





Nexam Chemical Shades of Green Assessment Update 2023

14 April, 2023

 Sector: Chemicals
 Region: Global

EXECUTIVE SUMMARY

Nexam Chemical (Nexam) is a Swedish company that develops chemicals and solutions enhancing the properties and performance of plastics and polymers. The chemical sector is a large consumer of oil and gas and associated with high CO₂-emissions.

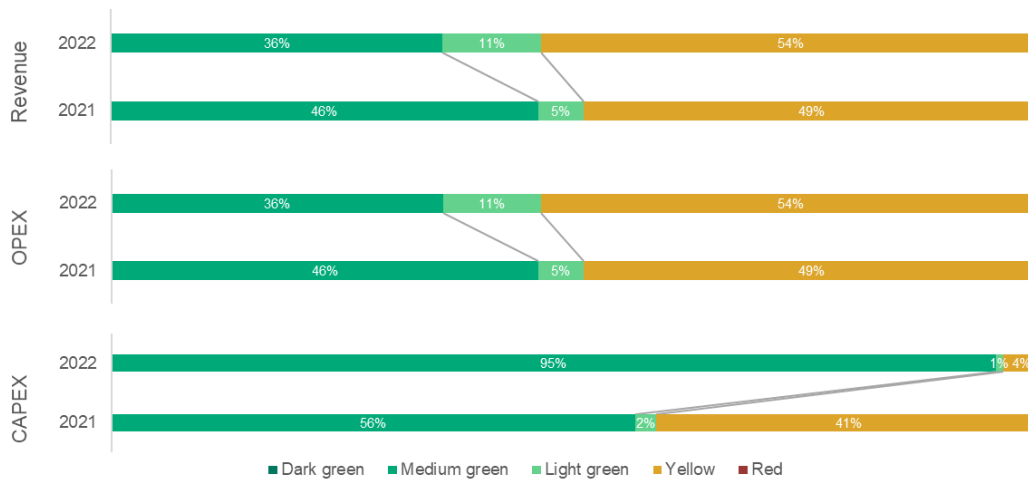


Figure 1: Shading of revenue and investments for Nexam from 2021 to 2022

In 2022, a Shade of Green has been allocated to 46% of Nexam’s revenue and OPEX and 95% of CAPEX is assessed as Green, while the rest is assessed as Yellow. 51% of the sum of CAPEX and OPEX is allocated a Shade of Green. In 2022 the proportion of revenues shaded green dropped below the 50% threshold required for Nasdaq’s Green Equity Designation. This is primarily due to decreased sales of additives to PET foam used for wind turbine blades. Instead the company meets the requirements for Nasdaq’s Green Equity Transition Designation meaning that the company has more than 50% of investments allocated to green projects and less than 5% of revenue deriving from fossil fuels (0% for Nexam in 2022). Nexam has informed us that since the end of 2022, sales of PET foam associated with wind turbine blades have increased, and sales in their reactive recycling segment are also expected to pick up. This could lead to Nexam being reinstated with the Nasdaq Green Equity Designation in future years.

CICERO Green considers that several of the chemicals manufactured by Nexam have significant environmental benefits. However, the raw materials originate from fossil fuels and currently only 1% of the raw material is recycled or bio-based. In addition, the plastics and polymers the chemicals are added to cannot be recycled indefinitely and their landfilling or incineration contributes to emissions.

Nasdaq Transition Designation Annual Renewal

CICERO Green assesses that, Nexam meets the requirements for Nasdaq Green Equity Transition Designation set out in the Nasdaq Green Equity Principles¹.



¹ CICERO 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)

² For the purpose of this assessment, revenue and turnover are used interchangeably, as are operating costs and OPEX, investments and CAPEX

Medium Green is allocated to revenues from Nexam’s chemicals that contribute towards a low carbon and circular economy by enhancing windmill production and enabling increased recycling. Nexam’s performance chemicals that enable the production of PET-foam to be used in windmill blades make the blades easier to recycle and increase energy efficiency by reducing the blades’ weight. These chemicals enable environmental improvements in renewable energy, vital for the carbon transition. PET-resins that enable a larger proportion of plastics to be recycled contribute to the circular economy and reduced emissions’ incineration of plastics. These applications could be considered Dark Green, however, considering the emissions in the upstream value chain and the embedded emissions released at end of life, these products have been shaded Medium Green.

A Light Green shade has been allocated to heat resistant monomers that enable the use of a plastic composite light-weight material in the aviation sector. The aviation sector is emissions intensive and deep emissions reductions are needed to align with a low carbon future. The plastic composites replace heavier metals resulting in the materials being 50% lighter, and lead to an increased fuel efficiency.

The Yellow shade has been allocated to the remainder of Nexam’s products. Among these are Nexam’s UV stabilisers that increase durability of outdoor plastics films and molds. Extending the lifetime of products is positive from a climate perspective, however, the Yellow shading reflects that the products Nexam’s chemicals are added to do not contribute to the transition and there are emissions associated with the activities. In addition, it is uncertain that extending the lifetime of these plastics will reduce new plastic production.

Nexam’s operating expenses are general in nature and support the production of chemicals and solutions. These have been allocated the same split in shading as revenues (46% Green and 54% Yellow). The company increased CAPEX supporting its wind energy and recycling portfolio in 2022. As such the CAPEX shaded medium green increased to 95%. This shading includes a new machine line and renovation of an existing building to house the innovation centre, both focused exclusively on R&D related to wind energy and recycling. CAPEX not directly related to these green products has been allocated the same split in shading as revenues.

CICERO Green has assessed that the activities currently defined by the EU Taxonomy are not directly applicable to Nexam’s activities. According to Nexam, their products are more complex in terms of structure and reactivity than those covered by the EU Taxonomy.

Investors should note that CICERO Green has relied on the company’s documentation and not conducted their own research on Nexam’s products. Furthermore, the assessment is based on data reported or estimated by the company and has not always been verified by a third party.

Nexam has made progress over the year to assess the scope 3 emissions associated with its supply chain with the help of an external consultant. The company has a target for its scope 1 and 2 emissions to be carbon neutral by 2025 and is on track to meet the target. However, the target does not include scope 3 emissions, which represent the company’s largest source of emissions. Nexam expects to set a target for scope 3 emissions in the coming years, once it has established a sound baseline. Nexam has a strong suppliers’ Code of Conduct and in 2022 assessed suppliers’ compliance with the code, with all key suppliers assessed so far in alignment.

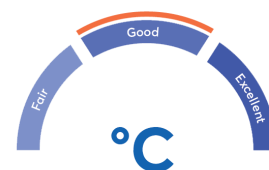


Figure 2: CICERO Green assesses Nexam’s governance structure and practice to be Good.

Table 1: Sector Specific Metrics for Nexam					
	Energy use (kWh/kg)	Emissions tons CO ₂ e (Scope 1 & 2)	Waste (kg waste/kg product)	Water use liters/kg product	Renewable energy use (%)
Main Targets (2023)	0.60	50 (25)*	0.12	0.60	85
2022	0.69	59 (30)*	0.15**	0.63	82
2021	0.63	90 (39)*	0.09	0.73	80
2020	0.66	154 (89)*	0.12	1.87	57

* Main figure is absolute tonnes CO₂e emitted, figure in bracket is the relative figure of ‘kg CO₂e / tonne of product’, ** New scope for waste from 2022, with some waste streams previously missed now included



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1 Nexam key developments 2022

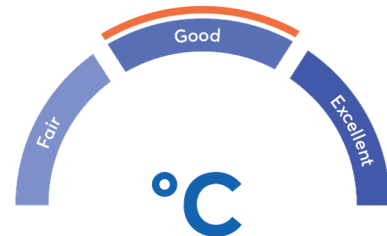
Company update

Nexam Chemical (Nexam) is a Swedish company that develops solutions enhancing the properties and performance of plastics and polymers. Nexam’s products aim to contribute to increased temperature resistance and strength, increased durability, increased recycling rates, or improved production processes. Customers span chemical and material companies, aerospace, electronics, industry and plastic recycling companies. The products are also used in renewable energy like solar modules and wind turbines. The company has been listed on Nasdaq Stockholm First North Premier since 2013 and had revenues of around 220 million SEK in 2022.

The company’s main raw materials are purchased from big chemical companies based in Europe, the USA and Asia (China and Japan). In 2020 Nexam made an agreement with the chemical company DIAB (located in Sweden) that supplies PET-foam, used in turbine blades for renewable wind energy. Manufacturing is carried out in Sweden, Scotland, Poland and Hungary, and the company has distributors and agents in Asia and Europe, including in Eastern Europe. Nexam also has some contract manufacturing in Germany.

Governance Update

The overall assessment of Nexam’s environmental governance structure gives it a rating of **Good**. In 2022 Nexam reduced its combined scope 1 and 2 emissions, and remains on track to achieve its target to be carbon neutral by 2025. Although the target excludes scope 3 emissions, the company’s largest source of emissions, Nexam has worked closely with a consultant to better understand scope 3 emissions associated with suppliers since last year.



The key update to Nexam’s scope 3 emissions’ assessment is in relation to the ‘purchased goods and services’ category. As part of the assessment an external consultant worked together with key suppliers, who cover around 60% of Nexam’s spend, to recalculate emissions data under one methodology. This approach also better enables suppliers to understand their emissions and will be extended to cover more suppliers in the coming years.

Nexam will include scope 1 and 2 emissions reporting in its 2022 joint financial and sustainability report. Although scope 3 emissions have been calculated they will not be reported at this stage. Furthermore, Nexam expects to establish targets related to scope 3 emissions in the next few years once they have established a sound baseline. Emissions calculations are in line with the Greenhouse Gas (GHG) Protocol.

Since last year’s assessment, the company has been working with an external consultant to assess its suppliers against its Code of Conduct, which address both environmental and social issues. The key suppliers assessed were the same as for the scope 3 assessment, and all those assessed were all in line with the code. The scope of suppliers covered will increase in the coming years.

Nexam could still benefit from improving the systematic evaluation of risks in its downstream supply chain, including when selecting new customers. Furthermore, the company aims to increase the share of recycled

materials in its product suite, however, it faces challenges given customers may consider this a major change in the composition of their products. As such increased engagement with customers could be required in the future.

Since our last assessment, Nexam has not made any progress to assess physical climate risks in its supply chain. The company does not yet report according to the TCFD-recommendations.

Key performance indicators

Table 2: Energy Mix for Nexam			
Energy Type	2021	2022	Comments
Electricity	1,260,646 kWh (87.0%)	1,198,054 kWh (85.6%)*	3.8% Non-renewable in 2022 (8.4% in 2021)
Gas Oil (Diesel)	114,449 kWh (8.0%)	132,641 kWh (9.5%)	12,347 l in 2022 (10,654 l in 2021)
Natural Gas	21,724 kWh (1.5%)	24,396 kWh (1.7%)	3,384 l in 2022 (3,060 l in 2021)
Others	50,827 kWh (3.5%)	44,853 kWh (3.2%)	Including communal heating from renewable sources (Sweden).

Nexam's energy mix in 2022 remains broadly unchanged compared to 2021, with a marginal increase in gas oil (diesel) and natural gas, with a small decrease in electricity use and other energy types. At this time there is no specific plan to phase out diesel and natural gas. However there could be potential investments in biofuel boilers in the future to phase out the use of both gas oil and natural gas.

Nexam missed its targets in 2022 for energy use (kWh/kg) and renewable energy (%). It is our understanding that the former target was missed due to lower production volumes than expected and an increase in small orders meaning greater levels of downtime and cleaning between orders. Nexam is working to incentivise customers to make larger orders to improve energy efficiency in the future and is considering imposing additional fees for smaller orders to influence this. The target related to renewable energy was missed because the solar PV installed in Poland, originally accounted for in the full year target, was not brought online until later in the year.



Table 3: The table summarises Nexam CO₂-emissions and main CO₂-emission reduction targets

Emissions	Total (tons CO ₂ e ³)	Scope 1	Scope 2	Scope 3
Main Targets	Carbon neutral under Scope 1 & 2 by 2025	-	-	-
2022	-	39	20	9,153
2021	-	34	56	3,384
2020	-	42	112	Not calculated
Change 2021-2022	-	+15%	-64%	N/A due to significant change in methodology
Main sources	-	Steam generation using diesel boiler unit in Scotland	Grid electricity	Chemical / polymer supply chain

Nexam’s scope 1 emissions increased by 15% between 2021 and 2022, primarily due to an increase in production week from 5 days to 7 days mid way through 2022. This change is expected to be permanent. On the other hand, the company’s scope 2 emissions reduced by 64% due to an installation of solar panels in Poland, having previously been reliant on the country’s coal-intensive grid.

The large increase in scope 3 emissions was due to a change in methodology, specifically in relation to the ‘purchased goods and services’ category. Previously Nexam was using emissions factors to calculate these emissions. However, it has since updated its methodology to use more detailed supplier reported data with the help of an external consultant. Nexa estimates that suppliers covered under their new methodology for scope 3 cover around 60% of total spend. No new greenhouse gas emission reduction targets were set in 2022.

³ CO₂e, carbon dioxide equivalent is a measurement term for greenhouse gas accounting.

2 Assessment of Nexam’s revenues and investments

Shading of Nexam revenue, operating expenses and investments

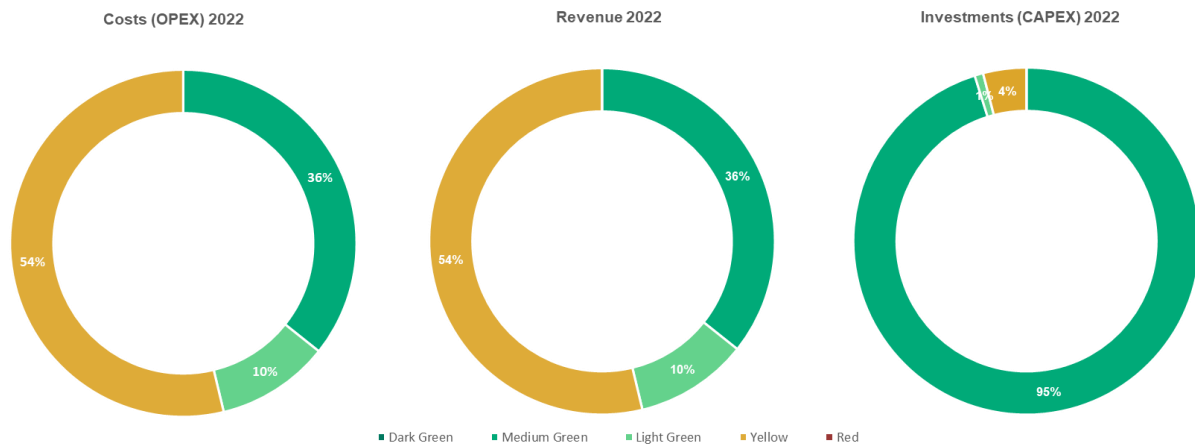


Figure 2: Shading of revenue, operating costs and capital expenditures in 2022 for Nexam

According to CICERO Green’s methodology a Shade of Green should be allocated to the revenue stream, operating costs or investment according to how these reflect alignment of the underlying activities to a low carbon and climate resilient future. In allocating a shade we have considered the products Nexam’s chemicals and solutions are added to and their contribution to that future, as well as Nexam’s ties with a fossil-based value chain.

We found that in 2022, 46% of Nexam’s revenue, 96% of CAPEX, and 46% of OPEX are assessed as green, while 54% of the revenue, 4% of CAPEX and 54% of OPEX are assessed as yellow. 51% of the sum of CAPEX and OPEX are assessed as green, while 49% are assessed as Yellow.

Nexam manufactures a wide range of chemicals, some with significant environmental benefits. For example, some of Nexam’s chemicals enable increased recyclability of plastics. This is positive from a climate perspective and contributes positively to the circular economy. However, there are also emissions and potentially negative environmental impacts associated with the manufacturing of the chemicals. The raw materials originate from fossil fuels, and emissions intensity will depend on how the raw materials are extracted and transported. Currently 99% is fossil based. While there is long-term ambition to increase the use of recycled and bio-based materials, there has been no progress on this in 2022. When considering the end of life for the products Nexam’s chemicals are added to, they will most likely be incinerated, further contributing to emissions of GHG. Nexam has a target to be climate neutral based on scope 1 and 2 emissions by 2025, and the company is on track to meet the target. However, the target does not include scope 3 emissions, constituting Nexam’s highest share of emissions. Taking these considerations into account, we have assigned a shade to the revenue streams based on the following:

Medium Green is allocated to activities that represent steps towards the long-term vision but are not quite there yet. Nexam’s chemicals that contribute towards necessary activities for the low carbon and circular economy, but have emissions in the value chain are allocated the Medium Green shade. These are:



- ✓ Performance chemicals (e.g., NEXAMITE M852000, AIREX MB 2.2) that enable the production of PET-foam used in the core of the blades of wind turbines. Using PET-foam instead of the more widely used PVC-foams or balsa wood makes it easier to recycle the wind turbine blades instead of scrapping them, and PET-foam is also lighter than the other materials used, increasing the energy efficiency. Note that the other applications of the PET-foam e.g. within buildings and vehicles have been allocated a Yellow shade.
- ✓ PET-resins (e.g. NEXAMITE M020601) that enable a larger proportion of plastics to be recycled. Examples are the recycling of PET-plastic bottles. The product enables upcycling without the use of Solid-State polymerization (SSP), which gives significant energy savings as the SSP stage involves several hours of processing at high temperatures. In 2022, Nexam made some progress in its reactive recycling range of products. Although these remain a very small proportion of revenue (1.4% in 2022), Nexam expects this could increase significantly over the next few years.

Some of the applications for Nexam's chemicals are Dark Green, as the chemicals that contribute to increased recyclability of windmill-blades. However, considering the emissions in the upstream value chain and the embedded emissions released at end of life these products have been allocated a Medium Green shade.

Light Green is allocated to transition activities. These projects and solutions could have lower emissions, but do not by themselves represent or contribute to the long-term vision. The following product has been allocated a Light Green shade:

- ✓ Heat resistant monomers (e.g. Neximid 100A) that enable the use of a plastic composite light-weight material in the aviation sector (e.g., jet engines, jet-exhaust details etc with operating temps >300 °C). These products are used to replace heavier metals resulting in the materials being 50% lighter. This leads to a reduction in energy demand and as such an increased fuel efficiency. Increasing fuel efficiency is positive from a climate perspective and this is reflected in the green shading.

The aviation sector will be present in a low-carbon and climate resilient future, but the sector is emissions intensive, and deep emissions reductions are needed. According to the IEA, fuel efficiency must increase by more than 2% annually in the Net Zero Emissions scenario⁴, and Nexam's chemicals contributes to this. The use of lighter materials will also be needed when the fossil fuels used are being replaced with biofuels or other low carbon fuels, considering that low-carbon fuels tend to be less energy efficient. As such, the need for Nexam's chemicals will still exist going forward and the lock in risk is small.

The **Yellow shade** has been allocated to Nexam's other products. Among these are Nexam's UV stabilisers that increase the durability of outdoor plastics films and molds. Extending the lifetime of products is positive from a climate perspective, however, the yellow shading reflects that the products Nexam's chemicals are added to do not contribute to the transition and that there are emissions associated with the activities. In addition, it is uncertain that extending the lifetime of these plastics will reduce new plastic production. Furthermore, the UV stabilisers do not contribute to increased recyclability. The Yellow shade has also been allocated to chemicals added to products not driving the transition, like PET-foam used in buildings. Nexam has confirmed that they do not have heavy emitting customers associated with high climate and/or lock-in risks.

Nexam's operating expenses are general in nature and support the production of chemicals and solutions. These have been allocated the same split in shading as revenues (46% Green and 54% Yellow).

⁴ [Aviation – Analysis - IEA](#)

Nexam’s capital expenditures relate to research and development and general investments that support operations. The company invested heavily to support its green product development in 2022. Its greatest capital expenditure was a new machine line specifically for commercial scale production of new and existing products related to both recycling and wind energy markets. It is our understanding that this new machine line could potentially be used to manufacture products we have shaded as yellow, however it is both unplanned and unlikely given the machines would have to be reconfigured. As such, given the machine line’s exclusive support of products we would shade as Medium Green, we have shaded the associated CAPEX the same. The company also invested heavily in renovating an existing building, previously used for storage, to be used as its innovation centre. This houses research and development personnel focused exclusively on products related to recycling and wind energy. We do not have specific details on the renovation e.g. improvement in EPC rating or emission intensity of materials used, therefore there are climate risks associated with the investment. However, we view positively that the company chose to reuse an existing building instead of building a new one as this is generally less emission intensive than new construction. Furthermore, the innovation centre focuses exclusively on product types we shade as Medium Green, as such we have shaded the CAPEX associated with the innovation centre the same. CAPEX that are more general in nature and support the company’s overall operations, such as hiring new sales personnel, have been allocated the same split in shading as revenues. This includes all of the CAPEX shaded as light green.

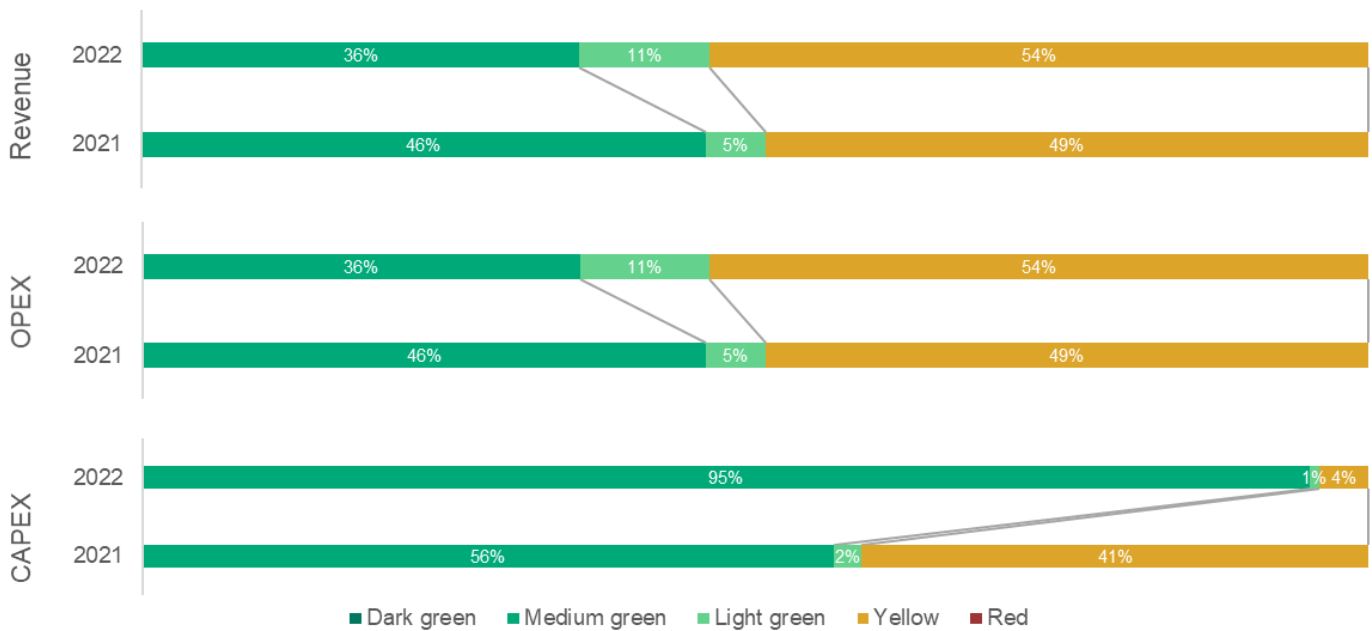


Figure 3: Shading of revenue and investments for Nexam from 2021 to 2022

Overall, Nexam achieved a modest decrease in the percentages of its revenues and OPEX that achieved a Shade of Green. This is primarily due to a reduction in sales associated with additives to PET foam used for wind turbine blades. Furthermore in 2022, unlike the previous year, Nexam received no revenues associated with Polyolefins. This product increases the lifespan of water pipes and is shaded Medium Green. Historic revenues from the product were from Russia, with business in the region not pursued since the outbreak of the war in Ukraine. The company aims to instead pursue sales of this product in Europe in the coming years. On the other hand, Nexam made some progress in its reactive recycling range of products, shaded Medium Green. Although these remain a very small proportion of revenue (1.4% in 2022), Nexam expects this could increase significantly over the next few years. Finally, the slight increase in the light green shading is due to an increase in sales associated with heat resistant monomers used by the aviation sector to reduce the weight of planes and increase fuel efficiency.



Nexam's large increase in CAPEX associated with medium green is due to the significant investments in Nexam's new machine line and innovation centre, focused exclusively on its reactive recycling and wind energy segments.

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 data⁵. 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

CICERO Green confirms that Nexam meets the requirements for the Nasdaq Green Equity Transition Designation set out in the Nasdaq Green Equity Principles. The sum of OPEX and CAPEX allocated a Shade of Green is 51%, meeting the 50% threshold for investments, defined as the sum of CAPEX and OPEX. In 2022, Nexam had no turnover assessed shaded Red, meeting the threshold of less than 5% of the company's turnover being derived from fossil fuel activities. Nexam no longer meets the requirements for the Nasdaq Green Equity Designation set out in the Nasdaq Green Equity Principles given the revenue shaded green fell below the 50% threshold in 2022.

In addition, this report provides transparency on alignment of the company's activities with the EU Taxonomy and transparency on the company's environmental targets and KPIs is provided.

EU Taxonomy update

The EU Taxonomy has established six environmental objectives and issued in April 2021 delegated acts to the EU Taxonomy regulation to outline proposed criteria for the two first objectives Climate change mitigation (Annex 1 to the EU Taxonomy Regulation) and Climate Change adaptation (Annex 2)⁶. The Annex 1 identifies the category *3.14 Manufacture of organic basic chemicals*. Nexam's product range is however more complex in terms of structure and reactivity than those covered by the EU-Taxonomy. Assessment of alignment towards the CO₂ intensity thresholds in the current delegated act of the EU Taxonomy is therefore not directly applicable and a taxonomy assessment has not been carried out in this Company Assessment.

⁵ Most accounting systems do typically not provide a break-down of revenue and investments by environmental impact, and the analysis may therefore include imprecisions and may not be directly comparable with figures in the annual reporting

⁶ [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D2800-annex-1&from=doctrines)













3 Terms and methodology

This analysis aims to be a practical tool for investors, lenders, and public authorities for understanding climate risk. CICERO Shades of Green encourages the client to make this annual update to the company assessment publicly available. If any part of the annual update or company assessment is quoted, the full report must be made available. Our annual assessment update, including governance, is relevant for the reporting year covered by the analysis. This annual assessment update 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.

Shading corporate revenue and investments

Our view is that the green transformation must be financially sustainable to be lasting at the corporate level. Therefore, we have shaded the company’s current revenue-generating activities, investments, and operating expenses.

The approach is an adaptation of the CICERO 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.

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond 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.	 Healthcare services
 Red is allocated to projects and solutions that have no role to play in a low-carbon and climate resilient future. These 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, CICERO Shades of Green also includes a governance score to show the robustness of the environmental governance structure. When assessing the governance of the company, CICERO 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.

The EU Taxonomy, first introduced in 2020, seeks to set out common classification systems to determine the environmental sustainability of activities. The EU-taxonomy regulation⁷ defines six environmental objectives. To be considered environmentally sustainable, an activity must substantially contribute to one or more of the six objectives, not significantly harm any of the other six objectives (Do-No-Significant-Harm - DNSH), and comply with the technical screening criteria (TSC). In June 2021, EU published its delegated acts outlining the TSC for climate adaptation and mitigation objectives, respectively, which it was tasked to develop after the Taxonomy Regulation entered into law in July 2020⁸.

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. CICERO Shades of Green has completed a light touch assessment of the above social safeguards with a focus on human rights and labor rights risks⁹. 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.

⁷ EU-Taxonomy regulation (2020/852), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN>

⁸ taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf (europa.eu)

⁹ CICERO 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.



About CICERO Shades of Green

CICERO Shades of Green, now a part of S&P Global, 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.

CICERO 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 of the company's governance structure. CICERO 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. CICERO Shades of Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO 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. CICERO Shades of Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of assessments.

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- ★ **2021 Largest External Reviewer**, Climate Bonds Initiative Awards
 - ★ **2020 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2020 Largest External Review Provider In Number Of Deals**, Climate Bonds Initiative Awards
 - ★ **2019 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2019 Largest Green Bond SPO Provider**, Climate Bonds Initiative Awards
 - ★ **2018 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2018 Largest External Reviewer**, Climate Bonds Initiative Awards
 - ★ **2017 Best External Assessment Provider**, Environmental Finance Green Bond Awards
 - ★ **2016 Most Second Opinions**, Climate Bonds Initiative Awards



Appendix 1: Referenced documents list

Document Number	Document Name	Description
1	Sustainability policy, dated November 2020.	Nexam Chemical's principles of sustainable operation.
2	Årsredovisning 2021, dated April 2022.	Annual report 2021
3	Supplier Code of Conduct, dated July 2021.	Specifies the company's expectations towards the suppliers.
4	Corporate Social Responsibility statement, dated November 2020.	Outlines the expectations and rights for the employees.
5	Presentation, Sustainability at Nexam Chemicals, dated November 2020.	Provide input on the sustainability work in Nexam Chemicals.
6	Nexam Climate risk assessment, dated January 2022.	Summarises physical climate risk for Nexam's operative sites.
7	Financial information on revenues, CAPEX and OPEX.	