

Akademiska Hus

Green Bond Investor Report 2020

APRIL 2021



AKADEMISKA HUS

Green Bond Investor Report

In October 2020 Akademiska Hus issued its second green bond of a total volume of SEK 1 500 million. The bond was issued under the Green Bond Framework established in April 2019, a framework that received a *Dark Green* rating from the second opinion provider CICERO Green, a subsidiary of the climate research institute CICERO.

The Green Bond Framework has a clear ambition to demonstrate Akademiska Hus sustainability agenda and to leverage on the strong and extensive portfolio of existing and planned projects and assets within the company. Green financing has enabled a platform for deepened dialogue with investors about the collective responsibility to manage the shift towards a more sustainable society.

CICERO Green stated that Akademiska Hus' Green Bond Framework provides a strong and forward-thinking approach to green financing for emission reduction and climate resilience initiatives.

In 2018 Akademiska Hus set ambitious targets to contribute to a climate neutral society. In summary, we have the following targets related to climate neutrality:

The target towards 2025 is to reach climate neutrality in our building operations as well as in our internal operations. In 2045 our target is to achieve climate neutral project operations. During 2019 we have taken several important steps towards fulfilment of these targets. Following steps are some of the most powerful yet implemented to accelerate our work towards a climate neutral operation:

- Implementation of a large amount of energy efficiency projects in the existing building stock.
- Proactive negotiations with energy suppliers to reduce the use and impact of fossil based fuel in the energy system.
- Climate-footprint calculations introduced throughout the building process for all new establishments.

The framework includes five categories of eligible investments. The green net proceeds have been allocated to all five categories, with the category Green Buildings being the largest. The majority of the net proceeds, 70 %, have been allocated to new projects, i.e. financed within one year of completion.

Table 1: Green Bond issuance, SEK m

ISIN	Volume	Issue date	Tenor
XS2015238269	500	2019-06-20	5 years
XS2015238855	1000	2019-06-20	5 years
XS2241799365	1500	2020-10-07	7 years

Table 2: Disclosure of allocation

Category	Allocated Net proceeds	Proportion of tot. %
Clean Transportation	51,6	2%
Green Buildings	2252,95	75%
Energy Efficiency	511,2	17%
Renewable Energy	78,85	3%
Environmental Sustainable Management of Living Natural Resources	100	3%
Sum allocated net proceeds	2994,6	
Sum of green bond net proceeds	2994,6	
Green account balance	0	



Charging stations on campus. Photo: Ola Kjelbye

CLEAN TRANSPORTATION

Akademiska Hus owns and develops campuses in 16 college and university cities in Sweden. The campuses play an important role in the local communities. With high ambitions to contribute to the shift towards a fossil-free society we see supportive infrastructure for clean transportation as a part of our business and therefore the category Clean transportation is a part of the Green Bond Framework.

There are several ways to encourage people to shift the daily commute from fossil-based transports to more sustainable transport modes. Increased availability of public transport, good walking and bicycling paths to be mentioned amongst others. Thus, the rate of change is heavily dependent on the availability of solutions that are easily accessible, seamlessly integrated in the lifestyle and preferably cost-effective.

CASE:

Sustainable infrastructure through electric charging stations

Supplying electric charging stations on campus is one way to enable a more sustainable commuting to our customers and everyone spending time at and around campus. Akademiska Hus have installed electric charging stations on most campuses and the expansion continues.

Number of electric charging stations financed: 257

Greenhouse gas savings: 359,8 tonnes.

CASE:

National agreement for electrical charging with Bee charging solutions

To strengthen the availability of charging stations for electrical vehicles Akademiska Hus have signed a national deal with Bee charging solutions. By offering charging we contribute to sustainable transport on, to and from our campuses. In cooperation with Bee charging solutions we want to make it as easy as possible to charge your electrical vehicle, regardless of which campus you visit. The charging stations are all visible in Bee's public charging network.



Studenthus Valla, Linköping. Photo: Anders Bryngel

GREEN BUILDINGS

Both Akademiska Hus and many of our customers have high aspirations in sustainability. Our role as a long-term property owner provides an excellent opportunity to build sustainably and forward-thinking. Our goal is always to deliver the highest possible customer value through resource efficiency and good cost management. At the same time, Akademiska Hus constantly strive to minimise environmental impact through sustainable construction processes and carefully considered choices of systems and materials. All new construction projects

shall meet Gold rating in the Miljöbyggnad environmental certification system, with the exception of student housing that should reach at least the silver level. The target for major renovations is set to a Silver rating, as a minimum. A building process that meet these high ambitions in the Miljöbyggnad standards assure important qualities in a building in terms of energy, indoor environment and materials. Akademiska Hus currently have 57 certified buildings whereof nine to date are certified at Gold level.

Table 3: Investments and metrics in the category Green Buildings

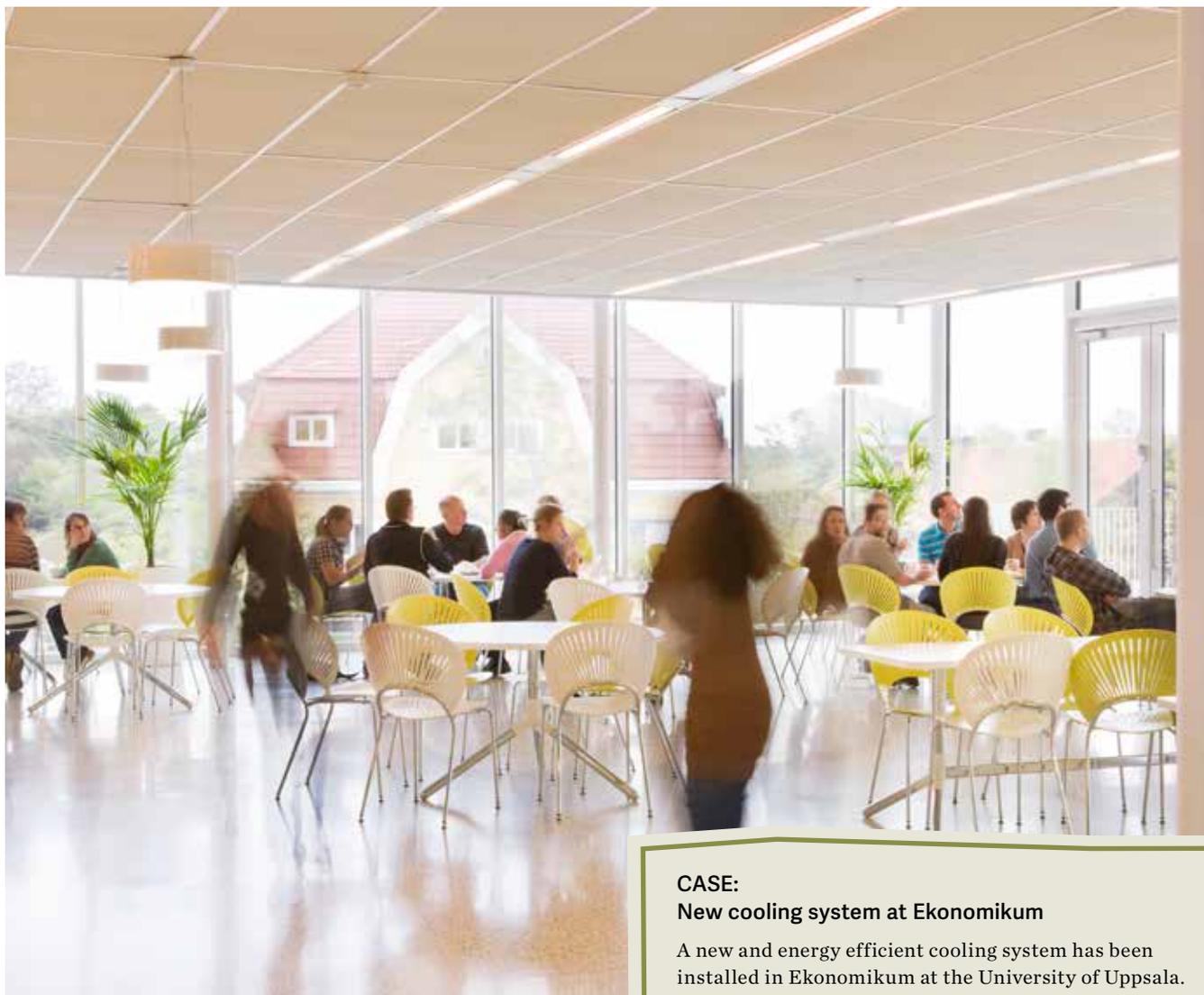
Property	Location	Renovation/ New/ Existing	Certification	MWh/ year	CO ₂ (tonnes)	Savings MWh	Savings %	kWh/ m ²	CO ₂ kg/m ²
Humanisten	Gothenburg	New	Gold	630	32	333	35%	43	2,1
Humanisten	Gothenburg	Renovation	Silver	739	37	383	34%	51	2,5
Studenthuset	Linköping	New	Gold	678	39	486	42%	46	3,0
A Working Lab	Gothenburg	New	Gold	380	12	369	49%	34	1,0
Samhällsbyggnad 1 & 2	Gothenburg	Renovation	Silver	1 425	62	462	25%	60	2,6
Humanisthuset	Umeå	Renovation	Silver	1 277	78	557	30%	84	5,1
Eden	Lund	Existing	Silver	265	0,6	122	31%	53	0,1
Matteanexet	Lund	Renovation	Gold	293	0,5	307	57%	58	0,1

CASE: Humanisten, Gothenburg

The university building Nya Humanisten is seen as a first step towards making the university area south of Götaplatsen in Gothenburg to a unique and creative meeting point for art, culture and humanities. The University of Gothenburg will also get the opportunity to improve visibility and co-locate the Faculty of Arts, which were previously scattered around the city.

The new building, which was completed in 2019, has received the certification Miljöbyggnad Gold. Several comprehensive measures and solutions are behind the high level of certification. In order to create a sound indoor environment, at the same time energy efficient, both lighting and ventilation are controlled on demand. The building has been equipped with energy efficient windows and the purchased energy is sustainable district heating and cooling. Furthermore, the project has implied strong emphasis on daylight, solar gain, soundscape, moisture safety and sun protection.





Campus Ultuna. Photo: Ola Kjlbye

ENERGY EFFICIENCY

A key component of our aspiration to achieve climate neutrality involves reducing the energy needs in our buildings. Our goal is to reduce the quantity of delivered energy by 50 percent to 2025, with 2000 as base year. Considerable effort is also being dedicated to influence the energy system to shift towards more sustainable energy and to demand and create new renewable energy.

Our energy strategy, established during 2016, has led to an ambitious energy process where prioritization of energy reduction activities is simplified and where focus is set on implementation to reach the energy goal. Our database for energy, was further developed during 2020 to enable more accurate analysis of a building's energy performance which also support the investment process to accelerate the energy reduction activities to provide greater benefit, both financially and environmentally.

Yearly reduction:	84 934 MWh/year
	425 tonnes CO ₂ /year

CASE:

New cooling system at Ekonomikum

A new and energy efficient cooling system has been installed in Ekonomikum at the University of Uppsala. The cooling system has natural refrigerants and therefore zero impact on the climate. Further, it has been integrated with the other systems of the building which enables heat recovery. The installation is estimated to save 70 MWh electricity and 210 MWh district heating per year, equivalent to a CO₂ reduction of 32 tonnes per year.

CASE:

Energy efficient restaurant at Campus Ultuna

Akademiska Hus have together with the Swedish University of Agricultural Sciences completed several energy saving initiatives in the restaurant at Ultuna Campus. Besides general renovations a new demand-controlled kitchen fan has been installed together with a new ventilation unit with improved heat recovery. The kitchen has been provided with a new and efficient refrigeration system with CO₂ as refrigerant and heat recovery. Further improvements are LED-lighting, demand controlled ventilation, improved insulation for windows etc. The energy savings have been calculated to 140 MWh district heating and 40 MWh electricity, equivalent to a CO₂ reduction of 24 tonnes per year.



CASE:

Large investment in solar panels in Gothenburg

Akademiska Hus have installed solar panels on nine different buildings on Campus Medicinareberget at the University of Gothenburg. The solar panels will cover a total area of almost 4000 m² and generate approximately 675 000 KWh of renewable electricity per year.

RENEWABLE ENERGY

Our investment in solar energy contributes in the shift towards a fossil free society. We currently have about 70 solar parks on our campuses which generate over 5 million kWh of renewable electricity annually for Swedish centres of education. Within a few years we will install more solar power facilities. When they are ready our solar power installations will produce over 10 million kWh per year.

The investments connected to Renewable energy have contributed to following savings:

Yearly production capacity:	4 916 MWh/year
Prevented emissions:	25 tonnes CO ₂ /year

"This is an excellent example of how close collaboration with the property owner can lead to environmental gains for us all."

**Marie Smedbro,
Area Manager at the Division
of Infrastructure Support at
the University of Gothenburg**



Auditor's Limited Assurance Report

To Akademiska Hus AB, Corporate identification number 556559-9156

Introduction and Scope

We have been engaged by the Executive Management of Akademiska Hus AB ("Akademiska Hus") to undertake a limited assurance engagement of selected information in Akademiska Hus' Green Bond Investor Report 2020 ("the Report").

The scope of our work was limited to assurance of "Table 1:Green Bond issuance" and "Table 2:Disclosure of allocation" on page 2 in the report.

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

The Executive Management is responsible for evaluating and selecting eligible assets, for the use and management of bond proceeds, and for preparing an Investor Report that is free of material misstatements, whether due to fraud or error, in accordance with applicable criteria. The criteria are relevant parts (section one, page 11) of the *Akademiska Hus Green Bond Framework* dated April 2019 ("the Framework"), available on Akademiska Hus's website.

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.

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 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.

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 Akademiska Hus in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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, the day stated on my signature

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorized Public Accountant



Appendix 1

ENERGY

Calculations on energy use and energy savings are based on the amount of energy used for heating and cooling as well as for electricity. Calculations are primarily based on the amount of delivered energy. In cases where this number is unknown, estimations from the specific projects have been used.

Energy savings refer to the requirements in the national building code (BBR).

Energy production from solar panels are based on measurements from each installation.

CARBON DIOXIDE

Emissions consist of CO₂ from purchased electricity, heating and cooling. CO₂ calculations are primarily based on input data provided by suppliers for 2020. If these data were unavailable at the time of calculation, data from 2019 was used. The CO₂ data used comprises the total greenhouse effect, i.e. CO₂e.

Source: Energiföretagens fjärrvärmestatistik

Link: <https://www.energiforetagen.se/statistik/fjarrvarme-statistik/miljovardering-av-fjarrvarme>

CO₂ emissions from purchased electricity is set to 5 grams CO₂/kWh.

CLEAN TRANSPORTATION

Greenhouse gas savings connected to electric charging stations for vehicles has been set to 1.400 kg CO₂e / charging point.

Source: Swedish Environmental Protection Agency

Link: <https://www.naturvardsverket.se/upload/stod-i-miljoarbetet/bidrag-och-ersattning/bidrag/klimatklivet/klimatvardering-av-publika-laddningsstationer.pdf>



AKADEMISKA HUS

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