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Science Based Targets initiative Approves Heimstaden Bostad's Climate Targets

The globally recognised Science Based Targets initiative (SBTi) has validated Heimstaden Bostad's climate roadmap to reduce emissions in line with the Paris Agreement target to limit global temperature rise to 1.5°C. Heimstaden Bostad has committed SEK 7.3 billion in investments to reduce greenhouse gas emissions (GHG) with 42% by 2030.

"The gravity of the climate crisis calls for real action to be taken by the global community. By setting ambitious, independently validated, science-based targets, we will contribute to significant emission cuts necessary for the 1.5°C trajectory," says Heimstaden's Chief Sustainability Officer, Katarina Skalare.

Heimstaden Bostad commits to reduce absolute scope 1, 2, and 3 GHG emissions covering downstream leased assets¹ 42% by 2030 from 2020 as base year². Heimstaden Bostad also commits that 27% of its suppliers by spend covering purchased goods and services, will have science-based targets by 2027.

Climate Roadmap

To reach its climate targets by 2030, Heimstaden Bostad has developed a climate roadmap, committing SEK 7.3 billion in primarily linear investments during the timespan. The investment is expected to result in annual savings/income of about SEK 420 million, generating a minimum yield on investment of 5.6%. The capital expenditures (capex) of the GHG emission reductions initiatives are expected to have a positive return on investment for Heimstaden Bostad as well as reduce the energy and electricity cost for the tenants.

The roadmap focuses on company-wide carbon dioxide emission reductions through origin-certified renewable electricity, fuel shifts, energy provider and efficiency improvements, in addition to encouragement of tenant energy reduction. Origin-certified renewable electricity is already in place in all direct contracts.

Heimstaden Bostad has started replacing fossil-based district heating, coal, and individual natural gas with renewable energy heat pumps and central gas boilers. In 2021, energy efficiency, heat recovery, and insulation projects in properties were

¹ Energy purchased by tenant

² The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

initiated in all countries and in 2023, a strategy will be implemented to engage and incentivise tenants to reduce energy usage for scope 3 emissions.

“Our entire organisation is highly committed to put in the necessary effort to create the real change that we owe our planet and future generations. By also engaging suppliers to commit to setting science-based targets, we see potential benefits in unlocking new innovations, collaborations, and mitigating value chain risks,” continues Katarina Skalare.

The latest climate science from the Intergovernmental Panel on Climate Change, described by the UN as “code red for humanity”, shows it is still possible to limit global temperature rise to 1.5°C, but we are dangerously close to that threshold. The severity of the situation emphasises the importance of rapid and deep emission cuts in halving global emissions by 2030 and achieving net-zero by 2050. In continuation of COP27, the need for immediate science-based action in every industry is more important than ever.

About the Science Based Targets initiative:

SBTi is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The SBTi defines and promotes best practice in science-based target setting and independently assesses companies’ targets.

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Heimstaden Bostad is a leading European residential real estate company with around 154,000 homes across 9 countries with a property value of SEK 337 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Care, Dare and Share - our 2,200 colleagues fulfil our mission to enrich and simplify our customers’ lives through Friendly Homes. Read more at www.heimstadenbostad.com.
