



2023

# Green Bond Investor Report

**Heimstaden** BOSTAD

# An Evergreen Platform of Friendly Homes

Heimstaden Bostad creates value by investing with an evergreen perspective and sustainability is an important part of this strategy. In October 2019, Heimstaden Bostad established a green framework for issuing green corporate bonds. In November 2020, the company issued two Green Bonds totalling SEK 1,200 million, with proceeds dedicated to properties supporting the reduction of greenhouse gas emissions.

The 2023 investor report details the properties funded by the 2020 Green Bonds and confirms their compliance with the Green Bond framework.

Heimstaden Bostad is a leading European residential real estate manager and investor with around 162,000 homes across nine countries with a property value of SEK 319 billion in 2023.

Guided by our Scandinavian heritage and values Dare, Care, and Share – we fulfil our mission to enrich and simplify our customers' lives through Friendly Homes.

We acquire, develop, and manage properties with an evergreen perspective.

## Sustainability strategy

One of Heimstaden Bostad's strategic goals is Society Contribution, addressing climate change and environmental impact.

The sustainability strategy addresses:

- We care for people – employees, customers, suppliers, and society. We provide homes and jobs to those facing challenges in finding housing or employment.
- We take an evergreen approach, preserving and carefully upgrading older properties while building new homes to reduce housing shortages.
- We mitigate climate change through sustainable energy solutions, energy and water efficiency, and biodiversity measures.
- We ensure strong governance with clear stance on transparency, fair business practices, and zero tolerance for corruption.





## Heimstaden Bostad's Green Bond Framework

Heimstaden Bostad's Green Bond framework is aligned with the Green Bond Principles published in June 2018 by the International Capital Market Association (ICMA). CICERO Shades of Green has provided an independent second opinion with a Medium green rating and it receives an overall green bond governance structure rating of Excellent.

Transitioning to a low-carbon, climate change resilient, and environmentally sustainable economy requires capital. By setting up the Green Bond framework, Heimstaden Bostad aims to mobilise debt capital for environmentally sustainable purposes.

The Framework defines the projects and investments eligible for financing by green debt instruments ("Green Bonds") issued by Heimstaden Bostad.

To view Heimstaden Bostad's Green Bond framework and Cicero's Green Bond Second Opinion, please visit: <https://www.heimstadenbostad.com/investors/debt-information/Green-Bond-Framework>.

## About Heimstaden Bostad's Green Bond Investor Report

Heimstaden Bostad will annually and until maturity of the Green Bonds issued, provide a Green Bond Investor Report, including reporting on allocation of proceeds and environmental impact of the green projects. The allocation of net proceeds has been reviewed by EY. See the auditor's limited review report on page 6. The Green Bonds have values of SEK 800 million with floating interest rate, and SEK 400 million with fixed interest rate, totalling SEK 1,200 million. They were issued on 25 November 2020 and will mature on 25 February 2025. There have not been any temporary investments or repayments.

Heimstaden Bostad's Green Bond committee has selected the properties included in the Green Bond. The properties are presented in the table below and consist of EPC A2020 or Sweden Green Building Council's certification Miljöbyggnad Silver certified residential properties in both Denmark and Sweden. For more information on the properties environmental impact, see the appendix.

The Green Bond allocation is based on property valuations and exchange rates as of 31 December 2023. It represents the portion of property value financed by the Green Bonds, with 100% of the net proceeds used for refinancing.

When calculating the estimated reduction in energy consumption in new construction projects, the forecasted energy intensity is compared with the highest permitted energy intensity under the national building standard. Heimstaden Bostad has used the forecasted energy intensity as stated in the certificates for all properties included in the Green Bond.

The assessed emissions avoided from new construction projects pertain to the difference between the annual GHG emissions that the property would have had if it had been built in accordance with the national building standard and without renewable energy contracts.

As recommended by the NPSI Position paper on Green Bonds, Heimstaden Bostad applied a baseline for carbon emissions from electricity use of 191 g CO<sub>2</sub>e per kWh. For district heating, a baseline that is relevant and that reflects the national/local situation has been applied.

### Approved Projects and Allocated Proceeds

Property	Country	Energy label or certification	Type of building	Total area, residential sqm	Project completion	Allocated amount for green bonds, SEK m
Föreställningen 1	Sweden	Miljöbyggnad Silver	Residential	5,222	2021	197
Arlöv 20.58	Sweden	Miljöbyggnad Silver	Residential	13,102	2020	214
Kungsängen 45.2	Sweden	Miljöbyggnad Silver	Residential	19,824	2021	389
Kløverhaven	Denmark	A2020	Residential	12,986	2022	400
<b>Total</b>						<b>1,200 SEK m</b>

# Examples of funded projects



## Föreställningen 1 in Sweden

Situated in Björkalund, south of Norrköping, is Föreställningen 1. This property was finished in 2021 with a total of 116 rental units varying from 26 to 61 sqm.

Björkalund area is an urban neighbourhood close to the forest with Norrköping's city centre within easy cycling distance. Going forward, a tramway is also planned for the area. The heart of the area is an avenue – a meeting place for all Björkalund residents. Right outside the door are oak groves, parks, meadows, and forest.

Föreställningen 1 was built according to the environmental certificate Miljöbyggnad Silver, and the technical system includes geothermal heat pumps, HVAC system, and solar PV system. Miljöbyggnad Silver requires that the indoor environment meets various criteria, such as ventilation, heating, daylight and more, and is built with well-selected materials that are good for the environment and the residents. The energy consumption in the property is also of importance in achieving Miljöbyggnad Silver.

Environmental certification of a building means that a third party reviews the building's environmental performance. The system is owned and developed by Sweden's largest organisation for sustainable community building, the Sweden Green Building Council, which also conducts the certifications.



## Kløverhaven in Denmark

Kløverhaven consist of four tall buildings high up in a park-like area in the south-eastern part of Kolding. This property was finished in 2022 and has a total of 152 rental units of different sizes from 59 to 103 sqm.

The homes in Kløverhaven are part of a new, modern residential neighbourhood with access to both the city, green areas, and the blue marina at Kolding Fjord. There are small green oases, common areas and areas for play with a unique view of either the city or the fjord from the higher floors. Form, function, and aesthetics are connected and create a complete outdoor and indoor environment.

This modern property has an excellent energy performance label of A2020. It has lots of light, good room layout, lift, possibility of parking – also electric charging – and private balcony or terrace for all apartments. The architect created the buildings with an emphasis on innovation, life, well-being, and sustainability – where people are at the centre. The architecture finds inspiration in a traditional Danish building style with brick facades in warm colours.

The A2020 label covers low energy buildings, which only consume a minimum of energy – heating and electricity.

# Auditor's Limited Assurance Report

To Heimstaden Bostad AB (publ), corporate identity number: 556864-0873

## Introduction

We have been engaged by Heimstaden Bostad AB (publ) (Heimstaden Bostad) to undertake a limited assurance engagement of the information in Heimstaden Bostad's Green Bond Investor Report 2023 ("the Report"), concerning the allocation of net proceeds to eligible green assets on page 4. The reporting criteria against which this information was assessed are relevant parts of the Heimstaden Bostad's Green Bond Framework as of October 2019 available on Heimstaden Bostad's website.

Our assurance does not extend to any other information in the Report. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts.

## Responsibilities of the Executive Management for the Reporting

The Executive Management are responsible for use and management of proceeds, the preparation of the Report in accordance with the applicable criteria as well as evaluating and selecting eligible assets. This responsibility also includes the internal control relevant to the preparation of a Green Bond Investor Report that is free from material misstatements, whether due to fraud or error.

## Responsibilities of the Auditor

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 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 Heimstaden Bostad 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 Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

## Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the allocation of net proceeds to eligible green assets disclosed on page 4 in the Report (Heimstaden Bostad's Green Bond Investor Report) has not been prepared, in all material respects, in accordance with the criteria defined above.

Stockholm, 30 May 2024  
Ernst & Young AB

Jonas Svensson  
Authorized Public Accountant

Marianne Förander  
Sustainability Expert  
Member of FAR

# Appendix

## Impact Report

Property	Country	Energy label or certification	Annual energy savings, MWh	Financed annual CO <sub>2</sub> e savings, tonnes	Financed annual CO <sub>2</sub> e savings, tonnes per SEK m
Föreställningen 1	Sweden	Miljöbyggnad Silver	245	1,781	9.04
Arlöv 20.58	Sweden	Miljöbyggnad Silver	206	538	2.52
Kungsängen 45:2	Sweden	Miljöbyggnad Silver	242	2,236	5.74
Kløverhaven	Denmark	A2020	5	7	0.02
<b>Total savings</b>			<b>698 MWh</b>	<b>4,562 tonnes CO<sub>2</sub>e</b>	<b>3.80 tonnes CO<sub>2</sub>e per SEK m</b>

## Properties in Sweden

Föreställningen 1 and Arlöv 20:58 have received funding from the EU under the NextGenerationEU.



**Funded by  
the European Union**  
NextGenerationEU

**Heimstaden**  
BOSTAD

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