



# Sustainable Bond Developments

ANNUAL REPORT 2021

SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (“SBB”)

## 1. Summary of Sustainable Bond Developments

During 2020 SBB implemented a new Sustainable Financing Framework that fully aligns with the old Green Financing Framework as well as Hemfosa’s Green Financing Framework and adds Social assets to the list of eligible assets. As a result, any eligible green assets and outstanding green bonds originating from the Hemfosa portfolio will be included in this report. The total amount of outstanding green bonds is SEK 2013m, originating from bonds issued in 2019 and 2020. In December 2020, SBB issued its first social bond of EUR 700m. The Green and Social Bonds have been used to finance social assets as described in the section “Impact Reporting”.

## 2. Outstanding amount of issued Sustainable Bonds

Green Bonds	Outstanding amount	Issued
SE0012256741 SEK	242 500 000	2019-02-14
XS2021634675 SEK	450 000 000	2019-07-04
XS2050862262 SEK	720 000 000	2019-09-06
XS2111589219 SEK	600 000 000	2020-01-30
<b>Total SEK</b>	<b>2012 500 000</b>	

Social Bonds	Outstanding amount	Issued
XS2275409824 SEK	200 000 000	2020-12-18
XS2271332285 EUR	700 000 000	2020-12-14
<b>Total SEK</b>	<b>200 000 000</b>	
<b>Total EUR</b>	<b>700 000 000</b>	

### 3. Balance on the Separate Account

#### Green Bonds

There are currently no funds deposited in the separate account for the green bonds and there are no unallocated proceeds from the green bonds.

#### Social Bonds

There are currently no funds deposited in the separate account for the social bonds and there are no unallocated proceeds from the social bonds.

### 4. Impact Reporting

#### Green Eligible Assets

In 2020, SBB launched a long-term strategy and framework for creating environmental and social impact. The vision is to keep creating social values and with a 100 percent carbon neutral value chain and 100 percent renewable energy by 2030. This vision is accompanied by concrete targets such as reduction in energy use and carbon emissions by 5 percent per year, at least 50 percent of new production in wood and to develop properties close to community services and public transport. To realize these goals, SBB have kept initializing energy reduction projects and certification projects as well as taking initiatives to reduce supply chain emissions. A total of 33 300 square meters of SBB's portfolio is now eligible for green bonds. This corresponds to 8.5 percent of SBB's total portfolio.

The table below shows eligible assets in the category Green Buildings, Category II: Existing buildings certified as Green Building<sup>1</sup> and Miljöbyggnad<sup>2</sup> Silver. They amount to a total market value of SEK 2 013m which allocates the total sum of outstanding green bonds. The methodology for selection and calculation of impact data is described in annex 1.

Property	Environmental Classification	Area in sqm	Energy use	Unit
Lunnaren 1	Miljöbyggnad Silver	4 860	28	kWh/m2
Nävern 1	Miljöbyggnad Silver	1 600	113	kWh/m2
Bremen 3	Green Building	21 168	55	kWh/m2
Fastlandet 2:84	Green Building	12 252	150	kWh/m2

<sup>1</sup> Green Building was initially an EU-initiative focusing on energy use, it is now governed by the Sweden Green Building Council. To be certified a building need to prove that the energy use is at least 25 % less than the national requirements for new buildings. Detailed information on the certification can be accessed on Sweden Green Building Councils website.

<sup>2</sup> Miljöbyggnad is a certification system developed in Sweden and governed by the Sweden Green Building Council. It includes requirements in 16 different indicators including energy use, renewable energy, sound, ventilation, daylight, avoidance of environmentally hazardous materials and life cycle emissions. Detailed information on the certification can be accessed on Sweden Green Building Councils website.

Brunne 12:18	Green Building	2 906	109 kWh/m2
Fastlandet 2:90	Green Building	1 575	130 kWh/m2
Orren 12	Green Building	238	108 kWh/m2
Marieberg 5	Green Building	7 772	129 kWh/m2
Äland 22 1	Green Building	3 658	109 kWh/m2

### Social Eligible Assets

The proceeds from the Social bonds have been used to finance and refinance Community Service Properties that provides access to essential services and thereby provides distinct social benefits. The assets include hospitals, elderly care homes, primary schools, secondary schools and universities. The table below shows eligible assets in the category Access to Essential Services, Community Service Properties. This is SBB's core business that providing distinct social benefits to a large number of people in the Nordics. A total of 98 percent of SBB's revenue stream originates from social infrastructure. A total of 2 670 300 square meters, or 68 percent, of which is eligible for social bonds.

The table below shows eligible assets in the category Access to Essential Services: Community Service Properties. They amount to a total market value of SEK 7 556m which allocates the total sum of outstanding social bonds. The methodology for selection and calculation of impact data is described in annex 1.

Type of Service	Property	Area in sqm	Social impact	Unit
Hospital and Care Centers	Ragnar Strøms Veg 10	30 225	6 800	Patients per year
			35 000	Rehabilitation days per year
University	Stadion 2	25 992	2 700	Students per year
University	Åkroken 1	26 416	3 850	Students per year
University	Landsdomaren 7	19 855	1 700	Students per year
Primary Schools and Secondary Schools	Söderbymalm 3:482	12 364	750	Students per year
Primary Schools and Secondary Schools	Söderbymalm 3:481	14 796	1 993	Students per year
Primary Schools and Secondary Schools	Karlskrona 3:3	30 846	900	Students per year
University	Kunnskapsveien 55	27 135	3 000	Students per year
Elderly Care Homes	Kungsängen 24:13	5 609	72	Apartments
Primary Schools and Secondary Schools	Västhagen 1	13 028	1 200	Students per year
Elderly Care Homes	Kulltorp 3	5 922	84	Apartments

### **External Consultant Confirmation**

An external review on this report is available online on SBBs website along with this report.

## **Annex: Methodology for impact reporting**

This report is developed in accordance with the Sustainable Financing Framework launched by SBB in November 2020. The framework describes: Use of Proceeds, Process for Evaluation and Selection, Management of Proceeds, Reporting and External review. This annex describes the process and methodology of impact reporting of the proceeds.

### Green Eligible Assets

In accordance with the Sustainable Financing Framework. SBB will report on refinancing of green buildings, category I & II: type of certification and degree of certification, energy performance per square meter and/or estimated annual greenhouse gas emissions reduced or avoided for buildings (tCO<sub>2</sub>e).

The indicators in this report are selected to be representative of the targets of the certification systems. In this case, energy use has been selected as the metric for impact reporting since both Green Building and Miljöbyggnad have requirements on the level of energy use. The energy use is tracked automatically in SBBs energy follow-up system. The energy follow-up system is the main source of data for SBB since it tracks both the actual energy use as well as energy use adjusted for temperatures that deviates from an average year. Complementary data from energy performance certificates are used since the energy follow-up system does not track energy use that is not controlled by SBB, for instance in triple-net properties.

### Social Eligible Assets

In accordance with the Sustainable Financing Framework. SBB will report on refinancing of social assets in the categories:

- Healthcare properties: area in square meters and number of people benefitting from access to healthcare through these facilities.
- Elderly care homes: area in square meters and number of apartments open to access exclusively for elderly people.
- Preschools, Primary and Secondary schools: area in square meters and number of students benefitting from these.
- Higher education and universities buildings: area in square meters and number of students benefitting from these.

The properties have been selected from different regions and countries and social impact data have been collected by the property managers for each property with assistance from the tenant organisations.