

2021



# Investor report

Atrium Ljungberg's  
green bonds.



ATRIUM  
LJUNGBERG

# Green bonds.

In February 2017, Atrium Ljungberg developed a green bond framework for the issue of green corporate bonds. Green bonds totalling SEK 11,382 million have been issued since then, of which bonds worth SEK 3,700 million were issued in 2021. Cash and equivalents for the year were spent on 14 property projects that are helping to reduce greenhouse gas emissions and encouraging growth that will benefit our climate. In this investor report we show the results of Atrium Ljungberg's sustainability goals of 2014-2021 and present our new sustainability goals for 2021-2030.

Atrium Ljungberg's Investor Report 2021 describes which property projects benefited from funds from green bonds issued in 2021, as well as compliance with the green bond framework.

## ABOUT ATRIUM LJUNGBERG

properties totalling 1,082,000 sqm letting area with a property value of SEK 52 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 environmental 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 2021, 96 per cent (62) 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 spm by 30 per cent between 2014 and 2021. We also include our tenants' total energy consumption in our goal. Up to and including 2021, we have reduced our energy consumption per sqm by 26 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 4.1 kg CO<sub>2</sub>e / sqm during 2021 (6.5), which is a decrease compared with the previous year. The reduction is mostly due to changes in emissions factors from district heating and lower energy consumption.

### GREEN LEASE CONTRACTS AND WASTE DISPOSAL

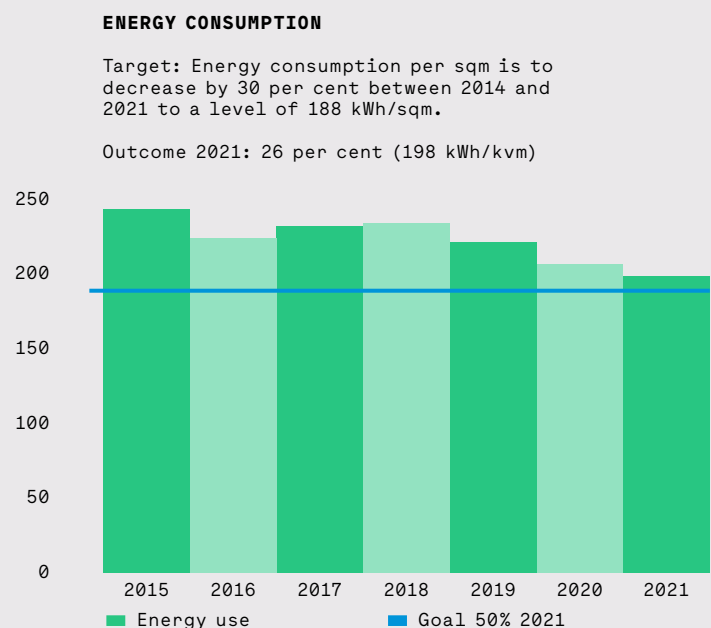
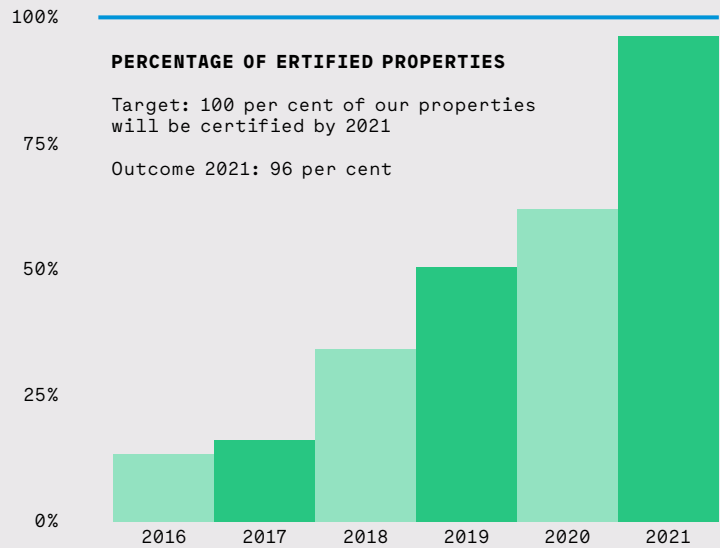
Atrium Ljungberg's green lease contracts are an example of the collaboration between the property owner and tenant to reduce the environmental impact in the properties in respect of matters such as energy, waste and transport. At the end of 2021, green lease contracts accounted for 59 per cent (44%) of the contracted annual rent. The goal was 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 sqm, an unsorted waste must be reduced by 80 per cent per sqm of floor space.

Atrium Ljungberg's sustainability work also includes the Sustainable Employees and Business Ethics areas. Read the Annual and Sustainable report 2021 for more information about our work.

For more information, see notes S.4, S.7 and S.8 in the 2021 Annual Report.

## SUSTAINABILITY GOALS AND OUTCOME 2014-2021



# 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

## 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



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

### 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

1) 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 2021 Annual Report.

## ATRIUM LJUNGBERG'S GREEN BOND 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 financing.

For commercial properties to receive financing 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 financing, they have to be certified according to Breeam or 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 Treasury department and the Sustainability department.

Independent climate research centre Cicero performed a second party opinion 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/).

# Sustainability goals 2022–2030.



**ATRIUM LJUNGBERG'S BOARD** of Directors has adopted a new sustainability strategy and new sustainability goals for the company. The goals cover the period 2022 to 2030 and are designed to guide the company towards sustainable development and contribute to achieving the company's vision; Our city – where everyone thrives. The goals are based on and extensive stakeholder dialogue and a materiality analysis that we performed, which resulted in four focus areas for our future strategy: climate, socially sustainable locations, sustainable employees and business ethics. These focus areas are linked to goals and strategies as well as governing functions as policies and guidelines.

## THE NEW SUSTAINABILITY GOALS:

- Atrium Ljungberg will be climate-neutral by 2030 measured as kgCO<sub>2</sub>e/GFA for projects and kgCO<sub>2</sub>e/sqm for management properties.
- Emissions from constructions projects will be halved by 2025 shown by life cycle analysis (measured as kgCO<sub>2</sub>e/GFA).
- Atrium Ljungberg's locations will have reached 90 % in "Our City - Index for Socially Sustainability" by 2030.
- 100% of purchase volumes from significant suppliers will be evaluated 2025, using Atrium Ljungberg's Supplier Policy.
- Atrium Ljungberg will organise at least two development programmes for our suppliers every year as a joint task to develop sustainability work for ourselves as well as for the property sector.
- Atrium Ljungberg will continue to appear on the list of Sweden's best employers and achieve an index of at least 85% GPTW (Great Place To Work)

With the new sustainability goals in place the work has started to implement these in all business areas, read more about our new sustainability goals on our web site [www.al.se](http://www.al.se).

# New green bond framework 2022.



**ON FEBRUARY 7TH 2022** a new green bond framework was launched, which means green bonds issued from that date and onwards will be linked to the new framework. Outstanding green bond will still be linked to the green bond framework of 2017. The last bond maturity under the 2017 framework is in November 2027.

In the new framework the level of ambition has increased. To be able to allocate bond financing to building projects the certification needs to be Breeam "Excellent" (or Miljöbyggnad Silver, Leed Gold or Svanen) and the energy consumption has to be at least 20% lower than BBR requirements. Existing buildings need, on top of certification requirements, meet a maximal energy consumption based on construction year. We have also chosen to add more categories in the new framework compared to that from 2017. Cicero has performed a second party opinion of the new framework and assessed it a Medium Green shading.

The investor report of 2022 will contain information and evaluated allocated financing from both frameworks.

# Approved projects and allocated volume.

Atrium Ljungberg has a total of SEK 20,561 million in interest-bearing liabilities. At the end of the year, it had SEK 8,781 million in green bonds and SEK 3,265 million in green bank loans. Cash and equivalents for the year have been spent on 14 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, 2021.12.31

#	Ongoing projects	Property	Certification	Area sqm	Allocated volume SEK m <sup>2</sup>	Energy consumption <sup>2</sup> MWh	kWh/m <sup>2</sup>	Requirement BBR <sup>3</sup> kWh/m <sup>2</sup>	Estimated climate-impact tonnes CO <sub>2</sub>	Annual CO <sub>2</sub> reduction <sup>4</sup> tonnes CO <sub>2</sub>
1	Katarinahuset	Tranbodarne 11, Stockholm	BREEAM - Very good <sup>1</sup>	21 566	1 757	3 223	92	104	210	567
				<b>21 566</b>	<b>1 757</b>					
#	Completed projects / Existing properties									
2	Mobilia Torghuset	Bohus 8, Malmö	BREEAM - Very good <sup>1</sup>	13 100	331	912	87	94	30	214
3	Parkhusen, kvarter 1	Gränby 25:1, Uppsala	Miljöbyggnad - Silver	2 800	107	234	62	85	28	37
4	Sickla Tapetfabriken	Sicklaön 83:22, Nacka	BREEAM - Very good <sup>1</sup>	10 500	347	640	58	108	17	253
5	Sickla 1898, Curanten	Sicklaön 83:22, Nacka	BREEAM - Very good <sup>1</sup>	11 500	607	884	52	70	28	184
5	Sickla Front I	Sicklaön 83:32, Nacka	BREEAM - Very good	10 500	415	1 374	117	100	41	194
7	Sickla Front II	Sicklaön 346:1, Nacka	BREEAM - Excellent	25 535	1 186	2 381	77	80	80	371
8	Norra Gränbystaden	Brillinge 8:1 & 9:1, Uppsala	BREEAM - Very good	32 800	590	2 017	54	92	225	493
9	Panncentralen	Sicklaön 83:33, Nacka	Miljöbyggnad - Silver	976	44	83	74	138	4	19
10	Solar cells	Sicklaön 83:22, Nacka			14					
11	Existing buildings	Lundbyvassen 4:13	BREEAM IN-USE - Very good	19 711	664	2 155	95	96	50	436
12	Existing buildings	Lundbyvassen 4:7	BREEAM IN-USE - Very good	15 911	421	954	52	96	23	376
13	Existing buildings	Borgarnäs 1, Stockholm	BREEAM - Very good	25 355	684	2 678	85	124	65	762
14	Existing buildings	Stora Katrineberg 16	BREEAM IN-USE - Very good	42 407	1 613	3 614	77	139	32	1313
				<b>211 095</b>	<b>7 024</b>					
	<b>Total</b>			<b>232 661</b>	<b>8 781</b>					

## Outstanding green bonds 2021.12.31

No	ISIN	Currency	MSEK	Termination date
108	SE0009773203	SEK	611	2022.3.21
109	SE0009773211	SEK	200	2022.3.21
129	SE0013882776	SEK	500	2022.12.22
119	SE0010832774	SEK	250	2023.5.3
127	SE0012676435	SEK	400	2023.7.7
115	SE0010494757	SEK	500	2023.10.26
123	SE0011869767	SEK	500	2024.7.2
125	SE0011643311	SEK	500	2024.8.21
126	SE0011643303	SEK	300	2024.8.21
128	SE0013359882	SEK	500	2025.4.1
134	SE0013883105	SEK	800	2025.7.1
130	SE0013360054	SEK	350	2026.2.3
132	SE0013102167	SEK	700	2026.4.29
135	SE0013360351	SEK	1 000	2026.10.1
133	SE0013102183	SEK	300	2027.4.29
136	SE0013360393	SEK	550	2027.9.6
204	NO0010907256	NOK	820	2027.11.23
			<b>8 781</b>	
	Total market value		12 048	
	Mortgaged assets		635	
	Allocated volume		8 781	
	<b>Available</b>		<b>2 632</b>	

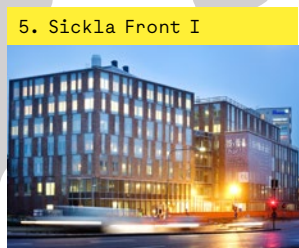
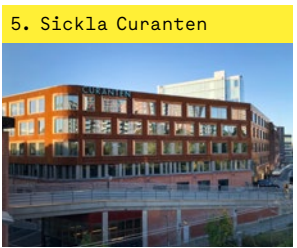
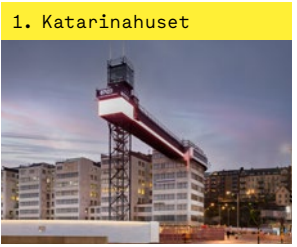
1. Goal certification

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

3. 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.

4. This refers to the difference between the annual emissions of CO<sub>2</sub> that the project would have had in 2021 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 2021 or calculated emissions based on project calculations.

# Property map





# Example of funded projects.



## CASE KATARINAHUSET

AREA: 21 556 sqm

Certification: Breeam bespoke very good

Katarinhuset is in need of refurbishment and modernization, a work that began in 2020. After the renovation, the building will contain modern offices with fantastic views of Skeppsholmen and the Old Town. We are planning to develop the building's roof terrace so that the general public can access it via Mosebacke and Katarinahissen.

In connection with the renovation of Katarinhuset, we have given priority to keeping everything valuable, reusing what is possible and finding sustainable solutions for the future. The redevelopment is certified with BREEAM Very good. Continual public transport is a few steps away and our bicycle lounge creates great conditions for environmentally friendly travel. The first office tenants are scheduled to move in during the spring of 2023.



## CASE SOLCELLER

AREA: 5 227 sqm

During 2021 we increased the number of solar cells. We have added solar cells to our sites in Sickla, Gränby, Hammarby Sjöstad and Liljeholmen which are estimated to produce approximately 833 MWh. The solar cell plant at Sickla is now one of the largest in the Nordics. These plants are important as they contribute with renewable energy and reduce the need to buy energy to our sites.

# 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.

## PUBLICATION OF FINANCIAL INFORMATION

Interim Report January-March 2022	2022.04.13
Interim Report January-June 2022	2022.07.08
Interim Report January-September 2022	2022.10.14
Year-end Report 2022	February 2023
Annual Report 2022	March 2023
Investor Report for Green Bond	March-April 2023

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