

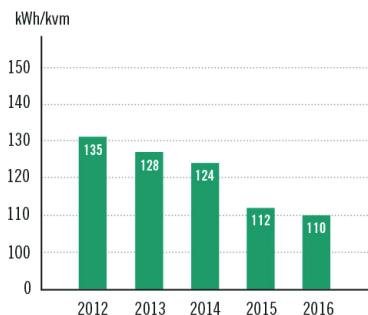
Green Corporate Bonds

In November 2013, Vasakronan issued the world's first green corporate bond and has continued to be the largest issuer of green corporate bonds in Sweden.

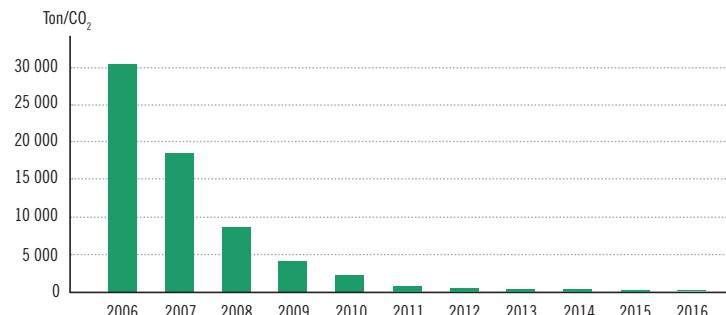
At year-end, December 2016/2017, Vasakronan's total investments that have been approved for financing via green bonds amounted to SEK 6.2 billion. During 2016, Vasakronan increased the outstanding volume of green bonds by SEK 0.5 billion, bringing the total outstanding amount to SEK 5.2 billion.

Properties are responsible for nearly 40 percent of the energy consumption in Sweden. For this reason, it is obvious to us that we must continue our efforts to lower energy consumption at our properties. Together with our tenants, we've lowered energy consumption by almost 50 percent since 2009. By supplying our properties with renewable or climate neutral energy, we have also reduced our carbon emissions in Scope 1 and 2 by 97 percent.

Energy use



Carbon emissions



At year-end, Vasakronan had a project portfolio consisting of SEK 2.6 billion in new construction and renovation projects, all of which have high environmental standards. Green bonds are primarily used to finance investments in these projects. A framework is used for selecting projects to be financed by green bonds. 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 via green bonds must obtain certification in accordance with the international environmental classification system, LEED, at the second highest level, Gold (or higher).

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

Approved investment amount green bonds 2016-12-31, SEK millions

Capitalized investments in ongoing projects	1 173
Planned investments in ongoing projects (forecast)	720
Investments in completed projects	4 026
Investments in energy-saving initiatives	298
Total approved investment amount	6 217
Outstanding volume, green bonds	-5 219
Remaining approved investment amount	998

Approved property projects as per Vasakronan's framework for green bonds 2016-12-31

Location/Ongoing project	Property	Total investments, SEK m (forecast)	Capitalized, SEK m	
Stockholm, City	Uggelborg 12, Klara C	1 100	941	
Uppsala	Kronåsen 1:1	315	95	
Stockholm, Solna	Hilton 7	190	61	
Stockholm, Solna	Nöten 5	184	76	
Summa pågående projekt		1 789	1 173	
Completed projects	Property	Total investments, SEK m	Capitalized, SEK m	Certification
Gothenburg	Heden 46:3	841	841	Ongoing LEED
Stockholm, City	Nattugglan 14	482	482	LEED Platinum
Stockholm, Kista	Modemet 1, hus 8	424	417	LEED Platinum
Stockholm, Kista	Modemet 1, hus 9	430	426	LEED Gold
Stockholm, City	Svea Artilleri 14	257	257	LEED Gold
Stockholm, City	Spektern 13	389	389	LEED Gold
Stockholm, Solna	Rosenborg 3	547	539	LEED Gold
Stockholm, Telefonplan	Telefonfabriken 1	307	307	LEED Gold
Gothenburg	Vallgraven 9:13	245	245	LEED Gold
Uppsala	Kungsängen 4:4	123	123	LEED Gold
Total concluded projects		4 045	4 026	
Energy-saving projects		383	298	
Overall total		6 217	5 497	

EXAMPLES OF PROJECTS



Renovation of the property, Nöten 5, Solna Strand

Nöten 5 is located at one of the prime locations in Solna, on the shores of Lake Mälaren, and just a stone's throw away from the metro station. In 2016, an extensive renovation and modernization project began at the property. It will be completed and ready for tenants to start moving in during 2018. The property will be LEED-certified, with the aim of reaching Gold level.

Some of the environmental aspects of this project are:

- Geothermal heating system that significantly lowers the property's energy consumption
- New windows and additional insulation of the roof, which will lower the energy requirements
- Motion sensors for lighting, which will lower the energy requirements
- Green sedum roof on a section of the building to increase biodiversity and absorb/detain stormwater runoff
- Building materials sourced locally to avoid long transports
- All building materials documented and approved by BVB
- Sale and 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 interior solutions to help lower the need for future renovations



Energy-saving initiatives in the block of Pennfaktaren 11 in Stockholm

We use various technical solutions and rely on our effective, competent organization to continually lower our energy consumption. For example, in 2016, a wastewater heat recovery system was installed in the block of Pennfaktaren 11 in Stockholm. The heat recovery system has the capacity to lower the property's energy consumption by just over 30 percent. The recovered energy will be used to pre-heat or produce warm water, heating or cooling.