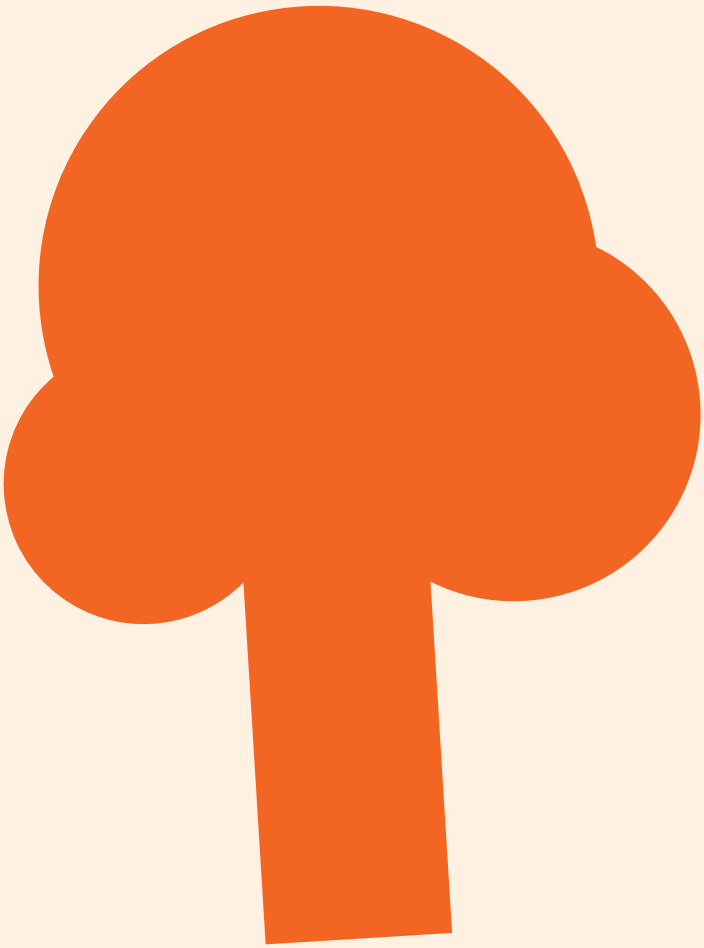
Green Bond Impact Report 2021



SBAB!

SCBC!
Covered bonds of SBAB

SBAB Bank AB (publ)

AB Sveriges Säkerstallda Obligationer (publ)
(Swedish Covered Bond Corporation – SCBC)

About SBAB Group

SBAB Bank AB (publ) ("SBAB") was founded in 1985 and is owned in its entirety by the Swedish state. SBAB primarily provides residential mortgages, however, other loan and savings products are also offered to consumers, tenant-owners' associations and property companies in Sweden.

The SBAB Group consists of SBAB and its subsidiaries: AB Sveriges Säkerställda Obligationer (publ) (with the parallel trade name The Swedish Covered Bond Corporation) ("SCBC"), Booli Search Technologies AB ("Booli") and Boappa.

SCBC's primary operations are the issuance of covered bonds (Sw. säkerställda obligationer) pursuant to the Swedish Act on Issuance of Covered Bonds (Sw. Lag (2003:1223) om utgivning av säkerställda obligationer), i.e. bonds or other comparable full recourse debt instruments secured by a pool of mortgage credits (the "Cover Pool"), in Swedish and international capital markets. SCBC does not pursue lending activities but instead acquires loans meeting certain criteria from SBAB on a regular basis. Booli develops products and services for the housing market. SBAB and SCBC are hereinafter jointly referred to as "SBAB".

Sustainability guides our business decisions

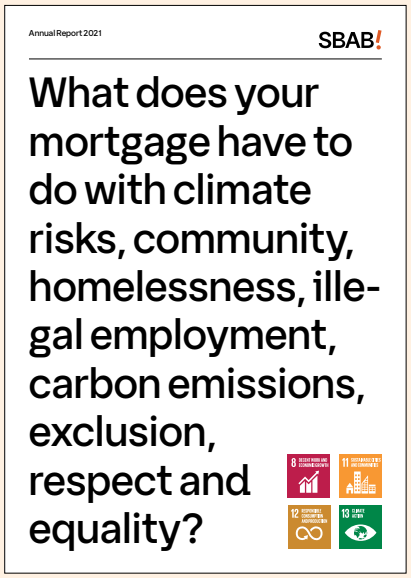
We live in a transformational age, where sustainability being increasingly integrated into business decisions at a faster pace than ever before. At SBAB, we have a well-developed plan for our sustainability work that is fully integrated into the entire business. We consider the integration to be the greatest strength of our sustainability work. During the year, we focused specifically on adapting to future regulations and developed our sustainability reporting, which will continue to be an important theme in 2022. For example, we are covered by the new EU taxonomy, which places increased demands on our sustainability reporting.

The demand in the housing market for building and energy efficient and climate smart housing continues to be considerable. The product offerings from banks to incentivize customers to live more sustainably grew accordingly. Similarly, we see considerable demand from investors to fund these developments. Our green bonds enable investors to contribute to the financing of a climate smart transformation of the Swedish housing market. I am convinced that sustainability will be crucial for customer experience and our long-term competitiveness and profitability.

Mikael Inglander, acting CEO of SBAB

Read more about SBAB's approach to sustainability

SBAB Annual Report 2021



SBAB assigns priority to four Sustainable Development Goals

Executive summary

As of 31st December 2021, SBAB had committed and disbursed a total of SEK 43 billion in Green Loans to investment projects aligned with our Green Bond Frameworks. This report presents the expected impacts of these projects, as well as information on the impact reporting methodology we apply.

Background

SBAB was the first bank in Sweden to issue a Green Bond in 2016
In 2016, SBAB established its framework for issuing Green Bonds (the "SBAB Green Bond Framework 2016"). The Green Bond Proceeds are used exclusively to finance or refinance buildings that meet certain energy-efficiency criteria or, alternatively, hold a selectively defined environmental certification, as described further in the SBAB Green Bond Framework 2016. The framework has a Medium Green shading from the independent climate and environmental research institute CICERO.

During October 2017, SBAB issued its second Green Bond amounting to SEK 1.75 billion.

SBAB launches updated framework to enable issuance of Green Covered Bonds
In January 2019 SBAB published an updated framework for the issue of Green Bonds (the "SBAB Group Green Bond Framework 2019"). This was for reasons including encompassing a new and broader green customer offering, including SBAB's Green Residential Mortgages to private individuals, as well as to enabling further future issues of green bonds in other formats. The framework enables SBAB to issue notes in the form of green bonds under SBAB's EMTN programme as well as SCBC to issue covered bonds in the form of green bonds under SCBC's EMTCN Programme, as described further in the SBAB Group Green Bond Framework 2019. The updated framework has a Medium Green shading from CICERO. Furthermore, CICERO's overall assessment of the governance structure of the framework is a rating of Excellent.
In January 2019, SBAB became the first bank in Sweden to issue a Green Covered Bond backed by residential mortgages and property loans. The Bond was issued out of the SCBC's EMTCN Programme. The transaction amounted to SEK 6 billion with a tenor of five years. On 13 June 2019, SBAB issued its second Green Bond under the updated green bond framework. The SEK 3 billion Green Bond was issued in Senior Non-Preferred format with a tenor of five years. The Bond was issued out of SBAB's EMTN Programme. On 6 May 2020 SBAB issued it´s third Green Bond under the "SBAB Group Green Bond Framework 2019". The EUR 500 million Green Bond was issued in Senior-Unsecured format with a tenor of five years. On 20 may 2021 SBAB issued it´s fourth Green Bond under the same terms and format as the previous bond.

Result as of 31 December 2021

Outstanding Green Bonds

Issuer	Issue date	Nominal Amount Issued	Format	Maturity	Coupon	ISIN	Framework
SBAB	4 October, 2017	SEK 1.0bn	Senior Unsecured	11 October, 2022	0.98%	XS1697577556	SBAB Green Bond Framework 2016
		SEK 750mn		11 October, 2022	3M Stibor +75 bps	XS1697766951	SBAB Green Bond Framework 2016
SCBC	23 January, 2019	SEK 6.0bn	Covered bond	28 March, 2024	0.75%	XS1943443769	SBAB Group Green Bond Framework 2019
SBAB	13 June, 2019	SEK 2.25bn	Senior Non-Preferred	06 June, 2024	3M Stibor +93 bps	XS2015229516	SBAB Group Green Bond Framework 2019
		SEK 0.75bn		06 June, 2024	1.0%	XS2015229862	SBAB Group Green Bond Framework 2019
SBAB	6 May, 2020	EUR 500 mn (equiv SEK 5.3 bn)	Senior Unsecured	13 may, 2025	0.50%	XS2173114542	SBAB Group Green Bond Framework 2019
SBAB	20 May, 2021	EUR 500 mn (equiv SEK 5.1 bn)	Senior Unsecured	27 August, 2026	0.125%	XS2346986990	SBAB Group Green Bond Framework 2019
Total		**SEK 21.15 bn**					

Impact Reporting

SBAB Green Bond Framework 2016

As of 31st December 2021, SBAB had disbursed and/or committed a total of SEK 2.3 billion in Eligible Green Loans to investment projects as defined in SBAB Green Bond Framework 2016. These projects are estimated to generate an annual avoidance in GHG emissions corresponding to 350 tonnes CO_2e. SBAB's share of the financing is estimated to correspond to an annual avoidance of 208 tonnes CO_2e. That in turn corresponds to an estimated avoidance of 0.1 tonnes CO_2e per committed/disbursed SEK 1 million and year.

Read more on page 8

Eligible Green Loans

SEK 2.3 billion

SBAB financed annual expected aggregated energy savings

2 430 MWh

SBAB financed annual expected avoidance of GHG emissions

208 tCO_2e

Expected annual avoidance of GHG emissions per committed/disbursed SEK 1 million

0.1 tCO_2e

SBAB Group Green Bond Framework 2019

As of 31st December 2021, SBAB had disbursed a total of SEK 40.9 billion in Eligible Green Loans to investment projects as defined in SBAB Group Green Bond Framework 2019. These projects are estimated to generate an annual avoidance in GHG emissions corresponding to 22 507 tonnes CO_2e. SBAB's share of the financing is estimated to correspond to an annual avoidance of 11 405 tonnes CO_2e. That in turn corresponds to an estimated avoidance of 0.3 tonnes CO_2e per disbursed SEK 1 million and year.

Read more on page 8

Eligible Green Loans

SEK 40.9 billion

SBAB financed annual expected aggregated energy savings

87 308 MWh

SBAB financed annual expected avoidance of GHG emissions

11 405 tCO_2e

Expected annual avoidance of GHG emissions per disbursed SEK 1 million

0.3 tCO_2e

Insight

Stockholm Balettskon 1

Wallenstam mainly builds rental apartments for its own management and has as part of its sustainability work developed a standard for the newly produced properties to meet at least energy class B. Wallenstam's property Stockholm Balettskon 1 has a ventilation system with a high degree of recycling, heat pumps for efficient energy production and control systems that interact with the property's real energy needs. In addition to this, the property is supplied with Wallenstam's green wind power, which also reduces the property's climate impact. The property is located in Solberga, a charming 50's area located between Älvsjö and Telefonplan. The total area for the homes is 8,943 sqm and in addition there is a garage area of 1,097 sqm. The property has 148 apartments and all have balconies or patios for ground floor apartments. The house has apartments with 1–4 rooms and a kitchen and the apartments are between 32 and 94 sqm in size. The property has an open courtyard with seating, tables and barbecues. There are bicycle rooms and 42 garage spaces in your own garage as well as another 52 garage spaces in a larger garage in a community.

Framework:	SBAB Green Bond Framework 2016
Eligible Category in framework:	Energy efficient building, EPC B
Year of completion:	2017
Total energy performance/year:	55 kWh/m2/year
Baseline (energy requirement according to BBR:	75 kWh/m2/year
Project full expected GHG emissions avoided:	17.69 tCo2e/year
SBAB financed expected GHG emissions avoided:	13.27 tCo2e/year

Insight

Skattsedeln 15

Stockholm Skattsedeln 15 is located along the walkway between the metro station, Hägerstensåsen, and the street, Valutavägen. The property includes 120 apartments. Twelve of the homes in Skattsedeln are LSS homes, which are homes adapted for people living with physical or mental disabilities. LSS homes must meet a high demand for requirements on design and material choice. The frame of the house is concrete with high-performance insulation and well-insulated windows. The homes' air treatment units are fans with heat recycling, which goes to the heat pump and electricity. The hot water meters measure for each apartment separately, which facilitates low energy consumption. In the preschool, separate FTX heat recovery units are installed to further improve energy efficiency. Entry to the property was completed during the second quarter of 2021.

Framework:	SBAB Green Bond Framework 2016
Eligible Category in framework:	Energy efficient building, applying for Miljöbyggnad silver
Year of completion:	2021
Total energy performance/year:	60 kWh/m2
Baseline (energy requirement according to BBR:	75 kWh/m2/year
Project full expected GHG emissions avoided:	9.41 tCo2e/year
SBAB financed expected GHG emissions avoided:	4.7 tCo2e/year

Impact Report SBAB Green Bond Framework 2016

Eligible Category	#Objects	% energy reduction	Construction loans: Committed, SEK million	Construction loans: *(Of which disbursed, SEK million)*	Mortgage loans, SEK million	Total eligible volumes	Estimated avoidance of GHG emissions (tonnes CO_2e/year): Full project expected GHG emissions avoided	SBAB financed expected GHG emissions avoided	SBAB Green Bond financed expexted GHG emissions avoided
Category 1									
Energy efficienct buildings (EPC A or B and/or certification)	18	-			2 139	2139	255	160	
Category 2									
Reduction of energy usage	1	48%			138	138	95	48	
Total	**19**				**2 277**	**2 277**	**350**	**208**	**158**

Impact Report SBAB Group Green Bond Framework 2019

Eligible Category	Eligible Green Loan	#Objects	Eligible volumes (SEK mn): EPC A	EPC B	EPC C (Construction initiated before 1 January 2014)	Other	Total
Retail							
Energy efficient buildings	Residential mortgages (Sw. bolån)	11 756	941	10 742	17 885		29 569
Reduction of energy usage	Residential mortgages and/or consumer loan (Sw. Privatlån)	131				2 93	2 93
Corporate Clients & Tenant-Owners' Associations							
Energy efficient buildings	Corporate loans Loans to tenant-owners' associations (Sw. bostadsrättsförening)	260	248	6 011	4 576		10 834
Energy efficiency and other green investments	SBAB Green Loans to tenant-owners' associations and corporations	54				155	155
Total		**12 201**	**1 189**	**16 753**	**22 461**	**448**	**40 851**

Reduction of energy usage – a category with potential!

Since last years impact report, we focused on assessing energy improvements across the portfolio. We included houses with an improved EPC (except EPC A, B or C), where the final energy use per sq.m. & year on the property has reduced by at least 30 percent for the Green Bond Framework 2019 and 35 percent for the Green Bond Framework 2016.

We are focusing on energy efficiency in our customer engagement and are promoting energy improvement activities through information campaigns and customer offerings. We recently launched a partnership with Anticimex on energy consultation and The Tibber App which provides real-time visibility into pricing as well as analytics and an overview of the electricity consumption in the home that help our customers to use energy more efficiently.

Green Bond Framework 2016

As of 31st December 2021, SBAB had disbursed and/or committed a total of SEK 2.3 billion in Eligible Green Loans to investment projects as defined in SBAB Group Green Bond Framework 2016. These projects are estimated to generate an annual avoidance in GHG emissions corresponding to 350 tonnes CO_2e. SBAB's share of the financing is estimated to correspond to an annual avoidance of 208 tonnes CO_2e. That in turn corresponds to an estimated avoidance of 0.1 tonnes CO_2e per disbursed SEK 1 million and year.

In addition to these eligible projects, SBAB has other yet unclassified loan assets (mainly construction loans) that may qualify to serve as the basis for issuing green bonds.

At year-end, outstanding Green Bonds within the SBAB Group Green Bond Framework 2016 amounted to SEK 1.75 billion. These Green Bonds are estimated to generate an annual avoidance of 158 tonnes CO_2e.

More information about the respective eligible category is available in Annex II. The framework is available in full at sbab.se.

Read more on page 15

Eligible Green Loans & Estimated annual avoidance of GHG emissions

SEK 2.3 billion → 208 tCO_2e

Outstanding Green Bonds & Estimated annual avoidance of GHG emissions

SEK 1.75 billion → 158 tCO_2e

Estimated avoidance of GHG emissions (tonnes CO_2e/year)

EPC A	EPC B	EPC C (Construction initiated before 1 January 2014)	Other	Full project expected GHG emissions avoided	SBAB financed expected GHG emissions avoided	SBAB Green Bond financed expected GHG emissions avoided
927	6 177	10 288		17 392	9 641	
			60	60	33	
125	1 312	3 618		5 055	1 730	
			n/a	n/a	n/a	
1 052	**7 489**	**13 906**	**60**	**22 507**	**11 405**	**5 410**

Green Bond Framework 2019

As of 31st December 2021, SBAB had disbursed a total of SEK 40.9 billion in Eligible Green Loans to investment projects as defined in SBAB Group Green Bond Framework 2019. These projects are estimated to generate an annual avoidance in GHG emissions corresponding to 22 507 tonnes CO_2e. SBAB's share of the financing is estimated to correspond to an annual avoidance of 11 405 tonnes CO_2e. That in turn corresponds to an estimated avoidance of 0.3 tonnes CO_2e per disbursed SEK 1 million and year.

In addition to these eligible projects, SBAB has other yet unclassified loan assets (mainly construction loans) that may qualify to serve as the basis for issuing green bonds.

At year-end, outstanding Green Bonds within the SBAB Group Green Bond Framework 2019 amounted to SEK 19.4 billion. These Green Bonds are estimated to generate an annual avoidance of 5 410 tonnes CO_2e.

More information about the respective eligible category is available in Annex II. The framework is available in full at sbab.se.

Read more on page 16

Eligible Green Loans & Estimated annual avoidance of GHG emissions

SEK 40.9 billion → 11 405 tCO_2e

Outstanding Green Bonds & Estimated annual avoidance of GHG emissions

SEK 19.4 billion → 5 410 tCO_2e

Reporting methodology

The reporting methodology applied in this report is based on "Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting."

SBAB Green Bond Framework 2016

The expected avoidance of GHG emissions has been calculated based on how much less energy each Eligible Project's actual or expected energy consumption is compared with the allowed consumption as stated in the National Board of Housing, Building and Planning's building codes for new construction (Energy Class C), or compared with an old enegry declaration if the energy reduction is at last 35 percent. Thereafter, reduction in GHG emissions have been estimated for each Eligible Project based on average GHG emissions per kWh.

Calculation formula

→ (A - (B - C)) x D x E = Full project GHG emissions avoided x F

A	= Baseline for energy consumption or former energy usage per m2 Atemp and year (see "Baseline methodology" for definitions and details)
B	= Expected/actual energy consumption per m2 Atemp and year
C	= Own energy production per m2 Atemp and year
D	= Object size, m2 Atemp
E	= Average GHG emissions per kWh *(see "Methodology for calculating GHG emissions per building category" for definitions and details)*
F	= SBAB's share of the financing[1)]

[1)] Existing buildings = Loan relative to the market value. Buildings under construction = Expected amounts disbursed relative to the production cost

SBAB Group Green Bond Framework 2019

The expected avoidance of GHG emissions has been calculated based on how much less energy each Eligible Projects' actual or expected energy consumption is compared with average energy consumption for existing buildings (buildings with construction year before 1 January 2014). Or allowed energy consumption as stated in the National Board of Housing, Building and Planning's building codes for new buildings (buildings with construction year after 1 January 2014). Or compared with an old energy declaration if the energy reduction is at least 30 percent. Avoided GHG emissions have been estimated for each object based on average emissions per kWh (depending on type of object).

Calculation formula

→ (A - B) x C x D = Full project GHG emissions avoided x E

A	= Baseline for energy consumption or former energy usage per m2 Atemp and year (see "Baseline methodology" for definitions and details)
B	= Expected or actual energy consumption per m2 Atemp and year
C	= Object size, m2 Atemp
D	= Average GHG emissions (CO_2e) per kWh (see "Methodology for calculating GHG emissions per building category" for definitions and details)
E	= SBAB's share of the financing[1)]

[1)] Existing buildings = Loan relative to the market value. Buildings under construction = Expected amounts disbursed relative to the production cost

Allocation to EU-taxonomy relevant categories

We have assessed to what extent our allocated green assets contribute to the Technical Screening Criteria in the EU-taxonomy. This assessment is based on available data and current definitions of national thresholds[1]. We have not assessed the full taxonomy alignment (Do No Significant Harm and Minimum Safeguards) due to lack of available data. Read our mandatory taxonomy report in annual report 2021 page 197-198.

SBAB Green Bond Framework 2016

Eligible Category	Total allocated volume (SEK mn)	Environmental objective linked to EU-taxonomy	Applicable economic activity linked to EU-taxonomy		Estimated alignment with Technical Screening Criteria	Allocated volume per sub category (SEK mn)	Percentage of allocated volume per sub category
Corporate Clients & Tenant-Owners' Associations							
Energy efficienct buildings (EPC A or B and/or certification)	2 139	Climate change mitigation	Acquisition and ownership of buildings	●	EPC A – aligned	130	6.1%
				●	EPC B – majority of assets within this category are expected to be aligned	2 009	93.9%
Reduction of energy usage (by at least 35 percent)	138	Climate change mitigation	Renovation of existing buildings	●	Partially aligned – the energy efficiency investment is aligned but not the entire loan	138	100%

- Aligned
- Most likely aligned
- Partially aligned
- Not aligned

1) National definition of building within the top 15% most energy-efficient CIT Energy Management published (2021-12-14) a report that defines national thresholds for different building types. However, there are no definition for single family houses. The threshold for multifamily houses is 75 kWh/m2/year based on current building regulations (BBR29) (read full report). The National Board of Housing, Building and Planning and the Swedish Energy Agency will investigate their role in developing a method for determining which buildings are the 15 percent most energy efficient.

SBAB Green Bond Framework 2019

Eligible Category	Total allocated volume (SEK mn)	Environmental objective	Applicable economic activity		Estimated alignment with Technical Screening Criteria	Allocated volume per sub category (SEK mn)	Percentage of allocated volume per sub category
Retail							
Energy efficient buildings (EPC A, B or C) - Residential mortgages	29 569	Climate change mitigation	Acquisition and ownership of buildings	●	EPC A - aligned	941	3.2%
				●	EPC B – majority of assets within this category are expected to be aligned	10 742	36.3%
				●	EPC C – part of assets within this category are expected to be aligned	17 885	60.5%
Reduction of energy usage (by at least 30 percent) - Residential mortgages and/or consumer loan (Sw. Privatlån)	293	Climate change mitigation	Renovation of existing buildings	●	Partially aligned – the energy efficiency investment is aligned but not the entire loan	293	100%
Corporate Clients & Tenant-Owners' Associations							
Energy efficienct buildings (EPC A, B or C)	10 834	Climate change mitigation	Acquisition and ownership of buildings	●	EPC A – aligned	248	2.3%
				●	EPC B – majority of assets within this category are expected to be aligned	6 011	55.5%
				●	EPC C – part of assets within this category are expected to be aligned	4 576	42.2%
SBAB Green Loans to tenant-owners' associations and corporations	155	Climate change mitigation	Renovation of existing buildings	●	Lack of data to determine if building renovation complies with the applicable requirements for major renovations or leads to a reduction of primary energy demand (PED) of at least 30 percent	155	100%

- Aligned
- Most likely aligned
- Partially aligned
- Not aligned

Baseline methodology

The energy performance in the energy declarations made from 1 January 2019 is based on primary energy demand instead of specific energy usage. The specific energy usage in older energy declarations was defined as delivered energy to the building divided by the floor area Atemp and different calculations were applied depending on source for heating and the climate zone of the building. The energy performance for buildings with energy declarations done before 1 January 2019 may therefore be different from those made after 1 January 2019 and the energy performance is not always directly comparable.

Due to this challenge and our lack of complete data to convert all energy declarations into primary energy demand, we are taking a conservative approach in our baseline methodology and all threshold values for energy performance is based on primary energy demand.

1 January 2014 was the date when the new energy class requirements became mandatory in the building regulations with minimum requirement of Energy Class C for all new buildings. Our baseline methodology is therefore different depending on the year of construction.

Buildings with construction year after 1 January 2014
The primary energy demand for Energy Class C, expressed in kWh/m2/ year, is used as baseline.

Buildings with construction year before 1 January 2014
The average primary energy demand within the average energy class expressed in kWh/m2/year is used as baseline.

Reduction of energy usage
Houses with an improved energy declaration, where the final energy use per sq.m. & year on the property has reduced by at least 30 percent for the Green Bond Framework 2019 and 35 percent for the Green Bond Framework 2016.

Methodology for calculating GHG emissions per building category

GHG emissions (CO_2e) per kWh for multifamily buildings and corporate properties *(sw. flerbostadshus)*

District heating is the most common heating sources followed by electricity.[1]

Heating sources	% distribution	Gram CO_2e per kWh
District heating	**91%**	**63 g CO_2e per kWh[2]**
Electricity	**9%**	**315 g CO_2e per kWh[2]**

(0.91 x 63 g) + (0.09 x 315 g) **= 85.68 g CO_2e per kWh**

1) Report from the Swedish Energy Agency (2016) "Energy statistics for multi-dwelling buildings"

2) Report from the Nordic Public Sector Issuers (2020) "Position Paper on Green Bonds Impact Reporting"

GHG emissions per kWh for single family houses *(sw. småhus)*

Electricity is the most common heating sources, followed by biofuels and district heating.[1]

Heating sources	% distribution	Gram CO_2e per kWh
Electricity	**47%**	**315 g CO_2e per kWh[2]**
Biofuels (wood, pellets)	**36%**	**16.1 g CO_2e per kWh[3]**
District heating	**17%**	**63 g CO_2e per kWh[2]**

(0.47 x 315 g) + (0.36 x 16.1 g) + (0.17 x 63 g) **= 164.55 g CO_2e per kWh**

1) Report from the Swedish Energy Agency (2016) "Energy statistics for single houses"

2) Report from the Nordic Public Sector Issuers (2020) "Position Paper on Green Bonds Impact Reporting"

3) Report from the Swedish Environmental Research Institute (2015) "Greenhouse gas emissions for Swedish pellet production"

Auditor's Limited Assurance Report on SBAB's Green Bond Impact Report

To SBAB Bank AB (publ), corporate identity number 556253-7513

Introduction
We have been engaged by SBAB Bank AB (publ), ("SBAB") to undertake a limited assurance engagement of the Green Bond Impact reporting ("Reporting") for the year 2021 set out in this document.

Responsibilities of SBAB's management
SBAB's Management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the SBAB Green Bond Framework 2016 and the SBAB Group Green Bond Framework 2019 (available at sbab.se), as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SBAB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by SBAB's Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Green Bond Impact Report for the year 2021, is not prepared, in all material respects, in accordance with the applicable criteria, as explained in the SBAB Green Bond Framework 2016 and the SBAB Group Green Bond Framework 2019.

Solna 21 March 2022

Deloitte AB

Patrick Honeth
Authorized Public Accountant

Adrian Fintling
Expert Member of FAR

Annex I:
Use of Proceeds (SBAB Green Bond Framework 2016)

A loan provided by SBAB will become an eligible loan (each an "SBAB Eligible Green Loan") if it is used to finance or refinance a project which fulfils one of the below criteria.

Eligible Category	Eligibility Criteria
Category 1	
Energy efficienct buildings (EPC A or B and/or certification)	Is either a new construction, a rehabilitation or major renovation by a corporate entity or a tenant-owner association (Sw. *bostadsrättsförening*) of one or more of its residential or commercial buildings which has/have obtained or will obtain: **(i)** an energy performance certificate (Sw. *energideklaration*) issued by the Swedish National Board of Housing, Building and Planning (Sw. *Boverket*) (an "Energy Performance Certificate"), regardless of energy class; and **(ii)** at least one of the following certifications (or similar): Energy Performance Certificate with energy class A or B; • Energy Performance Certificate with energy class A or B; • Miljöbyggnad (minimum certification "silver"); • Svanen (Eng. Nordic Swan); • Passivhus (Eng. Passive House); • Green Building; • LEED (minimum certification "gold"); or • BREEAM or BREEAM-SE (minimum certification "excellent").
Category 2	
Reduction of energy usage	A rehabilitation or major renovation by a corporate entity or a tenant-owner association of one or more of its residential or commercial buildings where the final energy use per square meter and year will be or has been reduced by at least 35 per cent.

Annex II:
Use of Proceeds (SBAB Group Green Bond Framework 2019)

A loan provided and held by the SBAB Group will become an eligible loan (each an **"Eligible Green Loan"**) if it fulfils the eligibility criteria of one of the below categories.

Each Eligible Green Loan (other than a consumer loan) is primarily secured either by mortgages (Sw. pantbrev) pledged in favour of an entity in the SBAB Group if the loan relates to a property (Sw. fast egendom) or a by a pledge in favour of an entity in the SBAB Group if the loan relates to a tenant-owners' right. In certain cases, the Eligible Green Loans are also secured by a share pledge or through a guarantee.

The loan may be regarded as an Eligible Green Loan during 10 years from the time of selection in accordance with Section 3 in the Framework.

Eligible Category	Eligible Green Loan	Eligibility Criteria
Retail		
Energy efficient buildings	Residential retail mortgage loans (Sw. *bolån*) SBAB product: **SBAB Group green mortgage loan** *(Sw. Grönt Bolån)*	• **Properties** (Sw. *fastigheter*) owned by one or more individuals where the building on such property (i) has obtained an EPC with energy class A or B (where the construction was initiated on or after 1 January 2014); (ii) has obtained an EPC with energy class A, B or C (where the construction was initiated before 1 January 2014); or (iii) has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above (as applicable); or • **Tenant-owners' rights** (Sw. *bostadsrätter*) held by one or more individuals where the building owned by the tenant-owner association (Sw. *bostadsrättsförening*) to which the tenant-owners' right relate (i) has obtained an EPC with energy class A or B (where the construction was initiated on or after 1 January 2014); (ii) has obtained an EPC with energy class A, B or C (where the construction was initiated before 1 January 2014); or (iii) has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above (as applicable).
Reduction of energy usage	Residential retail mortgage loan and/or consumer loan *(Sw. privatlån)*	• **Buildings** where the final energy use per sq.m. & year on the property has been reduced by at least 30%, as evidence e.g. by a new EPC.
Corporate Clients & Tenant-Owners' Associations		
Energy efficient and green buildings; new constructions and major renovations	Corporate loans	• **New constructions**, including rehabilitations or major renovations, of one or more residential or commercial buildings where the project plan specifies that the intention is either to obtain at least one of the below certifications or to construct/renovate the building according to such certification methods. (i) EPC with energy class A or B; (ii) Miljöbyggnad, (minimum certification "silver"); (iii) Svanen (Eng. *Nordic Swan*); (iv) Passivhus (Eng. *Passive House*); or (v) Green Building. A building is deemed to be a new construction during the planning phase, the construction or renovation phase (as applicable) and until an EPC has been obtained ("**Completion**").
Energy efficient buildings	Corporate loans Loans to tenant-owners' associations (Sw. bostadsrättsförening)	• **Properties** owned by an entity (including a tenant-owner association) where the residential or commercial building on such property (i) has obtained an EPC with energy class A or B (where the construction was initiated on or after 1 January 2014); (ii) has obtained an EPC with energy class A, B or C (where the construction was initiated before 1 January 2014); or (iii) has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above (as applicable).
Reduction of energy usage	Corporate loans Loans to tenant-owners' associations	• **Buildings** where the final energy use per sq.m. & year on the property has been reduced by at least 30%, as evidence e.g. by a new EPC.
Energy efficiency and other green investments	SBAB Green Loans to tenant-owners' associations and corporations SBAB product: **SBAB Green Loan** *(Sw. Gröna Lån)*	• **Activities in buildings** where the project plan specifies that the intention is either to reduce the energy use in such building (e.g. new heat source) or to have an environment enhancing impact (e.g. removal of certain materials such as PCBs) and has qualified to be an SBAB Group green loan (Sw. *Gröna Lån*) in accordance with the terms set out from time to time on www.sbab.se.

For the avoidance of doubt, net proceeds of a Green Bond will not be allocated to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco. Neither SBAB nor SCBC provides any loans for the financing of any of the above.

Annex III:
Energy Performance Certificates

Energy performance measures
Energy consumption is described in the energy performance certificate in terms of energy performance measures. Energy performance measures indicate how much energy is consumed by heating, air-conditioning, hot tap water and the building's property electricity. All energy consumed for this in one entire year is aggregated and divided by the heated surface of the building. The result is the number of kilowatt-hours (kWh) used per square meter (m2). Energy performance is expressed in terms of the unit kWh/m2 and year.

Energy classes from A to G
Energy classification is included in the certificates to make it easier to compare buildings with each other and to get an idea of their energy consumption. Energy Class A stands for low energy consumption, and G stands for high. A building that has an energy consumption corresponding to the requirement imposed on a newly built building today is placed in Class C.

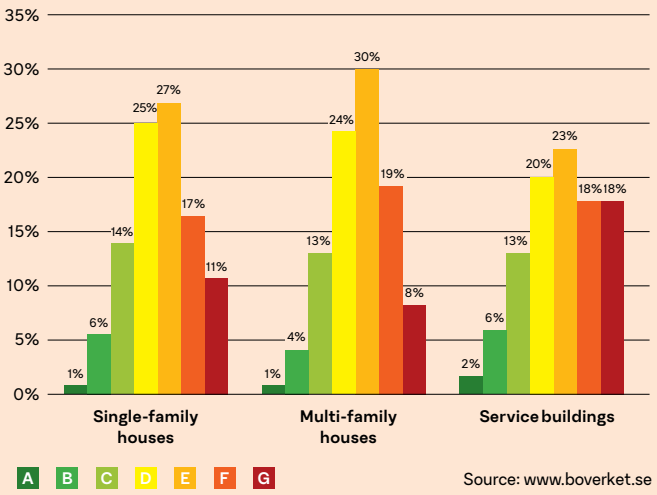
The seven classes on the scale are based on the energy consumption requirement imposed on new buildings built today. These requirements can be found in the building code, BBR (BFS 2011:6) and depend on the type of building, if it is electrically heated or not, and where in Sweden it is situated. Energy Class C corresponds to the particular requirement that would apply to the building if it were built today. Below is a list showing what each energy class stands for.

EP = Energy performance measures of the building in question
≤ = less than or equal to
> = more than

A = EP is ≤ 50 percent of the requirement for a new building.
B = EP is > 50 - ≤ 75 percent of the requirement for a new building.
C = EP is > 75 - ≤ 100 percent of the requirement for a new building.
D = EP is > 100 - ≤ 135 percent of the requirement for a new building.
E = EP is > 135 - ≤ 180 percent of the requirement for a new building.
F = EP is > 180 - ≤ 235 percent of the requirement for a new building.
G = EP is > 235 percent of the requirement for a new building.

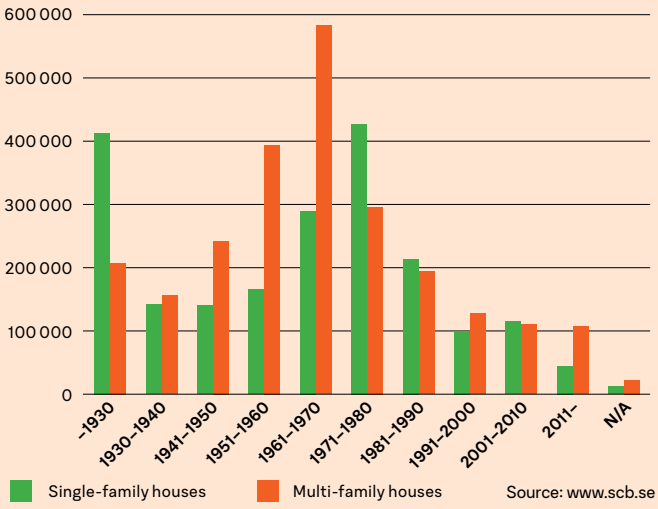
Source: www.boverket.se

Distribution of energy classes (A to G) by type of housing



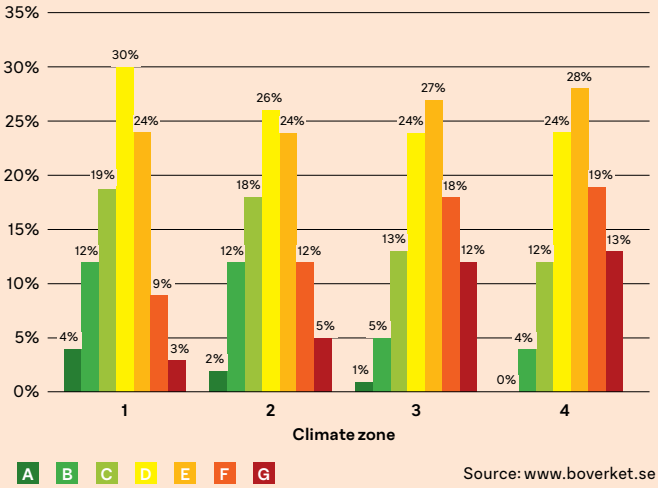
Source: www.boverket.se

Number of homes by type of housing and building period



Source: www.scb.se

Distribution of energy classes (A to G) per climate zone



Source: www.boverket.se

SBAB!

SCBC!
Covered bonds of SBAB