



Bergsjön, Gothenburg

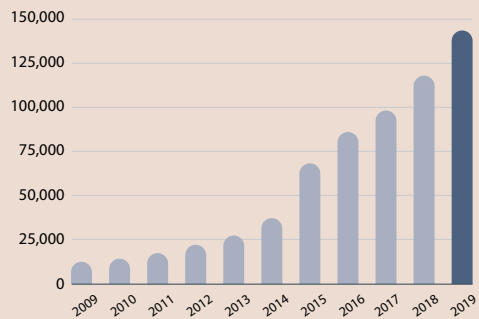
This is Balder

Fastighets AB Balder acquires, develops and manages residential and commercial properties in larger cities and cities with growth potential in Sweden, Denmark, Finland, Norway, Germany and Great Britain.

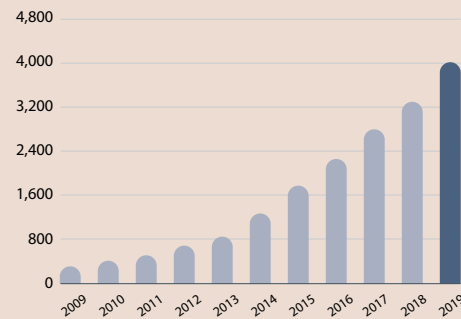
Since the start of the company in 2005, Balder has taken a long-term perspective on urban development and property development, prioritising stable cash flows and satisfied customers and employees as made evident by financial results and structured dialogues with parties of interest.

By means of acquisitions, divestments and new production, the company will build an extensive portfolio of buildings and building rights for development properties and real estate projects, with the aim to continuously produce new rental apartments, tenant-owner's apartments and commercial properties to manage.

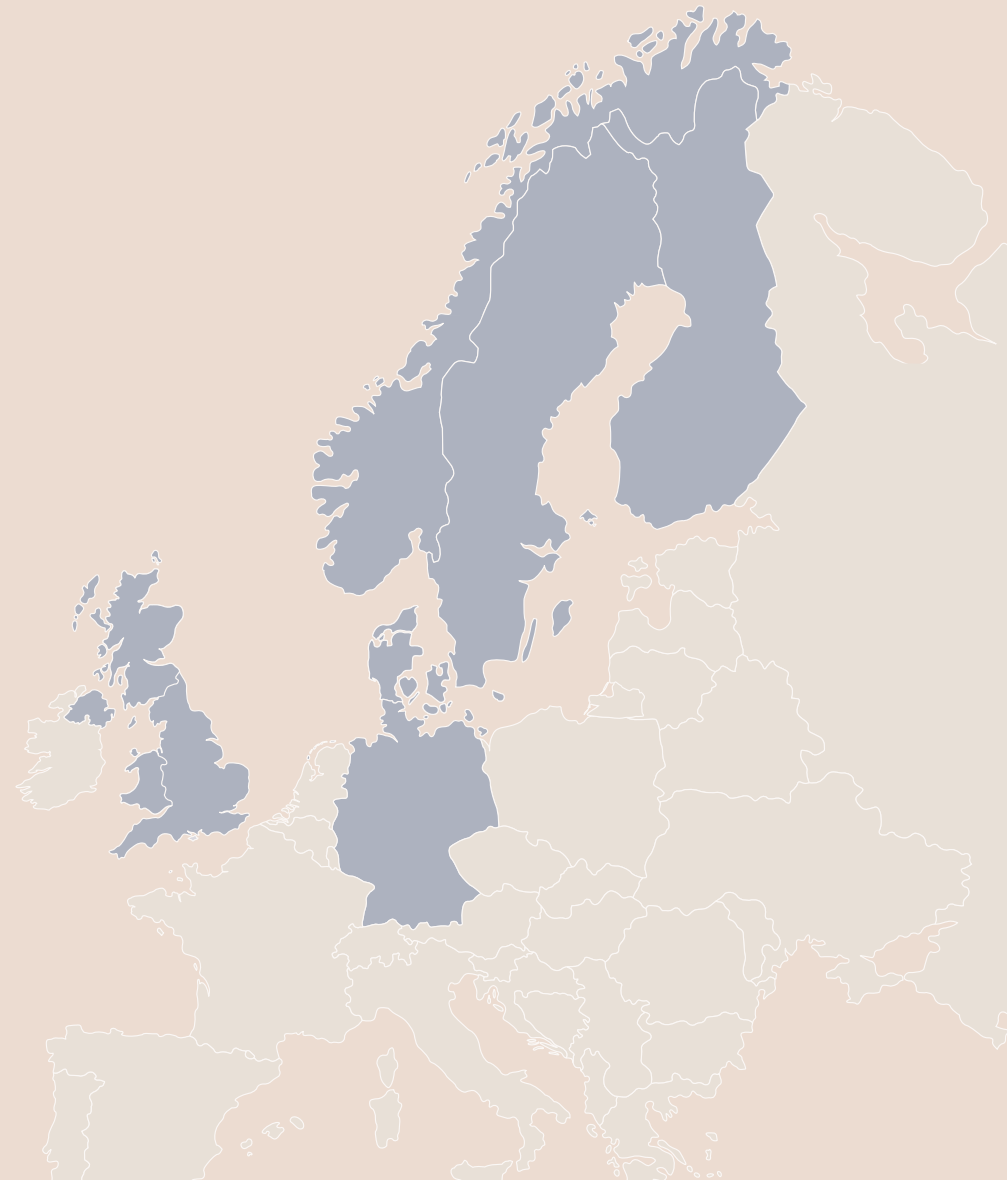
PROPERTY VALUE, SEK M



PROFIT FROM PROPERTY MANAGEMENT, SEK M¹⁾



1) Refers to profit from property management attributable to the parent company's shareholders



Balder's sustainability approach

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.



Properties

MATERIAL TOPICS

- Minimise consumption of energy, water and chemicals
- Select renewable energy sources and less harmful materials
- Minimise waste and increase degree of sorting



Areas

MATERIAL TOPICS

- Security and well-being in the company's property portfolio
- Responsible, efficient transport operations



Partnerships

MATERIAL TOPICS

- Good, ethical external relationships
- Responsible suppliers



Coworkers

MATERIAL TOPICS

- Satisfied employees and a good work environment
- Responsible, efficient travel



Finances

MATERIAL TOPICS

- Continued satisfied customers
- Long-term financial stability and profitability

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

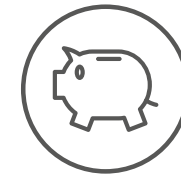


Balder's employees contribute to continuously developing the company. A precondition for this being possible is good working conditions that promote diversity, innovation and collaboration, while at the same time supporting the company's values.

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.

Balder's work on global sustainable development goals

Balder has signed the Global Compact, the UN's international principles for companies in the area of human rights, labour, the environment and anticorruption. The principles are based on the UN's Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN's Convention Against Corruption.

Balder strives to contribute to achieving the UN's 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.



Sustainable cities and communities

Sustainable cities have a very strong link to Balder's business, and the company 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 workplace 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.



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 is green electricity, and Balder also owns several wind farms in Sweden.



Sustainable industry, innovation and infrastructure

Balder supports sustainable industrialisation and innovation, and works continuously on more efficient resource utilisation, in particular by adopting new, innovative methods. Wherever possible, local suppliers are contracted in order to promote local business.



Climate action

Buildings account for a large proportion of the overall climate impact in society, so 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.



Decent working conditions and economic growth

Balder strives to achieve greater diversity and a good work environment. Young people who live in the company's areas are hired as summer workers every year, and Balder also offers work experience and work placements to students on property-related study programmes, and within the framework of various local initiatives.



Responsible 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.

For more information about Balder's operations and sustainability work, see the company's Annual Report 2019.

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



Faelledkanten

Faelledkanten consists of 224 rental apartments and is located in Ørestad right by Kalvebod Fælled's green expanses. The property is, besides the unique location, characterized by its 1,300 sq.m. common roof terrace with greenhouses, urban communal gardening, exotic fruit trees and custom-built seating. The property is constructed in accordance with the NZEB BR2020 regulations.



Lavetten

Lavetten, located in Ørestad, is characterized by its incline architecture. The property has 8 stories on its northeastern part and 4 stories on its southwestern part and comprises a total of 241 rental apartments. The incline architecture draws sunlight into the inner courtyard and provides the residents with an optimal view of the green surroundings. The property is constructed in accordance with the NZEB BR2020 regulations.



Stopet 1

In Kungälv, 30 km from Gothenburg, Balder has constructed kv Stopet, a modern building with rental apartments. The building consists of 134 modern rental apartments. The courtyard has plenty of room for bikes and greenery, as well as a playground for kids. There are also good possibilities for recycling.

The area has a clear environmental profile, and the building is certified according to Miljöbyggnad Silver. All electricity used in the building is generated from renewable sources.

Assets and projects funded

This is Balder's first 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.

Property	Environmental certification	Energy consumption absolute kWh	Energy consumption intensity kWh/sq.m.
Heden 47:3	LEED Platinum	493 190	61,37
Tingstadsvassen 4:3	BREEAM IN-Use	133 967	35,39
Högsbo 23:4	BREEAM In-Use Very Good	1 843 811	55,34
Stopet 1	Miljöbyggnad Silver	510 643	63,12
Lorensberg 55:15	Miljöbyggnad Guld	188 883	35,50
Domherren 1 (A house)	Miljöbyggnad Silver	589 016	56,32
Lindholmen 39:2	LEED Gold	750 000	56,40
Lakkegata 3	BREEAM Very Good	510 000	59,64

Total amount of proceeds

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

Property	Environmental certification
Öresund Park **	NZEB Enligt BR2020
Faelledkanten **	NZEB Enligt BR2020
Lavetten **	NZEB Enligt BR2020
Bastionen **	NZEB Enligt BR2020
Nærheden 4.5 **	NZEB Enligt BR2020
Nærheden 5.2 **	NZEB Enligt BR2020
Hilleröd **	NZEB Enligt BR2020
Skjeberg Allé **	NZEB Enligt BR2020

***) These properties were completed during the year or under construction, and therefore complete consumption is not available for the entire year. However, all properties are constructed according to NZEB regulations and BR2020, which stipulates maximum consumption of 20 kW/sq.m. annually.

