

**GREEN BOND
IMPACT REPORT
2021-2022**

**WÄSTBYGG
GROUP**



SUSTAINABILITY CONTRIBUTION AND AIMS

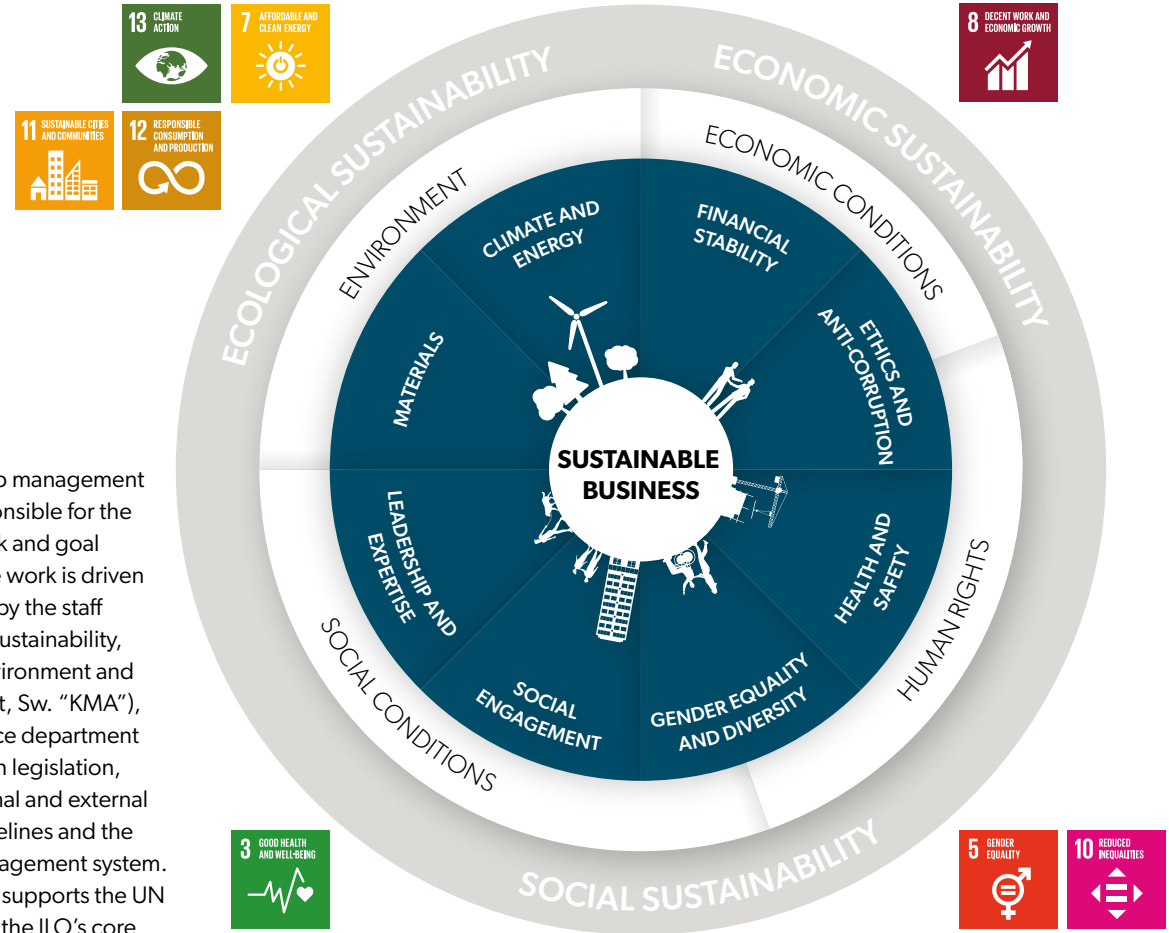
Wästbygg Group's business concept is to develop sustainable, modern and efficient homes, commercial properties and logistics and industry facilities in mutual trust with clients. The Group takes the mission as a community developer very seriously. Within Wästbygg Group's area of activity, the Group aims to contribute to a more sustainable society – ecologically, socially and economically – and thereby improve people's living environments. The latest information and figures on the Group's sustainability performance can be found in the Annual Report and on Wästbygg's web page.

Fossil-Free by 2030

Wästbygg Group works towards making its operations fossil-free by 2030 in the areas of electricity, heat, transportation, and waste. To achieve this, Wästbygg Group conducts annual surveys of own climate emissions and has developed an action plan including concrete tools for working towards the goals. Together with several industry colleagues, Wästbygg Group has signed the "Roadmap for Fossil-Free Competitiveness" (Sw. "Färdplan för fossilfri konkurrenskraft") for the construction sector, which includes the whole value chain including materials. The strength of the roadmap is that it is developed by actors in the entire value chain, which means that all aspects are included. In 2019, the Company also signed LFM30, an initiative working towards a climate neutral construction and engineering sector in Malmö by 2030 (Sw. "Lokal färdplan för en klimatneutral bygg- och anläggningssektor i Malmö 2030").

Sustainability Governance

Wästbygg's group management is ultimately responsible for the sustainability work and goal achievement. The work is driven and coordinated by the staff functions within Sustainability, QEW (quality, environment and work environment, Sw. "KMA"), HR and the Finance department based on Swedish legislation, the Group's internal and external policies and guidelines and the ISO-certified management system. Wästbygg Group supports the UN Global Compact, the ILO's core conventions and the OECD's guidelines for multinational companies. In cases where the Group works with environmentally certified construction, for example Miljöbyggnad, BREEAM and Nordic Ecolabel Svanen, Wästbygg Group takes additional considerations into account. In 2020, Wästbygg Group decided that all self-developed projects shall be environmentally certified. From before, the Group has certified all self-developed condominiums according to Nordic Ecolabel Svanen.



THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations set 17 Sustainable Development Goals on 25 September 2015. The Sustainable Development Goals aim to lead the world towards peaceful, sustainable development by 2030, through initiatives at global and national levels. Eight of these goals are included in Wästbygg's sustainability report.

WÄSTBYGG GROUP'S GREEN FINANCE FRAMEWORK

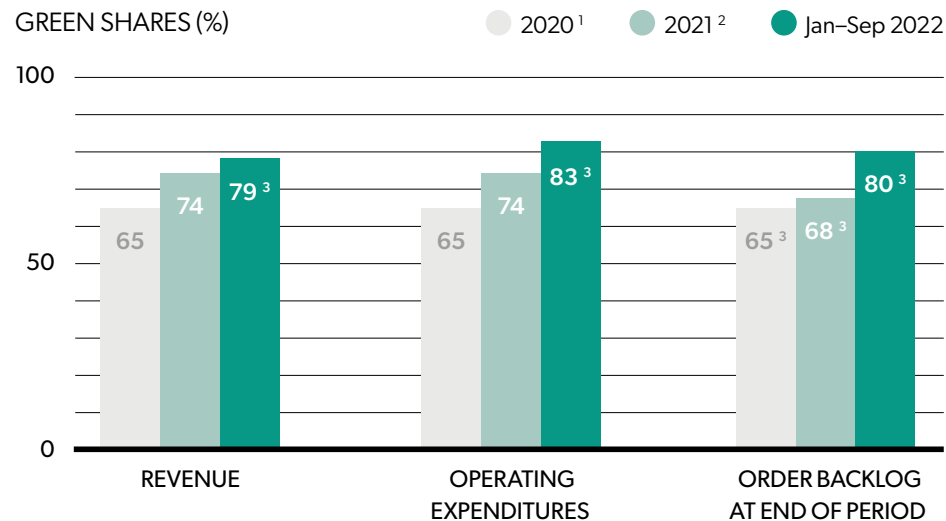
In May 2021, Wästbygg Group launched its green finance framework. It was the first combined framework in Sweden and enabled a green labeling of both equity and debt instruments. By reporting how green Wästbygg Group's revenues, operating costs, investments and order backlog are, we increase the transparency around the Group's climate commitment and impact. At the same time the framework works as an important internal control instrument used to make our daily business decisions. The green shares are assessed according to the framework mainly on energy efficiency and level of environmental certification, however other parameters are also taken into account.

During 2021, as the first company with an extensive contracting business, we became approved for Nasdaq Green Equity

Designation. This is another way to increase transparency around our comprehensive sustainability work. Another piece of the puzzle to create sustainable business is to enable access to green financing for our projects and thus we issued our first green bond during 2021.

The senior unsecured callable floating rate green bonds of SEK 500 million (under a framework amount of SEK 800 million) were issued on 23 November 2021 with final redemption date on 23 November 2024. The green bonds have a variable term interest on 3 months STIBOR plus 450 basis points. An amount corresponding to the net proceed shall be used in accordance with our green finance framework. The bonds were listed on Nasdaq Stockholm's sustainable bonds list as of 23 December 2021.

Sustainability data 30 September 2022



¹ Cicero Shades of Green, Company Assessment, June 2021.

² Cicero Shades of Green, Company Assessment, March 2022.

³ Estimated by definition in Wästbygg Group's Green Finance Framework, May 2021.



ALLOCATION AND IMPACT

All net proceeds from the green bonds issued in accordance with Wästbygg Group's green finance framework shall be used to finance or re-finance projects or assets providing distinct environmental benefits ("Green Eligible Assets"). Since Wästbygg Group's main activity is to construct and develop properties, the majority of the use of proceeds will be used for new financing. The Group will continuously exercise its

professional judgement, discretion and sustainability expertise when identifying its Green Eligible Assets. The net proceeds of the green bond issued on 23 November 2021 amounted to SEK 493 million whereof 94 per cent were allocated to the Green Eligible Assets, listed in the table below, at the end of the third quarter 2022, implying circa SEK 29 million of unallocated proceeds at the same date.

Green Eligible Asset	No of apartments	Area sqm	Type of Certification	Energy Performance Certificate	Annual Energy Performance kWh/sqm	Estimated annual reduction in tCO2e*
Hökålla ängar 2, Gothenburg	36	4 630	Nordic Ecolabel Svanen	C	70	31,7
Cityterrassen, Malmö	174	19 888	Nordic Ecolabel Svanen	C	58	115,8
Tjärleken, Norrtälje	111	17 855	Nordic Ecolabel Svanen	C	68	48,9
Parklyckan, Stockholm	36	4 731	Nordic Ecolabel Svanen	B	60	60,0
Kv Trädgårn, Svedala	53	5 802	Nordic Ecolabel Svanen	B	42	65,6
Soluret, Malmö	45	4 039	Nordic Ecolabel Svanen	C	71	29,1
Slottshuset Näsbypark, Täby	89	11 657	Nordic Ecolabel Svanen	C	66	35,9
Strandängen, Falkenberg	29	2 886	Nordic Ecolabel Svanen	C	67	11,9
Tuvebo Atelje, Gothenburg	71	12 672	Nordic Ecolabel Svanen	B	56	86,8
Tuvebo Glashytta, Gothenburg	45	3 970	Nordic Ecolabel Svanen	B	52	31,3
Total	689	88 130				517,0

- Use of the standard estimated annual reduction above shows the performance of our buildings/projects regardless of the end-user. The above CO2 emissions and savings therefore show the result of the user not making an active choice to sign a green electricity contract or taking any other measures in order to minimize the CO2 impact.
- Some of the projects will use district heating as heating source. As a standard value for CO2 emissions from district heating is not available, we choose to report the climate impact compared to the standard for electricity. This minimizes the impact of differences in CO2 emissions that arise through different district heating suppliers' choice of fuel.

- The annual energy performance is partly based on which kind of heating source is used, where some projects use district heating and other use electricity. District heating has a lower factor than electricity.

* Compared with requirements for new buildings.
The requirements are based on heating with electricity according to standard: Average residual mix in Nordic Countries, AIB 2018 342.52 g CO2e/kWh

POTENTIAL FUTURE ALLOCATION

The real estate sector is the single largest energy consuming sector in the European Union, responsible for about 40% of total energy usage and 36% of total carbon emissions. Investing in green and energy efficient buildings thus play a key role in the energy transition. During 2021/2022 the allocation of Wästbygg Group's green bond proceeds has been 100% towards self-developed condominium properties certified with the Nordic Ecolabel Svanen. However, future Green Eligible Assets relevant for use under Wästbygg Group's green finance framework may include further property categories in accordance with the below.

- Miljöbyggnad Silver, Nordic Ecolabel Svanen or an equivalent energy performance level from another well recognized certification scheme which is subject for evaluation and approval from the CFO of Wästbygg, the Head of Sustainability and, in some cases, the CEOs of Wästbygg's subsidiaries; or
- An energy performance at least 20% below the applicable national building regulation, such as Boverket's Building Regulations ("BBR"); or
- An EPC of class A or B; or
- Major renovations resulting in reduced energy consumption of at least 30%. Major renovations in this case shall imply renovations suitable for mainly the same operations as prior to such renovations, and where such renovations have been carried out by Wästbygg Group as a general contractor.

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