, for the reasons outlined in the renewable energy use of proceeds.

**Minimum Safeguards** Yes, for the reasons outlined in the renewable energy use of proceeds.

**Use of Proceeds** Climate adaptation

Contribution to EU	EO1	EO2	EO3	EO4	EO5	EO6
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### Alignment with EU Taxonomy - Details for Criteria Applied Within the EU

Environmental Objectives	No	Yes	No	No	No	No
<b>Substantial Contribution Criteria (SCC)</b>	Yes. The observation systems and infrastructure resilience activities demonstrate full alignment with the EU taxonomy SCC for climate change adaptation.					
	<b>EO2:</b> "Software enabling physical climate risk management and adaptation" (category 8.4) and "consultancy for physical climate risk management and adaptation" (category 9.3) activities are enabling activities that remove barriers to adaptation. They use state-of-the-art methodologies and data consistent with the latest Intergovernmental Panel on Climate Change reports and relevant standards. The software specifically targets managing climate risks listed in the taxonomy, while consultancy strategies favour nature-based solutions where possible.					
	"Flood risk prevention and protection infrastructure" activities (category 14.2) directly implement adaptation solutions to reduce material climate risks. It requires a robust climate risk assessment using state-of-the-art projections and favours nature-based solutions where feasible.					
	All activities ensure they do not adversely affect the adaptation efforts of others, including people, nature or economic activities. They contribute to climate change adaptation by enhancing resilience to physical climate risks through improved risk management, strategic planning and infrastructure development.					
<b>Do No Significant Harm (DNSH)</b>	Partial, for the reasons outlined in the renewable energy use of proceeds.					
<b>Minimum Safeguards</b>	Yes, for the reasons outlined in the renewable energy use of proceeds.					

Source: Sustainable Fitch

### Alignment with EU Taxonomy - Details for Other Criteria (Only Applied Outside the EU)

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

Use of Proceeds	All use of proceeds categories					
Contribution to EU Environmental Objectives (EO)	EO1	EO2	EO3	EO4	EO5	EO6
<b>Substantial Contribution Criteria (SCC)</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Do No Significant Harm (DNSH)</b>	No. For projects outside the EU, SEK will only use the SCC where feasible; it uses other criteria, which are aligned with the CBI Taxonomy or market best practice, where this is not possible. Our view is that the criteria ensure positive environmental impacts, but do not provide sufficient detail for us to confirm alignment with the EU taxonomy.					
<b>Minimum Safeguard</b>	No. SEK's robust environmental due diligence screening is applied for all financing, but the company does not screen projects outside the EU for the fulfilment of individual DNSH criteria.					
	Nevertheless, the company's overarching environmental due diligence process ensures that harm to other environmental objectives is minimised and the company has integrated environmental and climate-related factors into its credit rating process, ensuring these considerations are central to all lending decisions.					
<b>Minimum Safeguard</b>	For project-related financing, SEK applies either the Equator Principles, the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, or a combination thereof. This ensures projects meet rigorous international environmental standards.					
	Yes. SEK demonstrates alignment with the EU taxonomy's minimum safeguards. SEK adheres to key international guidelines referenced in article 18 of the EU taxonomy regulation, including the UN Global Compact, UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises for itself as a lender as well as recipients of financing.					
<b>Minimum Safeguard</b>	SEK's commitment to ensuring its operations and financed projects comply with international guidelines on environmental considerations, anti-corruption, human rights, labour conditions and business conduct aligns with minimum safeguard expectations.					



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### Alignment with EU Taxonomy - Details for Other Criteria (Only Applied Outside the EU)

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In human rights, SEK established a human rights policy aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This policy includes a HRDD process that involves conducting risk assessments, engaging with stakeholders and integrating human rights considerations into credit-granting decisions.

SEK's anti-corruption policy enforces a zero-tolerance approach to corruption and bribery. The company provides regular anti-corruption training to all employees and has established procedures for reporting and investigating corruption incidents.

SEK is a state-owned company, so it outlines its commitment to full compliance with applicable tax laws and regulations. This includes maintaining transparent and cooperative relationships with tax authorities, and implementing tax risk management strategies and processes to ensure compliance and mitigate tax-related risks.

SEK promotes compliance with competition laws and regulations through its competition law policy. The company provides regular training to employees on competition law compliance and has procedures for reporting and addressing competition law violations.

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Source: Sustainable Fitch

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## Appendix A: Principles and Guidelines

### Type of Instrument: Sustainability

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	No
Certification	No
Scoring/Rating	No
Other	Annual limited assurance on allocation of proceeds
1) Use of Proceeds (UoP) – based on expected or actual instrument allocation	
UoP as per Green Bond Principles (GBP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
Use of Proceeds as per Social Bond Principles (SBP)	
Affordable basic infrastructure	Yes
Access to essential services	Yes
Affordable housing	Yes
Employment generation (through SME financing and microfinancing)	Yes
Food security	Yes
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.
Target Populations	
Living below the poverty line	Yes
Excluded and/or marginalised populations and /or communities	Yes
People with disabilities	Yes
Migrants and/or displaced persons	Yes
Undereducated	Yes
Underserved, owing to a lack of quality access to essential goods and services	Yes



## Type of Instrument: Sustainability

Unemployed and/or workers affected by climate transition	Yes
Women and/or sexual and gender minorities	Yes
Aging populations and vulnerable youth	Yes
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	Yes
Other	n.a.

## 2) Project Evaluation & Selection

### Evaluation & Selection

Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

### Evaluation & Selection/Responsibility & Accountability

Evaluation/selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

## 3) Management of Proceeds

### Tracking of Proceeds

Sustainability bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

### Additional Disclosure

Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

## 4) Reporting

### UoP Reporting

Project-by-project	Yes
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

### UoP Reporting/Information Reported

Allocated amounts	Yes
Sustainability bond-financed share of total investment	Yes
Other	Geographic distribution

### UoP Reporting/Frequency

Annual	Yes
Semi-annual	No



**Type of Instrument: Sustainability**

Other	Allocation reporting until maturity
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**Impact Reporting**

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	Impact reporting until maturity

**Impact Reporting/Information Reported (exp. ex-post)**

GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes
Number of beneficiaries	Yes
Target populations	Yes
Other ESG indicators	Outlined in framework

**Impact Reporting/Frequency**

Annual	Yes
Semi-annual	No
Other	n.a.

Note: n.a. - not applicable.

Source: Sustainable Fitch, ICMA

## Appendix B: Definitions

Term	Definition
<b>Debt types</b>	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
<b>Standards</b>	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards <a href="#">created by the EU</a> to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

## Appendix C: Second-Party Opinion Methodology

### Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer’s green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, “alignment” should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

### Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (e.g. the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

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### Scale and Definitions

ESG Framework	
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

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## SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.

A Sustainable Fitch ESG Analytical Product (ESG Product) provides an assessment of the Environmental, Social and/or Governance ("E", "S" and "G") qualities of an issuer and/or its securities. ESG Products include without limitation ESG ratings, ESG scores, ESG second-party opinions and other ESG assessments and data-related products, among other ESG Products. An ESG Product is not a credit rating. ESG Products are provided by Sustainable Fitch, a Fitch Solutions company, and an affiliate of Fitch Ratings. Sustainable Fitch has established specific policies and procedures intended to avoid creating conflicts of interest and compromising the independence or integrity of Fitch Ratings' credit rating activities and Sustainable Fitch's ESG Product generation activities. For a description of the methodology, limitations and disclaimers relating to Sustainable Fitch's ESG Products, please use this link: [www.sustainablefitch.com](http://www.sustainablefitch.com).

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