



SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Cibus Nordic Real Estate AB
7 July 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green Finance Instruments – Green Bonds and Loans
Relevant standards	<ul style="list-style-type: none">Green Bond Principles, as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)Green Loan Principles, as administered by the Loan Market Association (LMA) (as of February 2023)
Scope of verification	<ul style="list-style-type: none">Cibus Nordic Real Estate AB's Green Finance Framework (as of July 7, 2023)Cibus Nordic Real Estate AB's Eligibility Criteria (as of July 7, 2023)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK






Cibus Nordic Real Estate AB's ("the Issuer", "the company", or "Cibus") commissioned ISS Corporate Solutions (ICS) to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Cibus' Green Finance Framework (as of July 7, 2023) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and the Loan Market Association's (LMA) Green Loan Principles (GLP).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction(s) to Cibus' overall Environmental, Social, and Governance (ESG) profile – drawing on the issuance-specific Use of Proceeds (UoP) categories.

CIBUS BUSINESS OVERVIEW

Cibus Nordic Real Estate AB is a real estate company that acquires, develops, and manages properties in the Nordic region and is headquartered in Stockholm, Sweden. It is classified in the Real Estate industry, as per ISS ESG's sector classification. As of December 2022, the company's property portfolio comprises approximately 454 properties with a total lettable area of approximately 980,576 m² including supermarkets, discount stores, hypermarkets, grocery stores, and daily goods chains located in Finland, Sweden, Denmark, and Norway.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1: Alignment with GBP/GLP</p>	<p>The Issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles and Green Loan Principles.</p> <p><i>The extension of district heating and cooling systems from non-renewable sources sub-category under Green Buildings is assessed as providing no clear environmental and/or social benefits according to our methodology (cf. part II of this report). However, as there are currently several national and international initiatives and that the definition of green and/or social might vary depending on sector and geography, it is recognized that those categories might be considered as eligible green or social categories by investors.</i></p>	<p>Aligned*</p>
<p>Part 2: Sustainability quality of the Eligibility Criteria</p>	<p>The Green Finance Instruments will (re-)finance eligible asset category: Green Buildings</p> <p>Product and service-related use of proceeds categories² individually contribute to one or more of the following SDGs:</p> <div style="display: flex; justify-content: center; gap: 10px;">    </div> <p>Process-related use of proceeds categories³ individually improve (i) the Issuer's operational impacts and (ii) mitigate potential negative externalities of the Issuer's sector on one or more of the following SDGs:</p> <div style="display: flex; justify-content: center; gap: 10px;">   </div> <p>The environmental and social risks associated with those use of proceeds categories are managed.</p>	<p>Positive</p>

¹ The evaluation is based on the Cibus' Green Finance Framework (July 2023 version), on the analyzed Eligibility Criteria as received on July 7, 2023, and on the ISS ESG Indicative Corporate Rating and applicable at the SPO delivery date.

² Green Buildings.

³ Green Buildings.

<p>Part 3: Linking the transaction(s) to Cibus' ESG profile</p>	<p>The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. Project category considered is in line with the sustainability objectives of the Issuer.</p>	<p>Consistent with Issuer's sustainability strategy</p>
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SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of the Cibus' Green Finance Framework (as of July 7, 2023) with the Green Bond Principles and Green Loan Principles.

GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by Cibus' Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer's green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined in a clear and transparent manner. Disclosure of distribution of proceeds by project category is provided and environmental benefits are described.</p> <p>The Issuer defines exclusion criteria for harmful projects categories and defines a look-back period of three years, in line with best market practice.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Project Evaluation and Selection description provided by Cibus' Green Finance Framework is aligned with the GBP and GLP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The Issuer identifies alignment of their Green Finance Framework and their green projects with official and market-wide taxonomies and references any green standards or certifications used, in line with best market practice.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds provided by Cibus' Green Finance Framework is aligned with the GBP and GLP.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner and</p>

		<p>attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer sets a reallocation period of one year, in line with best market practice.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Cibus' Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer's website. Cibus explains that the level of expected reporting will be at project category level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The Issuer discloses the location and link of the report and commits to getting the allocation report audited by an external party, in line with best market practices. Moreover, the Issuer is transparent on the level of impact reporting and the information reported and further defines the duration, scope, and frequency of the impact reporting, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE ELIGIBILITY CRITERIA TO THE UN SDGs⁴

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.



1. Products and services

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

The assessment of UoP categories for (re)financing specific products and services is displayed on a 3-point scale (see Annex 1 for methodology):



Each of the Green Finance Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>New buildings⁵ (built after 31 December 2020) that have or will have:</i></p> <ul style="list-style-type: none"> ▪ <i>Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations, or</i> 	Contribution	 

⁴ The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

⁵ The Issuer will not include buildings larger than 5000 m² in its financing.

- Top 15% of the national building stock in terms of PED, defined by EPC A or B in Sweden, Finland, Norway & Denmark⁶

Green Buildings

New buildings (built after 31 December 2020) and Existing buildings (built before 31 December 2020) that have or will receive⁷:

- Minimum certification of LEED Gold or BREEAM Very Good/BREEAM In-Use Very Good or Miljöbyggnad Silver, or an equivalent⁸ level from a certification scheme in terms of energy use.

Green Buildings

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

- EPC A or within the top 15% of the national building stock in terms of PED⁶

Green Buildings

Energy efficiency measures:

- Installation of onsite solar panels, heating pumps⁹, converting to LED lighting, improvements in ventilation systems, extension of district heating and cooling systems from renewable sources, improvement and implementation of Building Automation and Control Systems, Energy Management Systems (EMS) infrastructure for electric vehicles or hybrid cars (electric charging points)

Green Buildings

Energy efficiency measures:

- Extension of district heating and cooling systems from non-renewable sources

Contribution



Contribution



Contribution



No Net Impact

⁶ Cibus will use available independent studies in respective countries to determine the top 15% of the national building stock. The Issuer will use Fastighetsägarna, CIT Energy Management report dated 14 December 2022 for the projects in Sweden; the Granlund's report dated June 2022 for the projects in Finland; EPC A and B certificates as a proxy for the projects in Denmark, and it will follow market developments and wait for an approved definition for the projects in Norway. The proxy of EPC A and B is decided based on the following sources: Statistics Denmark, The Bank of Statistics, The Danish Energy Agency (as of 19 April 2022).

⁷ If no certification is received for a project, the project will not be eligible anymore and thus Cibus will remove it from the green pool of eligible assets.

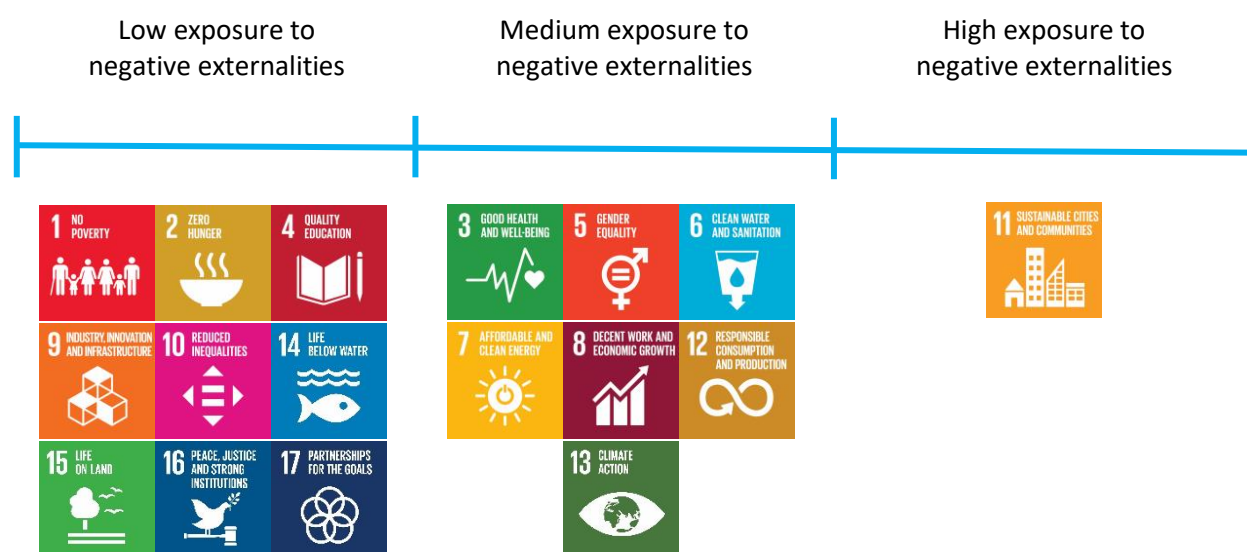
⁸ The assessment is limited to the certifications listed in the FW.

⁹ The source of the energy will be renewable energy.



2. Improvements of operational performance (processes)

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

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities¹⁰ in the Real Estate (to which Cibus belongs) are the following:



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

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹¹	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p>Major renovations and reconstruction leading to primary energy savings of at least 30%^{12 13}</p>	✓	 

¹⁰ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3 of the SPO.

¹¹ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

¹² As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

¹³ The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

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

Green Buildings

The table below evaluates the Eligibility Criteria against issuance-specific KPIs. All of the assets will be located in Finland, Sweden, Norway and Denmark.

ASSESSMENT AGAINST KPIs

Labour, Health, and Safety

- ✓ The assets are located in Sweden, Finland, Denmark and Norway, where high labour, health and safety standards are in place (e.g. ILO core conventions).

Cibus has measures in place ensuring that assets financed under this framework meet high labor and health and safety standards in the supply chain. The Issuer has a Code of Conduct¹⁴ that require suppliers and sub-contractors to comply with national regulations and the UN Global Compact and its principles. Additionally, Cibus' Green Procurement Policy for Outsourcing Partners and Suppliers¹⁵ prioritizes suppliers and partners that have high standards regarding working conditions, human health and safety, minimum wages, working hours, right to join unions, and eliminating child labour. In accordance with Cibus' Sustainability Policy and Corporate Social Responsibility¹⁶, all business projects suspected of being in breach of international sanctions and the principles of the Global Compact or that otherwise may risk contributing to a negative impact are obligated to undergo a sustainability assessment. If an existing supplier violates Cibus' principles without further action, Cibus terminates the collaboration.
- ✓

User safety

- ✓ Cibus complies with (i) Swedish Work Environment Authority's and Boverket's regulation (2:3, 2:5, 7)¹⁷ for the buildings in Sweden, (ii) Norwegian Regulations on Technical Requirements for Construction Works¹⁸ for the buildings in Norway, (iii) 848/2017 Decree of Ministry of Environment on the Fire Safety of Buildings¹⁹ for the buildings in Finland, and (iv) Danish Building Regulation²⁰ and operates accordingly to ensure the safety of buildings, fire safety, hygiene, and protection against noise.

¹⁴ Cibus' Code of Conduct, https://www.cibusnordic.com/media/210352/code_of_conduct.pdf

¹⁵ Cibus' Green Procurement Policy for Outsourcing Partners and Suppliers, https://cibusnordic.se/media/210354/green_procurement_policy_for_outsou.pdf

¹⁶ Cibus' Sustainability Policy and Corporate Social Responsibility https://www.cibusnordic.com/media/210355/sustainability_policy_and_corporate.pdf

¹⁷ Boverket regulation, https://www.boverket.se/contentassets/a9a584aa0e564c8998d079d752f6b76d/konsoliderad_bbr_2011-6.pdf

¹⁸ Norwegian Regulations on Technical Requirements for Construction Works, July 2017, <https://dibk.no/globalassets/byggereglar/regulation-on-technical-requirements-for-construction-works--technical-regulations.pdf>

¹⁹ Decree of the Ministry of the Environment on the Fire Safety of Buildings, <https://ym.fi/en/the-national-building-code-of-finland>

²⁰ Danish Building Regulation, <https://byggningsreglementet.dk/>

Water use minimization in buildings



Cibus has measures in place systematically ensuring that the assets financed under this framework provides for water consumption reduction measures. Buildings are designed to ensure high water quality and comply with public health requirements in compliance with Boverket's mandatory provisions and general recommendations 6:6.²¹ (i.e., water metering, high-efficiency fixtures and fittings, rainwater harvesting, and water drainage). Furthermore, the Issuer stated in its Annual Report that water consumption in the properties in all of Cibus' markets is from municipal water supply systems, no use is made of groundwater, or rainwater. Through technical review and installation of automatic water reading, consumption is reduced. The Issuer reports the water consumption, water reduction as well as the number of environmentally certified properties in line with the European Public Real Estate Association (EPRA) guidelines in its Annual Report²² available on its website.

Site location



Cibus ensures that all assets are located within 1 km of public transportation. The Issuer confirms that all assets are and will be located close to public transportation considering that its tenants are grocery stores and are located in city centers. Cibus has a target to ensure safe local communities and has a process in place to ensure it provides marketplaces with high accessibility where end-consumers can walk, ride a bicycle or take public transport²³.

Environmental aspects of operation²⁴



Cibus has policies and measures to ensure that assets are able to be recycled at the end of their lives. The company complies with Swedish Waste Ordinance (2020/614)²⁵ (Sw. Avfallsförordningen) as well as the Directive of the European Parliament and of the Council (EU) 2018/851 amending Directive 2008/98/EC on waste²⁶ regarding waste and ensures that the materials used for solar panels and energy-efficient measures are recycled at the end of their lives.



Cibus has policies and measures to ensure compliance with high environmental standards and requirements in the supply chain. The company follows its Code of Conduct and Green Procurement Policy for Outsourcing Partners and Suppliers to make sure that suppliers and sub-contractors comply with

²¹ Boverket's mandatory provisions and general recommendations 6:6,

https://www.boverket.se/contentassets/a9a584aa0e564c8998d079d752f6b76d/konsoliderad_bbr_2011-6.pdf

²² Cibus Annual Report 2022, https://l.cdn.bequoted.com/1/annual-report-2022-102727/Cibus_Annual_report_2022.pdf

²³ Ibid.

²⁴ Cibus confirmed that the company is not involved in construction. Therefore, the assessment excludes KPIs related to the construction of the buildings.

²⁵ Swedish Waste Ordinance (2020/614), [Waste Ordinance \(2020:614\) Swedish Code of Statutes 2020:2020:614 up to and including SFS 2023:139 - Parliament \(riksdagen.se\)](https://www.riksdagen.se/sv/Publikation/Waste-Ordinance-(2020:614)-Swedish-Code-of-Statutes-2020:2020:614-up-to-and-including-SFS-2023:139-Parliament-riksdagen.se)

²⁶ Norway's waste regulation is compliant with the Directive of the European Parliament and of the Council (EU) 2018/851 amending Directive 2008/98/EC on waste.

applicable legislation and regulations. The regular audits take place to assess fulfillment.



Currently, Cibus does not have any investments made or planned in electric vehicles (EV). Yet, the Issuer does not have policies and measures in place for the potential future projects to ensure that the components of the EV charging stations go through a life-cycle assessment, as of now. Cibus considers discussing the potential measures in its next board and strategy meeting in Fall 2023.

On-site safety



Cibus has policies and measures to ensure high operational safety standards are in place. It complies with (i) Swedish Work Environment Authority's and Boverket's regulations (2:3, 2:5, 7) for the buildings in Sweden, (ii) Norwegian Regulations on Technical Requirements for Construction Works for the buildings in Norway, (iii) 848/2017 Decree of Ministry of Environment on the Fire Safety of Buildings for the buildings in Finland, and (iv) Danish Building Regulation for the buildings in Denmark concerning, safety, fire safety, hygiene and protection against noise.

PART III: LINKING THE TRANSACTION(S) TO CIBUS' ESG PROFILE

A. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH CIBUS' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Cibus' sustainability objective is to make a positive contribution to the environment, people and society, while minimising the negative impact. This sustainability objective is executed through three key focus strategic areas: (i) being a sustainable partner, (ii) having the climate in focus and (iii) offering accessible marketplaces. To guide the sustainability objectives and strategy, Cibus ESG Committee carries out the realization of sustainability strategy and the Management Group, which includes the CEO, CFO, COO, and the three CIOs, is responsible for monitoring the progress.

With regards to its strategic focus on climate, Cibus has signed up to the Paris Agreement and commits to achieving climate neutrality by 2030 at the latest. In 2023, the company will submit its climate targets and associated action plan for approval to the Science Based Target Initiative (SBTi). Cibus has in place processes and mechanisms to identify and mitigate ESG risks (including climate risks such as physical and transition risks)²⁷.

Cibus identified that the majority of greenhouse gas (GHG) emissions in its operations take place in Scope 3 that is, emissions resulting from heating and electricity consumption in properties where the purchases are made by the tenant and Cibus lacks operational control (roughly 67% of Cibus' estimated total GHG emissions, according to the company). To achieve its climate targets, Cibus is partnering with tenants with stated ambitions to reduce the overall climate footprint, including many of which have set climate goals compatible with the Paris Agreement's 1.5°C goal. Cibus monitors the performance of its tenants on their stated climate targets and conducts annual meetings with tenants to discuss climate impacts and how to improve performance. In addition, Cibus is facilitating tenants' investments in renewable energy and their own investments in green energy sources. At several properties in Sweden and Finland, lighting has been replaced with LED lighting, bringing major energy savings. Currently, Cibus is in the process of changing to green district heating, where available, and in other locations and analyzing alternative heating methods, such as geothermal heating and heat recovery systems. Moreover, Cibus continues to work on making its own investments in green energy sources and plans to become a supplier of green electricity to its customers. The annual budget for investments in the existing portfolio includes CAPEX and additional measures which is decided by the Board of Directors. Yet, Cibus has identified a potential of approx. EUR 15 Million for different initiatives such as the installation of solar panels

In 2022, Cibus became a member of the UN Global Compact and reports its progress in accordance with the UN Global Compact's requirements. Thus, Cibus commits to not participate in projects or assignments, or to hire any supplier where there is a risk of violating or infringing any of the UN Global Compact's ten principles²⁸.

²⁷ For more information, please see p.36 and p.46 in [Cibus Annual Report 2022](#)

²⁸ Cibus Annual Report 2022, https://l.cdn.bequoted.com/1/annual-report-2022-102727/Cibus_Annual_report_2022.pdf

Cibus also reports on sustainability through the European Public Real Estate Association (EPRA sBPR), which works to improve and standardize property companies' reporting of sustainability using the latest Global Reporting Initiative guidelines (GRI Standard)²⁹.

Rationale for issuance

In May 2020, Cibus issued a Green Bond Framework to finance its sustainability objectives particularly relating to its climate ambitions. In 2023, Cibus updated its Green Bond Framework to reflect best market practice as well as to include green eligible projects in additional geographies.

Opinion: *The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer. The project category financed is in line with the sustainability objectives of the Issuer.*

²⁹ For more information on the EPRA please consult their [website](#)

B. CIBUS'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Real Estate industry as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Green building considerations
Climate protection, energy efficiency and renewables
Environmental and social aspects in site selection
Health and well-being of occupants
Occupational health and safety

ESG strengths and points of attention related to the Issuer's disclosures

Leveraging ISS ESG's Research, the following strengths and points of attention³⁰ have been identified:

STRENGTHS	POINTS OF ATTENTION
<p>The company has set the target of becoming carbon neutral. Further, the company reports on its greenhouse gas emission inventories, energy intensity and greenhouse gas emission intensity of its retail properties and has an action plan to achieve carbon neutrality.</p> <p>The company has implemented some measures regarding energy efficiency of buildings. Moreover, the company has a strategy related to the use of renewable energy sources in its portfolio, alongside already established measures.</p>	<p>The company majorly operates in Finland, Sweden, and Norway, that have high legal standards, which limits the risk of health and safety of its employees. However, the company has not disclosed information regarding its health and safety management system, integration of contractors into their health and safety management system and contractor accident rates and fatalities.</p> <p>Further, the company has not reported measures for its employee's mental health management.</p>

³⁰ Please note that Cibus is not part of the ISS ESG Corporate Rating Universe. Thus, the information is based on a disclosure review conducted by the analyst in charge of the Real Estate sector, based on publicly available information exclusively. No direct communication between the Issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

	The company has disclosed limited information regarding a supplier standard regarding labour rights and working conditions and procedures to ensure compliance with the standard.
The company has implemented measures regarding multi-modal transportation access and facilities for its tenant/and or customer including access to public transport, alternative forms of transportation and promotion of use of green vehicles.	Reduction of negative impact from construction, refurbishment and closure activities, such as noise, vibration, dust, pollution, indoor and outdoor microclimate, and safety risks are not sufficiently disclosed by the company.
The company has implemented some measures to promote environmental awareness amongst its tenants including individual metering of energy and events focused on increasing environmental awareness.	There is no information on company's commitment to refrain from site selection in protected areas and areas of high biodiversity value, and to make use of brownfield sites instead of greenfield sites. Further, the company has not disclosed its measures for biodiversity management for property management and the percentage of brownfield developments.
	The company has disclosed limited information regarding its strategy or measures to ensure tenant and/or customer health, wellbeing, and safety.
	There is no information available on whether any of the company's properties have been certified to a sustainable/ green building standard such as BREEAM, LEEDs, HQE, etc. Further, the company has disclosed limited information regarding reduction of water use of its buildings, measures to minimize of on-site waste during construction and green procurement of building materials.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part III.A of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product and services characteristics and does not include practices along the issuer's production/services process.

Social Impact of Product Portfolio

Cibus Nordic Real Estate AB is a real estate company, acquires, develops, and manages properties (such as supermarkets, hypermarkets, grocery stores, and daily goods chains) in the Nordic region.

The products and services of this company have neither positive nor negative contribution to social sustainability objectives. Hence, the social impact of its product portfolio is considered neutral.

Environmental Impact of Product Portfolio

Cibus Nordic Real Estate AB is a real estate company, acquires, develops, and manages properties (such as supermarkets, hypermarkets, grocery stores, and daily goods chains) in the Nordic region. The products and services of this company have neither positive nor negative contribution to environmental sustainability objectives. Hence, the environmental impact of its product portfolio is considered neutral.

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Real Estate industry are as follows: Accounting / disclosure standards, Failure to respect the right to just and favourable conditions of work and Anti-competitive behaviour.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: Methodology

Green KPIs

The Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Cibus' Green Finance Instruments.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

The Environmental and social risks assessment evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available or that the information provided did not fulfill the requirements of the Green Bond KPIs.

The evaluation was carried out using information and documents provided on a confidential basis by Cibus (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the Issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, the extent to which Cibus' Green Finance Instruments contribute to related SDGs has been identified.

ANNEX 2: Quality management processes

SCOPE

Cibus commissioned ICS to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and Green Loan Principles and to assess the sustainability credentials of its Green Finance Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (as of June 2021 with June 2022 Appendix 1)
- LMA Green Loan Principles (as of February 2023)

ISSUER'S RESPONSIBILITY

Cibus' responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the framework level

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Finance Instruments to be issued by Cibus has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles and LMA Green Loan Principles.

The engagement with Cibus took place from June to July 2023.

ISS' BUSINESS PRACTICES

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

About this SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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