

Wästbygg Gruppen AB (publ) Shades of Green assessment¹

May 7, 2024



Sector: Real Estate



Region: Nordics

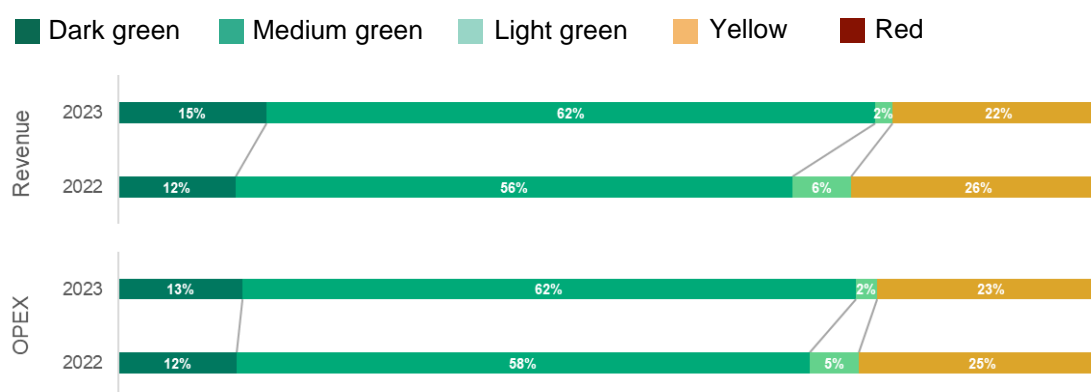
This report was produced by Shades of Green using Shades of Green Methodology.

On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

Executive Summary

Swedish construction and development company Wästbygg Gruppen AB (publ) develops residential, commercial and logistical/industrial properties in the Swedish market and across the Nordic region. Founded in 1981, its total revenues in 2023 were 4.843 million SEK.

Shading of Wästbygg Group's 2023 and 2022 revenue and operating expenses



Source: Shades of Green analysis using Wästbygg Group's financial data from 2023 and 2022.

Figure 1: Shading of revenue and operating costs and capital expenditures for Wästbygg Group from 2022 to 2023

In 2023, 78% of Wästbygg Group's revenue and 77% of its operating expenses (OPEX) came from assets with a Shade of Green. The shading is based on the methodology applied by Shades of Green in 2021 for the initial assessment of the company to allow for a comparison of its sustainability work over time. The share of revenues and OPEX assigned a green shading in 2023 increased, with growth in Dark Green and Medium Green projects. These changes are in part due to new construction projects with strong energy performance and renovations receiving new environmental certifications. As a construction and project development company, Wästbygg Group had negligible CAPEX in 2023, with the exception of 13 million SEK investments in its wind and solar joint venture, Bäckasol. Representing 81% of Wästbygg Group's total CAPEX in 2023, these investments are shaded Dark Green due to their contributions to decarbonizing the energy sector.

The Shade of Green assigned to a property reflects its overall climate risk and environmental impact. Dark Green is allocated to projects and solutions that

Nasdaq Green Designation¹

S&P Global Ratings Shades of Green assesses that Wästbygg Gruppen AB meets the requirements for Nasdaq Green Equity Designation set out in the Nasdaq Green Equity Principles.



¹ Shades of Green is an approved reviewer to assess alignment with the Nasdaq Green Equity Principles. [Nasdaq.com/Solutions/Nasdaq-Nordic-Green-Designations](https://www.nasdaq.com/Solutions/Nasdaq-Nordic-Green-Designations)

correspond to the long-term vision of a low carbon and climate resilient future and has been assigned to exceptionally energy-efficient properties. Medium Green is allocated to projects and solutions that represent steps towards the long-term vision but are not quite there yet and is assigned to highly energy efficient properties. Light Green is assigned to energy efficient properties, with projected energy use of at least 10% below national regulation.

Governance Assessment

The overall assessment of Wästbygg Group’s environmental governance gives it a rating of Excellent. Since our previous company assessment, it is a strength that Wästbygg Group has updated its climate targets to include full value chain emissions, including embodied emissions that are highly material for the construction sector. A double materiality analysis and identification of tools for climate adaptation and lifecycle analysis covering building stages A-C are other positive developments. Plans to improve Scope 3 emissions calculations and reporting will further enhance Wästbygg Group’s environmental strategy.

Further defining climate target implementation plans and fully aligning with EU Corporate Sustainability Reporting Directive (CSRD) requirements would further strengthen Wästbygg Group’s sustainability governance. The company informs us it may set interim targets and further define action steps to achieve its 2045 climate goal over 2024 and will incorporate additional climate-related risk disclosures into its CSRD compliance processes as required in 2025. It may also apply its climate adaptation and lifecycle analysis tools to a greater share of its portfolio, which would further strengthen its climate approach.

EU Taxonomy

The most relevant EU Taxonomy criteria for Wästbygg Group are Construction of new buildings and Renovation of existing buildings. Most of Wästbygg Group’s activities can be considered eligible under the EU Taxonomy criteria. We assess that Wästbygg Group had no fully Taxonomy-aligned revenue or OPEX in 2023. It is likely that a larger share of projects can qualify for the energy efficiency criteria set out in the technical screening criteria for substantial contribution, however this has only been confirmed for 21% of turnover as Wästbygg Group lacks information for some projects.

The company continues to have some gaps in all DNSH requirements but is making progress to be able to better assess and achieve alignment. Positive developments since the previous assessment include Wästbygg Group’s identification of tools to assess Taxonomy alignment related to building lifecycle emissions, physical climate risks, and pollution prevention performance. Although the company is in the early stages of testing these tools across its portfolio, they provide the groundwork for greater potential Taxonomy alignment in the future. We find that Wästbygg Group continues to mainly fulfil the minimum social safeguards of the EU Taxonomy, with no significant changes in its social risk profile or due diligence procedures in 2023.

Table 1: Sector specific metrics

	Scope 1 + 2 (tons CO ₂ eq)	Construction waste sorted (% of total)	Environmentally certified (% of properties)
2023	698	84%	42%
2022	810	84%	61%
2021	416	88%	64%

Contents

Executive Summary.....	1
Wästbygg Group's key developments 2023	4
Company update	4
Governance update	4
Assessment of Wästbygg Group's activities	6
Shading of Wästbygg Group's revenue, operating expenses and investments	8
Nasdaq Green Designation.....	10
EU Taxonomy update	10
Terms and methodology	13
Shading corporate revenue and investments	13
Appendix 1: Referenced documents list	16
Appendix 2: EU Taxonomy criteria and alignment	17
Appendix 3: About Shades of Green	26

Wästbygg Group's key developments 2023

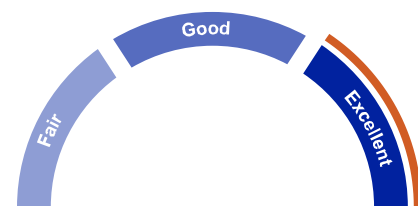
Company update

Wästbygg Gruppen AB (publ) (Wästbygg Group) is a construction and project development company founded in 1981 with offices across Sweden. Wästbygg Group is also represented in Norway, Denmark, and Finland through the group company Logistic Contractor AB. Wästbygg Group has been listed on the Nasdaq Stockholm exchange since October 2020. Total revenues in 2023 amounted to 4.843 million SEK.

In 2023, Wästbygg Group set up a joint venture (JV) with Varberg Energimarknad AB to build two windmills and a solar energy park. Wästbygg Group owns 75% of the stocks in the new company, Bäckasol, and the windmills and solar panels are expected to be operational in 2024. Wästbygg Group also took a decision to liquidate its property management subsidiary Inwita, which owns one property that has not yet been sold.

Governance update

The overall assessment of Wästbygg Group's environmental governance gives it a rating of Excellent. It is a strength that since the previous company assessment, it has updated its climate target to cover its full value chain, including embodied emissions from construction materials that are a key aspect of sector climate impact. Its plans to test a more complete Scope 3 emissions calculation and reporting approach during 2024 in preparation for tracking target progress in 2025 is also positive. Since the new target is for 2045 rather than previous 2030 goals, setting interim targets and more fully defining implementation steps would further strengthen Wästbygg Group's climate strategy. The company informs us these steps may be undertaken during business planning processes during 2024 for launch in 2025.



It is positive that Wästbygg Group has identified tools for climate adaptation and lifecycle analysis covering building stages A-C (materials and construction, use phase, and end of life) over the course of 2023. Both will help the company screen projects for alignment with related EU Taxonomy Do No Significant Harm (DNSH) criteria. The company has begun testing these tools, particularly where clients have requested Taxonomy alignment for projects, but it has not yet applied them across its portfolio, which would further strengthen its climate approach.

Wästbygg Group has maintained its reporting on climate emissions by scope as well as other relevant KPIs. In 2023, it undertook its first double materiality assessment to map key sustainability factors but has not yet fully implemented the recommendations of the Taskforce on Climate-Related Risk Disclosures (TCFD). It has further developed its climate risk management system in 2023 and anticipates more comprehensively incorporating climate-related risk considerations into its EU Corporate Sustainability Reporting Directive (CSRD) compliance processes, which it plans to have in place as required in 2025. Full incorporation of climate risks into decision making processes and public reporting would further enhance Wästbygg Group's risk management and transparency.

Wästbygg Group is continuing to implement its Code of Conduct covering environmental and social issues that was updated in 2023. It is positive that the Code of Conduct is now aligned with international conventions and standards, used in all contracts, and incorporates clearer points of assessment for suppliers and subcontractors.

During 2023, Wästbygg Group continued to make progress establishing its new renewable energy JV, Bäckasol. Once operational, it will sell the electricity generated to the grid and buy back the electricity needed to run its own operations, covering its total electricity use with the electricity produced. Due to permitting delays, the wind farm is expected to be operational mid-2024 and the solar park will be completed later in the year.

Assessment of Wästbygg Group's activities

Key performance indicators

Table 2: Key performance indicators for Wästbygg Group				
KPI Category	2020	2021	2022	2023
Construction waste sorted (% of total)	87%	88%	84%	84%
Environmentally certified (% of properties)	49%	64%	61%	42%

In 2023, Wästbygg Group reported steady performance on its percentage of sorted construction waste. It plans to begin reporting on demolition waste sorting in 2024 to provide further transparency. Its percentage of environmentally certified properties dropped significantly between 2022 and 2023 due to a calculation methodology change. Wästbygg Group discovered that not all of its clients at completed the formal certification process for which projects were eligible and began excluding those properties from the total. If the previous methodology had been used, it estimates that figures would be relatively similar to previous years, but data have been corrected in 2023 to ensure accuracy going forward. Wästbygg Group informs us that client decisions on whether to formally certify are beyond its direct control and can be related to the type of owner, willingness to pay for certification approvals, and ownership time horizons.

Table 3: Energy Mix for Wästbygg Group						
Energy Source	2022			2023		
	Amount	% Renewable	GHG emissions	Amount	% Renewable	GHG emissions
Electricity	7,854 MWh	92%	281 tCO ₂ eq	8,802 MWh	97%	186 tCO ₂ eq
District Heating	1,173 MWh	98%	65 tCO ₂ eq	2,213 MWh	90%	164 tCO ₂ eq
Other provisional heating	Pellets: 1,821 MWh RME ² : 74,855 litres Gas: 9,412 kg	N/A	82 tCO ₂ eq	Pellets: 553 MWh RME: 164,800 litres Gas: 3,609 kg	N/A	48 tCO ₂ eq

In 2023, Wästbygg Group increased its electricity, district heating, and RME use while decreasing its use of pellets and gas. Shares of renewable electricity and district heating remained over 90%. Its energy intensity for projects the group owns and manages was 10.2 kWh/m² in 2023.

Wästbygg Group informs us it has not yet undertaken analysis to understand the reasons for these trends. Some possibilities, such as a different mix of stages of projects, weather, distribution between northern vs. southern Sweden properties, or client choice of heating fuel between years, may be unrelated to its direct energy performance.

² Rapeseed methyl ester (RME) is a type of biofuel.

Table 4: The table summarises Wästbygg Group CO₂-emissions and main CO₂-emission reduction

Emissions	Total (tons CO ₂ eq ³)	Scope 1 (tons CO ₂ eq)	Scope 2 (tons CO ₂ eq)	Scope 3 (tons CO ₂ eq)
Main Targets	Carbon neutrality across the value chain by 2045.			
2023	1,166	347	351	468
2022	1,328	463	347	518
2021	1,236	171	245	820
2020	1,672	261	245	1,166
Change 2022-2023	(-12%)	(-25%)	(+1%)	(-10%)
Main sources		Scope 1 emissions result from combustion of fossil fuels mainly at the construction site. Biofuels were included in 2020 and 2021 in Scope 1 reporting.	Use of electricity, district heating and cooling.	Scope 3 represents heavy transport, goods and services in the supply chain, and business trips. Emissions from use of materials are not covered. Biofuels were included in Scope 3 from 2022 onwards.

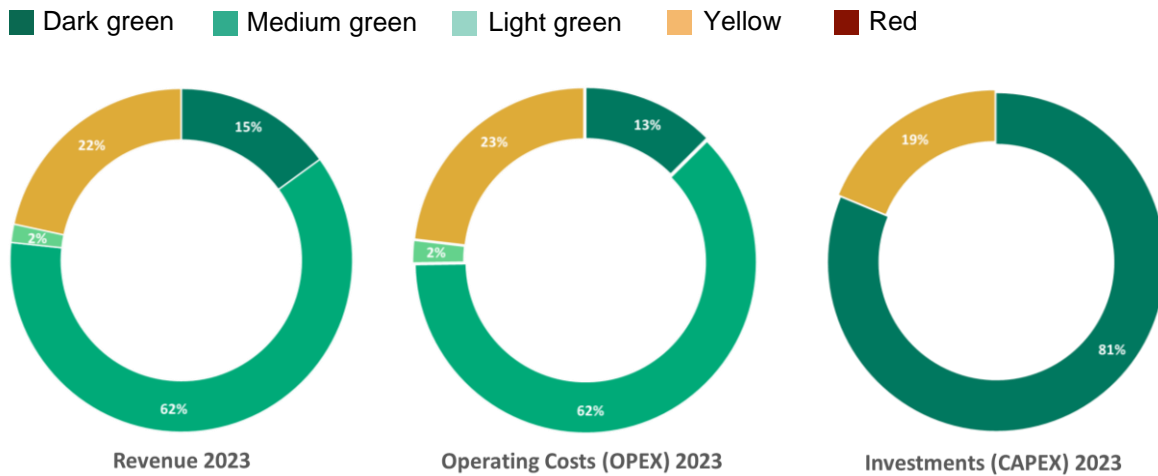
In terms of performance, Wästbygg Group reduced its total emissions by 12% between 2022-2023, with declines in Scope 1 and Scope 3 but relatively steady Scope 2 figures. Its emissions intensity was 0.98 kgCO₂eq/m² based on the total area of its 89 active constructive projects. The company noted that the acquisition of Rekab in 2021 had an impact on emissions performance 2022-2023 compared to 2021-2020 but has not yet undertaken analyses on the reasons behind emission reduction trends.

In 2023, Wästbygg Group updated its climate targets, replacing diverse 2030 goals related to renewable fuel, energy use, renewable electricity, business travel, and waste with a 2045 target to achieve carbon neutrality across its value chain, including embodied emissions from materials. Wästbygg Group seeks to align this new target with the construction sector roadmap developed by Fossilfritt Sverige.⁴ While it has not yet set interim targets or planned implementation measures, the company informs it may set related 5- or 10-year goals as well as associated action steps in its next business strategy update undertaken in 2024 that will launch in 2025. It is also working to improve its Scope 3 emissions reporting and calculation approach in 2024 to be ready for accurate tracking of target progress in 2025. Note that the emissions figures in the table above do not include all relevant Scope 3 emissions categories that will be captured by the new target and in reporting in the future.

³ CO₂eq, carbon dioxide equivalent, is a measurement term for greenhouse gas accounting.

⁴ See <https://fossilfrittverige.se/roadmap/bygg-och-anlaggningssektorn/>.

Shading of Wästbygg Group's revenue, operating expenses and investments



Source: Shades of Green analysis using Wästbygg Group's financial data from 2023.

Figure 2: Shading of revenue and operating expenses for Wästbygg Group

The Shade of Green assigned to a property reflects its overall climate risk and environmental impact. A shading has been allocated to each property in the portfolio. We have used the design specifications of building projects, e.g., planned environmental certification schemes and energy levels, when allocating a shading to each project. Our analysis of the properties is positively influenced by our assessment of Wästbygg Group's Governance Score of Excellent and the company's management of some key environmental concerns, specifically Wästbygg Group's work to reduce the environmental impact of construction sites. Given Wästbygg Group's governance and management of key concerns, we have assigned a shade to each property based on the following:

Dark Green is assigned to exceptionally energy efficient properties, defined as having Swedish EPC label A or a projected energy use of at least 50% below national regulations (in Sweden BBR), and either a high level of certification or additional low carbon technologies including, e.g., heat pumps.

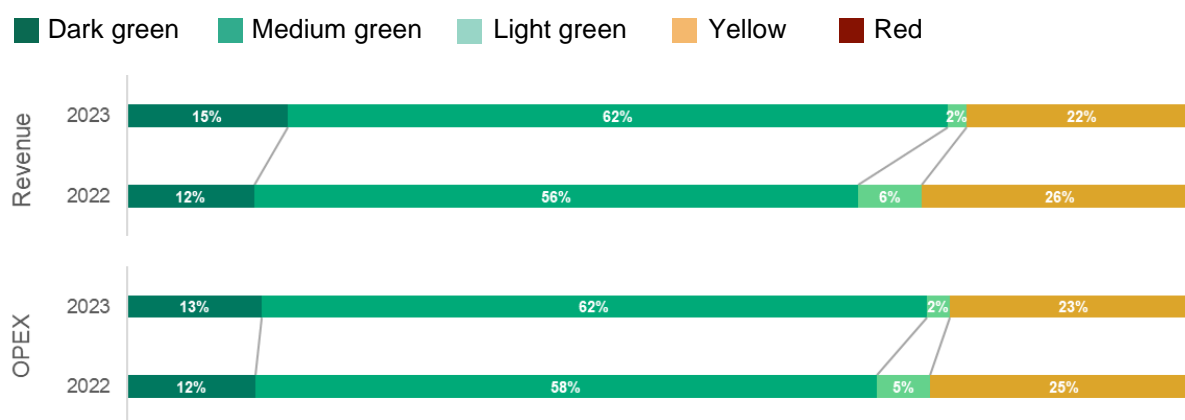
Medium Green is assigned to highly energy efficient properties, defined as having Swedish EPC label B or a projected energy use of at least 20% below national regulation. Most Medium Green buildings also have green building certifications or additional low carbon technologies including EV charging stations, rooftop solar and green roofs. Miljöbyggnad Silver and Nordic Swan Ecolabel are considered sufficiently stringent to qualify for Medium Green, as they have energy efficiency criteria that goes well beyond national regulations and also incorporate other environmental considerations.

Light Green is assigned to energy efficient properties with projected energy use of at least 10% below national regulation qualify. Some Light Green properties have additional low carbon technologies like rooftop solar.

For properties not fulfilling any of the above criteria, a shade of Yellow is allocated. The Yellow category is also used for assets where data is lacking because the project is in the early stages of development. These buildings may qualify for a Shade of Green when they are at a more advanced stage. No buildings were given the Red shading.

Investors should note that while reported financial data are used in this analysis, as Wästbygg Group works with the construction and development of properties, most properties are not yet completed and therefore our shading is based on projected environmental performance data; there is always a risk that the project's actual certification

level or energy use is not met. It is also common for actual energy use to deviate somewhat from design values given the varying energy management of end-users of buildings.



Source: Shades of Green analysis using Wästbygg Group’s financial data from 2023 and 2022.

Figure 3: Comparison with past shading of revenue and operating expenses (OPEX) for Wästbygg Group

Based on this approach, we find that 15% of the revenues in 2023 came from assets considered Dark Green, up from 12% in 2022, 62% came from Medium Green, up from 56% in 2022, and 2% from Light Green, down from 6% in 2021. Thus, the total share of assets given a Shade of Green increased by 4% in 2023 compared to 2022, with 78% of the revenues coming from assets with a Shade of Green. Operating expenses are distributed similarly, where 13% are shaded Dark Green, up from 12% in 2022, 62% Medium Green, up from 58% in 2022, and 2% Light Green, down from 5% in 2022. In total, 77% of operating expenses are from assets with a Shade of Green, up 2% from the previous year. These changes are in part due to new construction projects with strong energy performance and renovations receiving new environmental certifications.

The shading in this update is based on the same methodology Shades of Green used in 2021 to allow for a comparison of Wästbygg Group’s performance over time. Investors should be aware that our methodology is dynamic, as technology, regulations, and sector norms continuously evolve. If Wästbygg Group decides to complete a new full company assessment, we will incorporate the latest sector information at that time.

As a construction and project development company, Wästbygg Group had negligible CAPEX in 2023, with the exception of 13 million SEK investments in its wind and solar joint venture, Bäckasol, which is shaded Dark Green due to its contributions to decarbonizing the energy sector. The Yellow category representing limited climate risk or benefit is also used for remaining 2023 CAPEX unrelated to the Bäckasol wind and solar JV.

Investors should note that our assessment is based on data reported or estimated by the company and has not always been verified by a third party. We analyse revenue, operating costs and investments, however there is typically not an explicit link between sustainability and financial data. Our shading often requires allocating line items in financial statements to projects or products, for this we rely on the company’s internal allocation methods. In addition, there are numerous ways to estimate, measure, verify and report e.g., data on emissions, which may make direct comparisons between companies or regulatory criteria difficult and somewhat uncertain.

Nasdaq Green Designation

Shades of Green confirms that Wästbygg Group meets the requirements for Nasdaq Green Equity Designation set out in the Nasdaq Green Equity Principles.

In 2023, 78% of Wästbygg Group's turnover came from assets with some Shade of Green, exceeding the 50% threshold for green activities for company turnover. The sum of OPEX and CAPEX allocated a Shade of Green is 77%. This exceeds the 50% threshold for investments, defined as the sum of CAPEX and OPEX. In 2023, Wästbygg Group had no turnover assessed shaded Red, meeting the threshold of less than 5% of the company's turnover being derived from fossil fuel activities.

EU Taxonomy update

The mitigation criteria⁵ in the EU Taxonomy includes specific thresholds and do no significant harm (DNSH) criteria for the construction of new buildings and renovation of buildings.⁶ Comments on alignment are given in the table below, and detailed thresholds, NACE-codes and likely alignment with DNSH criteria are given in Appendix 2.

In 2023, Wästbygg Group completed its first internal screening against the EU Taxonomy, the results of which are below. It reports no major updates to its social risk profile or due diligence procedures.

Table 5: Overall EU Taxonomy alignment

Overall EU Taxonomy alignment (Substantial contribution + DNSH + minimum safeguards)	Revenue	OPEX⁷	CAPEX⁸
Total share eligible (activities covered by criteria)	92%	Not enough information	81%
Total share likely aligned to all criteria	0%	Not enough information	0%

⁵ Note we have only reviewed EU Taxonomy climate change mitigation technical screening criteria, not technical screening criteria for climate change adaptation or transition to a circular economy that may be applicable for this sector. We view climate mitigation as most material and consistent with previous company assessment updates to allow for comparison.

⁶ taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf (europa.eu)

⁷ Wästbygg Group reports 3.7% of its OPEX as EU Taxonomy eligible, with 0% fully aligned, but does not yet provide a breakdown by activity. We have therefore not included OPEX in our analysis below.

⁸ Wästbygg Group's eligible capex is primarily related to its new wind and solar JV, Bäckasol, which we have not assessed for Taxonomy alignment here.

Table 6: Summary of alignment to 7.1 Construction of new buildings (NACE Code F41.1, F41.2)

	Full assessment from 2022	Updated comments on alignment
Activities covered	✓ The eligible share of revenue in 2022 was 86.5%	✓ The eligible share of revenue in 2023 was 82%
Alignment		
Activities aligned	✓ 0% of revenue was assessed to be likely aligned to the Taxonomy criteria	✓ 0% of revenue was assessed to be likely aligned to the Taxonomy criteria
Substantial		
	Summary of assessment	
Mitigation Criteria	<ul style="list-style-type: none"> ✓ Likely partially aligned revenue and OPEX with energy efficiency criteria for 2021 was 74.0% and 73.3%, respectively ✓ Likely aligned to requirements on airtightness and thermal integrity ✓ Likely not aligned to GWP-requirement for current projects, implying that likely fully aligned share of revenue and OPEX in 2021 was 36.8% and 36.6% 	<ul style="list-style-type: none"> ✓ Internal screening concludes that 21 projects are likely aligned with the energy efficiency criteria, representing 15% of revenue in 2023. ✓ While in 2021 a high share of revenue and OPEX was assessed to be aligned with the energy criteria, after closer interpretations, Wästbygg Group informed us that it could not confirm alignment for most projects and alignment figures were reevaluated. ✓ Likely only partially aligned to the criteria for airtightness and thermal integrity as Wästbygg Group cannot confirm that such tests have been conducted for all projects. ✓ Likely only partially aligned to GWP-requirement for projects larger than 5000 m² as it has begun implementing LCA tools in 2023 but has not yet applied them across its portfolio.
DNSH-criteria		
Climate Change Adaptation	✓ Likely partially aligned	✓ Likely partially aligned
Sustainable use and protection of water and marine resources	✓ Likely not aligned	✓ Likely partially aligned
Transition to a circular economy (circular economy)	✓ Likely aligned	✓ Not enough information
Pollution prevention and control	✓ Likely partially aligned	✓ Likely not aligned
Protection and restoration of biodiversity and ecosystems	✓ Likely aligned	✓ Likely partially aligned

Table 7: Summary of alignment to 7.2 Renovation of existing buildings (NACE Code F41, F43)

	Full assessment from 2022	Updated comments on alignment
Activities covered	✓ No assessment was made in 2022	✓ The eligible share of revenue in 2023 was 10%
Alignment		
Activities aligned	✓ No assessment was made in 2022	✓ 0% of revenue was assessed to be likely aligned to the Taxonomy criteria
Substantial		
Summary of assessment		
Mitigation Criteria	✓ No assessment was made in 2022	✓ Internal screening concludes that two projects are likely aligned with the mitigation criteria, representing 6% of revenue in 2023.
DNSH-criteria		
Climate Change Adaptation	✓ No assessment was made in 2022	✓ Likely not aligned
Sustainable use and protection of water and marine resources	✓ No assessment was made in 2022	✓ Likely partially aligned
Transition to a circular economy (circular economy)	✓ No assessment was made in 2022	✓ Not enough information
Pollution prevention and control	✓ No assessment was made in 2022	✓ Likely not aligned

Terms and methodology

The aim of this analysis is to be a practical tool for investors, lenders and public authorities for understanding climate risk. Shades of Green encourages the client to make this assessment publicly available. If any part of the assessment is quoted, the full report must be made available. Our assessment, including on governance, is relevant for the reporting year covered by the analysis. This assessment is based on a review of documentation of the client's policies and processes, as well as information provided to us by the client during meetings, teleconferences and email correspondence. In our review we have relied on the correctness and completeness of the information made available to us by the company.

This is an update to the original company assessment undertaken for this entity. We have confirmed with the company that there have not been any structural changes in the past year that would trigger a new full assessment. Company assessment updates incorporate the latest annual reporting and other information from the company about key events over the past year. This informs our commentary on changes in performance for key sustainability metrics and shading of financial flows compared to the previous year as well as updates to our governance assessment and any adjustments to EU Taxonomy eligibility and alignment. Focusing on these changes in company assessment updates allows investors to track progress in otherwise business as usual conditions.











In 2024, due to ongoing revision of the methodology by S&P Global Ratings Shades of Green, those companies renewing their designation for the third time in 2024 can seek a limited assessment by S&P Global Ratings Shades of Green and postpone the full assessment until 2025, unless there have been material changes in the company. The purpose is to enable timely renewal of the designation.⁹

Shading corporate revenue and investments

Our view is that the green transformation must be financially sustainable to be lasting at the corporate level. We have therefore shaded the company's current revenue generating activities, as well as investments and operating expenses.

The approach is an adaptation of the Shades of Green methodology for the green bond market. The Shade of Green allocated to a green bond framework reflects how aligned the likely implementation of the framework is to a low carbon and climate resilient future, and we have rated investments and revenue streams in this assessment similarly. We allocate a shade of green to the revenue stream and investments according to how these streams reflect alignment of the underlying activities to a low carbon and climate resilient future and taking into account governance issues.

⁹ See Nasdaq's Frequently Asked Questions <https://www.nasdaq.com/solutions/listings/markets/nordic/green-designations#frequently-asked-questions> for further information.

Shading		Examples
	Dark green Is allocated to projects and solutions that corresponds to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
	Medium green Is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
	Light green Is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles
	Yellow Is allocated to projects and solutions that do not explicitly contribute to the transition to a low carbon and climate resilient future. This category also includes activities with too little information to assess.	 Health care services
	Red Is allocated to projects and solutions that have no role to play in a low-carbon and climate resilient future. There are the heaviest emitting assets, with the most potential for lock in of emissions and highest risk of stranded assets.	 New oil exploration

In addition to shading from dark green to red, Shades of Green also includes a governance score to show the robustness of the environmental governance structure. When assessing the governance of the company, Shades of Green looks at five elements: 1) strategy, policies and governance structure; 2) lifecycle considerations including supply chain policies and environmental considerations towards customers; 3) the integration of climate considerations into their business and the handling of resilience issues; 4) the awareness of social risks and the management of these; and 5) reporting. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

In March 2020, a technical expert group (TEG) proposed an EU taxonomy for sustainable finance that included a number of principles including “do-no-significant-harm (DNSH)-criteria” and safety thresholds for various types of activities¹⁰. In April 2021, EU published its delegated act to outline proposed criteria for climate mitigation and adaptation, which it was tasked to develop after the EU Taxonomy Regulation entered into law in July 2020, with amendments in June 2023. Shades of Green has assessed the mitigation criteria in the EU taxonomy that includes specific thresholds for activities relevant for the company¹¹.

Do-No-Significant-Harm criteria include measures such as ensuring resistance and resilience to extreme weather events, preventing excessive water consumption from inefficient water appliances, ensuring recycling and reuse of construction and demolition waste and limiting pollution and chemical contamination of the local environment, as well as restriction on the type of land used for construction (no arable or forested land).

Shades of Green has assessed potential alignment against the mitigation thresholds and the DNSH criteria in the delegated acts published in April 2021.

¹⁰ Taxonomy: Final report of the Technical Expert Group on Sustainable Finance, March 2020. [TEG final report on the EU taxonomy \(europa.eu\)](#)

¹¹ [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](#)

In order to qualify as a sustainable activity under the EU regulation 2020/852 certain minimum safeguards must be complied with. The safeguards entail alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation's ('ILO') declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights. Shades of Green has completed a light touch assessment of the above social safeguards with a focus on human rights and labour rights risks¹². We take the sectoral, regional and judicial context into account and focus on the risks likely to be the most material social risk.

Our assessment of alignment against the EU Taxonomy is based on a desk review of the listed source documents against the Taxonomy Delegate Act and following our own shading methodology.

¹² S&P Global Ratings Shades of Green is in the process of further developing its assessment method to ensure that it encompasses the object and purpose of the minimum safeguards.

Appendix 1: Referenced documents list

Document Number	Document Name	Description
1	Wästbygg Gruppen original company assessment	
2	Data collection sheet	Financial numbers, KPIs and EU Taxonomy alignment assessment from 2023 and descriptions of Wästbygg Group's activities, provided to Shades of Green by request
3	Year-End Report Wästbygg Gruppen AB (publ)	Covering January – December 2023
4	Års- och Hållbarhets-Redovisning 2023	Wästbygg Group's Annual and Sustainability Report 2023

Appendix 2: EU Taxonomy criteria and alignment

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

Construction of new buildings (7.1)

Taxonomy activity	Construction of new buildings (NACE Code F41.1, F41.2)		
	EU Technical mitigation criteria	Comments on alignment	Alignment update
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Constructions of new building, eligible if:</p> <ul style="list-style-type: none"> The Primary Energy Demand is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation. The energy performance is certified using an Energy Performance Certificate (EPC). For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. For buildings larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand. 	<p>Contextual information</p> <ul style="list-style-type: none"> Energy requirements set in BBR (Swedish building regulations) is defined as NZEB in Sweden. In Sweden, climate calculations establishing the GWP for the construction phase are a regulatory requirement since 1. January 2022. The requirement is only valid for properties seeking a construction permit after January 1, 2022. This only covers phase A of construction, while the criterion in the taxonomy refers to phase A-C. Wästbygg Group confirms that they will conduct calculations of GWP resulting from the construction for buildings larger than 5000m² in line with Swedish regulations and has begun using a tool to assess life cycle phase A-C to align with the EU Taxonomy criterion for some properties, but this has not been applied across its portfolio. According to the company, all buildings within the logistics and industry segment and an estimated 30-50% of the properties in the residential and commercial segments are larger than 5000m². Testing of airtightness is a requirement for BREEAM, Nordic Swan Ecolabel and Miljöbyggnad certifications. Wästbygg Group has also begun undertaking testing where clients have requested EU Taxonomy alignment but has not yet implemented this across its portfolio. 	<p>Likely partially aligned</p> <p>21 assessed projects are likely aligned to the PED criterion.</p> <p>For buildings bigger than 5000 m², it has begun using a tool to align to the GWP criterion, but this has not yet been applied to all properties. Some projects where the applicable certification does not require it, or clients have not requested Taxonomy assessment are also not aligned with the air tightness/thermal integration test criterion as they</p>

		<ul style="list-style-type: none"> Wästbygg Group confirms that they are conducting theoretical calculations on airtightness, which are checked after completion. Testing of thermal integrity is conducted for problem solving if the airtightness does not confirm the calculations. The company informs that the thermal integrity test needs a temperature lower than 10°C and is therefore not a reliable method all year around. According to Wästbygg Group, building components that are to be climate-calculated include 80-90% of a buildings' climate impact (climate screen, load-bearing structural parts and non-load-bearing interior walls). 	have not yet conducted a test.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<p>The physical climate risks that are material to the activity have been identified (chronic and acute, related to temperature, wind, water, and soil) by performing a robust climate risk and vulnerability assessment with the following steps¹³:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be exposed to physical climate risks, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. <p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that</p>	<ul style="list-style-type: none"> Wästbygg Group has conducted a systematic climate risk assessment to identify physical risks affecting its assets at a general level. The company aims to report on its key findings following the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations through the annual sustainability report going forward. This has not yet been completed in 2023 and is planned for implementation as part of CSRD compliance in 2025. It is currently working to integrate considerations of physical climate risks in all its projects on an asset level, where appendix A in the EU Taxonomy will be considered to ensure alignment to the climate adaptation DNSH. In 2023, it identified a tool to assess risks and mitigation measures for alignment, which it has begun testing for some properties but has yet not applied the tool across its portfolio. 	<p>Likely partially aligned</p> <p>Two assessed projects are likely aligned to the adaptation criteria where Wästbygg Group's new physical risk tool has been tested.</p>

¹³ The Taxonomy is referring to Appendix A in the Taxonomy Annex 1.

	<p>reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
<p>Sustainable use and protection of water and marine resources</p>	<ul style="list-style-type: none"> • Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label¹⁴ in the Union, in accordance with the technical specifications: <ul style="list-style-type: none"> (a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (b) showers have a maximum water flow of 8 litres/min; (c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; (d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. <p>To avoid impact from the construction site, the activity complies with the criteria in the EU Water Framework Directive¹⁵.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU¹⁶ and includes an assessment of the impact on water in accordance with the Water Framework Directive, no additional</p>	<ul style="list-style-type: none"> • Wästbygg Group's self-developed properties are certified according to Nordic Swan Ecolabel or Miljöbyggnad Silver, where there are requirements related to monitoring of hot water consumption and low water use taps and toilets, but not related to maximum litres of water use in the appliances. • It is currently unclear to what extent the criteria in green building standards overlap with the taxonomy requirements. Most green building standards are made up of a mix of mandatory and voluntary criteria (points), and a specific certification level does therefore not guarantee a level of water efficiency performance across all certified buildings. 	<p>Likely partially aligned</p> <p>Alignment has been confirmed in 22 of the new construction projects. For other projects, it is likely not aligned due to lack of control of water use in non-residential buildings.</p>

¹⁴ The Taxonomy is referring to Appendix E in the Taxonomy Annex 1.

¹⁵ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy

¹⁶ DIRECTIVE 2011/92/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the assessment of the effects of certain public and private projects on the environment.

	<p>assessment of impact on water is required, provided the risks identified have been addressed.</p>	<ul style="list-style-type: none"> • According to the issuer, some clients have requirements related to water use. However, for buildings not constructed by Wästbygg Group and where clients do not have requirements related to water use and monitoring, the company confirms that no requirements other than Swedish law will be effectuated. • According to Wästbygg Group, general planning is the responsibility of the municipality and EIAs will be carried out on municipality level where required by national law. This includes a plan for impacts on water sources. 	
<p>Transition to a circular economy (circular economy)</p>	<ul style="list-style-type: none"> • At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material¹⁷) generated on the construction site is prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials. • Operators limit waste generation in processes related to construction and demolition. • Building designs and construction techniques support circularity and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. 	<ul style="list-style-type: none"> • While Wästbygg Group informs us that it has the necessary waste data from projects to assess how much of waste is prepared for re-use, recycling and material recovery (excluding hazardous waste and waste going to district heating). Therefore, it can assess for which projects they adhere to the minimum of 70%. • According to the issuer, it lacks national KPIs to judge whether it fulfils the criteria set out in the taxonomy that building designs and construction techniques support circularity and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. • According to the issuer, as a measure to reduce the climate and environmental impacts at the construction sites, they have developed the tool Climate-Smart Construction Sites. Through the tool the issuer has established a minimum level for all construction projects with targets related to the areas with the highest emissions, like the use of electricity, temporary construction heat, fuels used in heavy machinery, material 	<p>Not enough information</p> <p>As there are currently not enough information to assess against some of the criteria set out in the DNSH, we cannot assess alignment. For the criteria that at least 70% of waste need to be prepared for re-use, recycling or other material recovery, Wästbygg Group informs us it has the data needed to assess against the threshold.</p>

¹⁷ Refer to the European List of Waste established by Commission Decision 2000/532/EC

		<p>transport and waste. Measures are taken in all projects to minimise noise, dust and pollution.</p> <ul style="list-style-type: none"> • In the tool Climate-Smart Construction Sites, there is a requirement that 90% of the waste shall be sorted and reported, and in 2023 84% of the waste was sorted. • According to Wästbygg Group they are focusing on reducing material waste, energy-efficient solutions, environmentally friendly materials, and on creating a healthy indoor environment in the design-stage of the development. • The company also has a long-term target to minimise the amount of waste and to create a circular process where more recycled materials are used. 	
<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> • Building components and materials used in the construction comply with the criteria set out in Appendix C to Taxonomy Annex I • Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of test chamber air upon testing¹⁸ and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of test chamber air, upon testing¹⁹ • Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400 • Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works 	<ul style="list-style-type: none"> • Wästbygg Group informs us that tools that can be used to verify alignment with these criteria in the Swedish construction market were developed in late 2023 and early 2024. These include Taxonomy additions to the Byggsvarubedömmningen, Basta and Sunda Hus tools. It did not apply these new tool additions in 2023 but expects to do so for some properties moving forward where clients request Taxonomy alignment. • Wästbygg Group uses other aspects of the Byggsvarubedömmningen, Basta and Sunda Hus tools to monitor the chemical composition of the construction material used. According to the company, this ensures that they only use material approved by national regulation, as well as material with low climate footprint for own property developments. However, this cannot be ensured for contracted developments. 	<p>Likely not aligned</p> <p>New tools that can be used to verify alignment have recently been developed but Wästbygg Group did not apply them in 2023.</p>

¹⁸ In accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006

¹⁹ In accordance with CEN/EN 16516 or ISO 16000-3:2011 or other equivalent standardised test conditions and determination methods

		<ul style="list-style-type: none"> • According to the company, self-developed constructions are certified according to the Nordic Swan Ecolabel or Miljöbyggnad Silver, where there are requirements to phase out hazardous components and endocrine disruptors in line with Swedish regulation, as well as maximum limits for formaldehyde in line with the EU Taxonomy requirement. • For constructions developed for external customers where no additional requirements are made related to hazardous substances, Swedish law is adhered to. The company cannot confirm that this is sufficient to be aligned with the requirements in the EU Taxonomy. • The company informs that the soil is always examined for polluting substances in all new production, and if the soil is contaminated, it is the client's responsibility to decontaminate the soil. 	
<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> • An Environmental Impact Assessment (EIA) or screening should be completed in accordance with national provisions²⁰. • Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. • For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented. • The new construction should not be built on one of the following: <ol style="list-style-type: none"> a) arable land and crop land; b) greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List. 	<ul style="list-style-type: none"> • According to Wästbygg Group, general planning is the responsibility of the municipality and EIAs will be carried out on municipality level. Land that is covered by area protection according to the Planning and Building Act is Natura 2000, nature reserves and animal and plant protection areas, and construction is not permitted. This is stated in the general and detailed plan for each municipality. • However, in some cases it has not been able to find evidence of an EIA (or screening process determining an EIA was not necessary) from its clients nor municipalities, therefore some projects are not aligned with the DNSH 	<p>Likely partially aligned</p> <p>Likely partially aligned as in some cases it has not been able to find evidence of an EIA or screening process to determine that an EIA was unnecessary.</p>

²⁰ The Taxonomy is referring to Appendix D in the Taxonomy Annex 1.

	<p>c) land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest²¹.</p>	<ul style="list-style-type: none"> • Before construction on new land is permitted, Wästbygg Group needs to prepare a detailed plan and receive a building permit. Wästbygg Group builds according to regulations in the detailed plan in all projects. • Wästbygg Group cannot confirm that none of their properties are constructed on arable land or land matching the national definition of forest. However, the company inform us that this will be considered for future developments. Based on further clarifications on EU Taxonomy implementation, this criterion may not apply if the property is in an area with sufficient planning/zoning regulation, which is the case for many Wästbygg Group properties. 	
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Renovation of existing buildings (7.2)

Taxonomy activity			
Renovation of existing buildings (NACE code F41 and F43)			
	EU Technical mitigation criteria	Comments on alignment	Alignment
Technical screening criteria	<ul style="list-style-type: none"> • Substantial contribution to climate change mitigation <p>Renovation of existing buildings, eligible if:</p> <ul style="list-style-type: none"> • The reduction of primary energy demand (PED) must be at least 30 %. 	<p>Information provided by the issuer</p> <ul style="list-style-type: none"> • Internal screening concludes that two projects are aligned with the technical screening criteria. 	<p>Likely partially aligned</p>

²¹ Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020. Terms and definitions: <http://www.fao.org/3/I8661EN/i8661en.pdf>.

	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	Please refer to Construction of new buildings.	Please refer to Construction of new buildings	Likely not aligned Wästbygg Group's new physical risk tool has not yet been tested for any renovation projects, only a few new construction projects.
Sustainable use and protection of water and marine resources	<ul style="list-style-type: none"> Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label²² in the Union, in accordance with the technical specifications: <ol style="list-style-type: none"> wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; showers have a maximum water flow of 8 litres/min; WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. 	<ul style="list-style-type: none"> For some of Wästbygg Group's projects the criteria will not apply. For projects where the criteria apply, Wästbygg Group informs us that it aligns with the criteria under sustainable use and protection of water and marine resources for 22 projects. 	Likely partially aligned
Transition to a circular economy	<ul style="list-style-type: none"> Please refer to Construction of buildings. 	Please refer to Construction of buildings.	Not enough information

²² The Taxonomy is referring to Appendix E in the Taxonomy Annex 1.

<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> • Building components and materials used in the construction comply with the criteria set out in Appendix C to the Taxonomy Annex 1. • Building components and materials used in the building renovation that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of test chamber air upon testing²³ and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of test chamber air, upon testing²⁴ • Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works 	<p>Please refer to Construction of buildings.</p>	<p>Likely not aligned</p>
-----------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------	----------------------------------

²³ In accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006

²⁴ In accordance with CEN/EN 16516 or ISO 16000-3:2011 or other equivalent standardised test conditions and determination methods

Appendix 3: About Shades of Green

S&P Global Ratings Shades of Green provides independent, research-based second party opinions (SPOs) of green financing frameworks as well as climate risk and impact reporting reviews of companies. At the heart of all our SPOs is the multi-award-winning Shades of Green methodology, which assigns shadings to investments and activities to reflect the extent to which they contribute to the transition to a low carbon and climate resilient future.

Shades of Green Company Assessments indicate the greenness of a company by providing a shading of revenues, operating costs and capital expenditures, as well as an assessment the company's governance structure. Shades of Green also provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green, sustainability and sustainability-linked bond investments. Shades of Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. Shades of Green is independent of the company being assessed, 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. Shades of Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of assessments.



ESG Opinion Provider of the Year



Largest External Review Provider in Number of Deals for Shades of Green



ESG Assessment Tool of the Year - Ratings



External Assessment Provider of the Year

All information, text, data, analyses, opinions, ratings, scores and other statements ("Content") herein has been prepared solely for information purposes and is owned by or licensed to S&P Global and/or its affiliates (collectively, "S&P"). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions and analyses are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses.

See additional Disclaimers and Terms of Use at <https://www.spglobal.com/en/terms-of-use>

This disclaimer is updated and modified from time to time. Make sure that you check this page every time you access this Web page or other Web pages maintained by S&P Global.

Copyright© 2023 S&P Global Inc. All rights reserved.

This report does not constitute a rating action.