



Green Bonds

Investor report 31 December 2022

In February 2022, Rikshem's framework for green bonds was updated and now includes Clean transportation, Energy efficiency, Green buildings and Renewable energy. Green buildings is the largest category for Rikshem, and contains the sub-categories Environmentally certified buildings, Wooden buildings, Energy efficient residential buildings, Renovated buildings with decreased energy use and Other existing buildings with low energy use. The framework is based on the Green Bond Principles (2021) and has, like Rikshem's previous green frameworks, been reviewed by the independent climate and environmental research institute Cicero. The framework has received the classification Cicero Medium Green for the green conditions and Excellent for the governance procedures.

Rikshem issued its first green bond in 2014, as one of the first corporates and real estate companies to do so. Our Green Bond Framework has frequently been updated in order to better reflect our work and progress as well as align with current market standards and best practice. Rikshem will strive to monitor the development of the Green Bond market to continually advance the Green Terms. As such the Green Bond Framework will continue to be updated from time to time to reflect current market practices. More information about our work with sustainability is available on our website rikshem.se.



Long-term, sustainable development

Rikshem's sustainability efforts involve major community engagement. We are convinced that Rikshem can make good contributions to society and at the same time conduct good business. In order to navigate our sustainability work correctly, we work on the basis of our strategic sustainability compass.

All of Rikshem's investments and decisions must include a sustainability perspective and the long-term values we create are refined in our day-to-day operations. Sustainability work contributes to committed employees, better property management, more satisfied customers and improved profitability.

Sustainability compass

In order to achieve our goals, sustainability work is integrated across our business operations. Rikshem navigates its sustainability work with the help of the sustainability compass. The model serves as a framework and clarifies the links between Rikshem's goals, material issues and the UN's Sustainable Development Goals. The compass aims to support employees in integrating sustainability issues in their work in a concrete way. Sustainability is taken into account in decision-making processes for development projects and in investment decisions.

Material issues

Through a materiality analysis, Rikshem has identified ten materiality areas, which are regularly followed up. The materiality analysis is based on continuous business intelligence, in-depth stakeholder dialogs and analysis of our business' sustainability impact. Prioritization of the materiality issues is based on where Rikshem's operations have the greatest positive or negative impact on the environment and society.



UN Goals

- 1 No poverty
- 2 Zero hunger
- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 10 Reduced inequalities
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 14 Life below water
- 15 Life on land
- 16 Peace, justice and strong institutions
- 17 Partnerships for the goals

Climate action

The construction and property sector plays a key role in the transformation to a sustainable society. Rikshem has therefore clarified a number of its climate-related targets and ambitions. Three important milestones were producing a climate roadmap, joining the Science Based Targets Initiative and signing up to LFM30 (Lokal Färdplan Malmö), a local initiative in Malmö. Now that we have determined where we are going, our climate work can begin in earnest.

Climate-neutral operations by 2045

Rikshem has set a long-term target to be climate-neutral by 2045. To show how we plan to achieve our goals, we have drawn up a climate roadmap. The climate roadmap is based on climate mapping of the entire business value chain.

Climate roadmap

The climate roadmap presents a picture of the rapid need for development we are facing and what we will be working on. The roadmap shows at what pace we need to reduce our climate emissions, setting out our goals and targets and where in our value chain emissions occur.

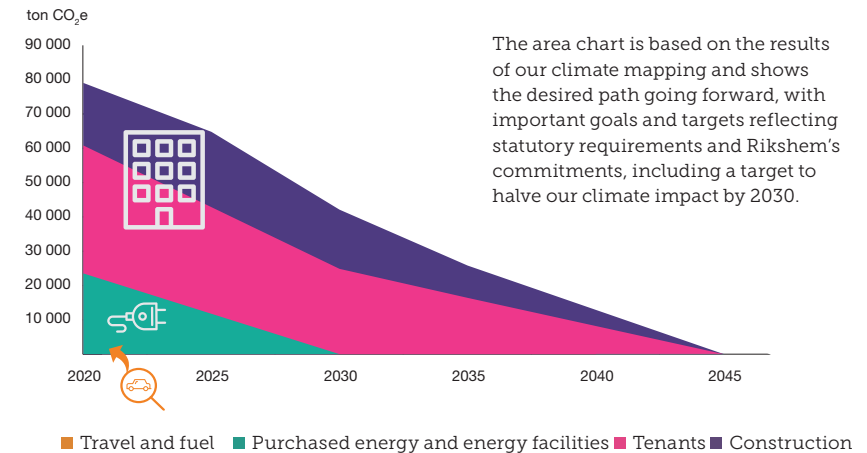
The emissions are divided into three scopes* in accordance with the GHG Protocol and include both our direct and indirect climate impact. Our previously adopted climate goal for climate-neutral property management by 2030 remains in place. We have also added goals for climate emissions both upstream and downstream in our value chain, for example emissions from construction and renovation work, as well as our tenants' climate impact.

Based on a developed scenario, IVL Swedish Environmental Research Institute has helped us calculate our need for reduced climate emissions, which also includes reduced emissions from other operators, society and the sector in areas such as heating, electricity, construction and mobility.

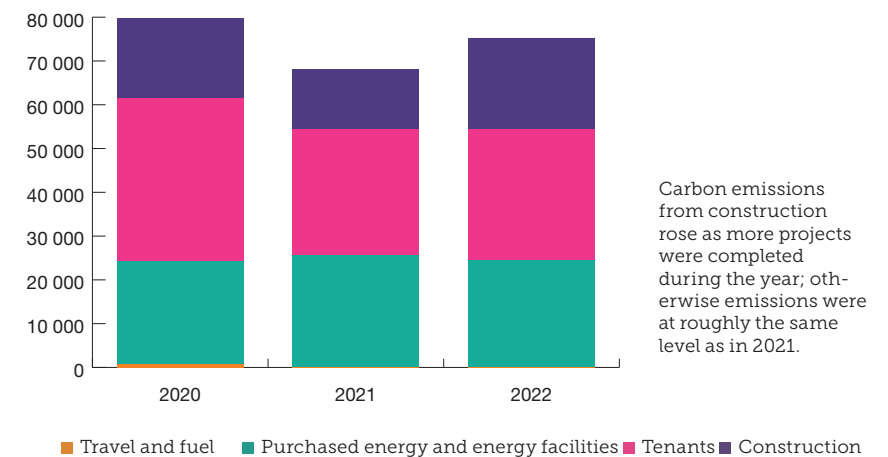
Climate mapping of the value chain

Rikshem's climate roadmap is based on a climate mapping of its operations. This was developed into a complete climate report during the year, in accordance with the GHG Protocol and the new Scope 3 guidance for housing companies that was issued in 2022. Rikshem's climate mapping shows the distribution of our climate emissions throughout our value chain for all three scopes (1, 2 and 3) and is based on data from 2020 as the baseline year, and the 2021 and 2022 financial years. The figures refer to Rikshem's total portfolio. A clear overview of the climate impact from different parts of the value chain provides a good basis for working systematically on halving the climate impact by 2030 and achieving climate-neutral operations by 2045.

Rikshem's climate roadmap



Rikshem's climate impact (tons CO₂e)



* Scope 1: Direct impact from own operations, fuel and travel Scope 2: Indirect impact from energy purchased for own operations Scope 3: Indirect impact that arises before and after our operations

Rikshem's climate journey

In recent years, Rikshem has made a climate journey in which important decisions have been made along the way. One step in 2022 was to go from calculating the climate impact of the building phase to also setting targets for the maximum impact from construction.

What has happened in recent years is a shift in perception of the extent of climate impact, from working with the emissions that

are closest to our operations from transport and energy, to also covering climate emissions that take place further away in our value chain, both downstream and upstream of our core business. This means that we will focus far more on reducing climate emissions from the building materials we purchase and our tenants' emissions, for example.

2014-2019

» 2014. Rikshem was one of the first property companies in the world to issue green bonds. Our framework for green bonds was revised in 2022 and climate is an important area in this.

» Rikshem has used timber structures in some of its new construction projects since 2014. We were on board at an early stage and during the first few years we were the property company in Sweden that built the most apartments with timber structures.

2020

» Rikshem launched "Energy-smart properties", our major development project for improving energy efficiency in our existing portfolio, including concepts that integrate climate change mitigation, for example, solar panels, charging infrastructure and individual metering and charging of hot water and electricity.

» In 2020, it was decided to eco-certify all new construction projects and in 2021, that Miljöbyggnad Silver will be the standard. Climate calculation of the building structure is one of the requirements.

» Decision to only buy renewable electricity for Rikshem's properties.

2021

» Decision to connect Malmö and Helsingborg to climate commitments and requirements according to Local Färdplan Malmö 2030 (LFM30).

» In 2021, Rikshem's own climate roadmap was adopted, with the goal of halving climate emissions throughout the value chain by 2030 and achieving net zero climate emissions by 2045.

» A decision was made to join the Science Based Targets Initiative's climate commitment.

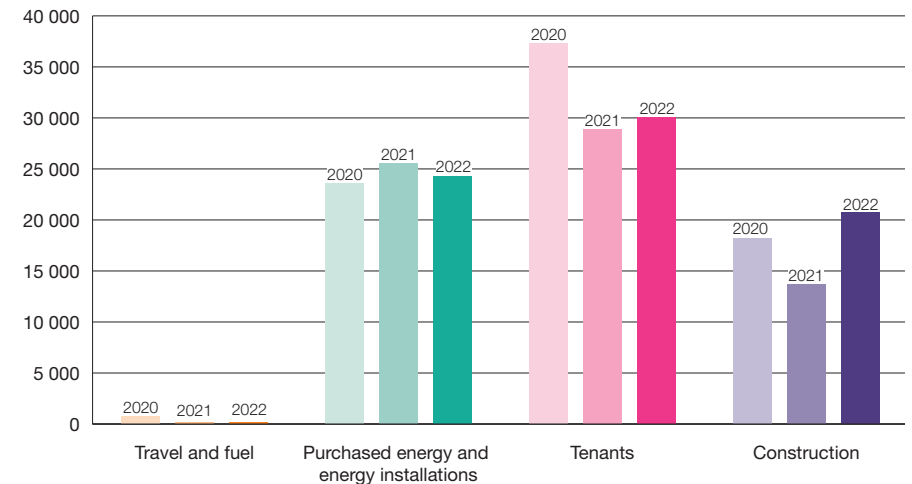
2022

» Targets introduced for LFM30-affiliated locations for new construction projects, to start as from 2025, to have a maximum ceiling of 280 kg CO₂ e/sqm of outside gross area.

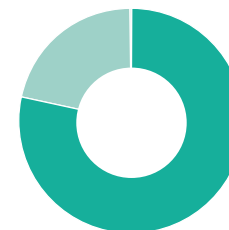
» Moved from climate mapping to climate accounting methodology for all three scopes, in accordance with the GHG Standard Protocol.

» Work focused on energy efficiency and reduction in energy consumption of 7.3 percent.

Rikshem's climate impact 2020-2022 (tons CO₂ e/year) (location-based method)

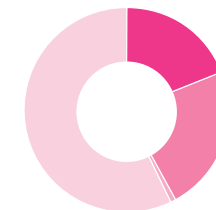


Purchased energy and energy installations



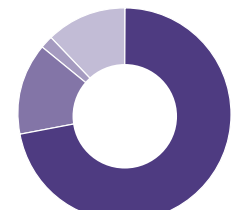
- Purchased district heating, 78%
- Purchased electricity (location-based), 22%
- Oil-based heating, 0,1%

Tenants



- Household electricity, 19%
- Waste (incineration of residual waste), 23%
- Waste (waste management), 1%
- Driving, 57%

Construction



- New construction projects, 72%
- Major RM&U projects, 14%
- Succession renovation, 2%
- Property management projects, 12%

Annual report on energy and climate (market-based method)

The table below presents energy use and climate emissions for purchased energy (Scopes 1-3) for Rikshem's comparable portfolio 1. The figures adjusted to a normal year used to follow up against Rikshem's targets (2022 compared with 2021) show a small reduction in both energy use and climate emissions from 2021 (-7.3% kWh/m2 Atemp and -0.1 kg CO2e/sqm Atemp). The target is -2.5% kWh/sqm Atemp and -2.0 kg CO 2e/sqm Atemp.²

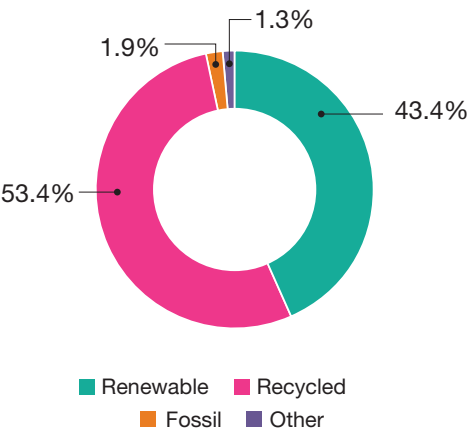
2022 was a warm year with low energy use, as shown by the actual figures in the table. The table also shows that it is important not simply to compare data with the previous year's figures, but to put the change into context with figures from earlier years

Energy use and climate emissions	2022	2021	2020
Energy consumption, actual (kWh/sqm Atemp)	116	129	121
Energy use, adjusted to a normal year (kWh/sqm Atemp)	118	127	131
Emissions, actual (kg CO2e/sqm Atemp) ³	7,7	8,1	7,3
Emissions, adjusted to a normal year (kg CO ² e/sqm Atemp) ³	7,9	8,0	8,0

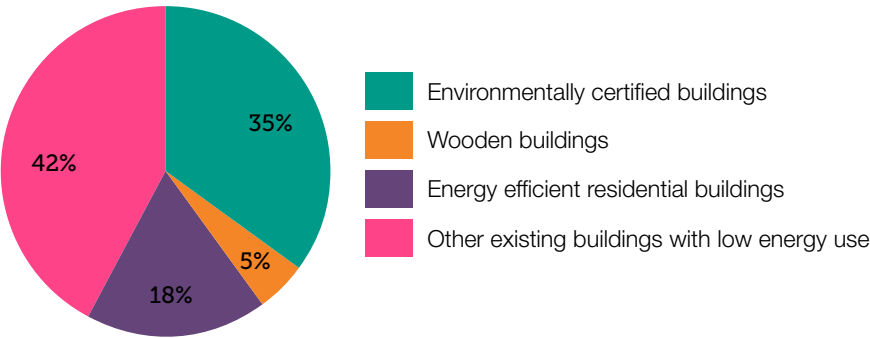
- 1) Like-for-like portfolio with respect to energy and climate statistics refers to the part of the portfolio that Rikshem owned for a full calendar year and for which comparable figures are available, i.e. properties where the company can monitor the same type of energy use (heating of buildings and water, and property electricity). The like-for-like portfolio includes 407 of Rikshem's total of 519 properties.
- 2) Atemp is taken from energy declarations and follows the rules concerning measured or standard calculated values, depending on when the declaration was made.
- 3) Emission factors have been obtained from the respective suppliers. Calculated using the previous year's emission factors for district heating.

Origin of purchased energy

Rikshem purchases origin-labelled electricity from renewable sources (hydroelectric power, solar power and wind power). Heating is mainly purchased from district-heating companies, which report their emissions by source: fossil, recycled, renewable and other. This shows the breakdown of energy in the like-for-like portfolio, energy use adjusted to a normal year, using the market-based method



Use of proceeds split by category



Green buildings

Main Environmental Objective: Mitigation



Green assets comprising of environmentally accredited energy efficient buildings, wooden energy efficient buildings, renovated buildings with decreased energy use and energy efficient residential buildings.

Environmentally certified buildings

Financing of development, acquisition or otherwise completed low energy buildings that have or will receive (i) a design stage certification or (ii) a post-construction certification or (iii) an in-use certification in any of the following building certification schemes at the defined threshold or better: Miljöbyggnad "Silver", BREEAM "Very Good" or Svanen, as well as achieve at least 15 % lower energy use than required by the applicable national building code (BBR).

Property	Municipality	Type of property	Completed	Certification	Energy performance kWh/sqm	Carbon intensity kg CO2/sqm
Topasen	Norrköping	Residential		Miljöbyggnad silver	26*	0,3
Brännaren etapp 1+2	Malmö	Residential		Miljöbyggnad silver	18*	0,2
Bonden 7	Halmstad	Residential	2022	Miljöbyggnad silver	66*	6,3
Eriksborg del av Vedbo 59 + 62	Västerås	Residential	2023	Miljöbyggnad silver	27*	0,3
Enheten 1 etapp 2	Halmstad	Residential	2023	Svanen	75*	7,7
Kronan	Luleå	Residential		Miljöbyggnad silver	60*	1,1
Bergskvadraten	Norrköping	Residential	2021	Miljöbyggnad silver	67*	6,3
Kvarngärdet 56:14 (Vård norra)	Uppsala	Public	2020	Miljöbyggnad silver	67*	9,7
Kvarngärdet 56:13 (Vård Södra)	Uppsala	Public	2021	Miljöbyggnad silver	64*	7,4
Gränby 9:3	Uppsala	Residential		Miljöbyggnad silver	33*	4,0

Wooden buildings

Financing of development, acquisition or otherwise completed low energy buildings that have or will use FSC or PEFC certified wood as the main building component and thereby minimize the use of cement and steel, as well as achieve at least 15 % lower energy use than required by the applicable national building code (BBR).

Property	Municipality	Type of property	Completed	Energy performance kWh/sqm	Carbon intensity kg CO2/sqm
Ramsågen Knivsta Gredelby 7:91	Knivsta	Residential	2015	68	7,8
Flyttfågeln 1 del 2	Umeå	Residential	2018	83	4,0
Klintbacken Bergviken 5:40	Luleå	Residential	2018	90	1,5

Energy efficient residential buildings

New or existing residential buildings that achieve at least 15 % lower energy use per square meter than required by the applicable national building code (BBR).

Property	Municipality	Type of property	Completed	Energy performance kWh/sqm	Carbon intensity kg CO2/sqm
Enheten 1	Halmstad	Residential	2022	50*	3,1
Nåden 2	Halmstad	Residential	2022	22**	0,3
Orrspelet	Umeå	Residential	2022	59**	3,6
Berthåga	Södertälje	Residential	2022	21*	0,2
Repet 4 part of	Södertälje	Residential	2023	54**	2,7
Balgripen 1	Helsingborg	Residential	2016	71**	3,3
Rapsen 12	Kalmar	Residential	2021	39**	0,4
Kantorn Kvarngärdet 4:3 (enbart hus 10-21)	Uppsala	Residential	2017	73**	5,6

Other existing buildings with low energy use

Older buildings have higher thresholds since technical and legal limitations as well as building standards make it more difficult to reduce energy use for these buildings.

Value year	Energy use per square meter
Before 1971:	135 kW/sq m
1971-1999	125 kW/sq m
2000-2006	115 kW/sq m
After 2006	At least 15% lower than the applicable national building code

Property	Municipality	Type of property	Value year	Energy performance kWm/sqm	Carbon intensity kg CO2/sqm
Repet 4 (ex nyp Blombacka)	Södertälje	Residential	1998	114**	3,7
Spärren 2	Norrköping	Residential	1982	105	13,7
Eriksberg 17:1 och 17:2	Uppsala	Residential	1997	93**	12,8
Niten 1	Norrköping	Residential	1999	109	13,8
Svärdsliljan 5	Västerås	Residential	1994	106**	4,0
Linjen 2	Norrköping	Residential	1965	122**	14,5
Karlberga 2	Södertälje	Public	1986***	60**	0,6
Brandstoden 7	Nyköping	Residential	1993	58	0,8
Uven 5	Helsingborg	Residential	1989	94	3,6
Brudslöjan 3	Norrköping	Residential	1987	66	1,0
Björknäs 1:34	Nacka	Public	1990***	62	1,2

*according to energy calculation

**according to energy declaration

***Year of completion

57%

of the value of projects in the green pool have been financed by green bonds within 12 months from completion

Outstanding Green Bonds as per 31 December 2022

Bond	Outstanding Amount, mkr	Maturity date
EMTN 8	500	2025-02-03
EMTN 9	900	2025-02-03
EMTN 15*	287	2029-03-02
EMTN 17	300	2026-01-19
EMTN 18	600	2026-02-17
EMTN 20	300	2026-10-05
EMTN 21	800	2024-10-07
EMTN 22	500	2025-05-22
EMTN 23	300	2024-07-24
EMTN 24	300	2025-10-28
EMTN 25	300	2023-11-22
EMTN 26	500	2027-05-10
EMTN 27	1000	2025-06-02
EMTN 28	600	2027-09-06
EMTN 29	400	2027-09-06
EMTN 30**	109	2027-10-04
EMTN 31	250	2026-10-13
Summa	7,946	

Total fair value/green investments, available green pool	9 377
Outstanding green bonds	7 946
Balance in green accounts	-
Available for new green bonds	1 431

Building in new district of Malmö

Rikshem is in full swing with its first new construction project in Malmö, where a unique district is emerging. Population growth means that many people are moving to the cities, which means that we achieve greater profitability in our projects there compared with smaller towns.



The Sorgenfri district in the southern inner city area of Malmö has an industrial heritage and is now being developed through several ongoing projects. Rikshem has an important role in one of Malmö's major ongoing urban development projects. Rikshem's first new construction project in Malmö is where Nobelvägen meets Industrigatan. There are 260 new apartments spread across two buildings that are between four and six stories high.

"The properties are located in a quiet area where there has been extensive construction recently. There will continue to be a large amount of investment in this area in the future," says Pär Hallgren, project developer at Rikshem and responsible for construction.

Strong focus on sustainability

The project consists of two buildings with a total area of 14,000 sqm, plus a basement car park. The facade is rendered and interspersed with brick.

The apartments range from one to four rooms plus kitchen. The buildings will be fitted with solar panels on the roof and certified in accordance with Miljöbyggnad Silver.

"This environmental standard means that we need to follow various criteria according to a 15-point system. We will receive a preliminary certificate initially, but this

will be followed up and renewed after two years, so we need to make sure that the energy calculations made at the planning stage are complied with going forward," says Pär.

In terms of energy consumption, the requirement set by the Swedish National Board of Housing, Building and Planning is that it must correspond to less than 75 kWh/sqm per year. Rikshem wants to be at the forefront here and has decided on a level that is lower than 42 kWh/sqm per year.

Accommodation with all the extras

For Rikshem, it is important to develop residential properties where residents can live and reside sustainably. Future tenants in Brönnestad 1 and 2, as the properties are called, will be offered both a car pool with electric cars and a bike pool with electric bikes. As part of a "mobility package", basement parking spaces are offered for 86 cars; and 40 spaces are equipped with charging stations for electric cars.

"There's also a basic bicycle workshop next to the parking area, and tenants will be offered annual service of their bikes. They will also be able to use 100 sqm of office space equipped with a kitchenette, desk and chairs," explains Pär.

The first tenants are expected to move in during 2024, and Rikshem will manage the residential properties itself.

The properties are located in a quiet area where there has been extensive construction recently.

260

new apartments

The buildings are built and certified in accordance with Miljöbyggnad Silver



86 parking spaces; of which 40 with charging stations

14,000

sqm + a basement car park



Kronan, Luleå

Rikshem has built the first stage of the Kronan project in the Kulturbyn neighborhood at Östra Kronan in Luleå, comprising 92 new apartments in two six-floor buildings. The buildings will have silver certification from the Swedish Green Building Council. They will be fitted with solar panels, providing self-generated electricity both for the buildings and charging points for electric cars. Construction began in December 2021, and the apartments are expected to be ready for tenants in October 2023.

Stockholm, 25 of April 2023

Anette Frumerie

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Anders Lilja

CFO

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Links:

- Rikshem's framework for Green Bonds
- Ciceros Green Bonds second opinion
- Annual and sustainability report 2022
- Bonds

Rikshem is one of Sweden's largest private property companies. We own, develop and manage residential properties and properties for public use in selected municipalities in Sweden, where we offer safe, pleasant and flexible housing in attractive locations. Rikshem is owned by the Fourth Swedish National Pension Fund and AMF Pensionsförsäkring AB. Read more at rikshem.se

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