



Reporting – Sustainability bonds

Hemso is the first issuer of sustainability bonds in the Nordic region. The total amount issued since 2016 is SEK 12.9 billion.

First in the Nordic region

In 2016, Hemso was the first Nordic company to issue a sustainability bond, which paved the way for continued issues of sustainability bonds. In 2023, Hemso issued eight more sustainability bonds, with a total issuance value of SEK 3,725 million. The proceeds were used exclusively for sustainable investing and properties. Hemso's sustainability bond framework provides a clear definition of the project types and properties that can be financed. Hemso was the first company in the Nordic region to incorporate social investment into its framework. The complete framework is available at hemso.se. Hemso's sustainability bonds are listed on the Euronext ESG Bond list – a community of ESG bond issuers (green, sustainability, blue and sustainability-linked bonds).

Hemso's vision is to strengthen the backbone of society. The properties we develop and manage have a major impact on the local community. Hemso'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.

Hemso'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 Hemso'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
4. Renewable energy

In 2023, the allocation was only for existing properties. 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 Hemso's sustainable accounts is zero.

Second opinion from Sustainalytics

Ratings firm Sustainalytics reviewed Hemso's sustainability performance and bond framework terms. Sustainalytics is of the view that Hemso'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 invest-

ment categories included in the framework will contribute to greater sustainability. Read Sustainalytics' second opinion at hemso.se

Examples of development projects financed

Nursing home in Täby

In close cooperation with Täby Municipality, Hemso developed the Johannes Trädgård (Bylegård 37) nursing home.

The new nursing home has nine wards and 86 apartments. To safeguard the property's qualities, we preserved and restored an old orchard. The elderly residents can spend time here in a natural and restful environment among the trees. The site also includes a bakehouse from the 1700s that gives character.

The indoor environment has a calm and tranquil colour scheme that contributes to the cosy atmosphere. Paintings of Stockholm and Täby hang in the corridors so the residents recognise their own home corridor. The home has three floors with three wings and a shared stairwell at the centre. The semi-base-ment houses staff rooms and logistics.

The building is certified under the Miljöbyggnad Silver certification system and has rooftop solar panels.



Nursing home in Borlänge

Our Gyllegården nursing home in Borlänge (Gylle-hemmet 2) has 54 apartments and is located in an area of natural beauty two kilometres outside central Borlänge. The area includes grow boxes, walkways, a playground and a barbecue.

The space shared between the assisted living facility and the preschool are in the same property and is intended to serve as a green oasis that encourages a sense of community across generations. There are also two shared terraces between the buildings. The building is certified under the Miljöbyggnad Silver certification system. Occupancy took place in spring 2023.



Allocation under Hemsö's sustainable framework (until February 2023)

Category	Property	Amount, SEK million	Certification and level	Type of property	Atemp, m ²	MWh/year	kWh/m ²	tCO ₂ e/year	kgCO ₂ e/m ²	Beds/places created ¹⁾
Sustainable	Anoraken 1	317	Miljöbyggnad Silver	Nursing homes	11,564	916	79	3	0	144
Sustainable	Boden 56:51	262	Miljöbyggnad Silver	Nursing homes	10,165	677	67	2	0	126
Sustainable	Bylegård 37	120	Miljöbyggnad Silver	Health care	5,623	169	30	2	0	86
Sustainable	Faunan 1	230	Miljöbyggnad Gold	Nursing homes	6,060	230	38	3	1	92
Sustainable	Giffeln 1	305	Miljöbyggnad Silver	Nursing homes	7,237	602	83	41	6	80
Sustainable	Gyllehemmet 2	250	Miljöbyggnad Silver	Nursing home/Assisted living facility	9,181	587	64	40	4	142/47
Sustainable	Krusmyntan 1	205	Miljöbyggnad Silver	Nursing homes	4,443	171	38	2	1	63
Sustainable	Köpingeskolan	120	Miljöbyggnad Silver	Education	7,875	544	69	14	2	860
Green	Lanuv, Germany ²⁾	1,100	LEED Gold & DGNB Gold	Education	16,563	3,640	220	2,030	123	–
Sustainable	Medicinaren 25 ³⁾	1,450	Miljöbyggnad Silver	School/university	26,096	3,943	151	81	3	500
Sustainable	Nåden 1	135	Miljöbyggnad Silver	Nursing homes	3,787	141	37	2	1	54
Sustainable	Patienten 1	1,049	Miljöbyggnad Gold	Health care	29,579	2,753	93	114	4	–
Sustainable	Perintökuja 14, Vanda	200	LEED Gold	Nursing homes	7,124	865	121	236	33	–
Sustainable	Pilehallen	100	Miljöbyggnad Silver	School/sports centre	3,941	281	71	7	2	–
Sustainable	Romberga 23:54	150	Miljöbyggnad Silver	Nursing homes	4,364	274	63	5	1	54
Sustainable	Sandarna 26:2	492	Miljöbyggnad Silver	School/Nursing home	12,907	738	57	48	4	388/100
Sustainable	Satakunnankatu 23	800	BREEAM Very Good	School/university	23,155	3,553	153	131	6	–
Sustainable	Stafvre 11	195	Miljöbyggnad Silver	Nursing homes	4,765	239	50	3	1	116/60
Sustainable	Södra Källtorp 1	150	Miljöbyggnad Silver	Nursing homes	10,602	878	83	39	4	120
Sustainable	Södra Källtorp 7	30	Miljöbyggnad Silver	Nursing home/Assisted living facility	3,121	157	50	8	2	55
Sustainable	Täckeråker 1:228 school	247	Miljöbyggnad Silver	Education	4,135	290	70	3	1	400
Sustainable	Verkmästaren 6 & 7	620	Miljöbyggnad Silver	School/university	22,479	1,451	65	22	1	4,000
Sustainable	Vikhemsolan	170	Miljöbyggnad Silver	Education	7,970	260	32	4	0	800
Total		8,696								

Allocation under Hemsö's sustainable framework (from February 2023)

Category	Property	Amount, SEK million	Certification and level	Type of property	Atemp, m ²	MWh/year	kWh/m ²	tCO ₂ e/year	kgCO ₂ e/m ²
Green	Hallen 4	150	BREEAM In-use Very good	Nursing homes	7,298	414	57	3	0
Green	Borgaren 18	225		Education	15,371	1,503	98	33	2
Green	Hälsan 3	130		Health care	6,151	500	81	25	4
Green	Konstantinopel 6	70		Nursing homes	3,979	342	86	43	11
Green	Gustavsborg 2	600		School/university	22,576	2,039	90	82	4
Green	Lindholmen 36:1	170	Miljöbyggnad Silver	Health care	5,278	383	73	21	4
Green	Banslätt 1	210		Health care	10,774	939	87	29	3
Green	Dona 1:38	270		Education	9,720	555	57	14	1
Green	Bällsta 2:1087	150		Education	4,269	334	78	3	1
Green	Sicklaön 12:9	130		Nursing homes	5,077	213	42	3	1
Green	Ekeby 2:275	50		Nursing homes	3,377	332	98	3	1
Green	Befästningskullen	70		Education	4,235	332	79	2	1
Green	Valsätra 3:10	210	BREEAM In-use Very good	Nursing homes	7,581	571	75	73	10
Green	Reparatören 5	90		Justice system	3,313	240	73	9	3
Green	Östra Daggrösen 1	23		Nursing homes	4,384	277	63	11	3
Green	Skjutfältet 9	127		Nursing homes	7,393	489	66	23	3
Green	Kopparormen 4	40		Justice system	6,425	336	52	4	1
Green	Klockarkärleken 3	45		Nursing homes	4,921	296	60	14	3
Green	Akka 8	90		Health care	4,956	239	48	10	2
Green	Krokslätt 147:2	75		Nursing homes	4,046	331	82	20	5
Green	Krokslätt 35:14	50		Education	8,554	605	71	35	4
Total		2,975							

Allocated amount per category

Category	Amount, SEK million	Share, %
Green	4,075	35
Sustainable	7,596	65
Total	11,671	100

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

²⁾ The outcome includes business energy and non-seasonally adjusted data for heating. The contract is in the name of the tenant.

³⁾ The outcome includes business cooling.