



ATRIUM LJUNGBERG'S  
GREEN BONDS

# INVESTOR REPORT 2020



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In February 2017, Atrium Ljungberg developed a green framework for the issue of green corporate bonds. Green bonds totalling SEK 7,682 million have been issued since then, of which bonds worth SEK 1,766 million were issued in 2020. Cash and equivalents for the year were spent on 16 property projects that are helping to reduce greenhouse gas emissions and encouraging growth that will benefit our climate.

Atrium Ljungberg's Investor Report 2020 describes which property projects benefited from funds from green bonds issued in 2020, as well as compliance with the green framework.

## BACKGROUND

### ABOUT ATRIUM LJUNGBERG

Atrium Ljungberg owns, develops and manages properties totalling 1,087,000 m<sup>2</sup> letting area with a property value of SEK 47 billion. We want to be a leading developer of attractive, sustainable city districts and properties in Stockholm, Gothenburg, Malmö and Uppsala.

Atrium Ljungberg remains active throughout the entire lifecycle of a building; as the developer of the property, as a developer and contractor, and as a property manager. We own large areas, so we can maintain a general strategy for a city district that really helps to enhance sustainability. We place demands on our suppliers and work with our tenants to achieve more than we could individually. By doing this we are trying to guide the entire value chain in a sustainable direction.

Properties have enormous environmental impact throughout their entire lifecycle. The construction and property industry accounts for a significant proportion of Sweden's energy consumption and total emissions. This is why it is important for Atrium Ljungberg to reduce both our own and our customers' environmental impact and streamline resource utilisation in terms of energy, waste, etc. This will allow us to reduce greenhouse gas emissions and counter climate change. Our work also involves contributing to the UN Sustainable Development Goals.

### ATRIUM LJUNGBERG'S SUSTAINABILITY WORK

Atrium Ljungberg develops sustainable city districts and properties to create value for tenants, municipalities, others who use the sites and us ourselves. The properties must be designed with care for people and the environment. They must be resource-efficient and make it easier for people to lead a sustainable lifestyle.

### ENVIRONMENTAL CERTIFICATIONS

The environmental certification of buildings is our most important tool when it comes to guaranteeing the sustainability of our city districts and properties. These certifications also help to make the environmental performance of properties more comparable, and easier to communicate to tenants. Certifications are also a main component in our framework for green bonds.

Atrium Ljungberg obtains environmental certifications for commercial new builds in accordance with the BREEAM envi-

ronmental classification system; for existing buildings in accordance with BREEAM In-Use; and residential buildings in accordance with Miljöbyggnad (Sweden Green Building Council's Environmental Building certification). We have high ambitions; all our properties should be environmentally certified by 2021. As of 31 December 2020, 62 per cent (50%) of letting area was certified.

### REDUCED ENERGY CONSUMPTION

Energy consumption throughout the lifecycle of a property is the main cause of greenhouse gases in our industry. Our goal, therefore, is to reduce the energy consumption of our properties per m<sup>2</sup> by 30 per cent between 2014 and 2021. We also include our tenants' total energy consumption in our goal. Up to and including 2020, we have reduced our energy consumption per m<sup>2</sup> by 23.5 per cent compared with the base year. However, our work on energy efficiency measures at our properties is continuing. All the electricity that we purchase is produced using renewable hydropower. We own and run ten large solar power installations. Most of our properties use district heating as their heat source.

### GREENHOUSE GAS EMISSIONS

Carbon dioxide emissions mostly originate from heating our properties with district heat and from visitors coming to our retail hubs by car. A very small proportion is from electricity consumption at the properties or business trips. Emissions amounted to 6.5 kg CO<sub>2</sub>e / sq m during 2020 (8.5), which is a decrease compared with the previous year. The reduction is partly due to changes in the fuel mix at district heating suppliers, which has resulted in lower emissions and we also reduced the use of district heating.

### GREEN LEASE CONTRACTS AND WASTE DISPOSAL

Atrium Ljungberg's green lease contracts are an example of the collaboration between the property owner and tenant to reduce the environmental impact in the properties in respect of matters such as energy, waste and transport. At the end of 2020, green lease contracts accounted for 44 per cent (36%) of the contracted annual rent. The goal is to achieve at least 50 per cent by 2021.

We are also pursuing a 'Zero waste' policy at our properties. By 2025, the total amount of waste must be reduced by 40 per cent per m<sup>2</sup>, an unsorted waste must be reduced by 80 per cent per m<sup>2</sup> of floor space.

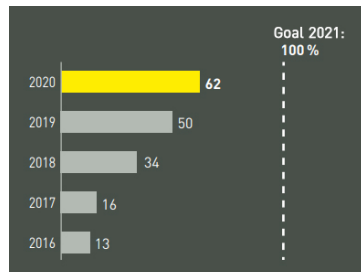
Atrium Ljungberg's sustainability work also includes the Sustainable Employees and Business Ethics areas. Read the Annual and Sustainable report 2020 for more information about our work.

## GOALS AND OUTCOMES FOR 2020 CONCERNING THE ENVIRONMENT AND RESOURCE UTILISATION

### PERCENTAGE OF CERTIFIED PROPERTIES

**Goal:** 100 per cent of our properties will be certified by 2021

**Outcome 2020:** 62 per cent



### ENERGY CONSUMPTION

**Goal:** Energy consumption per m<sup>2</sup> is to decrease by 30 per cent between 2014 and 2021 to a level of 188 kWh/m<sup>2</sup>.

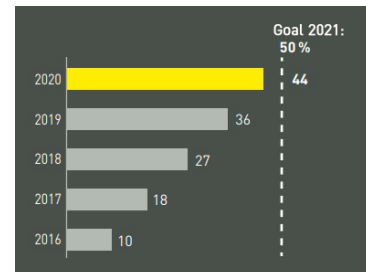
**Outcome 2020:** 23.5 per cent (207 kWh/m<sup>2</sup>)



### GREEN LEASE CONTRACTS

**Goal:** By 2021, the proportion of green leasing contracts is to be 50 per cent of the contracted annual rent.

**Outcome 2020:** 44 per cent



For more information, see notes S.4, S.7 and S.8 in the 2020 Annual Report.

## Atrium Ljungberg's contributions to the UN Sustainable Development Goals <sup>1)</sup>

### GLOBAL GOALS AND TARGETS



Targets: 3.9, 6.3, 6.4, 11.3, 11.6, 11.7 and 15.5



Targets: 7.2, 7.3, 12.2, 12.4, 12.5 and 13.1

### OUR CONTRIBUTION

#### SUSTAINABLE URBAN DEVELOPMENT

- Creating sustainable, safe, inclusive, vibrant urban environments
- Environmental certification of our properties
- Creating efficient properties and city districts
- Choosing healthy construction materials
- Installing charging stations for electric cars
- Assisting with efficient water consumption and supply, as well as the treatment of stormwater
- Counteracting depletion of biodiversity

#### ENVIRONMENT AND RESOURCE UTILISATION

- Streamlining energy consumption
- Installing solar panels
- Reducing greenhouse gas emissions
- Adapting properties according to climate change
- Using sustainable construction materials
- Reducing spillage and wastage of natural resources
- Increasing the proportion of green lease contracts
- Helping to increase recycling and reuse
- Reducing waste volumes

<sup>1)</sup> Atrium Ljungberg is also working with the *Sustainable Employees* area in order to help achieve UN global targets 5.1 and 8.8, and the *Business Ethics* area in order to achieve target 16.5. More information about our sustainability work can be found on our website at [www.al.se](http://www.al.se) and in our 2020 Annual Report.

### ATRIUM LJUNGBERG'S GREEN FRAMEWORK

Atrium Ljungberg's framework for green bonds aims to promote the transition to lower carbon dioxide emissions and growth that will benefit our climate. Green bonds aim to ensure for investors that the funds they invest give returns both financially and environmentally.

This framework indicates which criteria must be met for a project to qualify for funding from the company's green bonds. New build projects or existing buildings with stringent energy requirements are the primary recipients of funding. Investments in energy efficiency measures, renewable energy and clean transport are other categories that can receive funding.

For commercial properties to receive funding for new build and reconstruction projects, they have to hold certification according to BREEAM, with a minimum grade of 'Very Good'; and apartments have to be certified according to Miljöbyggnad, with a minimum grade of Silver. For existing buildings to receive

funding, they have to be certified according to BREEAM In-Use, with a minimum level of 'Very Good'.

The ambition is to use most of the funds from the green bonds to fund new projects, which are defined as projects that were concluded at the earliest within one year before the time when the bond was issued.

The projects are selected by Atrium Ljungberg's Green Bond committee, which is made up of representatives from the Finance department and the Sustainability department.

Independent climate research centre CICERO performed a research-based evaluation of Atrium Ljungberg's green framework in 2017. Atrium Ljungberg's annual investor reports are also reviewed by our auditors.

To view Atrium Ljungberg's Green Framework, CICERO's Second Opinion and previous investor reports, please see [www.al.se/om-oss/investerare/finansiering/grona-obligationer/](http://www.al.se/om-oss/investerare/finansiering/grona-obligationer/).

# APPROVED PROJECTS AND ALLOCATED VOLUME

Atrium Ljungberg has a total of SEK 18,905 million in interest-bearing liabilities. At the end of the year, it had SEK 6,005 million in green bonds and SEK 3,269 million in green bank loans. Cash and equivalents for the year have been

spent on 16 property projects that are helping to reduce greenhouse gas emissions and encouraging growth that will benefit our climate.

## Approved property projects according to the Atrium Ljungberg framework for green bonds, 31 Dec 2020

Ongoing projects	Property	Certification	Area, m <sup>2</sup> m <sup>2</sup> /residential m <sup>2</sup>	Allocated volume, SEK m <sup>2</sup> <sup>1)</sup>	Energy consumption <sup>3)</sup>		Requirement BBR <sup>4)</sup> kWh/m <sup>2</sup>	Estimated climate impact tonnes CO <sub>2</sub>	Annual CO <sub>2</sub> reduction, tonnes CO <sub>2</sub> <sup>5)</sup>
					MWh	kWh/m <sup>2</sup>			
1. Sickla Tapetfabriken	Sicklaön 83:22, Nacka	BREEAM – Very good 1)	10,500	367	608	55	106	40	193
2. Sickla Curanten	Sicklaön 83:22, Nacka	BREEAM – Very good 1)	11,500	466	466	32	70	30	207
3. Mobilia Torghuset	Bohus 8, Malmö	BREEAM – Very good 1)	13,100	521	419	40	94	50	187
4. Parkhusen, block 1	Gränbv 25:1, Uppsala	Miljöbyggnad – Silver 1)	2,800	67	248	66	85	47	17
5. Katarinahuset 7	Tranbodarne 11, Stockholm	BREEAM – Very good 1)	21,566	1,757	3,223	92	104	210	567
			<b>59,466</b>	<b>3,178</b>					
<b>Completed projects/Existing properties</b>									
6. Sickla Front I	Sicklaön 83:32, Nacka	BREEAM – Very good	10,500	326	1,438	122	100	93	175
7. Hesselmanstorg 14	Sicklaön 83:22, Nacka	BREEAM – Excellent	7,400	192	761	101	108	49	118
8. Gränby Entré buildings 1–3	Gränby 21:5	Miljöbyggnad – Silver 1)	17,100	637	1,944	84	91	371	22
9. Sickla Front II	Sicklaön 346:1, Nacka	BREEAM – Excellent 1)	25,535	821	2,228	73	80	145	334
10. Norra Gränbystaden	Brillinge 8:1 and 9:1, Uppsala	BREEAM – Very good	32,800	595	1,914	51	92	366	370
11. Panncentralen	Sicklaön 83:33, Nacka	Miljöbyggnad – Silver	976	73	109	103	138	8	17
12. Solar cells	Sicklaön 83:22, Nacka			7					
13. Existing properties	Lundbyvassen 4:13	BREEAM IN-USE – VERY GOOD	19,711	618	1,996	88	182	148	643
14. Existing properties	Lundbyvassen 4:7	BREEAM IN-USE – VERY GOOD	15,911	395	1,008	55	113	75	303
15. Existing properties	Borgarnäs 1, Stockholm	BREEAM – Very good	25,355	681	2,840	90	124	185	600
16. Existing properties	Stora Katrineberg 16	BREEAM IN-USE – VERY GOOD	42,407	909	3,521	75	139	229	1,396
			<b>197,695</b>	<b>5,254</b>					
<b>Total</b>			<b>257,161</b>	<b>8,432</b>					

## Outstanding green bonds, 31 Dec 2020

	SEK m	
Obl 108	SE0009773203	1,100
Obl 109	SE0009773211	200
Obl 115	SE0010494757	500
Obl 118	SE0011088756	105
Obl 119	SE0010832774	250
Obl 120	SE0010832923	500
Obl 121	SE0011425875	350
Obl 122	SE0011425883	300
Obl 123	SE0011869767	500
Obl 125	SE0011643311	500
Obl 126	SE0011643303	300
Obl 127	SE0012676435	400
Obl 128	SE0013359882	500
Obl 129	SE0013882776	500
Obl 204	NO0010907256	764

Total market value <sup>6)</sup>	11,738
Mortgaged assets	635
Allocated volume	8,432
<b>Available volume</b>	<b>11,103</b>

1) Goal certification

2) The allocated amount is the maximum investment made in ongoing/completed projects, but can amount to the market value for BREEAM In-Use.

3) Energy consumption refers to property energy excluding the tenant's own electricity. The area for estimation of kWh/m<sup>2</sup> relates to the estimated area A-temp. Energy consumption refers to actual consumption for completed projects when data for the full year is available.

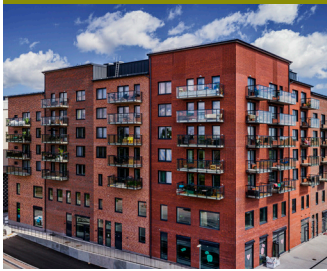
4) Energy requirement according to BBR (Boverket's building regulations) at the time of new-build construction; for In-Use certifications it refers to the energy consumption in 2015, or the acquisition year for properties acquired after 2015.

5) This refers to the difference between the annual emissions of CO<sub>2</sub> that the project would have had in 2019 based on the BBR requirement with an emission factor of 315 g CO<sub>2</sub>/kWh for electricity and 158 g CO<sub>2</sub>/kWh for district heating compared with actual emissions in 2020 or calculated emissions based on project calculations.

6) If the market value of a building is not available, the investment made is used as the value, for example, if the project is part of a larger property.

7) If it is a reconstruction and extension project, the average value is calculated for the project.

8. Gränby Entré Buildings 1, 2 and 3



10. Norra Gränbystaden



4. Parkhusen block 1 Gränbystaden



13. Lundbyvassen 4:13



14. Lundbyvassen 4:7



3. Mobilia Torghuset



9. Sickla Front II



6. Sickla Front I



15. Borgarnäs 1



11. Panncentralen



1. Sickla Tapetfabriken



2. Sickla Curanten



5. Katarinahuset



7. Hesselmanstorg 14



12. Solar cells, Sicklaön 83:22



16. Stora Katrineberg 16



## EXAMPLES OF FUNDED PROJECTS

# PARKHUSEN GRÄNBYSTADEN

**AREA:** 3,765 m<sup>2</sup>

**CERTIFICATION:** Miljöbyggnad, Silver

Gränbystaden is being transformed into a vibrant city district with diverse content, with the Parkhusen residential buildings playing an important role in the development of this area moving forwards.

Parkhusen is a residential district of rental apartments, with 44 in the first block. Parkhusen is indeed helping in the development of Gränbystaden and is located close to Gränbyparken park. Its buildings boast modern architecture and intelligent floor plans, with west-facing balconies and outdoor spaces.

The project is certified in accordance with Miljöbyggnad Silver and we have been working actively on energy consumption, the indoor environment and the choice of materials.



## EXAMPLES OF FUNDED PROJECTS

# CURANTEN SICKLA

**AREA:** 11,500 m<sup>2</sup>

**CERTIFICATION:** BREEAM – EXCELLENT

Curanten is the new destination for healthcare in Sickla and was completed in 2020. The building comprises 9,000 m<sup>2</sup> of healthcare and is home to dentists, health centres, a child health centre, physiotherapy and many other providers. By locating Curanten in the heart of Sickla, we are making this kind of service easily accessible in the area. The remaining units are for functions such as service activities and restaurants, which are located on the ground floor. Curanten has been certified in accordance with BREEAM Excellent. The project worked with many different sustainability indicators, including low energy consumption, sustainable material choices, accessibility to sustainable transport, etc. The project has kept its links to the area's history by reusing original bricks from previous buildings, creating a special character and helping the environment.



## STRATEGIC SUSTAINABILITY WORK – NEW GOALS IN 2022

Our current sustainability goals remain in place until the end of 2021, which is why we have started work on setting new goals. In the autumn of 2020 we carried out an extensive stakeholder dialogue with our most important stakeholders as part of this work. Continual dialogue with our stakeholders enables us to see how we can work together to develop our sustainability work moving forwards. We carried out this dialogue with all our priority stakeholder groups using interviews, surveys and a digital workshop with Atrium Ljungberg's employees. After completing the stakeholder dialogue, the results of this work formed part of the materi-

ality analysis, which prioritises the various areas. This materiality analysis and the stakeholder dialogue form the basis of our continued work on formulating our sustainability goals and strategy in 2021. Our ambition is to set reasonable, but challenging goals and measurement figures so that we can meet and manage the challenges our industry faces. We must also be able to use them to monitor our sustainability work over time and work on continual improvements for us as a company so that we can achieve our vision: "Our city – where everyone thrives".

# AUDITOR'S LIMITED ASSURANCE REPORT OF GREEN BONDS INVESTOR LETTER

This is a translation of the original report in Swedish

To Atrium Ljungberg AB, Corporate identification number 556175-7047

## INTRODUCTION AND SCOPE

We have been engaged by the Board of Directors of Atrium Ljungberg AB ("Atrium Ljungberg") to perform limited assurance of Atrium Ljungberg's Green Bonds Investor Letter ("the Report") for 2020. The scope of our work is limited to assurance of page 4 in the Report.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and Executive Management are responsible for preparing the Report in accordance with applicable criteria. The criteria are described in Atrium Ljungberg Green Bond Framework ("the Framework") dated 2017-02-17 (page 1, section 2) that is available on Atrium Ljungberg's website, that are applicable to the Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

## RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We have conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected information in 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 extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive

system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent towards Atrium Ljungberg in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently 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 conclusion below.

## CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the Report has not been prepared, in all material respects, in accordance with the reporting criteria.

Stockholm, 31 March 2021  
Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg  
Authorized Public Accountant

Isabelle Hammarström  
Sustainability Expert member of FAR

# INFORMATION

**THE INFORMATION** we release to the market concerning Atrium Ljungberg's operations must be transparent, clear and correct in order to build market confidence in our company and our brand.

**AS A LISTED COMPANY** Atrium Ljungberg is subject to the rules of the listing agreement with the Nasdaq Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is also available on the company's website: [www.al.se](http://www.al.se).

**REGULAR MEETINGS WITH** analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information on our company, current events and operational changes.

**THE ANNUAL REPORT** and interim reports are available on our website and the annual report is also distributed in printed format by post to shareholders who have actively requested them. Interim reports and preliminary financial statements are translated into English and all language versions are published simultaneously on our website. The annual reports are translated into English shortly after the publication of the Swedish language version.

**INTERESTED PARTIES** can subscribe to both financial statements and press releases via our website: [www.al.se](http://www.al.se). The site also provides updated information on our operations, our properties and projects, financial key performance indicators, the share, and much more besides. Information relating to Atrium Ljungberg's framework for green bonds, our annual investor reports, CICERO's Second Opinion and our auditors' reports are available at [al.se](http://al.se). The investor reports relating to green bonds are released annually in March.

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## PUBLICATION OF FINANCIAL INFORMATION

Interim Report, January–March 2021	16 April 2021
Interim Report, January–June 2021	7 July 2021
Interim Report, January–September 2021	15 October 2021
2021 Preliminary Financial Statements	February 2022
2021 Annual Report	March 2022
2021 Investor Report for Green Bonds	March 2022