



Wästbygg Gruppen AB

Green Finance Second Opinion

May 5, 2021

Wästbygg Gruppen AB (Wästbygg) is a Swedish construction and development company founded in 1981, focusing on the development of residential, commercial and logistic/industrial properties in the Swedish market. Through the group company Logistic Contractor AB, Wästbygg is also represented in Norway, Denmark and Finland.

Projects that will be financed under the green debt instruments of the green finance framework focus on green and energy efficient buildings and will over time contribute to a greening of Wästbygg's portfolio. The green eligibility criteria, e.g. properties with Miljöbyggnad Silver, Nordic Swan Ecolabel or equivalent certification, energy performance at least 20% below applicable national building regulation, and that major renovations should result in reduced energy consumption of at least 30%, are ambitious. However, EPC requirements on energy efficiency in other Nordic countries are less ambitious than in Sweden, and buildings with EPC B labels in these countries are allocated a Light Green shading.

Wästbygg appears likely to meet many Do No Significant Harm (DNSH)-criteria in the EU Taxonomy, however not e.g. the Sustainable use and protection of water and marine resources criteria. Furthermore, alignment to the Pollution prevention and control cannot be confirmed for contracted developments, nor can full alignment with the criteria under Protection and restoration of biodiversity and ecosystems. To be fully aligned with the DNSH-criteria on Climate change adaptation Wästbygg needs to identify physical climate risks and adaptation solutions for their activities. The company informs that they will develop an approach to climate the risk assessments in 2021.

Wästbygg's has ambitious environmental targets and has signed the Roadmap for Fossil-Free Competitiveness for the construction sector to be fossil free within 2045. Wästbygg is reporting Scope 1, 2 and 3 emissions (except materials). Impact reporting will not be externally reviewed. CICERO Green considers that Wästbygg mainly fulfil the minimum social safeguards of the EU Taxonomy, but the company could implement a screening of suppliers that identifies products and sourcing countries that require extra caution and follow-up. The establishment of an ethical council and a whistle blower function will help identifying potential and actual social risks.

Based on the overall assessment of the eligible green assets in this framework and governance and transparency considerations, the green debt instruments part of Wästbygg's green finance framework receives a **CICERO Medium Green** shading and a governance score of **Excellent**. To improve the framework, Wästbygg could systematise processes around climate risk assessments, improve the scope 3 reporting and conduct external review of the impact reporting. CICERO Green also encourages Wästbygg to continue the work with their contractors to improve their environmental performance where relevant and to establish energy intensity targets.

SHADES OF GREEN

Based on our review, we rate the Wästbygg's green finance framework **CICERO Medium Green**.

Included in the overall shading is an assessment of the governance structure of the green finance framework. CICERO Shades of Green finds the governance procedures in Wästbygg's framework to be **Excellent**.



GREEN BOND AND GREEN LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.





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1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's green debt instruments part of Wästbygg's green finance framework, dated May 2021. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information provided to us by the client during meetings, teleconferences and email correspondence. In our review we have relied on the correctness and completeness of the information made available to us by the company.

Expressing concerns with 'Shades of Green'

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

CICERO Shades of Green



Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated.



Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered.



Light green is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them.

Examples



Wind energy projects with a strong governance structure that integrates environmental concerns



Bridging technologies such as plug-in hybrid buses



Efficiency investments for fossil fuel technologies where clean alternatives are not available

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



2 Brief description of Wästbygg's green finance framework and related policies

Wästbygg Gruppen AB (Wästbygg) is a construction and project development company founded in 1981 with offices in Gothenburg, Stockholm, Malmö, Borås, Jönköping, Helsingborg and Varberg. Through the group company Logistic Contractor Wästbygg is also represented in Norway, Denmark and Finland. Wästbygg has been listed on the Nasdaq Stockholm exchange since October 2020. Total revenues in 2020 amounted to 3 801 billion SEK, where 48% came from logistics and industry, 30% from residential and 22% from the commercial segment.

Wästbygg focuses on three segments: residential, commercial and logistics and industry. Within each segment, Wästbygg works with both construction (contract assignment) and project development (self-development and management of properties). At the end of 2020, 28% of the properties were developed by Wästbygg, and the company has an ambition to have a 50/50 distribution between contract assignment and own project development. Inwita Fastigheter AB (Inwita) is a newly established company in the Wästbygg Group, which will provide ownership and management of self-developed properties with a primary focus on community service properties.

Environmental Strategies and Policies

Wästbygg has signed the Roadmap for Fossil-Free Competitiveness¹ for the construction sector to be fossil free within 2045 and a local action plan for a climate neutral construction sector in Malmö (the LFM30²) by 2030. Furthermore, the company has a target to become fossil free within 2030 for the areas constituting the highest emissions (electricity, heat, transport and waste). Wästbygg informs that up to 15% of the emissions reduction can come from climate compensation, relevant for among others heavy transport, use of machinery and business trips.

To reduce the company's carbon footprint from the construction sites, the company has established the tool Climate-Smart Construction Site (Klimatsmart Byggarbetsplats). The tool is covering the areas representing the largest climate emissions in the construction phase and has three levels; bronze (the minimum level that shall be reached for all construction projects), silver and gold. Five constructions had the ambition to reach gold level in 2020, while only two projects managed to do this within the year. Wästbygg has a target to increase the share of gold projects with 10% each year with 2020 as the base year, reaching 50% within 2025.

Wästbygg calculates emissions according to the Greenhouse Gas protocol and reports both direct and indirect emissions (Scope 1, 2 and partial 3)³. Fossil fuel was used in district heating, in temporary construction heating and in transportation. Emissions and reduction targets are summarised in the table below. Emissions from transport of construction material went up from 2019 to 2020 due an increase in fossil fuel-based transport, but for other targets the company is on track. The base year for reductions of CO₂-emissions is 2018.

¹ Roadmaps - Fossilfritt Sverige

² LFM30 – Netto noll CO₂-utsläpp till 2030

³ Wästbygg changed the methodology for calculation of GHG that led to some reductions of emissions.



Table 1: The table summarises Wästbygg's CO₂-emissions and main CO₂-emission reduction targets.

Emissions	Total (tons CO ₂ eq ⁴)	Scope 1	Scope 2	Scope 3
Main targets	Net zero emissions by 2030.	100% renewable fuel in temporary construction heat by 2030. 98% reduction in emissions. Reduction in energy use. 98% reduction in emissions.	100% use of renewable energy by 2030. 95% reduction of emissions from electricity. Increase the amount of fossil free district heating to 100% by 2030. 95% reduction in emissions.	Increase the share of business travels with lower CO ₂ -footprint. 30 % reduction in emissions by 2022. 100% renewable fuel in heavy transport by 2030. 95% reduction in emissions. 100% waste sorted by 2028. 98% reduction in emissions.
2020	1,523	261	124	1,138
2019	2,253	589	318	1,345
Change 2019-2020	-32%	-56%	-61%	-15.3%
Main sources	District heating represented 42.7% of the emissions, temporary construction heating 38.7% and electricity 18.6%.	Scope 1 emissions result from combustion of fossil fuels mainly at the construction site and represented 17.1% of total registered emissions.	Use of electricity, district heating and cooling and represented 8.2% of the emissions.	Scope 3 represent 74.7%, coming from e.g. heavy transport, goods and services in the supply chain and business trips. Emissions from use of materials are not covered.

In 2020, energy use from own offices and construction sites was 6,588 MWh, and energy generated from Wästbygg's wind farm was 1,279 MWh. In 2020 90% of the energy was produced from renewable energy, achieved by using energy produced by a company owned wind power park (17%), and from purchasing eco-labelled electricity. Total energy use decreased by 7% from 2019 to 2020. Average energy intensity in 2020 was 65.7 kWh/m² Atemp, 27% better than current regulation (BBR). The building certification schemes chosen by Wästbygg have energy efficiency thresholds, but the company has not established energy intensity targets.

The company is aware of the physical climate risks their portfolio is exposed to and use municipal plans/maps to get information on e.g. flood risks. However, the company has not yet carried out a systematic climate risk assessment, nor reported in line with the TCFD-recommendations. The company informs that they are working on a more comprehensive approach to climate risk assessments, and that this is one of the company's sustainability targets for 2021.

49% of Wästbygg's properties were certified in 2020, with the main certification schemes being Miljöbyggnad Silver and Nordic Swan Ecolabel. Wästbygg has decided that all self-developed residential and commercial properties shall be certified according to Nordic Swan Ecolabel, Miljöbyggnad Silver or equivalent. Within the logistics segment, the properties will be developed according to Miljöbyggnad Silver. From January 2022, the global warming potential needs to be calculated for all new constructions which includes to register the material used and how they were transported and installed.

Wästbygg's sustainability work is based on Swedish regulation, and the company's policies and guidelines. Wästbygg Entreprenad AB is certified according to ISO 9001, ISO 14001 and ISO 45001, while Logistic Contractor AB is working in line with ISO 9001 without being certified. The company is committed to the principles of UN Global Compact, ILO's core conventions and the OECD guidelines for multinational enterprises.

⁴ CO₂e, carbon dioxide equivalent is a measurement term for greenhouse gas accounting.



Wästbygg started to conduct materiality assessments in 2017. Health and working environment, ethics, corruption and the use of material and energy have been identified as topics material to the company. The materiality assessment also identified risks related to violations of social issues, like violation of the company's internal guidelines related to workers' rights. To reduce risks of violating workers' rights at the construction sites, Wästbygg uses ISO-certified management systems including checklists.

When using subcontractors, the company checks whether the company in question has collective agreements and is approved by the trade association. All subcontractors must confirm that they are fulfilling their commitments towards the employees and that only contracted companies have access to the workplaces. Audits to check compliance are carried out on a regular basis. Risks are furthermore reduced through requirements and specifications as well as evaluations of the suppliers and sub-contractors and training of staff working with the suppliers. Evaluations of suppliers do not seem to include an assessment to identify products and sourcing countries that require extra caution and follow-up. Employees, suppliers and sub-contractors are expected to follow the guidelines set out in Wästbygg's Code of Conduct (CoC). Wästbygg has established an ethics council with the overall task of working to ensure that Wästbygg's operations are conducted in a sound ethical manner. If an employee or a sub-contractor experience corruption, bribery or the like, the company has a whistleblower function managed by the ethics council. The council can also be used for major safety deficiencies in the workplace, serious environmental crimes as well as serious forms of discrimination and harassment. The company informs that in 2020, seven notifications were received via the whistleblower function.

The company is using the systems Byggvarubedomningen, Basta and Sunda Hus to monitor the chemical composition of the construction materials used for own property developments. According to the company, this ensures that they only use material approved by national regulation. Wästbygg aims to start using life cycle assessments to determine the climate footprint of materials looking at the environmental impact from raw material extraction to manufacturing, transportation, use, life, and recyclability.

The company does not have a policy that properties should have EV charging or be built in close proximity to public transportation but informs us that they are working towards establishing charging stations for electrical vehicles connected to all properties (residential, commercial and logistics) Wästbygg are developing. Furthermore, the company has developed an app, Boaktiva, that is encouraging car-sharing, and other initiatives increasing the environmental and social benefits.

Use of proceeds

Wästbygg will issue green debt instruments, including green bonds (including hybrid bonds) and other types of debt instruments such as loans, revolving credit facilities and commercial papers. Wästbygg will finance or refinance eligible assets providing distinct environmental benefits that contribute to the UN Sustainable Development Goals. Considering that Wästbygg's main activity is to construct and develop properties, the majority of the proceeds will be used for new financing. Green finance will support the development of all three of the company's segments, and the eligible project category is Green and energy efficient buildings. Examples of eligible projects are financing of green buildings with environmental certification.

Green assets can consist of properties under development based on the estimated project value (properties are subject for completion within 24 months), and properties for the company's own management based on the market value of such assets reported in the balance sheet.

Green finance will not be used to finance investments linked to fossil or nuclear energy generation, the weapons and defense industries, potentially environmentally negative resource extraction, gambling, or tobacco.



Selection

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

The selection of green eligible assets is managed the CFO of Wästbygg, the Head of Sustainability and, in some cases, the CEOs of Wästbygg's subsidiaries. Selection and final decisions on green eligible assets are made in consensus. The company informs that they are assessing all tenders, to avoid controversial projects or clients.

A list of green eligible assets is kept by the Finance Department and the Head of Finance is responsible for keeping this list up to date. The list of green eligible assets is monitored on a regular basis during the term of the green debt instruments to ensure that sufficient proceeds are allocated.

Management of proceeds

CICERO Green finds the management of proceeds of Wästbygg to be in accordance with the Green Bond and Green Loan Principles. Equivalent to the net proceeds from Wästbygg's green finance will be tracked using a spreadsheet containing a list of green eligible assets. Information available in the spreadsheet will in turn serve as basis for regular reporting.

All green finance will be managed on a portfolio level and will not be linked directly to one (or more) pre-determined green assets. The company will keep track and ensure there are sufficient green eligible assets in the portfolio. Assets can, whenever needed, be removed or added from/to the green portfolio.

Any unallocated proceeds temporary held by Wästbygg will be placed on the company's ordinary bank account or in the short-term money market. The company informs that unallocated proceeds cannot be invested in activities associated with fossil fuels.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

Wästbygg will issue a green finance report that will include an allocation report and an impact report. The report will be made available on the company's website and will be published annually as long as there are green debt instruments outstanding. The company informs that they aim to conduct an external verification of the allocation report, but not on the impact report. The Finance Department, with assistance from the Head of Sustainability will be responsible for reporting.

The Allocation report will include the total amount of green debt instruments outstanding, the total amount of unallocated proceeds (if any), the share of proceeds used for categories described in table 1.

The impact report aims to disclose the environmental impact of the Green Eligible Assets financed under this Framework. The impact report will, to some extent, be aggregated and depending on data availability, calculations will be made on a best effort basis. The impact report may include some of the below listed metrics.

Green and energy efficient buildings:



- i. Information on the energy usage in kWh/sqm/year for own developed properties
- ii. Estimated annual greenhouse gas emissions in the construction phase and/or for own management of properties (tCO₂e)
- iii. Energy performance certificate class, if any
- iv. Type of certification including level, if any (e.g. Miljöbyggnad Silver, Nordic Swan Ecolabel, etc.)

Actual data from suppliers will be used to estimate the grid factors used. Wästbygg will in addition to green finance reporting have annual sustainability reporting.



3 Assessment of Wästbygg’s green finance framework and policies

The framework and procedures for Wästbygg’s green debt investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where Wästbygg should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Wästbygg’s green finance framework, we rate the green debt instruments part of Wästbygg’s green finance framework **CICERO Medium Green**.

Eligible projects under the Wästbygg’s green finance framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green bonds aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the “overall environmental profile” of a project should be assessed and that the selection process should be “well defined”.

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Category	Eligible project types	Green Shading and some concerns
Green and energy efficient buildings 	Properties that either have or with the objective to receive: <ul style="list-style-type: none"> • Miljöbyggnad Silver, Nordic Swan Ecolabel or an equivalent energy performance level from another well recognised certification scheme which is subject for evaluation and approval from the CFO of Wästbygg, the Head of Sustainability and, in some cases, the CEOs of Wästbygg’s subsidiaries; or • An energy performance at least 20% below the applicable national building regulation, such as Boverket’s Building Regulations (“BBR”); or • An EPC of class A or B; or • Major renovations resulting in reduced energy consumption of at least 30%. 	Medium to Light Green <ul style="list-style-type: none"> ✓ According to the company, main proceeds will be used for developments in Sweden, but approximately 10-20% is estimated to be used in Denmark, Finland and Norway. ✓ EPC B requirements on energy efficiency in other Nordic countries (Denmark, Norway and Finland) are less ambitious than in Sweden, and buildings with EPC B labels in these countries are allocated a Light Green shading. ✓ According to the company, properties heated directly with fossil fuels will not be eligible for funding using green proceeds. ✓ The investor should be aware that there are still fossil fuel elements in district heating in Sweden (e.g., plastics). The share of fossil fuels in district heating are significantly higher in countries like Denmark and Finland. Wästbygg



- has informed that they aim to use only fossil free district heating by 2030.
- ✓ Miljöbyggnad Silver means that energy use has to be 20 % lower than that required by BBR (Swedish Building regulations).
 - ✓ To be able to certify a building according to Nordic Swan Ecolabel, the buildings must be included in a life cycle analysis. Building materials and chemical products are inspected. In Sweden the Nordic Swan Ecolabel require an energy use 10-15% lower than BBR.
 - ✓ In Sweden, EPC A is at least 50% better than current regulations, while EPC B is between 50% and 75% of current regulation for new buildings. Older buildings can have labels that are up to 10 years old, and therefore considerably weaker energy wise.
 - ✓ Refurbishment of existing buildings are often better than new constructions from a climate point of view.
 - ✓ The company informs that most proceeds will be used for new constructions and acquisition of properties, and that renovation is less relevant in the coming years.

Table 1. Eligible project categories

Background

The construction and real estate sector have a major impact on our common environment. According to the National Board of Housing, Building and Planning's environmental indicators, it accounts for 32% of Sweden's energy use, 31% of waste and 19% of domestic greenhouse gas emissions. Calculations from Sveriges Byggindustrier indicate that the climate impact of new production of a house is as great as the operation of the house for 50 years.

As members of the EU, Sweden, Denmark and Finland are subject to the EU's climate targets of reducing collective EU greenhouse gas emissions by 40% by 2030 compared to 1990 levels, increasing the share of renewable energy to 32% and improving energy efficiency by at least 32.5%.⁵ The European Green Deal aims for carbon neutrality in 2050.⁶ Sweden has developed a National Energy and Climate Plan (NECP) in which it outlines the targets and strategies in all sectors.⁷ These strategies include measures such as increasing renewable energy capacity, improving energy efficiency, facilitating the large scale implementation of clean transportation alternatives, and implementing carbon sinks through reforestation and the LULUCF sector. Non-ETS emissions, of which public buildings and households are a part, must decrease by 63% by 2030. In February 2020, Norway released updated targets for 2030 to cut GHG emissions by 50-55% from 1990 levels⁸.

⁵ https://ec.europa.eu/clima/policies/strategies/2030_en

⁶ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

⁷ https://ec.europa.eu/energy/topics/energy-strategy/national-energy-climate-plans_en

⁸ <https://www.regjeringen.no/no/aktuelt/norge-forsterker-klimamalet-for-2030-til-minst-50-prosent-og-opp-mot-55-prosent/id2689679/>



declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights. CICERO Green has completed a light touch assessment of the above social safeguards with a focus on human rights and labor rights¹⁵. We take the sectoral, regional and judicial context into account and focus on the risks likely to be the most material social risk.

CICERO Green has assessed eligible projects in Wästbygg's green finance framework against the mitigation thresholds and the DNSH criteria in the delegated acts published in April 2021. CICERO Green has conducted a light touch assessment of the minimum safeguards (social aspects) of the EU Taxonomy. Comments on alignment are given under Strengths and Pitfalls, and detailed thresholds, NACE-codes and likely alignment with DNSH criteria are given in Appendix 2.

Governance Assessment

Four aspects are studied when assessing Wästbygg's governance procedures: 1) the policies and goals of relevance to the Green funding Framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent.

Wästbygg's has a comprehensive sustainability strategy including social, financial and environmental sustainability which is well anchored within the management. The company has signed the Roadmap for Fossil-Free Competitiveness for the construction sector to be fossil free within 2045 and has KPIs targeting the main emissions sources.

CICERO Green is encouraged by Wästbygg's systematic approach to reduce emissions from the construction sites e.g. through the use of the Climate-Smart Construction Sites tool. Wästbygg is reporting Scope 1, 2 and 3 emissions (except materials), and is including relevant KPIs in their sustainability report. Impact reporting will not be externally reviewed. Selection is made in consensus and include environmental/climate change expertise.

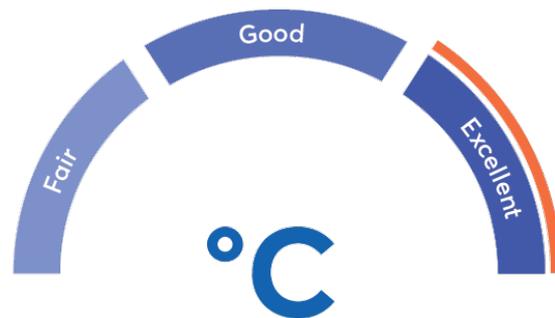
The company is aware of the physical risks affecting their operations and will start systematic climate risk assessments in 2021.

It is positive that Wästbygg has decided that all self-developed residential and commercial properties shall be certified according to Nordic Swan Ecolabel or Miljöbyggnad Silver, which include energy thresholds. The average energy use for all projects is 27% below national requirements. This is considered ambitious, but is partly due to the current client base, as Wästbygg generally is less involved in determining the energy efficiency or use of certification in contract assignments. The building certification schemes chosen by Wästbygg have energy efficiency thresholds. However, CICERO Green encourages Wästbygg to also establish energy intensity targets for all projects, including for contracted developments.

¹⁵ CICERO Green is in the process of further developing its assessment method to ensure that it encompasses the object and purpose of the minimum safeguards.



The company has established a Code of Conduct covering both employees, sub-contractors and suppliers. The CoC operationalises the company's guidelines and policies related to ethical business conduct, human rights and environmental sustainability. According to the CoC, sub-contractors must commit to certain working conditions for their employees and submit risk analysis related to the work environment. The CoC is referring to the use of good accounting practices. According to the company, relevant environmental and social aspects of the Code of Conduct are included in contracts with suppliers and subcontractors, CICERO Green views this positively. Wästbygg has established an ethical council and a whistle blower function that will help the company in identifying potential and actual social risks. In addition to contractors, Wästbygg's supply chain consists sourcing of materials. The use of Byggvaru-bedömmningen, Basta and Sunda Hus will monitor the chemical composition of the construction materials used, but will not discover issues related to e.g. workers' rights. CICERO Green considers that Wästbygg mainly fulfil the minimum social safeguards of the EU Taxonomy, but the company could implement a screening of suppliers that will identify products and sourcing countries that require extra caution and follow-up.



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

Strengths

It is a strength that the green finance framework is supported by a strong governance structure and clear environmental targets. Wästbygg is including sustainability throughout the value chain and has strong long-term and medium-term targets to support it. With the tool Climate-Smart Construction Sites Wästbygg is focusing on the reduction of environmental and climate impacts from the construction process. As a company focusing on construction, this is crucial to reduce the climate footprint of the company's activities and show commitment to sustainability.

Based on the information provided by Wästbygg, projects to be financed using green debt are aligned with the mitigation criteria given in the EU-taxonomy for Construction of new buildings, Renovation of buildings, and Ownership and acquisition of buildings. However, alignment on EPC B for acquisition and ownership of properties in Norway, Denmark and Finland cannot be confirmed.

Weaknesses

CICERO Green finds no material weaknesses in Wästbygg's green finance framework.

Pitfalls

The Green building criteria in Wästbygg's green finance framework build on Miljöbyggnad Silver, Nordic Swan Ecolabel or an equivalent energy performance level from another well recognised certification scheme. In addition, the energy requirement of 20% better than national regulations are good, but not up to best practices. Thus, the green buildings eligible under Wästbygg's framework are falling short of the long-term vision of zero-energy buildings or passive houses.

EPC B requirements on energy efficiency in other Nordic countries (Denmark, Norway and Finland) are less ambitious than in Sweden, and buildings with EPC B labels in these countries are allocated a Light Green shading.



To the extent that the buildings rely on district heating, there are still fossil fuel fractions (e.g., plastics) included. The share of fossil fuels in district heating are significantly higher in countries like Denmark and Finland. However, the company has informed that they aim to use only fossil free district heating by 2030.

The taxonomy requires that buildings larger than 5000 m² must undergo testing for airtightness and thermal integrity, and that the life cycle Global Warming Potential (GWP) must be calculated. Wästbygg has informed us that they test buildings over 5000m² for airtightness, meeting the first criteria for this share of the portfolio. Wästbygg is not currently calculating GWP for buildings over 5000m². In Sweden, climate calculations establishing the GWP for the construction phase are a regulatory requirement from January 1, 2022. Wästbygg confirms that they will follow these requirements also for buildings in Denmark, Norway and Finland.

Wästbygg is aware of the physical climate risks their portfolio is exposed to and use municipal plans/maps to get information on e.g. flood risks. According to Wästbygg, they have not yet carried out a systematic climate risk assessment, nor are reporting in line with the TCFD-recommendations. To be fully aligned with the DNSH-criteria “Climate change adaptation” Wästbygg needs to identify physical climate risks and adaptation solutions for their activities by performing a climate risk and vulnerability assessment, and by using climate scenarios. The company informs that they will start climate the risk assessments in 2021, and that this is one of the company’s sustainability targets.

Wästbygg does not currently have any policies specifying water usage in non-residential units and does not meet the DNSH-requirement on Sustainable use and protection of water and marine resources. Self-developed properties must be certified according to Nordic Swan Ecolabel or Miljöbyggnad Silver, that include requirements related to water use and some properties have water requirements from the clients. However, most green building standards are made up of a mix of mandatory and voluntary criteria (points), and a specific certification level does therefore not guarantee a level of water efficiency performance across all certified buildings, and it is therefore currently unclear to what extent the criteria in green building standards overlap with the taxonomy requirements.

For the DNSH-criteria Protection and restoration of biodiversity and ecosystems Wästbygg cannot confirm that none of their properties are constructed on arable land or land matching the national definition of forest. However, the company informs that this will be considered for future developments

For the DNSH-criteria related to pollution prevention and control, the company is likely aligned for self-developed properties, but alignment cannot be confirmed for contracted developments.

The company does not have a policy that properties should have EV charging or be built in close proximity to public transportation but informs that they are working towards establishing charging stations for electrical vehicles as well as possibilities for car-sharing via the established app Boaktiva.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Wästbygg's Green Finance Framework, dated May 2021.	Green Finance Framework.
2	Wästbygg's Års og hallbarhetsredovisning	2020 Sustainability report
3	Wästbygg Uppförandekod	Code of conduct for employees, suppliers and sub-contractors.
4	Wästbygg Hållbarhetsmål 2020-2030 from the issuer's web-page.	Sustainability targets 2020 – 2030
5	Wästbygg year-end report 2020	Financial statements for 2020.
6	Wästbygg Verksamhetspolicy, October 2020	A policy note outlining the normative basis for Wästbygg's activities.
7	Information on "Klimatsmart Byggarbetsplats".	Climate-Smart Construction Sites.
8	Summary of plans to be fossil free by 2030.	Summarise targets on how to be fossil free by 2030.
9	Likabehandlingsplan, dated 01-10-2021.	Plan for equal treatment of personnel in Wästbygg.



Appendix 2: EU Taxonomy criteria and alignment, Wästbygg

Complete details of the EU taxonomy criteria are given in [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2021/1023/oj/annex_1_en.pdf)

Construction of new buildings

Framework activity	Green buildings		
Taxonomy activity	Construction of new buildings (NACE Code F41.1, F41.2)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Constructions of new building, eligible if:</p> <ul style="list-style-type: none"> The Primary Energy Demand is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation. The energy performance is certified using an Energy Performance Certificate (EPC). For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. For buildings larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand. 	<p>The use of BBR as a proxy for NZEB for the Swedish market should be clarified by the Swedish authorities.</p> <p>According to the issuer, the following eligibility criteria apply for the green debt instruments:</p> <p>Properties that either have or with the objective to receive:</p> <ul style="list-style-type: none"> Miljöbyggnad Silver, Nordic Swan Ecolabel or an equivalent energy performance level from another well recognized certification scheme which is subject for evaluation and approval from the CFO of Wästbygg, the Head of Sustainability and, in some cases, the CEOs of Wästbygg’s subsidiaries; or An energy performance at least 20% below the applicable national building regulation, such as Boverket’s Building Regulations (“BBR”); or An EPC of class A or B. <ul style="list-style-type: none"> According to the company, all buildings within the logistics and industry segment and an estimated 30-50% of the properties in the residential and commercial segments are larger than 5000m². Testing of airtightness is a requirement for BREEAM, Nordic Swan Ecolabel and Miljöbyggnad certifications. Wästbygg confirms that they are conducting theoretical calculations on airtightness, and that this is controlled after completion. Testing of thermal 	<p>Green debt eligibility criteria are likely aligned for Swedish properties.</p> <p>Alignment on EPC B cannot be confirmed for properties in Norway, Denmark and Finland.</p> <p>Likely aligned to criteria related to airtightness and thermal integrity.</p>



		<p>integrity is conducted for problem solving if the airtightness does not confirm the calculations. The company informs that the thermal integrity test needs a temperature lower than 10°C and is therefore not a reliable method all year around.</p> <ul style="list-style-type: none"> • In Sweden, climate calculations establishing the GWP for the construction phase are a regulatory requirement from 1. January 2022¹⁶. The requirement is only valid for properties seeking a construction permit after January 1, 2022. According to Wästbygg this means that only a few of their initiated projects, but all new projects, will be covered by the law. • According to Wästbygg, building components that are to be climate-calculated include 80-90% of a buildings' climate impact (climate screen, load-bearing structural parts and non-load-bearing interior walls). • Wästbygg confirms that they will conduct calculations of GWP resulting from the construction for buildings larger than 5000m² in line with Swedish regulations from 2022, also for buildings in Denmark, Norway and Finland. 	Not aligned to GWP-requirement for current projects.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<p>The physical climate risks that are material to the activity have been identified (chronic and acute, related to temperature, wind, water, and soil) by performing a robust climate risk and vulnerability assessment with the following steps¹⁷:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be exposed to physical climate risks, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. 	<ul style="list-style-type: none"> • Wästbygg is aware of the physical climate risks their portfolio is exposed to and use municipal plans/maps to get information on e.g. flood risks. • According to Wästbygg, projects within the logistics/industrial segment analysis are conducted to address storm water by simulating two- and five years rainfalls if the municipality does not have other requirements. • According to Wästbygg, they have not yet carried out a systematic climate risk assessment, nor are reporting in line with the TCFD-recommendations. However, the company informs that they will start climate risk assessments in 2021, and that this is one of the company's sustainability targets. 	Likely partially aligned.

¹⁶ <https://www.boverket.se/en/start/building-in-sweden/contractor/tendering-process/climate-declaration/>

¹⁷ The Taxonomy is referring to Appendix A in the Taxonomy Annex 1.



	<p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
<p>Sustainable use and protection of water and marine resources</p>	<ul style="list-style-type: none"> • Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label¹⁸ in the Union, in accordance with the technical specifications: <ul style="list-style-type: none"> (a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (b) showers have a maximum water flow of 8 litres/min; (c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; (d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. 	<ul style="list-style-type: none"> • Wästbygg's self-developed properties are certified according to Nordic Swan Ecolabel or Miljöbyggnad Silver, where there are requirements related to monitoring of hot water consumption and low water use taps and toilets, but not related to maximum liters of water use in the appliances. • It is currently unclear to what extent the criteria in green building standards overlap with the taxonomy requirements. Most green building standards are made up of a mix of mandatory and voluntary criteria (points), and a specific certification level does 	<p>Likely not aligned.</p>

¹⁸ The Taxonomy is referring to Appendix E in the Taxonomy Annex 1.



	<p>To avoid impact from the construction site, the activity complies with the criteria in the EU Water Framework Directive¹⁹. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU²⁰ and includes an assessment of the impact on water in accordance with the Water Framework Directive, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>	<p>therefore not guarantee a level of water efficiency performance across all certified buildings.</p> <ul style="list-style-type: none"> • According to the issuer, some clients have requirements related to water use. However, for buildings not constructed by Wästbygg and where clients do not have requirements related to water use and monitoring, the company confirms that no requirements other than Swedish law will be effectuated. • According to Wästbygg, general planning is the responsibility of the municipality and EIAs will be carried out on municipality level where required by national law. This includes a plan for impacts on water sources. 	
Transition to a circular economy (circular economy)	<ul style="list-style-type: none"> • At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material²¹) generated on the construction site is prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials. • Operators limit waste generation in processes related to construction and demolition. • Building designs and construction techniques support circularity and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. 	<ul style="list-style-type: none"> • In the tool Climate-Smart Construction Sites, there is a requirement that 90% of the waste shall be sorted and reported, and in 2020 87% of the waste was sorted. • According to Wästbygg they are focusing on reducing material waste, energy-efficient solutions, environmentally friendly materials, and on creating a healthy indoor environment in the design-stage of the development. • The company also have a long-term target to minimize the amount of waste and to create a circular process where more recycled materials are used. 	Likely aligned.
Pollution prevention and control	<ul style="list-style-type: none"> • Building components and materials used in the construction comply with the criteria set out in Appendix C to the Taxonomy Annex 1. • For building components and materials used in the construction that may come into contact with occupiers formaldehyde emissions are within relevant limits²². 	<ul style="list-style-type: none"> • According to Wästbygg they use Byggvaru-bedömmningen, Basta and Sunda Hus to monitor the chemical composition of the construction material used. According to the company, this ensures that they only use material approved by national regulation, as well as material with low climate 	Likely aligned for self-developed properties.

¹⁹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy

²⁰ DIRECTIVE 2011/92/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the assessment of the effects of certain public and private projects on the environment.

²¹ Refer to the European List of Waste established by Commission Decision 2000/532/EC

²² Emit less than 0,06 mg of formaldehyde per m³ of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3 523 or other comparable standardised test conditions and determination method.



	<ul style="list-style-type: none"> • Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants²³. • Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	<p>footprint for own property developments. This cannot be ensured for contracted developments.</p> <ul style="list-style-type: none"> • According to the company, self-developed constructions are certified according to the Nordic Swan Ecolabel or Miljöbyggnad Silver, where there are requirements to phase out hazardous components and endocrine disruptors in line with Swedish regulation, as well as maximum limits for formaldehyde in line with the EU-taxonomy requirement. • For constructions developed for external customers where no additional requirements are made related to hazardous substances, Swedish law is adhered to. The company cannot confirm that this is sufficient to be aligned with the requirements in the EU-taxonomy. • The company informs that the soil is always examined for polluting substances in all new production, and if the soil is contaminated, it is the client's responsibility to decontaminate the soil. • According to the issuer, as a measure to reduce the climate and environmental impacts at the construction sites, they have developed the tool Climate-Smart Construction Sites. Through the tool the issuer has established a minimum level for all construction projects with targets related to the areas with the highest emissions, like the use of electricity, temporary construction heat, fuels used in heavy machinery, material transport and waste. Measures are taken in all projects to minimize noise, dust and pollution. 	<p>Alignment for contracted developments cannot be confirmed.</p>
<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> • An Environmental Impact Assessment (EIA) or screening should be completed in accordance with national provisions²⁴. • Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. • For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment where applicable, has 	<ul style="list-style-type: none"> • According to Wästbygg, general planning is the responsibility of the municipality and EIAs will be carried out on municipality level. Land that is covered by area protection according to the Planning and Building Act is Natura 2000, nature reserves and animal and plant protection areas, and construction is not permitted. This is stated in the general and detailed plan for each municipality. 	<p>Likely aligned with EIA-requirements.</p> <p>Alignment towards construction</p>

²³ Standard ISO 18400 can be used.

²⁴ The Taxonomy is referring to Appendix D in the Taxonomy Annex 1.



	<p>been conducted and based on its conclusions the necessary mitigation measures are implemented.</p> <ul style="list-style-type: none"> • The new construction should not be built on one of the following: <ol style="list-style-type: none"> a) arable land and crop land; b) greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List. c) land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest²⁵. 	<ul style="list-style-type: none"> • Before construction on new land is permitted, Wästbygg needs to prepare a detailed plan and receive a building permit. Wästbygg builds according to regulations in the detailed plan in all projects. • Wästbygg cannot confirm that none of their properties are constructed on arable land or land matching the national definition of forest. However, the company informs that this will be considered for future developments. 	<p>n on arable or forested land for existing properties cannot be confirmed.</p>
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²⁵ Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020. Terms and definitions: <http://www.fao.org/3/I8661EN/i8661en.pdf>.



Renovation of existing buildings

Framework activity	Green buildings		
Taxonomy activity	Renovation of existing buildings (NACE code F41 and F43)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Renovation of existing buildings, eligible if:</p> <ul style="list-style-type: none"> The reduction of primary energy demand (PED) must be at least 30 %. 	<p>According to the issuer, the following renovation activities will be supported for green debt instruments:</p> <ul style="list-style-type: none"> Major renovations resulting in reduced energy consumption of at least 30%. 	Aligned.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<ul style="list-style-type: none"> Please refer to Construction of buildings. 		Likely partly aligned.
Sustainable use and protection of water and marine resources	N/A		
Transition to a circular economy (circular economy)	N/A		
Pollution prevention and control	<ul style="list-style-type: none"> Building components and materials used in the construction comply with the criteria set out in Appendix C to the Taxonomy Annex 1. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of material or component and less than 0,001 mg of carcinogenic volatiles²⁶. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	Please refer to Construction of buildings.	<p>Likely aligned for self-developed properties.</p> <p>Alignment for contracted developments cannot be confirmed.</p>
Protection and restoration of biodiversity and ecosystems	N/A		

²⁶ Categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3 523 or other comparable standardised test conditions and determination method.



Acquisition and ownership of buildings

Framework activity	Green buildings		
Taxonomy activity	Acquisition and ownership of buildings (NACE Code L68)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Acquisition and ownership of buildings, eligible if:</p> <ul style="list-style-type: none"> For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings built after 31 December 2020, the building meets the criteria set out for the activity ‘construction of new buildings’. Where the building is a large non-residential building it is efficiently operated through energy performance monitoring and assessment. <p>For buildings built after 31 December 2020, buildings are eligible if:</p> <ul style="list-style-type: none"> The Primary Energy Demand is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation. The energy performance is certified using an Energy Performance Certificate (EPC). 	<p>According to the issuer, the following eligibility criteria apply for green debt instruments:</p> <p>Properties that either have or with the objective to receive:</p> <ul style="list-style-type: none"> Miljöbyggnad Silver, Nordic Swan Ecolabel or an equivalent energy performance level from another well recognized certification scheme which is subject for evaluation and approval from the CFO of Wästbygg, the Head of Sustainability and, in some cases, the CEOs of Wästbygg’s subsidiaries; or An energy performance at least 20% below the applicable national building regulation, such as Boverket’s Building Regulations (“BBR”); or An EPC of class A or B. <p>Wästbygg does not own properties where construction was finalized before 31 December 2020, and will therefore relate to the requirement for buildings built after 31 December 2020.</p> <ul style="list-style-type: none"> Evidence has not been provided that EPC B is within the top 15% for properties in Norway, Denmark and Finland. According to Wästbygg, for self-developed buildings (including Inwita) they are working to minimize energy use in line with requirements in Nordic Swan Ecolabel and Miljöbyggnad Silver and are most likely aligned with the requirement in the EU-taxonomy. 	<p>Likely aligned for certification criteria.</p> <p>Alignment on EPC B cannot be confirmed for properties in Norway, Denmark and Finland.</p> <p>Likely aligned for self-developed properties.</p>
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	Please refer to Construction of buildings.		Likely partly aligned.
Protection and restoration of biodiversity and ecosystems	N/A		



Appendix 3: About CICERO Shades of Green

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

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

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

