



Stockholms Kooperativa
BOSTADSFÖRENING

Green Financing Framework

SKB

Stockholms Kooperativa
Bostadsförening

March 2025



Table of Contents

Stockholms Kooperativa Bostadsförening in Brief	2
This is SKB	2
SKB's Sustainability Approach.....	3
Sustainability Strategy	3
Environment	3
Social.....	4
Sustainability Goals, requirements and initiatives	4
Environment	4
Social.....	5
Sustainability Governance	5
Green Financing Framework.....	6
Rationale for updating the Green Financing Framework	6
Green Terms	6
1. Use of Proceeds.....	7
2. Process for Project Evaluation and Selection	9
3. Management of Proceeds	10
4. Reporting.....	10
5. External Review.....	12
Disclaimer	13



Stockholms Kooperativa Bostadsförening in Brief

This is SKB

Stockholms Kooperativa Bostadsförening, SKB, is a housing co-operative that builds, manages, and leases residential properties to its members. Founded in 1916 and still owned by its members, the cooperative has grown and is established in Stockholm and six adjacent municipalities.

SKB's ambition is to build more residential properties in more areas. We are happy to take an active role in the whole construction process – from detailed planning to project managing construction of the property.

SKB adheres to a not-for-profit operating model and reinvests all profits into the business. Because of its size and form of tenure, SKB is a unique organisation that offers variety in the housing market. Since its establishment in 1916, SKB has never sold a property. We refer to ourselves as “forever property managers”. As of 2024/2025, SKB's portfolio consisted of 8,484 rental apartments (26,730 MSEK market value) with a further almost 1,500 apartments in the portfolio to be completed by 2033. Of the 93,319 members in the cooperative, 8,427 members currently live in SKB housing. There is currently a total of 147 SKB employees.

SKB's apartments, half of which are in central Stockholm, are only available to members. Membership gives you a place on the waiting list for apartments, and SKB distributes its apartments fairly. When an apartment becomes available, it is offered to the member who has been on the waiting list the longest. Should that member decline the offer, it is offered to the next member who is on the waiting list, and so on. Members keep their place throughout the duration of their SKB membership. To become a member, you pay an annual membership fee until the saving limit of 30,000 SEK is reached.

An annual membership fee is charged in addition to the one-time tenant fee paid upon receipt of an apartment (repaid upon termination of contract). All apartments are owned by SKB and can neither be purchased nor sold by members. SKB provides sustainable housing with affordable rental apartments at a lower rate than the current market and consumer price index.



SKB's Sustainability Approach

SKB's sustainability approach rests on three main pillars set out in the sustainability policy: sound finances, environmental responsibility, and responsible community building. This approach allows SKB to take a long-term position on sustainability – from ongoing construction projects to on-site day-to-day maintenance.

- Sound finances: SKB ensures that its finances are sustainable in the long term for both the association and its members
- Responsible community building: SKB strives to consistently build and manage its properties very well
- Environmental responsibility: SKB makes every effort to act responsibly when it comes to the environment by working actively with issues such as climate impact and biodiversity, promoting environmental sustainability on all levels

In the latest materiality assessment, SKB considers both environmental and social issues as highly material to its commitment to sustainability. In terms of social issues, securing the long-term viability of the business model, building long-lasting relationships with suppliers, creating safe and attractive neighbourhoods while fostering community engagement are of utmost importance. When it comes to the environment and sustainability, SKB actively works towards reducing negative climate impact and increasing energy and resource efficiency, as well as biodiversity.

Sustainability Strategy

The focus of SKB's sustainability work in the coming years is included in the overall strategic plan 2025-2027, where sustainability goals are outlined. Based on this, a more detailed sustainability strategy has been developed for the same period.

Environment

SKB has systematic measures in place to reduce the environmental impact of its operations. When this framework is launched, SKB is a signatory to Sweden's Allmännyttas Klimatinitiativ (Climate Program). Through this program SKB aims to operate fossil free by 2030 and reduce energy consumption by 30 percent by 2030 compared to 2007. Klimatinitiativet is under revision under 2025. Furthermore, SKB has committed to the updated road map for Fossil Free Competitiveness - Construction and Civil Engineering Sector and aims at becoming CO₂-neutral by 2045.

Progress towards the target is facilitated through renovation efforts to improve the energy efficiency of existing buildings, reduce emissions from construction, refurbishment, and construction sites, stipulate climate requirements, increase circular flows, and promote the efficient use of resources. Additionally, SKB aims to certify all new buildings according to the Miljöbyggnad Silver standard. Furthermore, SKB is working to incentivise community members to take responsibility for local green improvement projects in their communities and undertake efforts to improve on-site biodiversity.



The majority of SKB's GHG emissions stem from scope 3. The largest contribution to scope 3 emissions arises from the construction of new properties and emissions from residents' energy use and transportation. SKB is actively working to decrease scope 3 emissions by improving properties' energy efficiency and making use of sustainable materials in construction. Furthermore, SKB is focusing on the development of infrastructure that encourages sustainable transportation. This includes establishing electric vehicle charging stations and secure bicycle storage facilities. Such initiatives are vital to promote clean transportation solutions.

Social

SKB was founded with the mission to provide better housing conditions in the greater Stockholm region and remains guided by these principles to this day. Despite recent rental price increases, SKB rental prices are relatively low, according to the issuer. For newly constructed apartments, SKB aims to have rental prices 5 per cent below the market price of new construction in the area.

The company puts major emphasis on community values and encourages members' engagement in different areas of the organization. Furthermore, the recently formed SKB Academy aims at providing vocational education for young people interested in property management. By facilitating hands-on learning from more experienced SKB property managers, trainees can gain valuable experience.

SKB believes that attractive neighbourhoods benefit tenants, municipalities, and property values alike. SKB remains committed to creating safe, secure, and sustainable spaces to enhance the neighbourhoods where people live and work. As a long-term property owner, SKB aims to make a positive contribution to the community by designing residential areas with physical environments that brings a sense of safety and well-being.

Sustainability Goals, requirements and initiatives

Environment

- Fossil free by 2030 as part of Sweden's Allmännyttas Klimatinitiativet (a climate program led by an industry and interest organization for Swedish public housing agencies)
- CO₂ neutral by 2045 as part of Fossil Free Sweden's roadmap for the construction and real-estate sector
- Reduce energy consumption by 30% by 2030 compared with 2007 (-19% in 2023)
- Miljöbyggnad Silver for newly constructed buildings
- Energy use of new buildings cannot exceed 55kWh/m²Atemp
- Going forward, new buildings will be assessed with a threshold for embodied carbon. The threshold must fulfil the requirements of the building climate impact criteria in accordance with Miljöbyggnad Silver



- Introduce “sustainable living” initiatives to all members to encourage residents to make sustainable choices. Examples of initiatives include spacious bicycle storage, sharing programs, carpools and EV charging stations

Social

- Rental prices of new construction shall be at least 5% below the market rate for newly built apartments in the area
- Safe and secure residents – measured according to the customer satisfaction index. All properties must undergo a safety inventory, and measures implemented based on the inventory.
- All council positions should be filled within the association to better reflect the makeup of the association's members
- Satisfied employees – measured according to the employee index. Initiatives for training, development, and leadership
- Partners with Läxhjälpen and Stockholms Stadsmission to support social development in Stockholm

Sustainability Governance

SKB’s principles and values are such that SKB strives to be a responsible and long-term partner for its members. The board of directors bears ultimate responsibility for matters pertaining to the sustainability of the company, while the board’s makeup of residents and queuing members ensures that the interests of all members are represented at the highest level. SKB’s governance structure means that safeguards are in place to cover relevant aspects of operations (code of conduct for suppliers and employees, whistleblower policy, policy for partners and collaborations). The sustainability policy and sustainability strategy are the roadmap for SKB to achieve its set targets and fulfil its long-term mission for sustainability. Additionally, key sustainability targets are broken down into topic-specific roadmaps (e.g. energy and climate targets, biodiversity). Sustainability risks are reassessed annually.

In addition, around 20 local sustainability ambassadors are elected to promote and develop local sustainability projects in SKB neighbourhoods. The ambassadors also assist in implementing and coordinating sustainability efforts laid out by SKB.

SKB is in the process of reassessing material topics in their sustainability strategy in connection to the adoption of the European Sustainability Reporting Standards (ESRS) in 2025 and coming years, although SKB is not subject to the legislation. SKB is also not directly subject to the taxonomy directive.



Green Financing Framework

Rationale for updating the Green Financing Framework

As a long-term steward, sustainability is central to SKB's strategy. To ensure continued success, SKB recognizes the need to maintain a robust financial foundation, embrace environmental stewardship, and contribute to sustainable development. This updated Green Financing Framework ("Framework") supports SKB in achieving these goals.

The Framework has been developed to reflect SKB's latest sustainability strategy and has integrated the most recent market trends. SKB has, where possible, followed the EU Taxonomy technical screening criteria for substantial contribution to climate change mitigation. The Framework was developed together with Handelsbanken.

Green Terms

The Framework sets out the terms under which SKB may issue different forms of securities, including, green bonds, green loans, and green commercial papers (collectively referred as Green Finance Instruments). The terms and conditions of the underlying documentation shall provide a reference to this Framework. SKB may over time decide to replace this Framework with a new and updated Framework, however new versions of the Framework will have no implications for any outstanding Green Finance Instruments issued under this version of the Framework.

SKB's Green Financing Framework has been developed to align with the International Capital Market Associations (ICMA) Green Bond Principles published in 2021¹ and the Green Loan Principles 2023 administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA). The Framework is structured according to ICMA's four key components and recommendations for appointing an external reviewer.

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

¹ With 2022 years appendix



1. Use of Proceeds

An amount equal to the net proceeds from issued Green Financing Instruments will be used to fully or partly finance or refinance projects that support the transition to low-carbon, climate-resilient, and sustainable economies (“Green Projects”). The Green Projects may have the value of fixed assets (Assets), capital expenditures (CapEx), and/or operational expenditures (OpEx). They must comply with the categories and criteria below to qualify for financing or refinancing.

New financing comprises amounts allocated to ongoing eligible Green Projects or projects completed within the reporting year, refinancing pertains to allocated amounts for eligible Green Projects completed before the reporting year. Assets and CapEx will qualify for refinancing with no look-back period, while OpEx will be eligible with a maximum three-year look-back period from issuance.

The combined allocated amount to a specific Green Project, by one or several sources of financing with specified use of proceeds, may not exceed its value. SKB operates in the Swedish market; the net proceeds will, therefore, be used exclusively to finance or refinance Green Projects in Sweden.

Green Projects (and applicable EU Taxonomy Categories)	Eligibility Criteria	Contribution to SDGs and EU Objectives
<p>Green Buildings</p> <p>Applicable EU Taxonomy activities: 7.1, 7.2, 7.7</p>	<p>New buildings built after 31 December 2020 must have or will receive after completion² the following criteria to be eligible:</p> <ul style="list-style-type: none"> • A Primary Energy Demand (PED) of at least 20% lower than the threshold set for nearly zero-energy building (NZEB) requirements or have an energy performance certificate (EPC) demonstrating class A or B • An environmental certification in any of the following building certification schemes at the defined threshold or better, or a building certification assessed to be equivalent: <ul style="list-style-type: none"> ○ Miljöbyggnad “Silver” ○ The Nordic Swan Ecolabel • Undergo a screening of material climate risks in accordance with the EU Taxonomy • Assessment in accordance with the national regulation on climate declarations³. 	<p>Climate Change mitigation</p> <p>SDGs 7,11, 12,13</p>

² In accordance with the Swedish Property Federation Interpretation of criteria for 7.1, 7.2, and 7.7 (goals 1 and 2), to determine if a building was constructed before December 31, 2020, the date of the submitted building permit application will be considered. Reference: <https://www.fastighetsagarna.se/globalassets/bilder/fakta/taxonomi/dokument/taxonomi-tolkning-av-aktivitet-71-72-och-77-rev241111.pdf?bustCache=1736946149056>

³ The Climate Declaration Act for New Buildings came into force 1 January 2022. Climate declaration regulation applies to new buildings that require building permits. Reference: <https://www.boverket.se/en/start/building-in-sweden/developer/rfq-documentation/climate-declaration/>



	<ul style="list-style-type: none"> In addition, for buildings with a submitted building permit application after 1 January 2025: <ul style="list-style-type: none"> Undergo testing for airtightness and thermal integrity accordance with the EU Taxonomy Conduct a life-cycle analysis of the GWP of the building in accordance with the EU Taxonomy, with a threshold for embodied carbon in accordance with the current version of Miljöbyggnad Silver⁴ <p>Renovation of an existing building must have or will receive following criteria to be eligible:</p> <ul style="list-style-type: none"> An overall reduction in PED of at least 30% or meets the applicable requirements for major renovations Undergo a screening of material climate risks in accordance with the EU Taxonomy <p>Existing buildings built before 31 December 2020 must have or will receive the following criteria to be eligible:</p> <ul style="list-style-type: none"> Have an Energy Performance Certificate (EPC) demonstrating class A or are within top 15 %⁵ of the of the national or regional building stock, expressed as Primary Energy Buildings will undergo a screening of material climate risks in accordance with the EU Taxonomy 	
<p>Renewable Energy</p> <p>Applicable EU Taxonomy activities:</p> <p>7.6</p>	<p>Installation of renewable sources of energy including wind power, solar power, or geothermal energy (ground and surface systems connected to buildings), either as stand-alone installations or in the property portfolio.</p>	<p>Climate change mitigation</p> <p>SDGs: 7,8,9,13</p>
<p>Clean Transportation</p> <p>Applicable EU Taxonomy activities:</p> <p>7.4</p>	<p>Electric vehicles and bicycles and supporting infrastructure (providing electric car/bicycle pools for tenants, installing charging stations for electric vehicles, using electric vehicles for SKB's fleet of service, and facilitating bicycle areas)</p>	<p>Climate change mitigation</p> <p>SDGs: 11,13</p>

⁴ In February 2025, the threshold for embodied carbon in accordance with Miljöbyggnad Silver for multiple dwellings is 290 [kg CO₂ e/sq. m GFA].

Reference: https://www.sgb.se/app/uploads/2022/12/Manual_MB_4.0_1.pdf

⁵ The top 15% of primary energy demand applicable under this Framework refers to the analysis of Swedish Property Federations, dated 2024.

Reference: [Gränsvärden för hållbara byggnader enligt EU-taxonomin behålls - Fastighetsägarna](#)



2. Process for Project Evaluation and Selection

SKB has an established Green Financing Committee (“GFC”) that is responsible for evaluating and selecting Green Projects. The GFC consists of the Chief Financial Officer (CFO), Sustainability Manager and Property Development Manager. All decisions will be made in consensus. Decisions made by the GFC will be documented.

The GFC will meet regularly and go through the following steps:

1. Propose eligible projects and assess eligibility: Identify and propose projects that may be eligible according to this Framework and ensure proposed projects meet the eligibility criteria in this Framework. The GFC will also ensure the Green Projects comply with national laws, regulations, and internal policies.
2. Evaluate the project’s environmental impact: This includes life cycle considerations, potential rebound effects, resilience, and environmental and social risk associated with the Green Projects.
3. Remove non-compliant projects: Projects that ceases to meet the Green Terms will be removed from the list and funds will be recycled.
4. Ensure proper allocation of funds: Ensure that the net proceeds are not allocated to any activity in the exclusion criteria listed below.
5. Signing off forthcoming reporting and approving any future update of the Green Financing Framework: GFC is responsible for signing off the financial reporting, as detailed under the Reporting section and approving any future update of the Green Financing Framework.

Exclusion criteria

Proceeds under this Framework will not be allocated towards or linked to fossil-based energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.



3. Management of Proceeds

An amount equal to the net proceeds of any Green Financing will be managed according to a portfolio approach and tracked and monitored through a Green Register. The Green Register will ensure that an amount equivalent to the net proceeds from the Green Financing only support Eligible Green Projects. The net proceeds designated for an Eligible Green Project will equal the investment made by SKB, apart from projects categorized under new building and existing buildings. For these specific projects, the allocation will correspond to the market value of the Eligible Green Project.

If an Eligible Green Project no longer qualifies or the underlying project is divested or lost, an amount equal to the funds allocated towards it will be re-credited to the Green Register. Funds may also be reallocated to other Green Projects during the term of any Green Financing, unless otherwise agreed upon in the loan documentation. The finance department will keep a record of the purpose of any change in the Green Register and ensure that the combined funds directed towards a specific Green Project, by one or several sources of Green Financing or other financing with particular use of proceeds does not exceed its value.

While the Green Register has a positive balance the net proceeds may be invested or utilized by the treasury in accordance with the financial policy. Funds may be held in savings accounts and/or invested in securities of approved counterparties such as the Swedish government, municipalities/county councils and reputable banks. Investments can only be made in local currency (Swedish krona). Investments in shares are not permitted.

The ambition is to fully allocate the Green Financing proceeds within one year from issuance.

4. Reporting

SKB will annually publish and disclose information on the allocation and impact of issued Green Financing Instruments in a Financial report until full allocation. If SKB has other Green Financing Instruments outstanding than green bonds, SKB may choose to report these other financial instruments directly and non-publicly to the lenders or counterparties.

Allocation Report

The allocation report will include the following:

- A list and a brief description of each Green Project that has been financed with Green Financing (including the applicable green criteria)
- Nominal amount of outstanding Green Financing Instruments
- The share of new financing and refinancing
- The amount of unallocated proceeds if any



- The total balance of Green Eligible Projects and/or Assets available to finance

In the event of any outstanding Commercial Paper, SKB will continuously report on the value of Green Projects and the total amount of outstanding Green Financing on its SKB's website. This information will only be published in Swedish.

Impact Report

The Impact Reporting will contain a disclosure of project-level performance indicators. The Reporting will strive to disclose the environmental impact based on the green financings share of the total investment. For financed Green Projects that are not yet operational, SKB will strive to estimate future performance levels. The Impact Report will take guidance from the most recent version of the ICMA's Harmonised Framework for Impact Reporting Handbook and provide details of the methodology used to calculate the green indicators. The metrics below are examples of indicators that are likely to be used in the forthcoming reporting. Depending on the type of project, some or all the indicators below may be used.

Eligible Green Project Category	Examples of Green Indicators
Green Buildings	<ul style="list-style-type: none">• Environmental certification and level• Carbon intensity annual emissions• Reduced or avoided tonnes of CO₂e emissions• The annual energy use per square meter• Energy use reduced or avoided.• The percentage of renewable energy used compared to the total energy used• The relative energy performance (%-improvement) compared with applicable national building code
Renewable Energy	<ul style="list-style-type: none">• Annual renewable energy generation (GWh)• Capacity of renewable energy (MW)• Reduced or avoided tonnes of CO₂e emissions
Clean Transportation	<ul style="list-style-type: none">• The number of charging stations for electric vehicles installed• Number of bicycles that a bicycle garage can accommodate



5. External Review

Second Party Opinion (pre-issuance)

S&P Global, an independent second party opinion, has reviewed the Framework and its alignment with the Green Bond Principles and Green Loan Principles. The second-party opinion can be found on SKB's website.

External Verification (annually post-issuance)

SKB's auditor of the annual report, or a similar third party with the relevant expertise and experience, will be appointed to investigate and report whether an amount equal to the net proceeds has been allocated to Eligible Green Projects and/or Assets that SKB has communicated in the Allocation Reporting. Conclusions of the external review will be provided in a signed statement, which will be published on SKB's website (at the latest in April of the year following the reporting year).



Disclaimer

This document (the “Green Finance Framework” or “Framework”) contains information on SKB (“Stockholms Kooperativa Bostadsförening”) and its potential use of financing with added environmental criteria /the (“Green Terms”).

Any financing that includes the Green Terms in its associated financing documentation, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as Green Financing (“Green Financing”). Other labels may apply to the specific type of financing, for instance Green Bond (“Green Bond”), Green Commercial Paper (“Green Commercial Paper”) or Green Loan (“Green Loan”). Depending on the language of the financing documentation the Green Terms in this Framework may be translated into other languages, as required, or preferred in the local jurisdiction. Furthermore, all parties are advised to review the applicable risk factors, and terms specific to the type of Green Financing used, for instance in the relevant financing documentation, issuance prospectus, financing documentation or information memorandum.

Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework, and to make such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Green terms would be applicable, for instance regarding the adherence to current and future regulation, standards or market practices such as the Green Bond Principles.

New Green Financing will include a reference to, or include, the most recently published Green Terms, which shall be publicly available in the Framework on SKB’s website. Any Green Financing will be subject to the version of the Green Terms specified in the associated financing document.