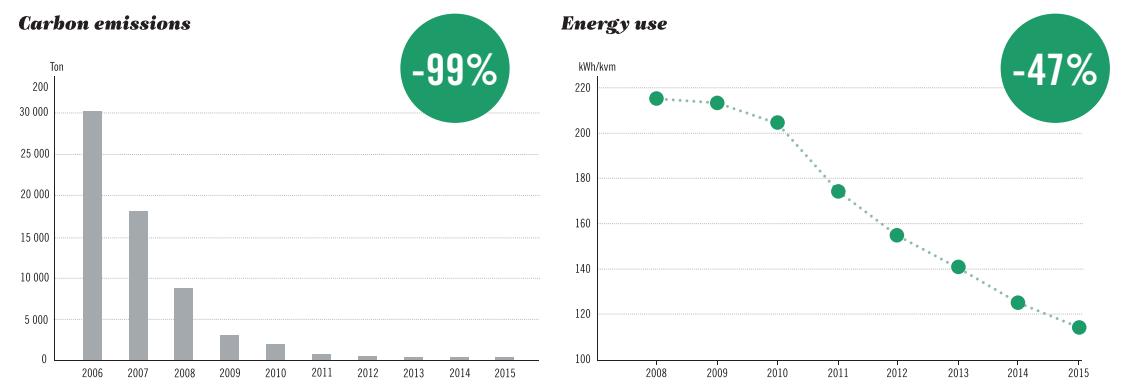


Green Bonds

At year-end, December 2015, Vasakronan's total investments that have been approved for financing by green bonds amounted to SEK 6 billion. During 2015, Vasakronan issued green bonds for SEK 1.4 billion, bringing the total outstanding amount to SEK 4.7 billion. Vasakronan is the largest issuer of green bonds in Sweden.

Properties are responsible for nearly 40 percent of the energy use in Sweden. For this reason, it is obvious to us that we must continue our efforts to lower energy use in our properties. Together with our tenants, we've lowered energy use by almost 50 percent since 2009. By the use of renewable or climate neutral energy in our properties, we've also successfully reduced our carbon emissions by approximately 99 percent.



At year-end, Vasakronan had a project portfolio consisting of SEK 2.5 billion in new construction and renovation projects, all of which have high environmental standards. Green bonds are used primarily to finance investments in these projects. A framework is used for selecting projects to be financed by green projects. It has been reviewed and analyzed by Cicero, the Norwegian Center for International Climate and Environmental Research. One requirement is that all new construction and renovation projects financed by green bonds must obtain certification in accordance with the international environmental classification system, LEED, at the second highest level, Gold (or higher).

Ongoing property projects which, according to the framework, have been approved for financing by green bonds, have an investment volume of SEK 1.6 billion.

[Read more about Vasakronan Green Bond Framework](#)

Approved investment amount green bonds 2015-12-31, SEK millions	
Capitalized investments in ongoing projects	706
Planned investments in ongoing projects (forecast)	1 047
Investments in completed projects	4 025
Investments in energy-saving initiatives	226
Total approved investment amount	6 004
Outstanding volume, green bonds	-4 671
Remaining approved investment amount	1 333

Approved property projects as per Vasakronan's framework for green bonds 2015-12-31, SEK millions

Location / Ongoing project	Property	Total investments, SEK m (forecast)	Capitalized, SEK m
Stockholm, City	Uggelborg 12, Klara C	1 190	681
Uppsala	Kronäsen 1:1	245	25
Stockholm, Solna	Hilton 7	200	0
Total ongoing projects		1635	706

Completed projects	Property	Total investments, SEK m (forecast)	Capitalized, SEK m	Certification
Göteborg	Heden 46:3	841	841	Ongoing
Stockholm, City	Nattugglan 14	466	466	Ongoing
Stockholm, Kista	Modemet 1, hus 8	435	419	Ongoing
Stockholm, Kista	Modemet 1, hus 9	433	433	LEED Gold
Stockholm, City	Svea Artilleri 14	257	257	LEED Gold
Stockholm, City	Spektorn 13	389	389	LEED Gold
Stockholm, Solna	Rosenborg 3	547	547	LEED Gold
Stockholm, Telefonplan	Telefonfabriken 1	305	305	LEED Gold
Göteborg	Inom Vallgraven 9:13	245	245	Ongoing
Uppsala	Kungsängen 4:4	123	123	LEED Gold
Total concluded projects		4 041	4 025	
Energy-saving projects		328	226	
Overall total		6 004	4 957	

EXAMPLES OF PROJECTS

Klara C is situated at one of the very best locations in Stockholm, right across the street from the Central Station. In 2013, an extensive renovation and modernization project began at the property. It will be completed and ready for tenants to start moving in during 2016. The property will be LEED-certified and the expected level is Platinum.



Some of the environmental aspects of this project are:

- New windows and additional insulation of walls and roof to improve energy efficiency
- Motion sensors for lighting
- Demand controlled heating and ventilation system
- Green sedum roof, which lowers the energy need of the building, increases biodiversity and absorbs/detains stormwater runoff
- Building materials sourced locally to avoid long transports
- All building materials documented and approved by BVB.
- Reuse of building material that has been torn down/removed.
- Parking spots reserved for electric cars
- Abundant parking for bicycles and changing rooms for bicyclists and other athletes
- Flexible solutions that help lower the need for future renovations



Aquifer increases energy efficiency at Hästskon block

At Vasakronan, we use various technical solutions and rely on our effective, competent organization to continually lower our energy use. For example, an aquifer was commissioned during 2015 at the Hästskon block of Sergels torg in Stockholm. It is capable of lowering the property's energy use by nearly 60 percent.

An aquifer is a naturally occurring underground layer of water-bearing permeable rock from which groundwater can be extracted. Groundwater is pumped from the aquifer through drilled wells to an energy facility in the building where energy, in the form of heat or cold, is transferred to the building. For heat production, heat pumps are used. These types of systems typically have an energy factor of between six and seven, which means that for each unit used, six to seven times that amount of energy can be extracted. They also typically provide direct free cooling. The energy factor for these, often large-scale projects, usually falls within the range of 30-40.