

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Framework

Fastighetsbolaget Emilshus AB

11 September 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green bonds

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

Scope of verification

- Emilshus Green Bond Framework (as of Aug. 21, 2024)
- Emilshus Eligibility Criteria (as of Aug. 21, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

CONTENTS

SCOPE OF WORK.....	3
EMILSHUS OVERVIEW	4
ASSESSMENT SUMMARY	5
SPO ASSESSMENT.....	7
PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES.....	7
PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA.....	10
A. CONTRIBUTION OF THE GREEN BONDS TO THE U.N. SDGs.....	10
B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA	14
PART III: CONSISTENCY OF GREEN BONDS WITH EMILSHUS' SUSTAINABILITY STRATEGY	17
ANNEX 1: METHODOLOGY	22
ANNEX 2: QUALITY MANAGEMENT PROCESSES.....	23
About this SPO.....	24

SCOPE OF WORK

Fastighetsbolaget Emilshus AB (“the Issuer,” “the Company” or “Emilshus”) commissioned ISS-Corporate to assist with its green bonds by assessing three core elements to determine the sustainability quality of the instrument:

1. Emilshus’ Green Bond Framework (as of Aug. 21, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. Consistency of green bonds with Emilshus’ sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

EMILSHUS OVERVIEW

Fastighetsbolaget Emilshus AB engages in the acquisition, development and management of commercial properties. It offers and leases out different types of premises that are adapted to trade, offices, industry and warehousing or logistics activities. The company was founded in 2018 and is headquartered in Växjö, Sweden.



ESG risks associated with the Issuer's industry

Emilshus is classified in the real estate industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies¹ in this industry are green building considerations, climate protection, energy efficiency and renewables, occupational health and safety, health and well-being of occupants, and environmental and social aspects in site selection.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

¹ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry. Key ESG issues by industry are sourced from ISS ESG's Corporate Rating methodology.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part I:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its green bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP.</p> <p><i>*Certain criteria of Green Buildings³ are assessed as providing no clear environmental benefits according to our methodology (see Part II of this report). However, as there are currently several national and international initiatives and the definition of green and/or social might vary depending on sector and geography, those categories might be considered eligible green categories by investors.</i></p>	<p>Aligned*</p>
<p>Part II:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The green bonds will (re)finance eligible asset categories which include:</p> <p>Green categories: Green Buildings and Energy Efficiency.</p> <p>Product and/or service-related use of proceeds categories⁴ individually contribute to one or more of the following SDGs:</p> <div data-bbox="691 1350 924 1464" style="text-align: center;">   </div> <p>Process-related use of proceeds categories individually (i) improve the Issuer’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s sector on one or more of the following SDGs:</p>	<p>Moderate</p>

² The evaluation is based on Emilshus’ Green Bond Framework (Aug. 21, 2024, version), on the analyzed eligibility criteria as received on Aug. 21, 2024.

³ Existing buildings (built before Dec. 31, 2020). Buildings that either have or will receive: PED 10% below the applicable national building regulation (buildings built after 2006), PED 90 kWh per sqm (buildings built between 2000-2006), PED 100 kWh per sqm (buildings built between 1971-1999), and PED 110 kWh per sqm (buildings built before 1971). The buildings that qualify under these energy thresholds represent the most energy efficient buildings in Emilshus’ property portfolio in each age bracket.

⁴ Green Buildings and Energy Efficiency.

	<div data-bbox="687 259 922 376" data-label="Image"> </div> <p data-bbox="470 421 1145 582">Certain criteria of Green Buildings⁵ show no evidence of an environmental contribution or of an improvement on the Issuer and/or end users' potential negative externalities.</p> <p data-bbox="470 627 1145 701">The environmental and social risks associated with the use of proceeds categories are managed.</p>	
<p data-bbox="204 768 312 797">Part III:</p> <p data-bbox="204 844 411 1043">Consistency of green bonds with Emilshus' sustainability strategy</p>	<p data-bbox="470 781 1145 981">The key sustainability objectives and the rationale for issuing green bonds are clearly described by the Issuer. The majority of the project categories considered are in line with the Issuer's sustainability objectives.</p>	<p data-bbox="1169 826 1390 983">Consistent with Issuer's sustainability strategy</p>

⁵ Existing buildings (built before Dec. 31, 2020). Buildings that either have or will receive: PED 10% below the applicable national building regulation (buildings built after 2006), PED 90 kWh per sqm (buildings built between 2000-2006), PED 100 kWh per sqm (buildings built between 1971-1999), and PED 110 kWh per sqm (buildings built before 1971).

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES

This section evaluates the alignment of the Emilshus’ Green Bond Framework (as of Aug. 21, 2024) with the GBP.

GBP	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓ *</p>	<p>The Use of Proceeds description provided by Emilshus’ Green Bond Framework is aligned* with the GBP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP. Criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described.</p> <p>The Issuer defines which projects will be refinanced and defines a lookback period of three years, in line with best market practice.</p> <p><i>*Certain criteria of Green Buildings⁶ are assessed as providing no clear environmental benefits according to our methodology (see Part II of this report). However, as there are currently several national and international initiatives and the definition of green and/or social might vary depending on sector and geography, those categories might be considered eligible green categories by investors.</i></p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Emilshus’ Green Bond Framework is aligned with the GBP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the</p>

⁶ Ibid.

		<p>Issuer’s sustainability strategy. The Issuer defines exclusion criteria for harmful projects categories.</p> <p>The Issuer involves various stakeholders in this process and identifies the alignment of its Green Bond Framework and green projects with official or market-wide taxonomies and references any green standards or certifications used, in line with best market practice.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by Emilshus’ Green Bond Framework is aligned with the GBP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has defined an expected allocation period of 12 months, in line with best market practice</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Emilshus’ Green Bond Framework is aligned with the GBP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Emilshus has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the project category level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated.</p> <p>Moreover, the Issuer is transparent on the information reported and further defines the duration and frequency of the impact reporting,</p>

SECOND PARTY OPINION

Sustainability Quality of the Issuer
and Green Bond Framework

		in line with best market practice. The Issuer discloses the location and link to the report, in line with best market practice. Emilshus also commits to have the allocation report audited by an external party, in line with best market practices.
--	--	---

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN BONDS TO THE U.N. SDGs⁷

Companies can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.


1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the green bonds' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>New buildings (built after 31 December 2020). Buildings that either have or will receive:</i></p> <ul style="list-style-type: none"> ▪ <i>Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero Energy Building (NZEB) according to national building regulations,⁸ or</i> 	<p>Contribution</p>	

⁷ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

⁸ In Sweden, thresholds set for NZEB are implemented through the BBR 29 requirements.

- *Energy Performance Certificate (EPC) A or B⁹*

Existing buildings (built before 31 December 2020). Buildings that either have or will receive:

- *EPC A or energy performance within top 15%¹⁰ of the national building stock expressed as operational PED and demonstrated by adequate evidence, or*

Green Buildings¹¹

Existing buildings (built before 31 December 2020). Buildings that either have or will receive:

- *PED 10% below the applicable national building regulation.¹²*
- *PED 90 kWh per sqm¹³*
- *PED 100 kWh per sqm¹⁴*
- *PED 110 kWh per sqm¹⁵*

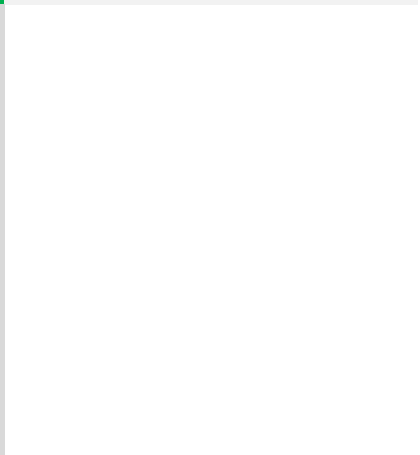
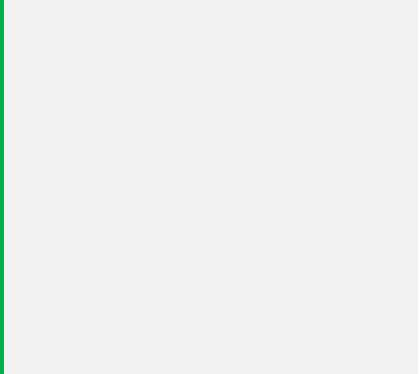
Energy Efficiency

Installation, replacement and maintenance of energy efficient measures including:

- *Energy efficient ventilation, heating, windows, doors, air-conditioning (HVAC) and lighting incl. light controls and light fittings.*
- *Charging stations for electric vehicles in buildings and parking spaces attached to buildings.*
- *Renewable energy technology such as heat pumps, storage units and heat exchangers/recovery systems.*



No Net Impact



⁹ The Issuer confirms EPC B issued under BBR29 is under top 15%.

¹⁰ The report by the Swedish Property Federation (Fastighetsägarna in Sw.), CIT Energy Management will be used for determining top 15%. Emilshus can also seek guidance from other appropriate external benchmarks to determine the top 15% if such report is issued by a national government or industry specialist.

¹¹ The buildings that qualify under these energy thresholds represent the most energy efficient buildings in Emilshus' property portfolio in each age bracket.

¹² Buildings built after 2006 follow the applicable national building regulations in Sweden, according to [Boverket](#), at the time of construction. However, this does not necessarily meet the threshold set for Nearly Zero Energy Buildings (NZEB) as per the national building regulations at that time.

¹³ Buildings built between 2000-2006.

¹⁴ Buildings built between 1971-1999.

¹⁵ Buildings built before 1971.

Energy Efficiency

Installation, replacement, and maintenance of energy efficient measures including:

- *Instruments and devices for measuring, regulating and controlling the energy performance of buildings such as smart meters.*

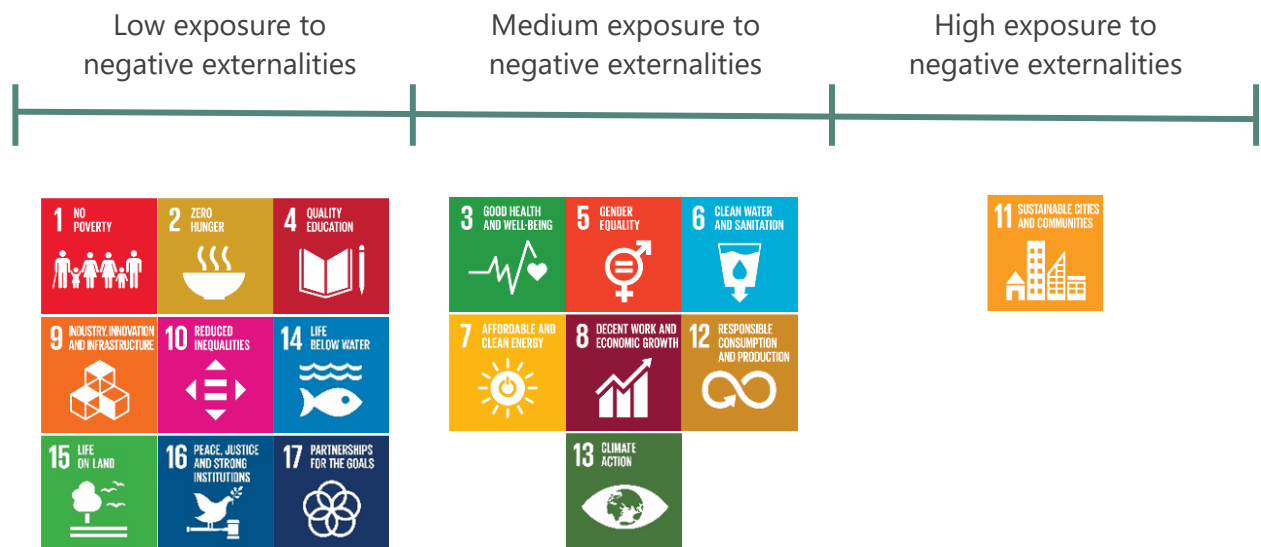
Contribution




2. Improvements of operational performance (processes)

The below assessment qualifies the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer’s business model and sector.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities in the real estate sector (to which Emilshus belongs) are the following:



The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹⁶	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p>Major renovations:</p> <ul style="list-style-type: none"> ▪ <i>PED savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation.</i> ▪ <i>An improvement in the EPC class of an existing building by two rating grades or more (i.e., to minimum EPC C), as verified by a new EPC label.</i> 		
<p>Energy Efficiency</p> <p>Installation, replacement and maintenance of energy efficient measures including:</p> <ul style="list-style-type: none"> ▪ <i>Energy efficient ventilation, heating, windows, doors, air-conditioning (HVAC) and lighting incl. light controls and light fittings.</i> ▪ <i>Charging stations for electric vehicles in buildings and parking spaces attached to buildings.</i> ▪ <i>Renewable energy technology such as heat pumps, storage units and heat exchangers/recovery systems.</i> 		
<p>Energy Efficiency</p> <p>Installation, replacement and maintenance of energy efficient measures including:</p> <ul style="list-style-type: none"> ▪ <i>Instruments and devices for measuring, regulating and controlling the energy performance of buildings such as smart meters.</i> 		

¹⁶ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

The table below evaluates the eligibility criteria against issuance-specific KPIs. All of the assets are/will be located in Sweden.

ASSESSMENT AGAINST KPIs

All categories

Labor, health and safety



Emilshus has a work environmental policy that systematically ensures assets financed under this Framework adhere to high labor standards for its employees and volunteers. All projects financed under this Framework are located in Sweden, where high labor, health and safety standards are adhered to (including International Labour Organization core conventions).

Energy Efficiency

Labor, health and safety in the supply chain



Emilshus adheres to the real estate industry [Code of Conduct for Suppliers](#) that systematically ensures assets financed under this Framework meet high labor, health and safety standards in the supply chain. The Issuer strictly prohibits child labor, forced labor and violation of the freedom of association and the right to collective bargaining, in accordance with the International Labour Organization core conventions. All projects financed under this Framework are located in Sweden, where high labor, health and safety standards in the supply chain are adhered to.

Environmental aspects of construction (or production) and operation



Emilshus has some measures in place to ensure that assets financed under this Framework meet high environmental standards and requirements in the supply chain. The Issuer adheres to the real estate industry [Code of Conduct for Suppliers](#) and conducts regular evaluations of its suppliers. The code of conduct includes requirements in areas such as environmental responsibility, compliance and follow-up. Furthermore, the Issuer has an environmental and sustainability policy that covers both the Company and its suppliers, ensuring the reduction of its own and its customers' energy needs for electricity and heating. The policy also aims to use only renewable energy and minimize the use and spread of environmentally hazardous substances, further reducing environmental impact. Additionally, the Issuer has a whistleblower system in

place. However, Emilshus does not currently have a system in place to ensure that all its suppliers have an environmental management system.

Green Buildings

Environmental aspects of construction (or production) and operation



Emilshus does not systematically ensure assets financed under this Framework adhere to the sustainable procurement of construction materials. However, the Issuer confirms that materials must be chosen with regard to environmental aspects in general. Furthermore, handling of dismantled and removed building materials and furnishings in larger projects (over SEK 2 million) must, where possible, be documented (reuse, material recycling and disposal). Emilshus also requires the sole use of renewable energy and must invest in alternative energy sources such as solar energy. The Company primarily works with green electricity subscriptions.

Site location



Emilshus has not yet developed policies that systematically ensure that assets financed under this Framework are located within a maximum of 1 kilometer from one or more modes of public transport.

User safety



Emilshus has implemented systematic measures to ensure that all assets financed under this Framework comply with user safety standards. The measures include having at least one fire alarm on each floor that contains spaces where people stay more than temporarily, installation of automatic water sprinkler system, and emergency lighting in case of power failure. The projects are located in Sweden, where user safety in buildings is governed by Regulation (EU) No 305/2011 of the European Parliament and Council of 9 March 2011. The Issuer also adheres to the regulations set by the Swedish Work Environment Authority and [Boverket](#).

Water



Emilshus does not have specific targets for water use reduction to ensure that the assets are financed under this Framework systematically. However, the Issuer monitors its consumption through a third-party software, which provides data to identify deviations from normal usage. This enables the Issuer to identify and take any necessary action or investment required.

Conservation and biodiversity management



Emilshus systematically ensures that assets financed under this Framework undergo an environmental impact assessment at the planning stage. All projects are located in Sweden, which as part of the EU means they are in line with the EIA Directive 2014/52/EU.

Energy Efficiency (charging stations)

Data protection and information security



Emilshus does not systematically ensure that the assets financed under this Framework meet minimum requirements for data and information security. However, the Issuer confirms working with established third parties, though it cannot confirm adherence to specific data and information security standards.

Environmental aspects of construction (or production) and operation



Emilshus systematically ensures that the assets financed under this Framework are recycled at the end of life using a take back policy. The Issuer complies with [Swedish Waste Ordinance \(2020/614\)](#) (Sw. Avfallsförordningen) regarding waste, which ensures that the materials used are recycled at the end of their lives. The waste ordinance ensures that the materials used for solar panels and energy-efficiency measures are recycled at the end of their lives and includes regulation on the appropriate management and recycling of waste based on the materials in the waste.

PART III: CONSISTENCY OF GREEN BONDS WITH EMILSHUS' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer’s sustainability strategy focuses on resource and energy efficiency throughout the property portfolio. Additionally, the Issuer has identified four key areas where the Company is considered to have a positive impact:</p> <ul style="list-style-type: none"> ▪ Properties: Reducing energy consumption, carefully selecting energy sources and managing properties with a life cycle ▪ Employees: Ensuring that all employees have opportunities for development within the Company while providing an open and safe working environment ▪ Tenants: Acting as a landlord focused on tenant satisfaction, ensuring tenants are well-informed and committed to sustainable development ▪ External Partners: Aiming to deliver a return on investment while imposing sustainability requirements on partners and suppliers
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer has set targets as follows:</p> <ul style="list-style-type: none"> ▪ Reduce energy consumption per square meter by an average of 2% annually from 2022 to 2030. ▪ Ensure that all purchased electricity is fossil-free and, where possible, renewable, origin-labeled or locally produced. ▪ New constructions and extensions should aim for at least 30% lower energy consumption than the standards set by the Swedish National Board of Housing, Building and Planning’s Building Regulations, comply with the requirements for Energy Performance

	<p>Certificate (EPC) class A or B, or qualify for environmental certification.</p> <ul style="list-style-type: none"> ▪ For projects exceeding SEK 2 million, the management of dismantled and removed materials and furnishings should be documented, including details on reuse, recycling, and disposal wherever possible. ▪ Ensure that 100% of new leases for premises of 500 square meters or more are green leases. ▪ Maintain an even gender distribution across the organization. ▪ All contractors and external technical managers must adhere to the real estate industry's Code of Conduct for Suppliers. <p>These targets are publicly disclosed in the annual report. The Issuer currently does not have SBTi-verified targets.</p>
<p>Action plan</p>	<p>The Issuer has an action plan focused on reducing energy demand by optimizing energy sources and enhancing the efficiency of its property portfolio. The Issuer also employs green leases with tenants to minimize the environmental impact of energy use, improve indoor environments, make sustainable material choices and ensure proper waste management. These green leases are based on the industry-standard template from the Swedish Property Federation. In projects involving property remodeling or tenant adjustments, the Issuer prioritizes reusing materials and renovating existing furnishings rather than replacing them. Suppliers are required to dismantle and remove materials properly, in line with the Issuer's sustainability standards.</p> <p>Investments in new ventilation units are expected to yield energy savings and cost reductions for both the Issuer and tenants. This initiative also supports future improvements in indoor climate and energy efficiency through enhanced monitoring of indoor conditions, energy usage and alarm management. The implementation of energy-efficient LED lighting is another key measure that delivers energy savings.</p>

	<p>For employees, the Issuer offers health allowances, regular health examinations and conducts surveys to monitor well-being. For tenants, an annual satisfaction survey is conducted, providing insights into their perceptions of the Issuer as a landlord, including the company’s sustainability efforts.</p>
<p>Climate transition strategy</p>	<p>With the focus on climate impact reduction, the Issuer has adopted six goals from the United Nations Sustainable Development Goals. Emilshus focuses on key targets of these goals and aims to purchase fossil-free electricity and achieve efficient use of resources and waste management, which contributes to the climate transition. Emilshus continues to implement energy efficiency measures across the Company’s properties. Since 2023, Emilshus started mapping carbon-dioxide emissions (Scope 1 and 2) in accordance with the Greenhouse Gas Protocol. For tenants of Emilshus’ properties, Emilshus uses green lease agreements, which cover initiatives for reduced environmental impact, improved indoor environment, waste management and environmentally sound material selection. Emilshus aims to reduce energy consumption by 2% annually per square meter from 2022 to 2030 and prioritizes purchasing electricity from fossil-free, renewable and locally produced sources. Additionally, for new constructions and extensions targets to achieve at least 30% lower energy consumption than Swedish building regulations, high standards for energy performance or other environmental certifications are in place.</p>
<p>ESG risk and sustainability strategy management</p>	<p>The Issuer’s board has established a company-wide policy for risk management and internal control. Risks are managed through a structured process, with the Issuer's management team holding operational responsibility. This process includes assessing and prioritizing risk management measures. The risk management framework encompasses five key areas: risk identification, risk assessment, risk mitigation, self-assessment, and reporting. These activities are required to be conducted at least annually.</p>

	Additionally, the Issuer’s board of directors is responsible for overseeing the company’s sustainability efforts. The group management team holds operational responsibility for sustainability, ensuring that the efforts are both relevant and aligned with the company’s business activities.
Top three areas of breaches of international norms and ESG controversies in the industry¹⁷	Unspecified pollution, strike action, and failure to respect the right to just and favorable conditions of work.
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, no severe controversy in which the Issuer would be involved has been identified.
Sustainability reporting	The Issuer adheres to the EU's Corporate Sustainability Reporting Directive and the U.N. Global Compact for sustainability reporting.
Industry associations, collective commitments	The Issuer has been a member of the U.N. Global Compact since 2021.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	As of Dec. 31, 2023, the Issuer had green assets valued at SEK 2,183 million, with established green financing of SEK 769 million allocated to existing properties. An unused amount of SEK 1,414 million remains available within the Framework. The Issuer’s Framework has been verified by an external third party.

Rationale for issuance

Emilshus has established a Green Bond Framework to finance energy-efficient properties and related projects to support the transition to a sustainable future. Green bonds within the Framework are utilized to finance or refinance eligible green assets such as Green Buildings and Energy Efficiency to enable climate change mitigation and provide environmental benefits.

Opinion: *The key sustainability objectives and the rationale for issuing green bonds are clearly described by the Issuer. The majority of the project categories financed are in line with the Issuer’s sustainability objectives.*

¹⁷ Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the real estate industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate, a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues Second Party Opinion, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. Second Party Opinion are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these Second Party Opinion, or any information provided therein. If the Second Party Opinion is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Second Party Opinion is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This Second Party Opinion, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the Second Party Opinion wholly or in part, the distribution of the Second Party Opinion, either free of charge or against payment, or the exploitation of this Second Party Opinion in any other conceivable manner.

© 2024 | ISS Corporate Solutions, Inc.

ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Emilshus commissioned ISS-Corporate to compile a green bond SPO. The second-party opinion process includes verifying whether the Green Bond Framework aligns with the GBP and assessing the sustainability credentials of its green bond, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

ISSUER'S RESPONSIBILITY

Emilshus' responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risk management at the Framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green bonds to be issued by Emilshus has been conducted based on proprietary methodology and in line with the GBP.

The engagement with Emilshus took place from July to September 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

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

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>.

For more information on SPO services, please contact: SPOsales@iss-corporate.com.

Project team

Project lead

Snehal Tiwari
Analyst
Sustainable Finance Research

Project support

Vittoria Favalaro
Analyst
Sustainable Finance Research

Project supervision

Marie-Bénédicte Beaudoin
Associate Director
Head of Sustainable Finance
Research

Project support

Sakshi Gharat
Analyst
Sustainable Finance Research