



# Heimstaden Bostad Green Bond Second Opinion

November 5, 2019

**Heimstaden Bostad AB (“Heimstaden Bostad”)** is a Swedish residential property development and management company. It was founded in 2013 and currently has properties in Sweden, Denmark, Netherlands and Norway.

**The company has created a green bond framework which provides a detailed and sound process for residential property investments with climate-related benefits.** Green bond proceeds will go towards financing sustainable and energy efficient buildings as well as ancillary projects in renewable energy, clean transportation, and pollution prevention and adaptation measures which improve the environmental footprint of its building stock.

**Heimstaden Bostad receives an overall green bond governance structure rating of Excellent.** This is partly due to its detailed and time-bound corporate sustainability targets, the fact that it considers lifecycle and rebound aspects in its project and partner selection and its detailed and robust procedures for selecting and reporting on green bond projects. Moreover, it goes above many of its peers by engaging with relevant international initiatives such as the Global Real Estate Sustainability Benchmark and the Task force for Climate Related Financial Disclosures (TCFD). We are also encouraged by its recent initiative to map buildings according to flood risks.

**A key climate change-related impact of buildings is their level of energy efficiency. On this dimension, Heimstaden Bostad’s green bond framework shows ambition but is not considered best-in-class.** Some of the certification standards eligible in the framework, while positive on several environmental aspects, fail to guarantee energy efficient outcomes. The issuer’s inclusion of a broad range of standards is understandable, given its existing stock of residential buildings for which achieving the most stringent standards is not possible, however it does lead to a slightly lower shading in CICERO’s assessment framework. The framework includes all shades of green, also light green projects. Investors should be aware that energy efficient buildings eligible in the Netherlands could be heated directly with fossil fuels. Based on an overall assessment including taking into account the excellent governance structure the framework is rated **medium green**.

## SHADES OF GREEN

Based on our review, we rate Heimstaden Bostad’s green bond framework **CICERO Medium Green**.

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



## GREEN BOND PRINCIPLES

Based on this review, this framework is found in alignment with the Green Bond Principles.





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# 1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of Heimstaden Bostad's Green Bond Framework dated **October 2019**. This second opinion remains relevant to all green bonds issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the issuer's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence with the issuer. Second opinions are restricted to an evaluation of the mechanisms or framework for selecting eligible projects at a general level. CICERO Green is not responsible for an institution's implementation of a framework, nor does it guarantee or certify the climate effects of investments in eligible projects.

## Expressing concerns with 'Shades of Green'

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

### CICERO Shades of Green



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



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



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



**Brown** is allocated to projects and solutions that are in opposition to the long-term vision of a low carbon and climate resilient future.

### Examples



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



Bridging technologies such as plug-in hybrid buses



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



New infrastructure for coal

Sound governance and transparency processes facilitate delivery of issuer's climate and environmental ambitions laid out in the framework. Hence, the governance aspects are carefully considered and reflected in the overall shading of the green funding framework. CICERO Green considers four factors in its review of an issuer's governance processes: 1) the policies and goals of relevance to the green funding framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent.



## 2 Brief description of Heimstaden Bostad's green bond framework and related policies

Heimstaden Bostad AB ("Heimstaden Bostad") is a residential property development and management company in Scandinavia. It was founded in 2013 and is operating as a subsidiary of Heimstaden AB. It has properties in Sweden, Denmark, Netherlands and Norway and is considering expanding to other European countries.

### **Environmental Strategies and Policies:**

Heimstaden Bostad has policies in place on the social, governance and environmental aspects of its operations. It is working to become aligned with the Global Real Estate Sustainability Benchmark (GRESB) on issues related to planning, reporting and data gathering. The company is a signatory of the UN Global Compact and is in the process of implementing reporting practices in accordance with the Global Reporting Initiative's core level. In developing its sustainability work, the company also looks to the 17 UN Sustainable Development Goals, seeing as particularly relevant the goals relating to clean energy, decent work, sustainable cities, climate and responsible consumption and production.

The company aims to have fossil fuel-free operations by 2030, covering both electricity and heating (2021 for electricity, 2030 for heating). Furthermore, Heimstaden Bostad aims to reduce the amount of purchased energy by 10% per m<sup>2</sup> by 2023 (in equivalent portfolio, baseline 2018), and at least 1 % reduced water consumption per square meter and year until 2030. The reduction in purchased energy is to be achieved by a combination of increasing energy efficiency and installing solar panels, heat pumps and other on-site renewable sources. Finally, it has as a target that all new builds in Sweden (currently the issuer's major market) should be certified according to the Sweden Green Building Council silver certification.

The company intends to switch to a fully fossil fuel-free vehicle fleet by 2025 (either EVs or hybrids with non-fossil fuel alternatives) and is installing charging stations for electric vehicles when building new homes. The company works according to the waste hierarchy, which means it manages, separates and re-uses waste to the extent possible. When assessing new investments (new builds and major projects), the company includes the potential loss of ecosystem services in its evaluation. This means that factors such as clean air and water, pollination, green areas for recreation, and reduction of particle content and greenhouse gases are taken into consideration.

The company has started to incorporate resiliency thinking in its governance frameworks. For instance, it is engaging with the TCFD agenda (planning to report accordingly in the future) and is collaborating with Lund University on projects related to resilience.

### **Use of proceeds:**

The net proceeds raised from the issuance of Green Bonds will be used to finance or re-finance, in whole or in part, green projects and assets from the following categories: Green & Energy Efficient Buildings; Renewable Energy; Clean Transportation; Pollution Prevention and Control, and; Climate Change Adaptation.



Green bond proceeds can finance both existing and new green projects. New financing is defined as green projects under construction or taken into operation less than 12 months prior to the approval by Heimstaden Bostad's Green Bond Committee.

The distribution between new financing and refinancing will be reported on in the annual Green Bond reporting.

Exclusions: Green Bond net proceeds will not be allocated to projects for which the purpose of the project is fossil energy generation, nuclear energy generation, weapons and defense, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

### **Selection:**

Green Projects shall comply with the eligibility criteria defined under the Green Project Categories. The process to evaluate, select and allocate Green Bond proceeds to eligible Green Projects comprise the following steps:

1. Sustainability experts and representatives at Heimstaden Bostad's business units evaluate potential Green Projects, their compliance with the Green Project Categories, and their environmental benefits.
2. Potential Green Projects are presented to Heimstaden Bostad's Green Bond Committee ("GBC"). The GBC is solely responsible for the decision to acknowledge the project as green, in line with the Green Project Criteria. The decision is documented and filed.

The Green Bond Committee is chaired by the Chief Sustainability Officer of the company and comprises the following members: Chief Executive Officer, Head of Treasury, and Chief Sustainability Officer. Decisions on project eligibility are to be arrived at by consensus.

If a Green Project is sold, or for other reasons loses its eligibility, funds will then follow the procedure under Management of Proceeds until reallocated to other eligible Green Projects.

### **Management of proceeds:**

An amount equal to the Green Bond net proceeds will be credited to a "Special Account". The Special Account ensures that Green Bond net proceeds only support Green Projects or to repay Green Bonds. As long as the Green Bonds are outstanding and the Special Account has a positive balance, funds will be deducted when relevant, or at least annually, from the Special Account in an amount equal to all disbursements made during such year in respect of eligible Green Projects. All transfers from the Special Account will be documented to ensure a full audit trail and to simplify the Green Bond reporting.

The management of proceeds will be reviewed by an external auditor appointed by Heimstaden Bostad.

Positive balances of the Special Account may temporarily be placed in the liquidity reserve and managed accordingly. The maximum period that net proceeds may be unallocated is 12 months.

Temporary holdings will not be placed in entities with a business plan focused on fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, environmentally negative resource extraction, gambling or tobacco



### Reporting:

Heimstaden Bostad will annually and until maturity of the Green Bonds issued provide a Green Bond report, including reporting on allocation of proceeds and environmental impact of the Green Projects, to investors on its website. Allocation reporting on proceeds will include the following information:

i. A summary of Green Bond developments; ii. The outstanding amount of Green Bonds issued, including share per type of debt instrument; iii. Total allocation of Green Bond net proceeds per Green Project Category; iv. The balance of the Special Account (including any temporary investments and Green Bond repayments) and the available headroom in the value of the Green Projects (if any); v. The total proportion of Green Bond net proceeds used to finance new Green Projects or refinance existing Green Projects.

In the event of Green Bonds in the form of Commercial Papers is outstanding, Heimstaden Bostad will report quarterly, the value of Green Projects together with the total amount of outstanding Green Bonds.

The Green Bond Framework and Second Party Opinion will be made publicly available on Heimstaden's website. The company will assign an external auditor to annually provide a limited assurance of the management of proceeds.

### Impact reporting

The reporting aims at disclosing the positive environmental impact, or for assets not yet in operation best estimates of future impacts, of the investments in Green Projects made under this Framework, based on Heimstaden Bostad's Green Bond financing share of each project.

The impact reporting will be based on a set of Key Performance Indicators (KPIs) for each category, although the issuer warns that the final KPIs could differ from the ones currently listed in the Framework. Energy production/savings and greenhouse gas savings are considered the most relevant and will be prioritized.

Heimstaden Bostad intends to show impact reporting on a project by project basis, but in some cases investments in the same category will be viewed as one project (e.g. investments under Building Energy Efficiency) and reported on in aggregate.

The issuer states that it will, to the extent possible, make every effort to follow the impact reporting principles stated in the "Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting"<sup>1</sup>.

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<sup>1</sup> *Position Paper on Green Bonds Impact Reporting*, January 2019, <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Resource-Centre/NPSIPositionpaper2019final-120219.pdf>



### 3 Assessment of Heimstaden Bostad’s green bond framework and policies

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

#### Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Heimstaden Bostad’s green bond framework, we rate the framework **Medium Green**.

#### Eligible projects under the Heimstaden Bostad green bond framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green fundings aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bond Principles (GBP) require that projects should have clear environmental benefits, and that project selection should be well defined.

Category	Eligible project types	Green Shading and some concerns
<b>Green and Energy Efficient Buildings</b>    	The financing or refinancing of the construction, establishment, acquisition, expansion, or upgrade/modification of buildings that meet one ✓ of the following criteria:  <ul style="list-style-type: none"> <li>•LEED “Gold”</li> <li>•BREEAM “Very Good”</li> <li>•Miljöbyggnad “Silver” (Sweden Green Building Council) ✓</li> <li>•The Nordic Swan Ecolabel</li> <li>•DGNB “Gold”, or</li> </ul>	<b>Medium to Light Green</b>  Miljöbyggnad Silver means that energy use has to be 25% lower than that required by Swedish Building Regulations (if heated by electricity, it has to be 5% lower)  However, many of the other certification standards – while positive on several environmental aspects – fail to guarantee energy efficient outcomes This is the reason this category receives a ‘Medium to Light Green’ shading.



•An active, or designed and intended to receive, Energy Performance Certificate (EPC) with energy class A or B<sup>2</sup>.

- ✓ By far the largest source of heating in buildings owned by Heimstaden Bostad (98%) is district heating. Whilst beneficial in many ways, some district heating systems are part-fed by waste incineration plants which burn plastic. This is a concern from a long-run sustainability perspective, and an issue Heimstaden Bostad is aware of and in dialogue with energy suppliers about improving.
- ✓ We are encouraged by Heimstaden Bostad's recent initiative to map buildings according to flood risks

**Green Buildings: Major Renovations**



Energy efficient retrofit or renovation of existing buildings, leading to a substantial reduction in energy use per square meter and year (kWh/m<sup>2</sup>/year).

A substantial reduction is seen as at least 20 per cent in Sweden, Norway and other countries/regions with low CO<sub>2</sub> equivalent (CO<sub>2</sub>e) impact in its electricity and/or district heating generation. For other countries/regions at least 30 per cent is needed.

**Light to Medium Green**

- ✓ According to the IEA, a 30% reduction would be necessary to be in line with the IEA 'well below 2 C' target. Heimstaden Bostad's requirement for 30% minimum in markets with high-CO<sub>2</sub> emitting grids is encouraging in this regard.
- ✓ Investors should be aware that the value of the entire building, once renovated, qualifies as eligible for financing from green bond proceeds (not just the renovation expenditure).
- ✓ The lower 20 percent requirement in some countries, together with no current requirements on other sustainability aspects (such as charging stations, resiliency measures) mean that these investments qualify as light to medium green. In addition

<sup>2</sup> For new buildings to be eligible in Norway and the Netherlands energy label B is not enough. The building needs to be 25 percent more energy efficient than required by the relevant building regulation.



investors should be aware that energy efficient buildings eligible in the Netherlands could be heated directly with fossil fuels.

- ✓ We are encouraged by Heimstaden Bostad's recent initiative to map buildings according to flood risks

**Energy Efficiency**



Direct costs (e.g. material, installation and labor) for installing energy efficient technologies such as heat pumps, smart control systems, new windows, improved thermal insulation, energy efficient lighting, ventilation systems, or costs for enabling renewable energy sources. Heimstaden Bostad will ensure the following:

- a) High estimated energy savings in the targeted area (minimum 20%).
- b) Minimize long term negative climate impact and potential rebound effects.
- c) Minimal negative climate impact from the technology used.

**Dark Green**

- ✓ The issuer has started implementing procedures for reducing rebound effects, optimizing energy use, and mapping climate risks. This is encouraging and innovative.

**Renewable Energy**



The financing or refinancing of investments in renewable energy installations and their related infrastructure (e.g. grid connections and foundations), either in relation to existing buildings or as a stand-alone investment.

- Solar energy technologies, such as Photovoltaic systems (PV), concentrated solar power (CSP) and solar thermal facilities
- Wind energy: Onshore and offshore wind energy generation facilities and other emerging technologies, such as wind tunnels and cubes
- Geothermal power plants and geothermal heating/cooling systems

**Dark Green**

- ✓ According to the framework only projects with lifecycle emissions below 100 gCO<sub>2</sub>e/kWh will be considered
- ✓ The issuer should be mindful of the potential for heavy metal pollution from geothermal energy
- ✓ The issuer does not currently have any plans for constructing wind farms, but has confirmed that in any future situation such construction would involve active involvement with local stakeholders



**Clean Transportation**



- Fully electrified, biofuel<sup>3</sup>, plug-in hybrid electric<sup>4</sup> or hydrogen<sup>5</sup> passenger and freight vehicles such as cars, trucks or vessels. ✓
- Low Carbon Vehicle Infrastructure: related to low carbon vehicles, such as charging stations for electric vehicles

**Medium Green**

- ✓ For biogas and hydrogen, lifecycle emissions will be considered – which is positive but the issuer stops short of imposing thresholds. If the production of hydrogen involves the use of natural gas, it contributes to the emission of greenhouse gasses.
- ✓ Plug-in hybrid cars that cover significant distances powered by battery facilitate the development of a charging infrastructure and a non-fossil fuel based short-range transport
- ✓ Be aware that a maximum emission threshold does not necessarily safeguard against high fossil-fuel consumption of hybrid vehicles. Some of the plug in hybrids that would be eligible have a low battery range.

**Pollution Prevention and Control**



- Removal of harmful substances: Soil remediation and removal and replacement of harmful substances in products and materials ✓
- Waste Management: Systems and technologies contributing to an efficient management of waste, for the purpose of reducing and recycling all types of waste in the management and construction of buildings

**Dark Green**

- ✓ Waste incineration and fossil fuel infrastructure for transporting waste will not be financed.

**Climate Change Adaptation**

- Solutions contributing to enhanced biodiversity and ecosystems in urban areas and/or improved adaptive capacity of buildings to cope with climate change. Investments can include green

**Dark Green**

<sup>3</sup> Sustainability in the biogas production supply chain is evaluated, preferably proven by relevant certifications such as FSC or PEFC

<sup>4</sup> Vehicles with tailpipe emission intensity of max 50g CO2/km (WLTP)

<sup>5</sup> Climate impacts related to hydrogen will be considered from a life-cycle perspective



roofs/walls on buildings, green spaces,  
rain and storm water harvesting  
systems, flood barriers, improved  
drainage capacity.

Table 1. Eligible project categories

### Building sector certification schemes and CICERO’s assessment of Green Bond Frameworks

In addition to energy performance certificates (EPCs), buildings can be certified by sustainability schemes such as the Sweden-specific Miljöbyggnad (in addition to energy use, indoor climate and material use are assessed), the Nordic Swan (Svanen) system, Passive House, Green Building (a reduction in energy use of 25% is required), LEED, BREEAM or BREEAM-SE. These schemes provide varying degrees of measurement of the environmental footprint of a building, including energy use. Some are more stringent than others and also offer internal gradings (excellent-good, platinum-silver, etc.). Certifications such as LEED and BREEAM measure or estimate the environmental footprint of buildings and raise awareness of environmental issues however they fall short of guaranteeing an environmentally friendly building. Therefore, CICERO also looks at the energy efficiency improvements of the building and targets which exceed existing regulations. In a low carbon 2050 perspective, the energy performance of buildings is expected to be improved, with passive house technology becoming mainstream and the energy performance of existing buildings greatly improved through refurbishments. According to the International Energy Agency (IEA), efficiency of buildings needs to improve by 30% by 2025 in order to reach the Paris Agreement well below 2°C climate goal2.

The CICERO Dark Green shading is difficult to achieve in particular in the building sector because buildings have a long lifetime. CICERO Dark Green shading in the building sector should therefore conform to strict measures and is reserved for the highest building standards such as LEED Platinum, Zero-Energy buildings and passive houses.

### Governance Assessment

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

The overall assessment of Heimstaden Bostad’s governance structure and processes gives it a rating of Excellent. The company has detailed and time-bound sustainability targets. It considers lifecycle and rebound aspects in its project and partner selection. It goes above many of its peers by engaging with relevant international initiatives such as the Global Real Estate Sustainability Benchmark and the Task force for Climate Related Financial Disclosures (TCFD).

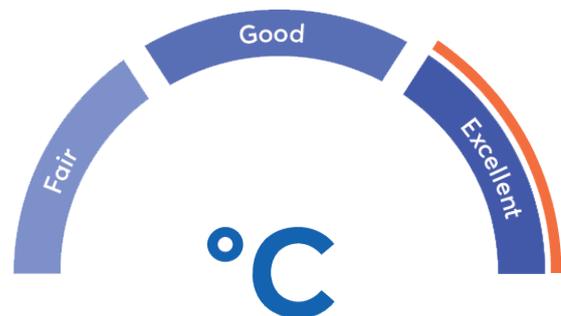


Figure 1: Heimstaden Bostad green bond governance score



### Strengths

Heimstaden Bostad's green bond framework is detailed and shows an ambition to be a sustainable and energy efficient building management company in the residential sector in Scandinavia, and beyond. The company has a clear sustainability profile, as exemplified by its target to have all new-builds in Sweden certified according to Sweden Green Building Council's Silver category – which requires energy use to be 25% lower than that required by Swedish Building Regulations. We are encouraged by the issuer's voluntary biodiversity and ecosystem-enhancing activities, which often go above and beyond what is required by law. The company has also shown commitment to resiliency thinking, by engaging with the TCFD and by starting to map buildings according to flood risks.

The company's strong sustainability profile is reflected in the way it has formalized it in work protocols: Its board of directors is responsible for ensuring that sustainability is on the agenda for board meetings. The CEO has formal responsibility for the group's sustainability work and C-Suite executives are given sustainability goals. The company is in the process of setting up a Sustainability Council to support the implementation of the sustainability strategy and assist the Chief Sustainability Officer and Sustainability Controller.

### Weaknesses

We find no overall weaknesses in Heimstaden Bostad's Green Bond Framework

### Pitfalls

Heimstaden Bostad is ambitious about transitioning away from fossil fuels in the heating and electricity sources of its buildings. However, the company recognizes that its pace of progress depends on the pace of progress of its energy providers. Thus, there is an external dependency which may mean that some of Heimstaden Bostad's goals are delayed (waste incineration as part of the district heating mix is one particular worry).

The issuer has confirmed that it will publish the methodology along with any estimates of GHG emission reductions – and this is positive. However, the issuer is planning to use the grid factor from the guidelines of the Nordic Public Sector Issuers– which CICERO believes gives overly positive estimates of GHG emission savings. While it is understandable that the issuer wants to follow these guidelines, investors should be aware that they may produce overly positive impact metrics in certain cases.

Efficiency improvements may also lead to rebound effects. When the cost of an activity is reduced there will be incentives to do more of the same activity. Heimstaden Bostad should be aware of such effects and possibly avoid green bond funding of projects where the risk of rebound effects is particularly high.

The long-term goal of low carbon societies will eventually require a near phase out of fossil fuels, and marginal climate improvements today should not come in the way of more future oriented solutions that eventually require a near phase out fossil fuels. One should avoid investments in projects that lead down 'blind alleys' or lock-in effects that make it more costly to take the next necessary steps towards a low carbon and climate resilient future.



# Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Heimstaden Bostad Green Bond Framework October 2019	Green Bond Framework
2	Heimstaden Bostad Annual Report 2018	Annual Report
3	Policy Environment_20190311-ENG	Summary of Heimstaden's environmental policies
4	Sustainability strategy och targets_190805_English	Details of the company's sustainability targets
5	Appendix 1. Responsibilities within the organisation - sustainability	Description of organizational responsibility for sustainability work
6	Appendix 2. Sustainability strategy and targets_Final_190805_English	Presentation of the company's sustainability strategies and targets
7	Appendix 3. Gross list sustainability in the housing industry_English	List of sustainability issues
8	Code of conduct_business partners_ 2019_1_eng	Heimstaden's code of conduct for suppliers
9	Heimstaden Code of conduct_low	Company's own code of conduct
10	Policy and routines work environment ENG	Policies for workplace and employee rights
11	Policy_Equal rights and responsibilities	Policy on equal rights
12	Policy_Whistle blowing-ENG_Nov 2018	Policy on whistleblowing





## Appendix 2: About CICERO Shades of Green

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

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

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

