



Nursing home and elementary school – Sandarna 26:2, Gothenburg.

Reporting – Sustainability bonds

Hemsö is the first issuer of sustainability bonds in the Nordic region. Total amount issued since 2016 is SEK 9.2 billion.

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 2022, Hemsö issued eight more sustainability bonds, with a total issuance value of SEK 4,400 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 project to create refugee housing
4. Renewable energy



Education – Verkmästaren 6 & 7, Mälardalen University, Eskilstuna.

In 2022, the allocation was only for existing properties that were completed new development projects and that had been 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

Examples of development projects financed

Elementary school and nursing home in Gothenburg

In December 2022, a unique project with an elementary school and nursing home combined in the same building was completed in the Sandarna area of Gothenburg. The school will have places for 400 students from preschool to Year 6, and the nursing home will have 100 beds. A 12-year rental agreement has been signed with the City of Gothenburg for both the elementary school and the nursing home. The building is classified according to Miljöbyggnad Silver.

The design is expected to generate benefits through co-use of the kitchen and sports hall, and through interaction between the nursing home's residents and the students. There are opportunities here to improve the exposure of elderly people to life and movement through both visual contact and joint activities between the two operations. The children can also form a close bond with the older generation.

Nursing home in Södra Källtorp, Västerås

In close cooperation with the City of Västerås, Hemsö developed and constructed a new nursing home in Södra Källtorp in Västerås. The building has been adapted for people with dementia, but there are also apartments for people without dementia. The nursing home has been equipped with cutting-edge assistive technologies and decorated with colours according to the Västerås Model. The Model uses different colours and clear contrasts to make it easier for people living with dementia to find their way around their home. The City of Västerås has signed a 25-year rental agreement.

The new Södra Källtorp residential area was developed with the vision to create a new area with good public services. The 120-bed nursing home is first out. The building was completed in 2021 and is classified according to Miljöbyggnad Silver.



Green and sustainable investments, 31 Dec 2022

| 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 ¹⁾ |
|--------------|--|------------------------|--------------------------|--|----------|--------------------|------------------------|-----------------------------------|--------------------------------------|
| Sustainable | Medicinaren 25 ² | 1,485 | Miljöbyggnad Silver | School/university | 3,937 | 150.9 | 92 | 3.5 | 500 |
| Green | Lanuv, Wuhanstraße 6.11 ³⁾ | 1,102 | LEED Gold & DGNB Gold | Education | 3,662 | 221 | 2,647 | 159.8 | – |
| Sustainable | Verkmästaren 6 & 7 | 620 | Miljöbyggnad Silver | School/university | 1,508 | 67.1 | 23 | 1 | 4,000 |
| Sustainable | Krusmyntan 1 | 230 | Miljöbyggnad Silver | Nursing homes | 171 | 38.5 | 1.5 | 0.3 | 63 |
| Sustainable | Nåden 1 | 155 | Miljöbyggnad Silver | Nursing homes | 94 | 24.8 | 0.8 | 0.2 | 54 |
| Sustainable | Anoraken 1 | 397 | Miljöbyggnad Silver | Nursing homes | 928 | 80.2 | 1.9 | 0.2 | 144 |
| Sustainable | Boden 56:51 | 320 | Miljöbyggnad Silver | Nursing homes | 696 | 68.5 | 95 | 9.3 | 126 |
| Sustainable | Patienten 1 | 1,226 | Miljöbyggnad Gold | Health care | 1,838 | 62.1 | 44 | 1.5 | – |
| Sustainable | Täckeråker 1:228 | 267 | Miljöbyggnad Silver | Education | 242 | 58.6 | 2.3 | 0.6 | 400 |
| Sustainable | Giffeln 1 | 350 | Miljöbyggnad Silver | Nursing homes | 550 | 76 | 33 | 4.5 | 80 |
| Sustainable | Faunan 1 | 310 | Miljöbyggnad Gold | Nursing homes | 190 | 31.4 | 1.6 | 0.3 | 92 |
| Sustainable | Sandarna 26:2 | 392 | Miljöbyggnad Silver | School/Nursing home | 757 | 58.6 | 52 | 4 | 388/100 |
| Sustainable | Södra Källtorp 1 | 230 | Miljöbyggnad Silver | Nursing homes | 900 | 84.9 | 41 | 3.9 | 120 |
| Sustainable | Södra Källtorp 7 | 30 | Miljöbyggnad Silver | Nursing home/ Assisted living facility | 168 | 53.7 | 8 | 2.6 | 55 |
| Sustainable | Stafvre 11 | 240 | Miljöbyggnad Silver | School/Nursing home | 238 | 49.9 | 2 | 0.4 | 116/60 |
| Sustainable | Pilehallen | 100 | Miljöbyggnad Silver | School/Education/ sports centre | 193 | 49 | 3 | 0.8 | – |
| Sustainable | Köpingskolan | 120 | Miljöbyggnad Silver | Education | 352 | 44.7 | 6 | 0.7 | 860 |
| Sustainable | Vikhemskolan | 130 | Miljöbyggnad Silver | Education | 310 | 38.8 | 3 | 0.3 | 800 |
| Sustainable | Romberga 23:54 | 190 | Miljöbyggnad Silver | Nursing homes | 284 | 65 | 4 | 0.9 | 54 |
| Sustainable | Perintökuja 14 | 280 | LEED Gold | Nursing homes | 883 | 120.9 | 193 | 26.4 | 126 |
| Total | | 8,173 | | | | | | | |

¹⁾ The capacity of the buildings to provide public services (school places, nursing home beds, and so forth)

²⁾ The outcome includes business cooling.

³⁾ 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 | 1,102 | 13 |
| Sustainable | 7,071 | 87 |
| Total | 8,173 | 100 |