



GREEN BOND IMPACT REPORT APRIL 2021



THIS IS BALDER

Fastighets AB Balder is a listed property company which aims to meet the needs of different customer groups for commercial premises and housing based on local presence. The Group owns, manages and develops homes and commercial properties in Sweden, Denmark, Finland, Norway, Germany and the UK, creating attractive, secure areas for people to live and where new businesses can be developed.

NUMBER OF EMPLOYEES

824

NEWLY BUILT PROPERTIES WITH
ENVIRONMENTAL CERTIFICATION

100%

NUMBER OF SQ.M. UNDER CONSTRUCTION

225,765

MARKET CAPITALISATION, SEK MILLION

79,990

The Balder share is listed on Nasdaq
Stockholm, Large Cap.

PROJECT LÅNGSTRÖMSALLÉN, GOTHENBURG

SUSTAINABILITY FRAMEWORK

Balder's framework for sustainability comprises five general elements that bring together the company's material topics in respect of social, environmental and economic sustainability. Examples of activities linked to this framework are presented on the following pages. In addition to this, more detailed information about sustainability may be found on pages 96–104.



BALDER'S WORK ON GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Balder strives to contribute to achieving the UN's Global Sustainable Development Goals and has selected six of the 17 goals that are considered most relevant to the company's business activities and where the company has the greatest opportunity to have an influence.

To link these more closely to the company's operations, the associated targets have also been analysed. Balder has interpreted

goals and targets in order to identify the areas where the company has the greatest opportunity to contribute to the goals being achieved.

SUSTAINABLE CITIES AND COMMUNITIES



Sustainable cities have a very strong link to Balder's business, and the Group plays an active role in the development of entire areas and city districts. By building new homes with varied forms of tenure, Balder contributes to developing residential areas and improving security. A blend of workplaces and homes also creates more job opportunities in the local environment and creates new meeting places. Solutions for increased mobility, such as proximity to public transport, cycle paths and electric car pools are also given priority in the development of properties and areas, as are green areas for sport and recreation. Balder is also striving to promote effective waste management and to keep the areas clean and tidy.

-  11.1 Safe and affordable housing
-  11.3 Inclusive and sustainable urbanisation
-  11.6 Reduce the environmental impact of cities



Sustainable energy for all

Environmental sustainability is an important element of Balder's long-term value creation. In addition to maintaining a strong focus on efficient energy utilisation, the company is adapting to the increased use of renewable energy. All electricity purchased for the properties in Sweden and Finland is green electricity, and Balder also owns several wind farms in Sweden. Several properties also have solar panels and charging stations installed, and the company is working continuously on operational optimisation and efficiency improvement, by such means as additional insulation, replacing windows and so on.

-  7.2 Increase the share of renewable energy in the world.
-  7.3 Double the rate of improvement in energy efficiency.

Decent working conditions and economic growth

Balder strives to achieve greater diversity and equality, and a good work environment. A number of young people who live in the company's areas are hired as summer workers every year, and Balder also offers possibilities for work experience and work placements to students on property-related study programmes, and within the framework of various local initiatives. Balder strives to achieve sustainable purchasing, following up on suppliers and buying local wherever possible.

-  8.4 Improve resource efficiency in consumption and production.
-  8.6 Promote employment, education and training for young people.
-  8.8 Protect labour rights and promote a safe and secure work environment for all.



Sustainable industry, innovation and infrastructure

Balder supports sustainable industrialisation and innovation, and works continuously with more efficient resource utilisation. The company also strives to increase the proportion of recycled and reused material in both renovation and new construction, and to increase the use of new technology by such means as increased digitalisation of properties.

-  9.2 Promote inclusive and sustainable industrialisation.
-  9.4 Upgrade all industry and infrastructure for increased sustainability.



Sustainable consumption and production

To promote sustainable consumption and production, Balder strives to be prudent in its consumption of materials, with a focus on increased recycling. Tenants are also encouraged in various ways to increase their recycling. The company will also continue to increase the level of reuse and recycling in renovation projects, for example, to contribute to increased circularity, and to strive to increase levels of sorting at source and reuse.

-  12.4 Responsible management of chemicals and waste.
-  12.5 Substantially reduce waste generation.

Climate action

Buildings account for a large proportion of the overall climate impact in society, and reducing this is an important issue for Balder. This includes both the management of properties and the construction phase. In Balder's business activities, transport operations also account for a large impact on the environment and climate, and various measures are being taken to reduce this. The company's travel policy, for example, supports more environment-friendly means of transport, and alternatives to business trips such as videoconferencing and phone meetings are encouraged. The company has also initiated work to map out climate-related risks and opportunities.

-  13.1 Strengthen resilience and adaptive capacity to climate-related disasters.
-  13.3 Improve knowledge of and capacity for climate change mitigation.

Properties



Balder's largest environmental impact takes place through the properties' energy consumption. This is the top priority from an environmental perspective, and Balder is working continuously to reduce energy consumption in its properties. All electricity purchased for the properties in Sweden is green electricity from renewable sources. Balder also owns wind farms, producing approximately 18,000 MWh yearly.

Other measures implemented to reduce consumption include window replacements, supplementary insulation of façades, adjustment or replacement of ventilation units and the replacement of light fittings. Balder has also made good progress in the installation and use of smart technical control systems that improve both comfort and energy consumption.

Balder has environmental certificates for some of its buildings, including Miljöbyggnad, BREEAM, LEED and Green Building, and several buildings are constructed according to Nearly zero-energy building (NZEB) standard. The goal is for all new constructions to meet the requirements of Miljöbyggnad Silver or equivalent certification.

Areas



For Balder, it is important to contribute to developing entire areas and city districts where the company owns properties, and in doing so to create security and well-being among tenants. In order to increase security in the company's areas, Balder is involved in a number of different projects, often together with local actors such as municipal authorities, schools, the police, local associations and the local business community. The purpose is to work actively with integration, security and well-being in the city districts and areas where Balder owns properties.

Examples include various kinds of projects with security patrols, neighbourhood partnerships and security staff, as well as activities of a more social nature such as communal barbecue evenings and cultivation projects. Every year Balder also hires a large number of young people as summer workers in the company's areas.

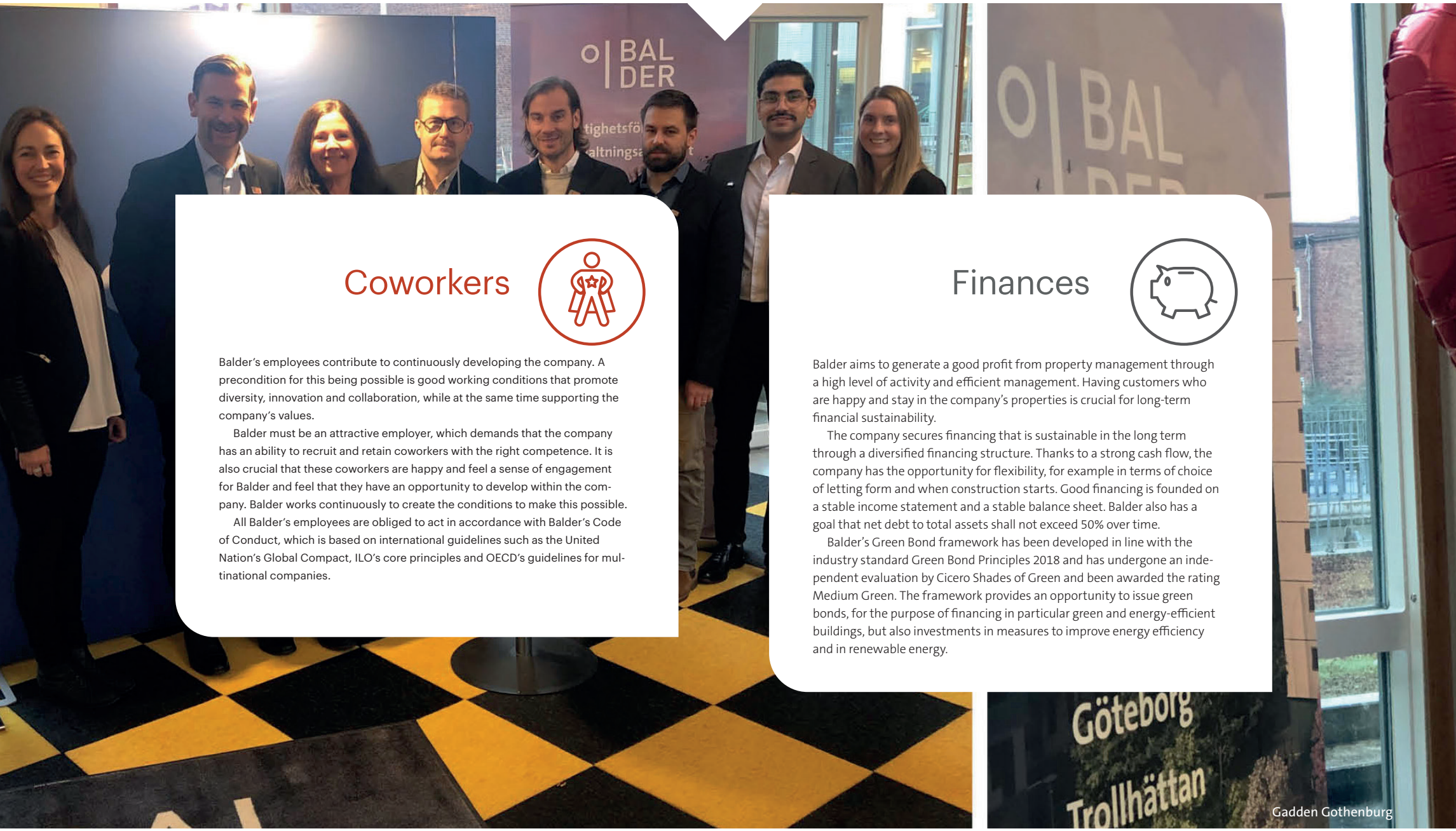
Partnerships



Social engagement is a natural element of Balder's work and a way of contributing to sustainable development. To succeed with this, it requires a high level of engagement among employees, but also that the company collaborates with municipal authorities and other actors.

Balder also collaborates with different actors in order to increase employment by offering work placements and mentoring. These initiatives are often linked to specific areas, to support young adults who find themselves outside the labour market.

Frölunda, Gothenburg



Coworkers

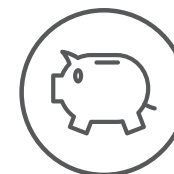


Balder's employees contribute to continuously developing the company. A precondition for this being possible is good working conditions that promote diversity, innovation and collaboration, while at the same time supporting the company's values.

Balder must be an attractive employer, which demands that the company has an ability to recruit and retain coworkers with the right competence. It is also crucial that these coworkers are happy and feel a sense of engagement for Balder and feel that they have an opportunity to develop within the company. Balder works continuously to create the conditions to make this possible.

All Balder's employees are obliged to act in accordance with Balder's Code of Conduct, which is based on international guidelines such as the United Nation's Global Compact, ILO's core principles and OECD's guidelines for multinational companies.

Finances



Balder aims to generate a good profit from property management through a high level of activity and efficient management. Having customers who are happy and stay in the company's properties is crucial for long-term financial sustainability.

The company secures financing that is sustainable in the long term through a diversified financing structure. Thanks to a strong cash flow, the company has the opportunity for flexibility, for example in terms of choice of letting form and when construction starts. Good financing is founded on a stable income statement and a stable balance sheet. Balder also has a goal that net debt to total assets shall not exceed 50% over time.

Balder's Green Bond framework has been developed in line with the industry standard Green Bond Principles 2018 and has undergone an independent evaluation by Cicero Shades of Green and been awarded the rating Medium Green. The framework provides an opportunity to issue green bonds, for the purpose of financing in particular green and energy-efficient buildings, but also investments in measures to improve energy efficiency and in renewable energy.

Gadden Gothenburg

Allocation and impact

All proceeds from Green Bonds issued under Balder's Green Bond framework will be invested in assets and projects that will contribute either to the adaptation and/or mitigation to climate change. Proceeds may be used for both the funding of new assets and projects as well as re-financing. The eligible assets and projects include green and energy efficient buildings as well as investments in energy efficiency and renewable energy.



Colleagues Balder Sweden

Examples of some assets and projects



Bastionen

The residential property Bastionen in Ørestad South in Denmark was completed in 2020. The property comprises 233 apartments, with a total of approximately 21,200 sq.m. Bastionen is characterized by the hanging gardens that adorn the facades of the building as well as the large, green courtyard. Here, among other things, a petanque and basketball court has been built. All this makes the courtyard ideal for both play and relaxation. Another characteristic is the glass-covered conservatories, which function as an extension of the apartments and connect indoor and outdoor spaces.



Heden 47:3

Heden 47:3 is located in central Gothenburg in Sweden. The property consists of approximately 7,500 sq.m. office space, housing for example Fastighets AB Balder's head office and the West Sweden Chamber of Commerce. The building was completed in 2015 and has a LEED Platinum certificate.

Assets and projects funded

This is Balder's second Green Bond impact report. Some of the properties included have been acquired or completed during the last year or the absolute consumption is for other reasons not available. As a result, for some of them the average consumption is included in the table instead of the total actual consumption. All electricity purchased is renewable, and the heating is comprised of district heating.

Total amount of proceeds

Property	ISIN	Amount (tSEK)
RB 119	SE0011869825	1,900,000
RB 120	SE0012676591	1,400,000
RB 121	SE0012676583	500,000
RB 124	SE0013359494	1,300,000
Total value green bond, tSEK		5,100,000

Green assets, tSEK

Total market value	12,236,000
Green bonds	5,100,000
EIB	1,027,000
Other loans	5,181,000
Unutilised pool of green assets	928,000

Property	Environmental certification	Energy consumption absolute kWh	Energy consumption intensity kWh/sq.m.
Heden 47:3	LEED Platinum	448,635	59.49
Tingstadsvassen 4:3	BREEAM IN-Use	124,131	32.90
Högsbo 23:4	BREEAM In-Use Very Good	2,168,379	62.71
Stopet 1	Miljöbyggnad Silver	685,127	61.03
Lorensberg 55:15	Miljöbyggnad Guld	238,496	44.83
Domherren 1 (A house)	Miljöbyggnad Silver	722,185	56.62
Lindholmen 39:2	LEED Gold	750,000	56.40
Lakkegata 3	BREEAM Very Good	510,000	59.64

Property**	Environmental certification
Öresund Park	NZEB according to BR2020
Faelledkanten	NZEB according to BR2020
Lavetten	NZEB according to BR2020
Bastionen	NZEB according to BR2020
Lygnhaven	NZEB according to BR2020
Lerholmen	NZEB according to BR2020
Carlsbakken	NZEB according to BR2020
Agerhusene	NZEB according to BR2020

***) All of these properties are constructed according to the Danish NZEB regulations and BR2020, which stipulates maximum consumption of 20 kWh/sq.m. annually.

