Vasakronan

# Impact Report Green financing 2023

# Sweden's leading property company

Vasakronan is one of Sweden's largest property companies and one of the world's most sustainable. The company is owned by the First, Second, Third and Fourth Swedish national pension funds. We own, manage and develop 2.4 million square metres across 166 properties in prime locations and areas in Sweden's four largest growth regions – Stockholm, Uppsala, Gothenburg and Malmö.

Properties
*number*
**166**

Green financing
*percentage*
**83%**

Property value
*SEK billion*
**175**

Lettable area
*Million sq. m.*
**2.4**

Environmental certification of investment portfolio
*share of market value*
**93%**

Portfolio energy intensity: Specific energy consumption / Primary energy demand
kWh/sq. m
**73/81**

## Vasakronan's assignment

is to generate a **high, risk-weighted return** for our owners, the First, Second, Third and Fourth Swedish national pension funds. Though never at the expense of the environment and people. A return that will benefit Sweden's current and future pensioners.

## We take responsibility

for our environmental impact and for all of the people who are affected by our business. We do so by creating **good work and urban environments** and **applying fair work conditions.** It goes without saying that we also say no to any form of discrimination.

## We create value

by developing our **properties, neighbourhoods** and **areas** with the goal of making them attractive and sustainable. We work strategically over the long term and take responsibility for creating environments that people want to be in. This creates significant value for our customers, owners and society at large.

# Impact Report – Green financing

The following report encompasses the volume of liabilities outstanding as well as the investments made within Vasakronan's current and previous Green Finance Framework. The report has been reviewed by EY.

Since Vasakronan was founded, the company has focused on delivering a high and stable long-term return, but not at the cost of people or the environment. Vasakronan's long-term and structured sustainability work has made it possible to reduce energy consumption by 66% in the company's property portfolio, lower carbon emissions from operations by about 90% and environmentally certify more than 90% of the property portfolio.

**Energy**

At year end, he portfolio energy intensity, expressed as the company's primary energy demand, was 81 kWh per square metre per year. Specific energy consumption totalled 73 kWh per square metre per year. Vasakronan also produces its own energy and at the end of the year had 90 solar photovoltaic systems on roofs and facades as well as one solar park in operation. Together, all installations contribute a total of 9,180 MWh, which corresponds to 11% of property electricity.

**Materials**

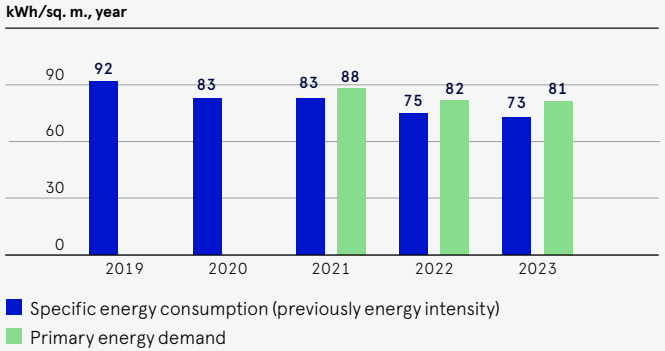
Large amounts of materials are used in new construction and the redevelopment of properties. This can lead to high levels of resource consumption, an adverse impact on the climate and loss of biodiversity. The goal is to only use reused, renewable or recycled material that does not contain hazardous substances. That is why all the material used in construction is always evaluated and documented. Vasakronan uses the Byggvarubedömningen system in this work.

**New green framework**

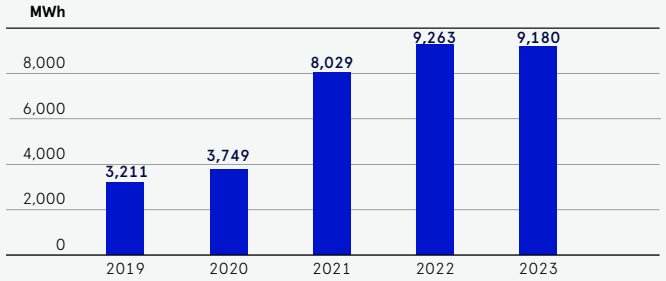
November 2023 marked ten years since Vasakronan issued the world's first green corporate bond. In conjunction with the ten-year anniversary, Vasakronan launched a new updated Green Finance Framework with more stringent criteria for what qualifies as a green investment. The framework is adapted to the EU Taxonomy's criteria for energy efficiency in existing property portfolios, with the addition of strict requirements for environmental certifications.

Read more about the requirements on page 7.

## Energy intensity

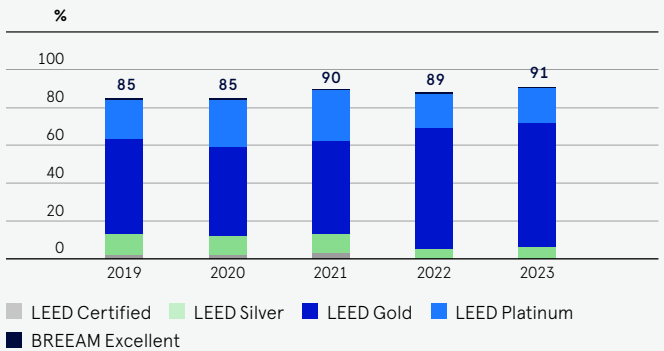



## Self-generated electricity




A total of 9,180 MWh of electricity was produced by solar photovoltaic systems during the year.

## Environmental certifications




Share of the property portfolio's total area. At the end of the year, 93% of the entire property portfolio, based on market value, was environmentally classified.

**Climate impact**
Since 2006, Vasakronan has reduced its scope 1 and 2 emissions by almost 90%. This has been achieved through reduced energy consumption and through phasing out fossil fuel from the energy supply to properties and vehicles. For several years there has also been a long-term and systematic effort to reduce scope 3 emissions, primarily in construction and how tenants use premises. In 2019, the company refined its climate target, deciding to become climate-neutral by 2030 – a target which has been validated and approved by the Science Based Targets initiative. In addition to focusing on how Vasakronan's operations affect the climate, the company also needs to focus on how a changing climate affects the company. For this reason, climate risk analysis was started as far back as 2012, which has since been followed up to take into account the latest climate data.

For a full account of the company's emissions and how the company is affected by increases in global emissions, please refer to pages 117–122 of the 2023 Annual Report.

**Waste**
New construction and redevelopment projects lead to considerable construction and demolition waste. A great deal of the waste is not recycled but goes straight to incineration or landfill. Vasakronan also takes care of substantial quantities of waste from tenants' operations. The EU's waste hierarchy guides efforts to reduce environmental impact both from construction waste and from tenants' waste. The goal is to minimise the amount of waste sent to landfill and incineration and to increase the proportion that is recycled or reused.

**Water consumption**
Reducing water consumption is an important issue from a global and a local perspective. Vasakronan uses municipal water in all four cities where the company operates. In Uppsala, the municipality has indicated that there is a water shortage. That is why the company is working continuously, in Uppsala as well as in other cities, with monitoring and implementing cost-effective measures to reduce water consumption. Low water consumption is also a prerequisite for environmentally certifying buildings with high ratings.

**Long-term goals**
For more information about the company's sustainability targets and target fulfilment in 2023, see pages 99–102 of the 2023 Annual Report.

**Global leading agenda**
In 2023, Vasakronan was ranked top in the Global Real Estate Sustainability Benchmark (GRESB), and became the best company in the world in the category project development. Vasakronan was also at the forefront of the category existing buildings.

**Social responsibility**
A property company's operations affect not only the environment, but many people as well. At Vasakronan, these people comprise employees, employees of the company's suppliers and the people who spend time in and around Vasakronan's properties. Conducting operations responsibly in terms of these people entails ensuring that the company does not breach any human rights, that everyone who works for Vasakronan has a safe and secure working environment and that all properties are safe, secure and inclusive, and promote health. To reduce the negative impact that our operations can have, the company has long-term goals and monitors social KPIs in four areas: health and well-being, work environments, diversity and equal treatment, and safety and security. Below are several of the key metrics that Vasakronan currently considers the most important to monitor.

## Social KPIs

| | |
|---|---|
| Number of safety measures | 134 |
| Percentage of street level services and operations, % | 81 |
| Accident rate, accidents with absence from work [1)] | 1.6 |
| Audits of major projects [2)] | 4 of 4 |
| Gender distribution, percentage of female employees, % | 49 |
| Income gap, women's salaries relative to men's, % | 102 |
| Income gap for managers, women's salaries relative to men's, % | 116 |
| Sickness leave, % | 2.40 |

1) Per million hours worked.
2) Does not include projects at the start-up/completion phase.

# Ten-year celebration and new green framework

*An interview with Thomas Nystedt and Anna Denell*


In 2013, Vasakronan issued the world's first green corporate bonds. Back then, it was clear that there was great interest in green finance instruments. Today, ten years later, 83% of the company's total borrowings of SEK 76 billion is green. Vasakronan has, in time for the ten-year anniversary, once again tightened the green framework that defines which assets can be classified as green.

**How has investor interest evolved since you issued the world's first green corporate bond?**

"Back then, it was clear that there was considerable interest in such green financial instruments, particularly from investors who had never previously invested in Vasakronan bonds. Since then, green financing has established itself as a global trend, and demand continues to grow. Since 2013, green corporate bonds totalling SEK 30,000 billion have been issued throughout the world."

"It is clear that investors are generally beginning to recognise the risks of not committing to sustainability. This is particularly noticeable in turbulent times with capital markets in turmoil. This is when the capacity to issue green bonds is crucial for access to capital. This is favourable to a company such as Vasakronan, which has worked systematically on environmental issues for so many years," explains Group Treasurer, Thomas Nystedt.

**The new framework has been strengthened, what does this mean, more specifically?**

"The new framework is based on the new EU Taxonomy. This entails somewhat more stringent requirements in the new framework, as well as improved comparability between companies. Although its focus related to buildings is on energy consumption, we have also added our own requirements that we consider important. This includes the environmental certification of buildings and carbon-emission thresholds at the construction phase," explains Chief Sustainability Officer Anna Denell.

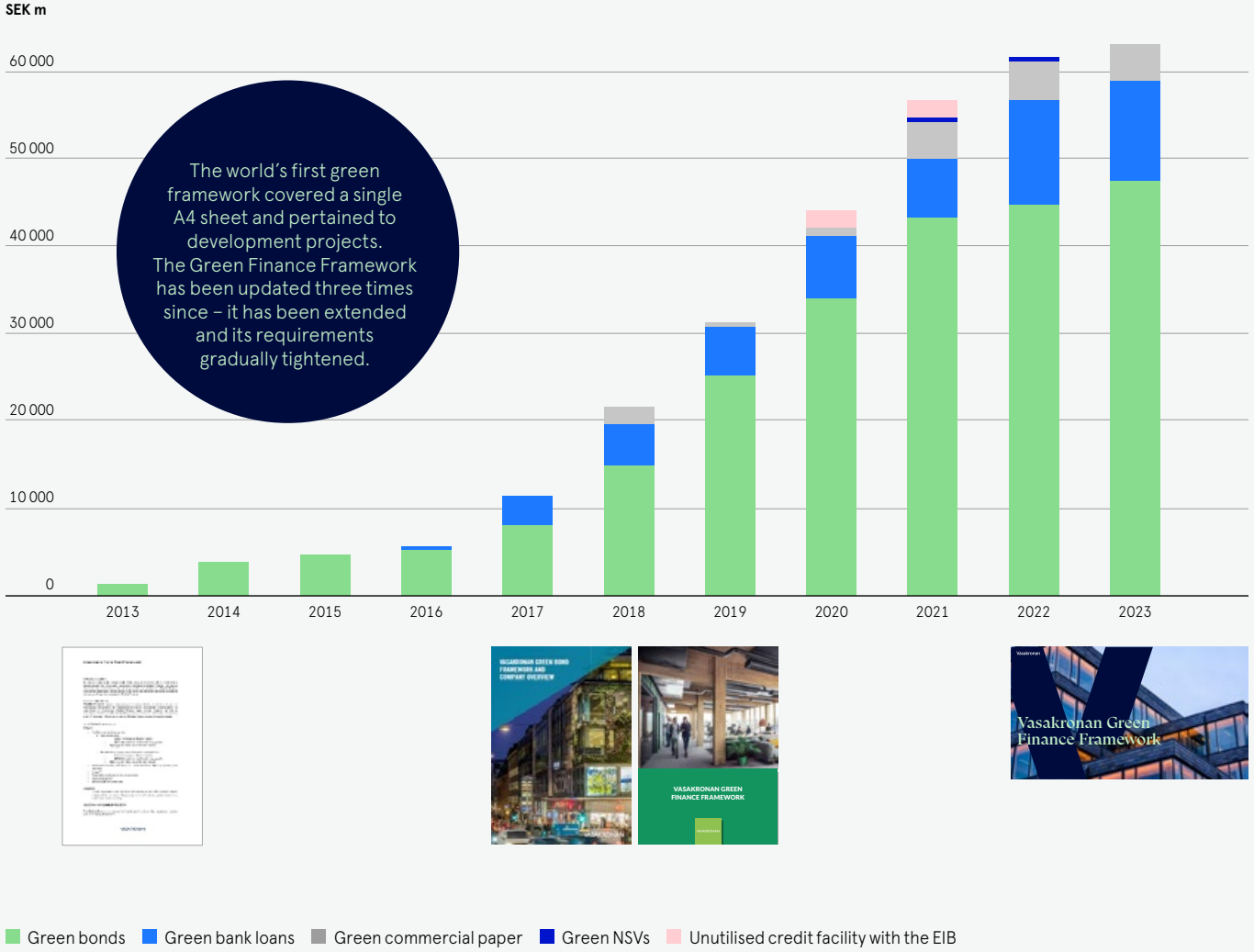
**What are the future plans for the company's sustainability agenda and green financing?**

"Right now, we are focusing intently on reuse. Our ambition is to reuse as much as possible in the projects we work on. This is a climate-smart approach and reduces the loss of biodiversity linked to the extraction of raw materials for the production of new construction materials," Thomas Nystedt explains.

"Green financing is high on the worldwide agenda and the demand for it continues to grow. A full 83% of our total borrowings of approximately SEK 77 billion is green. The remaining comprises some older bank loans and bonds in foreign currency, with longer tenors. However, we have numerous low energy consumption properties that meet the highest sustainability standards – 93% of our investment properties are LEED certified – making us well placed to switch to green financing when older loans mature."

"What about the future? Well, in a few years, it will be time totake the next step and challange ourselves even further. Within the company, there is great pride in what we are doing. Sustainability is truly in our DNA and permeates our entire business. It provides us with a solid foundation and ensures that we will remain a leader in sustainable financing," Thomas Nystedt explains.

## Green financing growth












**Green financing**

In 2023 all bonds issued were green. Green bonds totalling SEK 10.1 billion (7.8) were issued during the year, making Vasakronan Sweden's largest issuer of green corporate bonds. The volume outstanding of green commercial paper amounted to SEK 4.2 billion (4.4) at the end of the period. The total volume outstanding of green financing consisting of green bonds and green commercial paper amounted to SEK 51.8 billion (49.7). At the end of the period, the company's green assets totalled SEK 64.7 billion (61.2), providing SEK 12.9 billion (11.5) in remaining green borrowing capacity. In addition to financing under the framework, Vasakronan had green unsecured loans outstanding with the Nordic Investment Bank and the European Investment Bank that totalled SEK 5.9 billion (6.4). At the year end, green secured bank loans outstanding totalled SEK 5.6 billion (5.6). Green financing, including green bank loans that are financed outside the framework, increased during the year to 83% (82) of Vasakronan's total borrowings.

**All green liabilities outstanding are green pursuant to the new framework**

Vasakronan works continuously to reduce energy consumption at the properties and to increase the proportion of properties that meet the framework requirements. Sustainability matters are in focus when launching new projects, and the aim is for all future projects to meet the green financing requirements. Thanks to effective work on energy optimisation, there are sufficient green assets to cover the entire volume outstanding of green commercial paper and bonds issued under both the new and previous frameworks. Consequently, there will be no separate reporting for bonds issued under previous frameworks. This impact report includes all key metrics that must be reported pursuant to previous green frameworks.

Vasakronan's Green Finance Framework has been reviewed by the independent institute S&P. According to S&P's Second Opinionon, the framework has been rated medium green, while some categories have received the highest rating, dark green. You can read S&P's Second Opinionon on Vasakronan's website.

Dark green

## 7.1 Construction of new buildings

- Upon completion, the building's energy consumption must be 25% below the BBR requirements.
- A climate-impact-related life-cycle analysis must be performed. The maximum permissible level of $CO_2$ emitted by the project is 275 kg $CO_2$ e/sq. m.
- 90% of construction waste must be processed for reuse or recycling.
- A climate risk analysis must be performed at the project level.
- Highest certification level, LEED Platinum.

Dark green

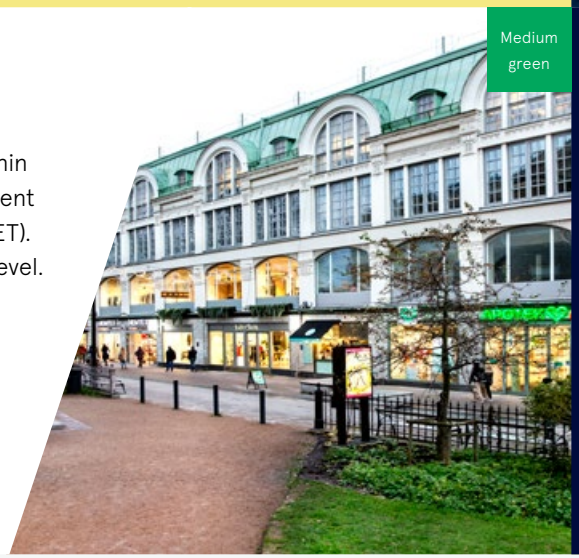
## 7.2 Renovation of existing buildings

- The renovation must result in a 40% reduction in energy consumption.
- A climate-impact-related life-cycle analysis must be performed. The maximum permissible level of $CO_2$ emitted by the project is 140 kg $CO_2$ e/sq. m.
- Climate risk analysis at the property level.
- Highest certification level, LEED Platinum.

## 7.7 Acquisition and ownership of buildings

- Energy class A or energy intensity within the top 15% of the most energy-efficient properties (offices <80 kWh/sq. m. PET).
- Climate risk analysis at the property level.
- 100% renewable energy.
- Certification of LEED Gold or higher.

Medium green



## 4.1 Electricity generation using solar photovoltaic technology

- Financing of solar parks on land owned by Vasakronan. In addition to financing through 4.1 Electricity generation using solar photovoltaic technology, solar power investments at buildings can be financed through category 7.6 Installation, maintenance and repair of renewable energy technologies.

Dark green

Examples of assets with green financing

7.2 RENOVATION OF EXISTING BUILDINGS

# Sperlingens Backe 47

Grev Tureplan (Sperlingens Backe 47) is a centrally located property in a unique location at Stureplan. The building will be transformed into a modern office building with retail and restaurants at the street level. From the onset, the project has worked actively to reuse materials from the property. This means reusing plasterboard panels in walls, suspended ceiling tiles, as well as stone slabs in the courtyard. Dismantled roof trusses have also been used to extend the building. For superior energy intensity, the facade facing the courtyard has been additionally insulated while meeting the heritage preservation requirements.

- Environmentally certified in accordance with LEED with the aim of achieving the highest level – Platinum.
- Solar panels on the roof, as well as battery energy storage.
- Energy optimisation with new installation systems.
- Reuse of materials such as plasterboard panels and ceilings.
- Calculated energy intensity, primary energy demand, of 71 kWh/sq. m. per year after redevelopment.


7.7 ACQUISITION AND OWNERSHIP OF BUILDINGS

# Meethshuset

Meethshuset (Inom Vallgraven 22:16) is located in central Gothenburg. The nearly 11,000 square metre property contains offices, stores and restaurants. Although the property was built in 1910, it has an energy intensity and primary energy demand of 53 kWh/sq. m. per year, thanks to excellent work on operational strategy and energy optimisation. It is nearly 25% better than the BBR. Energy consumption has been reduced by 63% since 2009.

- Built in 1910.
- Energy intensity, primary energy demand, 53 kWh/sq. m. per year.
- Satisfactionindex for indoor climate 100%.
- Environmental certification, Gold.


Reduced emissions *tons*

**21,090**

Reduced climate impact from 7.7 Acquisition and ownership of buildings.

Avoided/reduced emissions *tons*

**2,140**

Avoided/reduced climate impact for 7.1 Construction of new buildings and 7.2 Renovation of existing buildings.

Reduced emissions *tons*

**1,580**

Reduced climate impact from 4.1 Electricity generation using solar photovoltaic technology.

**Vasakronan's effect on the UN Sustainable Development Goals**
In 2015, the UN member states committed to the 17 Sustainable Development Goals (SDGs), which are to be achieved by 2030. The business world plays a key role in this and many companies are working to reach the goals, but there is also a risk that companies conduct operations that actively counteract the goals.

Vasakronan's operations contribute to several of the SDGs. The company has also analysed whether there is any risk that operations would interfere with achieving the goals. Operations have the largest positive impact on Goal 7 "Affordable and clean energy," Goal 9 "Industry, innovation and infrastructure," Goal 11 "Sustainable cities and communities" and Goal 12 "Responsible consumption and production." Through our positive impact on these goals, our operations also contribute to Goal 13, "Climate Action." The risks in operations connected to the SDGs include Goal 8 "Decent work and economic growth," primarily related to work environment accidents and hazardous working conditions at the company's construction sites. For more information about how Vasakronan works with the UN Sustainable Development Goals, see pages 103–135 in the 2023 Annual Report.

## Approved investment amount, 31 Dec 2023

| | SEK m |
|---|---|
| 7.1 Construction of new buildings | 133 |
| 7.2 Renovation of existing buildings | 1,323 |
| 7.7 Acquisition and ownership of buildings | 63,214 |
| *– of which previously financed as Green Framework projects* | 13,911 |
| 4.1 Electricity generation using solar photovoltaic technology | 28 |
| **Total approved investment amount** | **64,698** |
| Volume outstanding, green bonds | 47,564 |
| Volume outstanding, green commercial paper | 4,215 |
| **Total volume outstanding** | **51,779** |
| **Remaining approved investment amounts** | **12,919** |

**Calculation approach**

When calculating the estimated avoided energy consumption in 7.1 Construction of new buildings, the forecast energy intensity, primary energy demand, is compared with the highest permitted energy intensity, primary energy demand, under the National Board of Housing, Building and Planning guidelines (BBR requirements). The avoided climate impact from 7.1 pertain to the difference between the annual emissions that the property would have had if it had been built in accordance with the BBR requirements and without renewable energy contracts, and emissions from the property's forecast energy intensity and taking into account Vasakronan's energy agreements. When calculating the reduced energy impact in 7.2 Renovation of existing buildings, the building's energy intensity, primary energi demand, before redevelopment, were compared with the forecast energy intensity, primary energy demand, after renovation. The estimated climate impact reduction for 7.2 pertain to the difference between the annual emissions that the property had before its renovation and the emissions that the property will have after renovation based on the forecast energy intensity and taking into account Vasakronan's energy agreements.

The reduction in energy consumption reported on page 11 for 7.7 Acquisition and ownership of buildings comprises the percentage difference between the building's specific energy consumption as of 31 December 2009 (the base year for existing buildings) and 31 December 2023. The climate impact reduction for 7.7 Acquisition and ownership of buildings pertains to the difference between the annual energy-related emissions that the property would have had without improvement to the energy intensity from 2009 until 2023 and without contracts for renewable energy. Any climate compensation made by energy suppliers has not been included in the calculations. The reduced energy consumption from 2009 to 2023 pertains to actual consumption, unadjusted for a normal year.

## 7.1 Construction of new buildings forming the basis for investments, with eligible investments of SEK 133 million

| Property | City | LEED Certification | Energy intensity primary energy demand (F), kWh/sq. m. | Energy intensity primary energy demand BBR kWh/sq. m.[1] | Estimated energy consumption avoided, % | Estimated avoided climate impact, tons/year | Waste, demolition/construction, kg/sq. m. | Materials, kg/sq. m. |
|---|---|---|---|---|---|---|---|---|
| Kaj 16 | Gothenburg | LEED Platinum (F) | 38 | 70 | 45 | 191 | – | – |
| **Total** | | | | | | **191** | | |

1) Highest permitted energy intensity in accordance with the National Board of Housing's guidelines. (F) = forecast
Waste and materials are not reported for the Kaj 16 project, as the project was not completed as of 31 December 2023.

## 7.2 Renovation of existing buildings forming the basis of investments, with eligible investments of SEK 1,323 million

| Property | City | LEED Certification | Energy intensity primary energy demand (F), kWh/sq. m. | Energy intensity primary energy demand before redevelopment, kWh/sq. m. | Estimated reduction in energy consumption, % | Estimated reduced climate impact, tons/year | Waste, demolition/construction, kg/sq. m. | Materials, kg/sq. m. |
|---|---|---|---|---|---|---|---|---|
| Sperlingens Backe 47 | Stockholm | LEED Platinum (F) | 68 | 144 | 53 | 155 | – | – |
| Hästskon 9 | Stockholm | LEED Platinum (F) | 55 | 92 | 40 | 447 | – | – |
| Lumi | Uppsala | LEED Platinum (F) | 43 | 204 | 79 | 1,346 | – | – |
| **Total** | | | | | | **1,949** | | |

(F) = forecast
Waste and materials are not reported for the Sperlings Backe 47, Hästskon 9 and Lumi projects, as these were not complete as of 31 December 2023.

## 4.1 Electricity generation using solar photovoltaic technology, eligible investment of SEK 28 million

| Solar photovoltaics | City | Energy produced during the current year, MWh | Estimated reduced climate impact, tons/year |
|---|---|---|---|
| Fyrislund solar park | Uppsala | 4,248 | 1,580 |
| **Total** | | **4,248** | **1,580** |

For properties acquired or built after 31 December 2009, the registered energy consumption at the end of the first year after the property was occupied/put into use was used as a comparison figure. Some of the assets financed through the category, 7.7 Acquisition and ownership of buildings were also financed through bank loans. To ensure that the calculated avoided emissions and reduction in climate impact will only have an effect on green financing under Vasakronan's framework, the portion pertaining to bank loans has been deducted. To determine the size of that portion, the proportion of the loan in relation to the forecast investment and the property's market value was used.

For more information about which properties are partially financed through green loans or other loans, see the tables on pages 11 and 12.

## 7.7 Acquisition and ownership of buildings forming the basis for investment, with an approved investment amount of SEK 63,214 million

| Property | City | LEED certification | Specific energy consumption, kWh/sq. m., 31 Dec 2009 | Specific energy consumption, kWh/sq. m., 31 Dec 2023 | Reduced energy consumption 2009–2023, % | Reduced climate impact 2023, tons[5] | $CO_2$ kg/sq. m. market based | $CO_2$ kg/sq. m. location based | Water intensity, m3/sq. m. | Indoor climate satisfaction index, %[6] |
|---|---|---|---|---|---|---|---|---|---|---|
| Gullbergsvass 1:16 [2] | Gothenburg | LEED Platinum | 81 | 50 | 39 | 410 | 1.1 | 1.6 | 0.27 | 74 |
| Gullbergsvass 16:1 | Gothenburg | LEED Platinum | 113 | 72 | 36 | 449 | 0.7 | 1.2 | 0.22 | 78 |
| Gullbergsvass 3:3 [1] [3] [4] | Gothenburg | LEED Platinum | 102 | 58 | 44 | 156 | 0.5 | 1.0 | 0.59 | N/A |
| Heden 22:19 | Gothenburg | LEED Platinum | 102 | 41 | 59 | 694 | 1.0 | 1.3 | 0.28 | 73 |
| Heden 42:4 | Gothenburg | LEED Gold | 125 | 74 | 41 | 193 | 0.9 | 1.3 | 0.68 | 64 |
| Heden 46:1 | Gothenburg | LEED Gold | 100 | 84 | 16 | 60 | 2.6 | 1.2 | 0.16 | 100 |
| Inom Vallgraven 11:6 | Gothenburg | LEED Gold | 114 | 64 | 44 | 431 | 0.4 | 0.8 | 0.52 | 88 |
| Inom Vallgraven 19:18 | Gothenburg | LEED Gold | 159 | 76 | 52 | 71 | 1.0 | 1.4 | 0.85 | 89 |
| Inom Vallgraven 19:9 | Gothenburg | LEED Gold | 153 | 96 | 37 | 30 | 1.4 | 1.7 | 0.24 | 90 |
| Inom Vallgraven 20:6 | Gothenburg | LEED Gold | 162 | 72 | 56 | 78 | 0.7 | 1.2 | 0.26 | 100 |
| Inom Vallgraven 22:16 | Gothenburg | LEED Gold | 114 | 42 | 63 | 396 | 0.7 | 1.4 | 0.30 | 100 |
| Inom Vallgraven 22:3 | Gothenburg | LEED Gold | 85 | 55 | 36 | 81 | 1.2 | 1.8 | 0.21 | 67 |
| Inom Vallgraven 33:10 [2] | Gothenburg | LEED Gold | 102 | 64 | 38 | 62 | 1.3 | 2.1 | 0.35 | 100 |
| Inom Vallgraven 59:14 | Gothenburg | LEED Gold | 104 | 73 | 30 | 176 | 1.0 | 1.4 | 0.44 | 100 |
| Inom Vallgraven 61:11 | Gothenburg | LEED Gold | 108 | 73 | 32 | 173 | 1.8 | 2.3 | 0.40 | 75 |
| Inom Vallgraven 7:5 | Gothenburg | LEED Gold | 133 | 88 | 34 | 123 | 1.1 | 1.4 | 0.45 | 100 |
| Inom Vallgraven 8:18 | Gothenburg | LEED Gold | 186 | 68 | 64 | 382 | 0.7 | 1.1 | 0.61 | 82 |
| Lorensberg 45:16 | Gothenburg | LEED Gold | 126 | 74 | 41 | 111 | 1.0 | 1.3 | 0.27 | 78 |
| Nordstaden 10:20 | Gothenburg | LEED Gold | 109 | 73 | 32 | 160 | 1.6 | 2.4 | 0.04 | 100 |
| Nordstaden 10:23 [2] | Gothenburg | LEED Gold | 174 | 71 | 59 | 542 | 0.6 | 1.1 | 0.43 | 59 |
| Nordstaden 17:6 | Gothenburg | LEED Gold | 108 | 65 | 40 | 119 | 1.6 | 2.0 | 0.38 | 66 |
| Abbedissan 2 (previously Priorn 5) [1] | Malmö | LEED Platinum | 25 | 21 | 17 | 247 | 0.0 | 0.8 | 0.29 | N/A |
| Bylgia 1 | Malmö | LEED Gold | 125 | 65 | 48 | 286 | 0.0 | 3.4 | 0.10 | 88 |
| Jungmannen 1 | Malmö | LEED Platinum | 133 | 28 | 79 | 107 | 0.0 | 0.9 | 0.01 | 100 |
| Kaninen 27 [2] | Malmö | LEED Gold | 251 | 36 | 86 | 1,594 | 0.0 | 1.4 | 0.65 | 84 |
| Kaninen 32 | Malmö | LEED Gold | 124 | 39 | 69 | 89 | 0.0 | 1.7 | 0.36 | 100 |
| Magnus Stenbock 4 | Malmö | LEED Gold | 119 | 65 | 45 | 290 | 0.0 | 3.5 | 0.24 | 65 |
| Nereus 1 | Malmö | LEED Gold | 124 | 65 | 48 | 305 | 0.0 | 1.9 | 0.16 | 84 |
| Oscar 1 | Malmö | LEED Gold | 113 | 57 | 49 | 186 | 0.0 | 2.9 | 0.23 | 63 |
| Relingen 1 | Malmö | LEED Gold | 224 | 67 | 70 | 347 | 0.0 | 2.3 | 0.14 | 78 |
| S:t Jörgen 7 | Malmö | LEED Gold | 77 | 44 | 42 | 123 | 0.0 | 2.3 | 0.12 | 86 |
| Sejen 3 [4] | Malmö | LEED Platinum | 83 | 80 | 3 | 147 | 0.0 | 1.8 | 0.50 | N/A |

1) Properties that underwent new construction or redevelopment, and were financed over the course of the project in accordance with the criteria for new construction and redevelopment projects. After the project was completed, the property was reclassified to the existing properties category. As of 31 December 2023, these properties comprised SEK 13.9 billion. For further information, see “Other information”.

2) The property is financed in part by a secured bank loan outside the framework. For further information, see “Other information”.

3) The property is financed in part by a green bank loan with the NIB and EIB. For further information, see "Other information" and "Calculation approach".

4) The property was acquired or built after 31 Dec 2009. In these cases, the registered energy value at the first year end after the property was occupied/put into use was used as a comparison figure.

5) Reduced climate impact is calculated in accordance with the GHG Protocol’s market-based calculation method, taking into account certified energy agreements. An increased share of certified energy contracts can significantly reduce emissions.

6) LEED certification involves a survey through which tenants are asked how they perceive the indoor climate. These questionnaires have provided the basis for the indoor climate satisfaction index. The index indicates the percentage of tenants who are satisfied with the indoor climate.

| Property | City | LEED certification | Specific energy consumption, kWh/sq. m., 31 Dec 2009 | Specific energy consumption, kWh/sq. m., 31 Dec 2023 | Reduced energy consumption 2009–2023, % | Reduced climate impact 2023, tons[5] | $CO_2$ kg/sq. m. market based | $CO_2$ kg/sq. m. location based | Water intensity, m3/sq. m. | Indoor climate satisfaction index, %[6] |
|---|---|---|---|---|---|---|---|---|---|---|
| Knarrarnäs 2 [2] | Stockholm | LEED Gold | 195 | 84 | 57 | 1,769 | 1.1 | 1.5 | 0.27 | 77 |
| Kronan 1 [1] [3] | Stockholm | LEED Platinum | 89 | 23 | 75 | 196 | 0.0 | 0.8 | 0.24 | N/A |
| Lyckan 9 | Stockholm | LEED Gold | 111 | 123 | -10 | 123 | 1.2 | 1.7 | 0.21 | 100 |
| Modemet 1, Hus 8 [1] | Stockholm | LEED Platinum | 105 | 24 | 77 | 25 | 0.1 | 0.9 | 0.27 | N/A |
| Modemet 1, Hus 9 [4] | Stockholm | LEED Gold | 25 | 23 | 6 | 19 | 0.1 | 0.9 | 0.25 | 100 |
| Nattugglan 14 [1] [3] | Stockholm | LEED Platinum | 99 | 58 | 41 | 311 | 0.4 | 1.1 | 0.33 | N/A |
| Nöten 3 | Stockholm | LEED Gold | 251 | 48 | 81 | 2,165 | 0.0 | 1.1 | 0.37 | N/A |
| Nöten 5 [1] [3] | Stockholm | LEED Gold | 166 | 44 | 73 | 221 | 0.0 | 1.6 | 0.15 | N/A |
| Pennfäktaren 11 [2] | Stockholm | LEED Gold | 157 | 68 | 57 | 313 | 0.5 | 1.4 | 1.43 | 60 |
| Riga 2 | Stockholm | LEED Gold | 104 | 34 | 67 | 107 | 0.5 | 1.1 | 0.07 | 95 |
| Rosenborg 3 [1] | Stockholm | LEED Platinum | 105 | 23 | 78 | 249 | 0.0 | 0.6 | 0.27 | 97 |
| Styrpinnen 12 | Stockholm | LEED Gold | 96 | 63 | 34 | 43 | 1.1 | 2.0 | 0.25 | 78 |
| Styrpinnen 15 | Stockholm | LEED Platinum | 145 | 87 | 40 | 97 | 0.7 | 1.0 | 0.26 | 100 |
| Tre Vapen 2 [2] | Stockholm | LEED Gold | 115 | 75 | 35 | 419 | 0.9 | 1.2 | 0.23 | 74 |
| Uggleborg 12 [1] [2] | Stockholm | LEED Platinum | 127 | 38 | 70 | 729 | 0.5 | 1.3 | 0.36 | N/A |
| Uppfinnaren 2 | Stockholm | LEED Platinum | 95 | 52 | 45 | 326 | 0.3 | 1.1 | 0.18 | 95 |
| Albydal 3 | Stockholm | LEED Gold | 89 | 72 | 19 | 216 | 0.0 | 0.3 | 0.13 | 81 |
| Getingen 11 | Stockholm | LEED Gold | 168 | 64 | 62 | 1,135 | 0.8 | 1.1 | 0.30 | 66 |
| Hammarby Gård 12 [4] | Stockholm | LEED Platinum | 72 | 55 | 23 | 83 | 0.7 | 0.9 | 0.34 | N/A |
| Hekla 1 (building 4 & 5) | Stockholm | LEED Gold | 62 | 31 | 51 | 315 | 0.4 | 1.0 | 0.10 | 100 |
| Hilton 7 [1] [3] | Stockholm | LEED Platinum | 60 | 57 | 5 | 108 | 0.0 | 0.9 | 0.24 | N/A |
| Hästskon 12 [1] [3] | Stockholm | LEED Platinum | 88 | 43 | 51 | 980 | 0.1 | 1.0 | 0.64 | N/A |
| Dragarbrunn 14:5 | Uppsala | LEED Gold | 162 | 67 | 59 | 254 | 0.1 | 4.9 | 0.09 | 90 |
| Dragarbrunn 18:2, 18:7 | Uppsala | LEED Gold | 168 | 76 | 55 | 246 | 0.2 | 5.8 | 0.21 | 89 |
| Dragarbrunn 19:10 | Uppsala | LEED Gold | 182 | 73 | 60 | 171 | 0.1 | 3.4 | 0.56 | 100 |
| Dragarbrunn 28:5 | Uppsala | LEED Gold | 80 | 60 | 25 | 526 | 0.1 | 3.9 | 0.60 | 69 |
| Fålhagen 1:39 [4] | Uppsala | LEED Platinum | 61 | 50 | 18 | 138 | 0.1 | 3.5 | 0.24 | N/A |
| Kronåsen 1:1, Celsius [1] [3] | Uppsala | LEED Platinum | 80 | 21 | 74 | 83 | 0.0 | 1.1 | 0.40 | N/A |
| Kronåsen 1:1, Hubben [1] [3] | Uppsala | LEED Platinum | 57 | 54 | 5 | 241 | 0.0 | 2.7 | 0.37 | N/A |
| Kronåsen 1:1, Linne | Uppsala | LEED Gold | 71 | 51 | 28 | 254 | 0.1 | 3.5 | 0.09 | 73 |
| Kronåsen 1:1, Mellanskog | Uppsala | LEED Gold | 88 | 65 | 27 | 88 | 0.1 | 4.6 | 0.16 | 79 |
| Kronåsen 1:1, Översten | Uppsala | LEED Gold | 150 | 62 | 58 | 180 | 0.1 | 4.7 | 0.19 | 100 |
| Kungsängen 14:5 [1] [3] [4] | Uppsala | LEED Platinum | 30 | 25 | 17 | 20 | 0.0 | 1.9 | 0.25 | N/A |
| Kvarngärdet 1:19 | Uppsala | LEED Platinum | 189 | 62 | 67 | 323 | 0.1 | 4.2 | 0.18 | 100 |
| **Total** | | | – | – | – | **21,090** | – | – | – | – |

1) Properties that underwent new construction or redevelopment, and were financed over the course of the project in accordance with the criteria for new construction and redevelopment projects. After the project was completed, the property was reclassified to the existing properties category. As of 31 December 2023, these properties comprised SEK 13.9 billion. For further information, see “Other information”.

2) The property is financed in part by a secured bank loan outside the framework. For further information, see “Other information”.

3) The property is financed in part by a green bank loan with the NIB and EIB. For further information, see "Other information" and "Calculation approach".

4) The property was acquired or built after 31 Dec 2009. In these cases, the registered energy value at the first year end after the property was occupied/put into use was used as a comparison figure.

5) Reduced climate impact is calculated in accordance with the GHG Protocol’s market-based calculation method, taking into account certified energy agreements. An increased share of certified energy contracts can significantly reduce emissions.

6) LEED certification involves a survey through which tenants are asked how they perceive the indoor climate. These questionnaires have provided the basis for the indoor climate satisfaction index. The index indicates the percentage of tenants who are satisfied with the indoor climate.

**Other information**

The environmental data in this report was produced in accordance with the same principles and methods as Vasakronan's Sustainability Report and is shown on page 87 in the 2023 Annual Report. Investments in new construction and redevelopment projects corresponded to the amount that as of the balance-sheet date had been invested in the actual property. Existing properties are recognised at market value. The market value is based on the most recent external valuation at the time that the property was brought into the green pool.

Reporting of market value and amounts invested follows the accounting policies indicated on page 62 of the 2023 Annual Report. The category 7.7 Acquisition and ownership of buildings also includes properties that previously underwent new construction or redevelopment, and were financed over the course of the project in accordance with the framework's criteria in force at the time. In connection with the completion of new construction or redevelopment, an evaluation is conducted against the criteria set for the category 7.7 Acquisition and ownership of buildings. Reclassifying a property from new construction and redevelopment projects to the category 7.7 Acquisition and ownership of buildings requires that the new build or redevelopment is reported to the Board of Directors. It also requires the property to have a final certification and a verified energy intensity for at least 12 months.

The framework utilises terms and concepts from the EU Taxonomy, as they are generally recognised in the capital market. However, it should be clarified that Vasakronan does not issue European green bonds and does not claim that its green framework is fully aligned with the EU Taxonomy.

Vasakronan has a separate account for transactions attributable to the issue of green debt instruments. If the approved investment amount is less than the volume of green debt instruments outstanding, Vasakronan has undertaken to place a corresponding amount in this special account. At year end, the approved investment amount exceeded the volume of green debt instruments outstanding, and the account balance was therefore zero.

Stockholm, 21 March 2024

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|---|---|---|
| **Johnny Engman** | **Thomas Nystedt** | **Anna Denell** |
| *CFO* | *Group Treasurer* | *Chief Sustainability Officer* |

# Auditor's Limited Assurance Report on Vasakronan ABs Investor Report – green financing

This is the translation of the auditor's report in Swedish. To Vasakronan AB, corporate identity number: 556061-4603

**Introduction**

We have been engaged by the Executive Management of Vasakronan AB (publ) to undertake a limited assurance engagement of the Executive Management's "Investor Report – Green financing 2023" (the Investor Report) about how the use of proceeds from the issuance of green bonds have been used in accordance with the criteria in Vasakronan's Green Finance Framework (the Framework).

The established criteria in the Framework state that proceeds from the green bonds will solely finance or refinance, in whole or in part, new and/or existing eligible green assets defined as green buildings and renewable energy in the Framework.

**Responsibilities of the Executive Management**

The Executive Management are responsible for the disclosed information in the investor report and for ensuring that the use of proceeds from the issuance of the green bonds have been used in the intended way and in accordance with the Framework. The Executive Management are responsible for preparing and publishing the Investor Report.

**Responsibilities of the Auditor**

Our responsibility is to express a conclusion on whether the reported information on use of proceeds in the Executive Management's Investor Report have been allocated in accordance with the Framework, based on the limited assurance procedures we have performed. Our engagement is limited to the information in this document and the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Investor Report and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies International Standard on Quality Management 1, which requires that the firm design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Vasakronan AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the Investor Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

**Conclusion**

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the information on the use of proceeds disclosed in the Investor Report has not been prepared, in all material respects, in accordance with the Executive Management's criteria defined above.

Stockholm, March 21, 2024
Ernst & Young AB

**Katrine Söderberg**
*Authorized Public Accountant*

**Marianne Förander**
*Expert Member of FAR*

Vasakronan

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