



Nursing home – Södra Källtorp 1, Västerås.

Reporting – Sustainability bonds

Hemsö is the first issuer of sustainability bonds in the Nordic region. The total amount issued is SEK 4,700 million.

First in the Nordic region

In 2016, Hemsö was the first Nordic company to issue a sustainability bond, which paved the way for continued issues of sustainability bonds. In 2021, Hemsö issued another three sustainability bonds, with a total value of SEK 900 million. The proceeds were used exclusively for sustainable investing and properties. Hemsö's sustainability bond framework provides a clear definition of the project types and properties that can be financed. Hemsö was the first company in the Nordic region to incorporate social investment into its framework. The complete framework is available at hemso.se Hemsö's sustainability bonds are listed on the Euronext ESG Bond list – a community of ESG bond issuers

(green, sustainability, blue and sustainability-linked bonds).

Hemsö's vision is to strengthen the backbone of society. The properties we develop and manage have a major impact on the local community. Our learning process starts in our properties, which is also where we sum up our life's work. Hemsö's business concept is to sustainably own, manage and develop public properties. That means being a long-term and responsible property owner that, in every aspect of our operations, conducts sustainable business under the framework of the 2030 Agenda for Sustainable Development. Hemsö's properties are part of the social infrastructure and our premises create conditions for education, health care and

justice system services – all of which are fundamental to a sustainable society.

Qualified projects

Under Hemsö's sustainability bond framework, the proceeds from the issues shall be used to finance environmentally certified buildings, energy-efficiency investments or social investments in the following categories:

1. Green and sustainable buildings
2. Energy efficiency
3. Social investments:
 - a. Schools
 - b. Nursing homes
 - c. Conversion projects to develop refugee housing
4. Renewable energy



In 2021, the allocation was only for existing properties that were completed new development projects and that were completed in recent years. An amount corresponding to the issue proceeds is used to finance sustainable assets in accordance with the sustainable finance framework. The entire amount raised is allocated to existing green, social and sustainable assets, whereby the balance of Hemsö's sustainable accounts is zero.

Second opinion from Sustainalytics

Ratings firm Sustainalytics reviewed Hemsö's sustainability performance and bond framework terms. Sustainalytics is of the view that Hemsö's sustainability performance ranks highly in the property sector and that the company is well-positioned to issue sustainability bonds that support both environmental and social initiatives. Sustainalytics verifies that the investment categories included in the framework will contribute to greater sustainability. Read Sustainalytics' second opinion at [hemso.se](https://www.hemso.se)

Example of development projects financed

Perintökuja 14, Aviapolis in Finland

Aviapolis is a modern nursing home with 60 supported-living apartments and 66 nursing home beds, and also includes a preschool for 72 children. The main tenant is Attendo Oy, and Touhula Leikki Oy runs the preschool. Both operations are housed in the same building, creating an intergenerational bridge. This has led to positive effects for both the older and younger generation.

The building is LEED Gold certified. The property has district heating and an energy efficiency rating of C.

Verkmästaren 6 & 7, Mälardalen University in Eskilstuna

In March 2017, Hemsö acquired ground leases in central Eskilstuna, which are now a construction site for the new Mälardalen University (MDH). The university was completed in autumn 2019 and 4,000 students and 300 employees

have now moved into new, modern and flexible educational facilities with an area of 20,000 sqm. A 20-year rental agreement has been signed with the university. The building is classified according to Miljöbyggnad Silver, with a Gold rating for energy use.

A district heating system was chosen for the energy supply, in which the waste heat from cooling processes is recycled using heat pumps. Free cooling is also used, whereby outdoor air is used as a complement for cooling the indoor air, which reduces the energy use of the external cooling machines. The newly constructed section of the property has a glass and aluminium façade with a low U-value, a super insulating aluminium system that is fully thermally broken with triple glazing insulation. In the refurbished section of the property, the existing windows were replaced and renovated. Another sustainable measure was the installation of a sedum green roof.



Green and sustainable investments, 31 Dec 2021

Category	Property	Amount, SEK million	Certification and level	Type of property	MWh/year	kWh/m ²	tCO ₂ /year	kgCO ₂ /m ²	Beds/places created*
Sustainable	Medicinaren 25**	1,485	Miljöbyggnad Silver	School/university	4,461	134.2	87.8	2.6	500
Green	Lanuv, Wuhanstraße 6.11 ***	912	LEED Gold & DGNB Gold	Education	4,097	247.3	433.3	26.2	n/a
Sustainable	Verkmästaren 6 & 7	470	Miljöbyggnad Silver	School/university	1,509	67.1	50.2	2.2	4,000
Sustainable	Krusmyntan 1	225	Miljöbyggnad Silver	Nursing home	184	41.4	0	0	63
Sustainable	Nåden 1	150	Miljöbyggnad Silver	Nursing home	102	27.0	0	0	54
Sustainable	Romberga 23:54	190	Miljöbyggnad Silver	Nursing home	372	85.2	1.9	0.4	54
Sustainable	Perintökuja 14	280	LEED Gold	Nursing home	831	113.6	69.1	9.5	126
Total		3,712							

* The capacity of the buildings to provide public services (school places, nursing home beds and so forth).

** The outcome includes business cooling.

*** The outcome includes business energy and non-seasonally adjusted data for heating. The contract is in the name of the tenant.

Allocated amount per category

Category	Amount, SEK million	Share, %
Green	912	15
Sustainable	2,800	85
Total	3,712	100