



Investor Report

Green Bonds 2021

Sustainable finance

Jernhusen continues its journey towards 100 percent sustainable financing. During 2021 Jernhusen issued a total of MSEK 1,520 in bonds within the Green Bond framework. We consider the issuing of green bonds to be an integrated way of developing the company's sustainable business.

Jernhusen has ambitious sustainability goals with focus on sustainable growth including a safe and sound environment for everyone, climate neutrality and profitable growth. This creates opportunities for Jernhusen through its efforts and the aim of leading the sustainable development of tomorrow's station areas, depot areas and intermodal terminals. Active sustainability efforts also create the possibility for Jernhusen to use green financing with the ambition to fulfil the goal of 100 percent sustainable financing.

JERNHUSEN'S GREEN BOND FRAMEWORK

In 2018, Jernhusen launched a Green Bond Framework for the company's existing Medium Term Note (MTN) programme to enable financing with green bonds. The Green Bond Framework describes how the proceeds from the green bonds are to be used, and how the evaluation, management of proceeds and reporting are to be performed.

GREEN BOND SECOND PARTY OPINION

Jernhusen's Green Bond Framework has been evaluated by the independent research and ratings firm Sustainalytics to ensure that Jernhusen is suitable as an issuer of

green bonds. They confirmed that Jernhusen is well-positioned to issue green bonds. Sustainalytics is of the opinion that the framework is credible, impactful and aligns with the four pillars of the 2017 Green Bond Principles. Sustainalytics also considers the project categories within the framework to have environmental benefits and that Jernhusen's process for the evaluation, proceeds management, selection and reporting of financed projects and assets are aligned with industry best practices.

Complete versions of the framework and Sustainalytics' Second Party Opinion are available on Jernhusen's website for green bonds.

The introduction of the EU Taxonomy legislation will have a positive climate impact and change the role of future financing as a mode to accelerate the pace of sustainable transition. Jernhusen has the ambition to achieve climate neutrality by the year 2045 which contributes to making a difference for people and the climate. Our stations and depots are vital to increase the amount of sustainable travel and freight by train. This together with our development of commercial real estate in close proximity to our stations gives Jernhusen the opportunity to cover the

Issued Green bonds 2021

Loan no.	Volume SEKm	Issue date	Duration
MTN 131GB	400	2021-02-05	4 years
MTN 132 GB T1	300	2021-07-08	3 years
MTN 132 GB T2	100	2021-10-06	3 years
MTN 133 GB	220	2021-09-02	5 years
MTN 134 GB	500	2021-12-21	5 years

majority of all investments and assets within the conditions set up for alignment in the EU-Taxonomy. This would result in the qualification and opportunity for all future financing to be EU-Taxonomy compliant.

FINANCED INVESTMENTS AND PROJECTS

During the year, Jernhusen issued bonds for a total of MSEK 1,520 within the green bond framework which enables financing for several investments, projects and environmentally certified buildings.

Disclosure of total allocation

Green investments or assets as of 2021-12-31 (SEKm)	Investment/market value	Allocated net proceeds
Green & energy-efficient buildings	8,826	5,151
Energy efficiency	76	73
Renewable energy	14	13
Clean transportation	102	99
Pollution prevention and control	3	2
Sum of allocated net proceeds		5,337
Proportion allocated to new projects/assets		63
Sum of outstanding green bonds		5,337
Green account balance ¹⁾		0
Sum of market value and investments	9,021	

¹⁾ Includes short term investments.

At 31 December 2021, Jernhusen's confirmed green investments and assets totalled 9,021 MSEK.

Allocation of green net proceeds to Green and Energy-Efficient Buildings and Clean Transportation projects

Green buildings & clean transportation projects and assets (SEKm)	Allocated net proceeds
Stockholm Central Station	2,475
Hotel Continental Stockholm	1,398
Office building Glasvasen Malmö	175
Göteborg Central Station	129
Malmö Central Station	652
Office building Fojén Malmö	321
Freight terminal Malmö	95
Electrifying tracks & fecal waste management	4
Sum of allocated net proceeds	5,249

In accordance with the Green Bond Framework, the allocation of net proceeds for Green and Energy-Efficient Buildings; Clean Transportation; Transportation Infrastructure, Freight; Clean Transportation, and Transportation Infrastructure, Passenger, is to be reported per project or asset.

KPI disclosure and projects

Green and Energy-Efficient Buildings

The Green and Energy-Efficient Buildings category includes buildings that are developed, acquired, or refurbished. This applies to public buildings (such as train stations) and other commercial buildings. To be included in this category, the building must hold, or if under construction, be working towards, an environmental certification. Jernhusen currently applies the Swedish Green Building Council (SGBC) and BREEAM assessment methods of BREEAM SE, BREEAM In-Use and Miljöbyggnad

for all buildings. All buildings are currently environmentally classified or certified. By constantly improving and developing our properties, it enables an environmental certification and simultaneously ensures that our properties are in line with modern standards. When Jernhusen constructs new buildings, we invest in long-term sustainable properties where environmental certification is a key part of the process.

KPI disclosure Green and Energy-efficient buildings

Green and energy efficient building	Property	Construction year	Certification	Energy		Emissions		Renewable energy %	Green agreements % of signed contracts	Visitors daily (stations)
				Absolute MWh/year	Intensity kWh/m ² (A _{temp})	Absolute tCO ₂	Intensity kg CO ₂ /m ²			
Hotel Continental Stockholm	Orgelpipan 6	2016	SGBC silver	2,694	141	193	10	58%	0% ¹⁾	N/A
Officebuilding Foajen Malmö	Rallaren 1	2019	BREEAM-SE Excellent	867	77	74	7	68%	100%	N/A
Officebuilding Glasvasen Malmö	Malmö Loket 1	2015	BREEAM-SE Excellent	1,012	103	85	9	56%	100%	N/A
Stockholm Central Station	Norrmalm 5:3 del av	1871	BIU, Very Good	13,594	315	1,003	23	66%	37%	85,000
Malmö Central Station	Innerstaden 31:10	1858	BIU, Very Good	5,663	305	550	30	73%	78%	36,000
Göteborg Central station	Gullbergsvass 17:3	1856	BIU, Very Good	5,224	220	277	12	38%	90%	37,500

¹⁾ Green agreements were introduced after time of completion.



The Glasvasen office building in Malmö.

Energy efficiency

Energy efficiency is a key component of Jernhusen’s strategic sustainability initiatives. Jernhusen is aiming to halve the use of energy in our properties by 2030, using 2008 as the base year and by 2045 attain 100 percent climate neutrality. The achievement of this target requires dedicated efforts and projects focused on reducing our energy consumption. Examples include electrical installations, low-energy lighting, measurement technology and property management measures. The direct costs (materials plus installation and labour costs) are eligible for funding under the framework.

Numerous energy efficiency projects were carried out during 2021, primarily in terms of the installation of LED lighting but also other projects such as the installation of energy effective ventilation systems and the installation of new windows with higher insolation capacity. The projects are expected to generate annual energy savings of 771 MWh and annual CO₂ reductions of 52 tonnes. The energy efficiency projects result in a positive contribution towards our main objective of climate neutrality by 2045.

KPI disclosure Energy efficiency projects

Project	Building	Property	CO ₂ reduction t CO2e/year	Energy savings MWh/year
Improved ventilation	Skövde station	Resecentrum 1	7.0	97
LED lighting	Borlänge depot	Matsknutsgårdarna 9:12	6.9	74
Insulation glass installation	Katrineholm station	Katrineholm 4:3	0.4	54
Energy project	Trollhättan Central station	Silverbäcken 2	4.8	157
Improved ventilation	Malmö Central station	Innerstaden 31:10	39.8	389
In total			59	771



Skövde Resecentrum, the travel centre in Skövde.

Renewable energy

The objective to half the percentage of purchased energy used by Jernhusen’s properties means not only that the properties need to become more energy-efficient, but also to generate renewable energy in our properties. This requires investments in renewable energy sources such as solar or geothermal energy. This will reduce our climate impact, as well as the need to purchase energy. We monitor these projects by analysing the annual energy savings they generate and therefore reduce our greenhouse gas emissions.

KPI disclosure Renewable energy projects

Project	Building	Property	% of energy use	Energy production MWh/year	CO ₂ savings t CO ₂ e/year
Solar power	Gävle depot	Näringen 4:15	8%	132	12.3
Solar power	Gävle depot	Gävle Sörby Urfjäll 8:13	18%	240	22.4
In total				372	35

SOLAR PANELS IN GÄVLE

Jernhusen’s ambition of climate neutrality by 2045 creates a positive nudge to the use of renewable energy. Therefore, we actively evaluate different possibilities of renewable energy innovations in our portfolio. During 2021 two projects consisting of the instalment of 2,215 square metres of solar panels on our depots in Gävle were carried out with a positive effect. The solar panels produce 360,000 kWh of renewable energy yearly. This results in lowering the carbon footprint. The future plan is to instal solar energy on all suitable assets within the portfolio.



Clean Transportation

Rail is a major mode of sustainable transport in Sweden. Jernhusen aims to help reduce future CO₂ emissions by increasing zero tailpipe rail transport. Rail infrastructure services such as modern train depot areas, efficient intermodal freight terminals and safe and accessible station areas are crucial for rail transportation being not only the climate neutral option for passengers and freight, but also a safe and efficient alternative.

The Clean Transportation category is divided into three sub-categories:

- Transportation Infrastructure, Freight;
- Transportation Infrastructure, Passenger
- Public Transportation Accessibility.

Investments in Transportation Infrastructure: Freight includes projects that support infrastructure such as the development or expansion of intermodal freight terminals or other buildings. Further investments related

to equipment and methods for increasing capacity are included.

For Transportation Infrastructure: Passenger projects relate to investments in the development and expansion of train depots for increased capacity.

For the third category: Public Transportation Accessibility, investments include bicycle parking, charging stations or other development projects that increase public transport accessibility.

A contract with Västtrafik was signed to increase the maintenance capacity of the Sävenäs depot in Gothenburg. Its a project of MSEK 300 starting in 2022 that gives an increase in capacity of 200 percent for service and maintenance of their fleet with 45 new trains with a total of 13 500 seats. A very positive contribution to the increase in zero-tailpipe train transport within the Gothenburg region. This project starts in 2022.



The Sävenäs depot.



Auditor's Limited Assurance Report

To Jernhusen AB, Corporate identification number 556584-2027

Introduction and Scope

We have been engaged by the Executive Management of Jernhusen AB ("Jernhusen") to undertake a limited assurance engagement of selected information in Jernhusen's Investor Report Green Bonds 2021 ("the Report").

The scope of our work was limited to assurance of page 2 in the report (including information on allocation of Green Bond net proceeds), together with the information on environmental certification of buildings in the pool of eligible assets as presented in the table on page 3, column "certification".

Our assurance does not extend to any other information in the Report. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts.

Responsibilities of the Executive Management

The Executive Management is responsible for evaluating and selecting eligible assets, for the use and management of bond proceeds, and for preparing an Investor Report that is free of material misstatements, whether due to fraud or error, in accordance with applicable criteria. The criteria are relevant parts (section one, page 6-8) of the *Jernhusen Green Bond Framework* dated 2018-03-12 ("the Framework"), available on Jernhusen's website.

Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We have conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected information in the Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent towards Jernhusen in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the Report has not been prepared, in all material respects, in accordance with the reporting criteria.

Stockholm, the date of our electronic signatures

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorized Public Accountant

Isabelle Hammarström
Sustainability Expert member of FAR

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID

2022-02-24 08:17:26 UTC

Namn returnerat från Svenskt BankID: Isabelle Linda Hammarström

Datum

Isabelle Hammarström

Director

Leveranskanal: E-post

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID

2022-02-24 08:21:36 UTC

Namn returnerat från Svenskt BankID: Helena Sigrid Elisabet
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