

# Second-Party Opinion

## Cibus Green Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Cibus Green Bond Framework aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds – Green and Energy Efficient Buildings – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 & 11.



**PROJECT EVALUATION / SELECTION** Cibus' internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"), comprised of the CEO, CFO and CIO in Finland and CIO in Sweden. The Committee is responsible for ensuring assets are aligned with the eligibility criteria outlined in the Framework prior to inclusion in the Eligible Assets. Assets will be monitored to ensure alignment. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** Cibus' management of proceeds is handled by the Finance Department. Proceeds will be tracked on a spreadsheet that includes all issued amount of green bonds. Green bonds will be managed on a portfolio level. Cibus intends to allocate proceeds within 24 months. This is in line with market practice.



**REPORTING** Cibus intends to report on the allocation proceeds on its website on an annual basis until full allocation. Allocation proceeds will include total amount of green bonds issued, share of financing and refinancing and share of unallocated proceeds. In addition, Cibus is committed to reporting on relevant impact metrics. Sustainalytics views Cibus' allocation and impact reporting as aligned with market practice.

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<b>Evaluation date</b>	May, 2020
<b>Issuer Location</b>	Stockholm, Sweden

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## Introduction

Cibus Nordic Real Estate AB (“Cibus”, or the “Company”) is a real estate company focused on acquiring, refinancing and developing supermarket and daily-good properties in the Nordic region. The Company had a market capitalisation of 745M EUR, as of May 18, 2020.<sup>1</sup>

Cibus has developed the Cibus Green Bond Framework (the “Framework”) under which it intends to issue green bonds and other types of debt instruments and use the proceeds to finance and refinance, in whole or in part, existing and future projects that aim at improving the energy efficiency of the Company’s building stock. The Framework defines eligibility criteria in one area:

### 1. Green and Energy Efficient Buildings

Cibus engaged Sustainalytics to review the Cibus Green Bond Framework, dated May 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).<sup>2</sup> This Framework has been published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>4</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the ICMA Green Bond Principles 2018;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.3.2, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Cibus’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Cibus representatives have confirmed (1) they understand it is the sole responsibility of Cibus to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Cibus.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

<sup>1</sup> Bloomberg, “Cibus Nordic Real Estate AB”, (2020), at: <https://www.bloomberg.com/quote/CIBUS:SS>

<sup>2</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>3</sup> The Cibus Green Bond Framework is available on Cibus Nordic Real Estate AB’s website at: <https://www.cibusnordic.com/investors/the-bond/>

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Cibus has made available to Sustainalytics for the purpose of this SPO.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Cibus Green Bond Framework

Sustainalytics is of the opinion that the Cibus Green Bond Framework aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Cibus' Green Bond Framework:

- Use of Proceeds:
  - The eligible category – Green and Energy Efficient Buildings – is aligned with those recognized by the GBP. Financed projects will aim at improving the energy efficiency of the building stock by constructing, acquiring or renovating energy efficient buildings. Assets will be located in the Nordics.<sup>5</sup>
  - The use of proceeds category may include the financing or refinancing of energy efficient buildings, including construction, acquisition and/or refurbishments. Sustainalytics notes that, to be considered eligible, constructed and acquired buildings must meet the following criteria: LEED Gold, BREEAM Very Good, BREEAM In-Use Very Good, or an Energy Performance Certificate ("EPC") of class A and B in Finland or of class A, B or C in Sweden. Sustainalytics notes that EPC labels A and B in Finland and Sweden constitute the top 15% of building stock, but has been unable to confirm EPC label C in Sweden. Sustainalytics encourages the Issuer to target the top 15% of building stock. For Sustainalytics' assessment of the relevant green building schemes, please refer to Appendix 1: Green Buildings Certification. Refurbishments or major renovations must result in at least a 30% reduction in energy consumption. Sustainalytics considers the eligibility criteria to be credible and expects that the projects will help to improve the energy performance and efficiency of the assets financed and refinanced.
  - Cibus has established exclusionary criteria which, in Sustainalytics' view, strengthen the Framework.<sup>6</sup>
- Project Evaluation and Selection:
  - Cibus' internal process in evaluating and selecting projects is managed by its Green Bond Committee (the "Committee"), comprised of the CEO, CFO and CIO in Finland and CIO in Sweden. The Committee is responsible for selecting assets that are aligned with the eligibility criteria outline in the Framework prior to inclusion in the Eligible Assets. The Committee meets periodically to monitor and review the Eligible Assets portfolio to ensure eligibility. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Cibus' management of proceeds is handled by the Finance Department. Green bonds will be managed on a portfolio level. Proceeds will be tracked on a spreadsheet, which includes the total amount of allocated proceeds from green bond instruments. Unallocated proceeds will be held temporarily in cash. Cibus intends to allocate the proceeds within 24 months. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Cibus intends to report on the allocation of proceeds on its website, on an annual basis, until full allocation. Allocation proceeds will include total amount of green bonds issued, share of financing vs. refinancing, and the total amount of unallocated proceeds, if any. In addition, Cibus is committed to reporting on relevant impact metrics, including energy usage in kWh/m<sup>2</sup>/year, estimated annual GHG emissions reduced or avoided (tCO<sub>2</sub>e), energy performance certificate class (A or B in Finland and A, B or C in Sweden) and type of certification including level (e.g. LEED, BREEAM etc.). Based on these elements, Sustainalytics considers this process to be in line with market practice.

<sup>5</sup> Denmark, Finland, Iceland, Norway and Sweden.

<sup>6</sup> The Framework excludes any financings directed towards fossil fuel energy generation, nuclear energy generation, the weapons and defence industries, potentially environmentally negative resource extraction, gambling or tobacco.

## Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Cibus Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Strategy of Cibus

### Contribution of Framework to Cibus' sustainability strategy

Cibus' sustainability strategy is focused on three pillars: (i) being a sustainable partner, (ii) having the climate in focus and (iii) offering accessible market place.<sup>7</sup>

As part of the second pillar of its strategy, Cibus is committed to minimizing its impact on the environment and global climate trends.<sup>7</sup> In addition to the development of green buildings, which contribute to a more energy efficient building stock, the Company also engages with tenants to reduce its indirect climate footprint.<sup>7</sup> For instance, Cibus facilitates tenants' requests for permits regarding investments in renewable energy, such as rooftop solar photovoltaics.<sup>7</sup> Sustainalytics notes that by developing energy efficient buildings, Cibus can contribute to reducing the energy consumption of buildings upstream, by limiting their energy needs.

Sustainalytics notes that, while the Cibus Green Bond Framework is not directly aligned with the Company's sustainability strategy and initiatives, but rather indirectly as noted above, the Framework contributes to the Company's second strategic pillar. Cibus has indicated to Sustainalytics that quantitative, time-bound targets have been developed for each of the strategic areas, however they are not yet publicly available; the Company intends to release targets later in 2020 after publishing its 2020 Annual Report.

### Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are recognized by the GBP to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. While Cibus does not carry buildings construction directly, the financings of newly constructed buildings could include risks related to worker and health and safety and land use.

Sustainalytics is of the opinion that the above-mentioned risks can be managed by Cibus and/or addressed by the relevant legislation and regulation, as followed:

- The EU Directive on Safety and Health at Work provides a strong framework to ensure worker and health and safety is protected in the EU Member States.<sup>8</sup> Employers must take the measures necessary for the safety and health protection of workers, including prevention of occupational risks and provision of information and training.<sup>8</sup> Sweden, Denmark and Finland have implemented the Directive in their national legislation, ensuring worker health and safety in these countries.<sup>9</sup> As for Norway, the Norwegian Working Environment Act aims at ensuring a safe working environment and gives employers the responsibility of preventing work-related accidents and harmful events.<sup>10</sup>
- In terms of land use, Nordic countries planning systems are handled at the national level and ensure appropriate risk management.<sup>11</sup> For instance, in Finland, the Ministry of Environment is responsible for the Finnish Land Use and Building Act (or the "Act").<sup>11</sup> The Act is pursuing the objective of promoting ecologically, socially and culturally sustainable development, as well as organizing building activities in such a way that creates the conditions for a fourable living environment.<sup>12</sup>

Based on the above, Sustainalytics is of the opinion that Cibus has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

<sup>7</sup> Cibus, « Annual Report », (2020), at : <https://www.cibusnordic.com/investors/financial-reports/>

<sup>8</sup> Official Journal of the European Communities, "Council Directive of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=EN>

<sup>9</sup> European Commission, "Evaluation of the practical implementation of the EU occupational safety and health (OSH) directives in EU Member States", (2015), at: <https://ec.europa.eu/social/BlobServlet?docId=16895&langId=en>

<sup>10</sup> European Agency for Safety and Health at Work, "Norway", at: <https://osha.europa.eu/en/about-eu-osha/national-focal-points/norway>

<sup>11</sup> Nordregio, « The spatial planning systems in the Nordic region », at: <https://archive.nordregio.se/Metameny/About-Nordregio/Nordic-working-groups/nwgcityregions/The-spatial-planning-systems-in-the-Nordic-region/index.html>

<sup>12</sup> Ministry of the Environment, "Land Use and Building Act », (2016), at: [https://www.ym.fi/en-US/Land\\_use\\_and\\_building/Legislation\\_and\\_instructions/The\\_Land\\_Use\\_and\\_Building\\_Act](https://www.ym.fi/en-US/Land_use_and_building/Legislation_and_instructions/The_Land_Use_and_Building_Act)

Cibus, "Compliance and Procedures", (2020)

## Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP, Sustainalytics has focused on how the impact is specifically relevant in the Nordic context.

### Improving Buildings Energy Efficiency in the Nordics

In the Nordic countries, the building sector consumes a significant amount of energy for heating, due to the cold climate. The energy use of commercial buildings, such as supermarkets, is primarily driven by lightning and HVAC.<sup>13</sup> In the following paragraphs, Sustainalytics further describes the Nordic context.

Office, commercial, public and insutrial buildings account for 36% of total heated building area in Finland.<sup>14</sup> Heating is the biggest source of CO<sub>2</sub> emissions in commercial buildings.<sup>14</sup> Nevertheless, the consumption of energy per unit of heated space has decreased significantly since the introduction of buildings regulations in 1976.<sup>14</sup> Similarly, building regulations have achieved an emission reduction of 3.8 Mt of CO<sub>2</sub> in 2020.<sup>14</sup>

In Sweden, the energy consumption of space heating per m<sup>2</sup> also decreased.<sup>15</sup> Between 2000 and 2017, the consumption dropped by 33.46%, from 13.6koe/m<sup>2</sup> to 9.0koe/m<sup>2</sup>.<sup>15</sup> In addition, both the energy and electricity consumption per employee decreased in the same period, highlighting the impact of building regulations on the energy consumption of new and renovated commercial buildings.<sup>15</sup>

In early acknowledgement of the contribution of buildings' energy consumption to climate change, Norway placed the building industry on its environmental agenda in 1998, notably through energy efficiency requirements and buildings regulation.<sup>16,17</sup> As such, both the energy and electricity consumption per employee decreased significantly between 2000 and 2017.<sup>18</sup> Projects financed under the Framework could assist Norway in reducing commercial buildings energy and electricity consumption.

In Denmark, energy consumption for heating per m<sup>2</sup> has decreased on average by 1.2% per year between 2000 and 2017.<sup>19</sup> Furthermore, both the energy and electricity consumption per employee have reduced by 10.7% and 8.2% respectively.<sup>19</sup>

Sustainalytics is of the opinion that, while the Nordic countries are doing well in reducing the energy consumption of their building stock, Cibus' financing green and energy efficient commercial buildings can further contribute to reducing buildings' energy consumption and subsequent GHG emissions.

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goal and target:

Use of Proceeds Category	SDG	SDG target
Green and Energy Efficient Buildings	7. Affordable and Clean Energy	7. Double the rate of improvement in energy efficiency
	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

<sup>13</sup> ASI Controls, "What Drives Energy Use in Commercial Buildings?", (2020), at: <http://www.asicontrols.com/controlling-energy-costs-commercial-building/>

<sup>14</sup> Statistics Finland, « Finland's Seventh National Communication under the United Nations Framework Convention on Climate Change », (2017), at: [https://www.stat.fi/static/media/uploads/tup/khkiny/VII\\_Climate\\_Change\\_16102017.pdf](https://www.stat.fi/static/media/uploads/tup/khkiny/VII_Climate_Change_16102017.pdf)

<sup>15</sup> Odyssee-Mure, "Sweden Profile", (2020), at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/sweden.html>

<sup>16</sup> Nykamp, N., (2017), "A transition to green buildings in Norway", Environmental Innovation and Societal Transitions, at: <https://www.duo.uio.no/handle/10852/64152>

<sup>17</sup> Energy requirements for buildings were first introduced in 1949.

<sup>18</sup> Odyssee-Mure, "Norway Profile", (2020), at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/norway.html>

<sup>19</sup> Odyssee-Mure, "Denmark Profile", (2020), at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/denmark.html>

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## Conclusion

Cibus has developed the Cibus Green Bond Framework under which it will issue green bonds and the use of proceeds to finance green and energy efficient buildings. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impact.

The Cibus Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 7 & 11. Additionally, Sustainalytics is of the opinion that Cibus has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.





Based on the above, Sustainalytics is confident that Cibus Nordic Real Estate AB is well-positioned to issue green bonds and that the Cibus Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

## Appendices

### Appendix 1: Green Buildings Certification

	<b>BREEAM</b>	<b>LEED</b>	<b>Nordic Swan</b>	<b>Miljöbyggnad</b>
<b>Background</b>	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC).	Svanen is owned by "Ecolabelling Sweden", a Swedish state company responsible for both the Swan ecolabel and the EU Ecolabel. Svanen was first released in 1989 by the Nordic Council of Ministers.	Administered by the Swedish Green Building Council (SGBC), Miljöbyggnad certifies new and existing residential and commercial buildings. First implemented in 2010, Version 3 launched in 2018.
<b>Certification levels</b>	<ul style="list-style-type: none"> <li>• Pass</li> <li>• Good</li> <li>• Very Good</li> <li>• Excellent</li> <li>• Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> </ul>	<ul style="list-style-type: none"> <li>• Bronze</li> <li>• Silver</li> <li>• Gold</li> </ul>
<b>Areas of Assessment</b>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Land Use and Ecology</li> <li>• Pollution</li> <li>• Transport</li> <li>• Materials</li> <li>• Water</li> <li>• Waste</li> <li>• Health and Wellbeing</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> <li>• Indoor environmental quality</li> <li>• Innovation in Design</li> <li>• Regional Priority</li> </ul>	<ul style="list-style-type: none"> <li>• General requirements</li> <li>• Resource efficiency</li> <li>• Indoor environment</li> <li>• Chemicals and materials</li> <li>• Construction Management</li> <li>• Regulatory requirements</li> <li>• Point-score requirements (including energy)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Indoor Environment</li> <li>• Chemical Substances</li> <li>• Specific Environmental Demands</li> </ul>
<b>Requirements</b>	Prerequisites depending on the levels of certification + Credits with associated points  This number of points is then weighted by item <sup>20</sup> and gives a BREEAM level of certification,	Prerequisites independent of level of certification, and credits with associated points.  These points are then added together to obtain the LEED level of certification	Points-based assessment.  For apartment buildings at least 17 out of 44 possible points must be achieved.  For small houses at least 16 out of 42 possible points must be achieved.	Checklist of 15 indicators, all of which must be met in order to obtain certification.  Level of certification is determined by the lowest-scoring indicator.

<sup>20</sup> BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

	<p>which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>For pre-school and school buildings at least 15 out of 39 possible points must be achieved.</p>	
<b>Performance display</b>				
<b>Qualitative Considerations</b>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.</p>	<p>Widely recognized internationally, and strong assurance of overall quality.</p>	<p>Widely recognized within the region, strong assurance of quality.</p>	<p>Developed specifically for Sweden. High emphasis on indoor environments.</p>

## Appendix 2: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

Issuer name:

Cibus Nordic Real Estate AB

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Cibus Green Bond Framework



Review provider's name: Sustainalytics

Completion date of this form: June 2, 2020

Publication date of review publication:

## Section 2. Review overview

### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

## Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds - Green and Energy Efficient Buildings - is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 & 11.

Use of proceeds categories as per GBP:

- |   |   |
|---|---|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
|---|---|

- |  |  |
|--|--|
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management   | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

If applicable please specify the environmental taxonomy, if other than GBPs:

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Cibus' internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"), comprised of the CEO, CFO and CIO in Finland and CIO in Sweden. The Committee is responsible for ensuring assets are aligned with the eligibility criteria outlined in the Framework prior to inclusion in the Eligible Assets. Assets will be monitored to ensure alignment. Sustainalytics considers the project selection process in line with market practice.

### Evaluation and selection

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available                  | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Cibus' management of proceeds is handled by the Finance Department. Proceeds will be tracked on a spreadsheet that includes all issued amount of green bonds. Green bonds will be managed on a portfolio level. Cibus intends to allocate the proceeds within 24 months. This is in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other *(please specify)*:

#### Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other *(please specify)*:

### 4. REPORTING

Overall comment on section *(if applicable)*:

Cibus intends to report on the allocation proceeds on its website on an annual basis until full allocation. Allocation proceeds will include total amount of green bonds issued, share of financing and refinancing and share of unallocated proceeds. In addition, Cibus is committed to reporting on relevant impact metrics. Sustainalytics views Cibus' allocation and impact reporting as aligned with market practice.

#### Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other *(please specify)*:

#### Information reported:

- Allocated amounts
- Green Bond financed share of total investment
- Other *(please specify)*:

#### Frequency:

- Annual
- Semi-annual

Other (please specify):

**Impact reporting:**

- Project-by-project  On a project portfolio basis  
 Linkage to individual bond(s)  Other (please specify):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings  Energy Savings  
 Decrease in water use  Other ESG indicators (please specify): EPC labels, Certification levels and energy usage (kWh/m<sup>2</sup>/yr)

**Frequency**

- Annual  Semi-annual  
 Other (please specify):

**Means of Disclosure**

- Information published in financial report  Information published in sustainability report  
 Information published in ad hoc documents  Other (please specify):  
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.cibusnordic.com/investors/sustainability/>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Consultancy (incl. 2<sup>nd</sup> opinion)  Certification  
 Verification / Audit  Rating  
 Other (please specify):

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's

overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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