



Investor Report

Green Financing 2022

Sustainable finance

Since the establishment of Jernhusens Green Bond Framework in 2018, all new financing within the MTN program has been green and by the end of 2022 approximately 77 percent of the total debt were green. To better reflect our current sustainability work and best practice in the market of Green Financing, Jernhusen launched a new financing framework in November 2022.

Jernhusens new framework further contributes to our sustainability commitments and ambition to be climate neutral by 2045, halving our carbon dioxide footprint by 2030 (using 2020 as the base year). Jernhusen aims to have 100 percent sustainable financing and the framework is therefore adopted to include all types of green financing. During 2022 Jernhusen issued a total of MSEK 1,350 green bonds within the new Green Financing Framework and MSEK 750 in bonds within the Green Bond Framework from 2018. This report covers allocations made within both frameworks.

In order to deliver sustainable long-term value, Jernhusen has set ambitious corporate goals focusing on three key areas: a safe and sound environment for everyone, climate neutrality and profitable growth. Our network of stations, strategically located depot areas and intermodal freight terminals contributes to the increase in sustainable railway transport of both people and goods, a vital part in the green transition. By developing areas close to stations, we enable more people to work and live near public transport. Green financing makes it possible for us to make significant investments supporting our goals and simultaneously opens new opportunities for investors to support sustainable growth.

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 actively contributes in making a positive difference for both people and the climate. Our stations and depots are essential to increase the amount of sustainable travel and transport of 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 majority of all investments and assets within the criteria set up for alignment in the EU Taxonomy.

JERNHUSEN'S NEW GREEN FINANCING FRAMEWORK

In November 2022, Jernhusen launched a new Green Financing Framework for the company's existing Medium Term Note (MTN) programme to further contribute to a climate-neutral long-term business model. The foundation of the framework is alignment with the EU Taxonomy - focusing on contributing to a low carbon and climate resilient future. To future push our ambition additional criteria have been added including high sustainability certification levels and energy efficiency KPIs. The Green Financing Framework describes how the proceeds from the green financing are to be used, and how the evaluation, management of proceeds and reporting are to be performed.

GREEN FINANCING SECOND OPINION

Jernhusen's Green Financing Framework has been evaluated by the independent second opinion provider CICERO Shades of Green and was rated Dark Green with a governance score of Excellent. CICERO concludes that Jernhusen's business strategy is aligned with a low-carbon future, by developing areas close to train stations as well as the construction and managing of properties supporting railway transport. Criteria set in Jernhusen's framework show ambition and go beyond the EU Taxonomy, and it is especially ambitious to require the certification level BREEAM-SE Outstanding for new buildings within the EU Taxonomy category for new buildings.

Complete versions of both Frameworks and Second Opinions are available on Jernhusen's website for financial information.



Stockholm Central Station.

Financed investments and projects

During 2022, Jernhusen issued MSEK 1,350 in green bonds within the new Green Financing Framework and MSEK 750 within the Green Bond Framework from 2018. No new assets or projects were approved for financing within the old Green Bond Framework after the launch of the new Framework. All financed projects or assets are aligned with the EU Taxonomy by fulfilling all applicable criteria, both regarding the Technical Screening Criteria and Minimum Social Safeguards.

Issued Green bonds 2022

Loan no.	Volume SEKm	Issue date	Duration	Framework
MTN 133 GB T2	102	2022-02-01	4.5 years	2018
MTN 135 GB	150	2022-02-09	4 years	2018
MTN 136 GB T1	300	2022-03-25	3 years	2018
MTN 136 GB T2	198	2022-04-07	3 years	2018
MTN 137 GB	300	2022-11-18	2 years	2022
MTN 138 GB	300	2022-11-18	2 years	2022
MTN 139 GB	750	2022-11-18	5 years	2022

DISCLOSURE OF ALLOCATION

By 31 December 2022, Jernhusen's confirmed green investments and assets totaled 9,464 MSEK, 3,546 MSEK within the Framework from 2022 and 5,918 MSEK within the Framework from 2018.

2022 framework

Green investments or assets as of 2022-12-31	Investment/ market value SEKm	Allocated net proceeds SEKm
6.14 Modernization and maintenance	6	2
6.14 Acquisition and ownership of infrastructure	3,530	1,340
6.14 Energy efficiency improvements	10	8
Sum of allocated net proceeds		1,350
Proportion allocated to new projects/assets		10
Sum of outstanding Green bonds		1,350
Green Account Balance		-
Sum of market value and investments	3,546	

2018 framework

Green investments or assets as of 2022-12-31	Investment/ market value SEKm	Allocated net proceeds SEKm
Green & energy-efficient buildings	5,723	5,438
Energy efficiency	76	65
Renewable energy	14	12
Clean transportation	102	89
Pollution prevention and control	3	2
Sum of allocated net proceeds		5,606
Proportion allocated to new projects/assets		-
Sum of outstanding green bonds		5,606
Green account balance		-
Sum of market value and investments	5,918	

ALLOCATION OF GREEN NET PROCEEDS

In accordance with both Frameworks, allocations of net proceeds to Acquisition and Ownership of Infrastructure and Buildings in the 2022 Framework and Green and Energy-Efficient Buildings; Clean Transportation; Transportation Infrastructure, Freight; Clean Transportation, and Transportation Infrastructure, Passenger, in the 2018 Framework are reported per project or asset.

Acquisition and Ownership of Infrastructure and Buildings (2022 Framework)

Acquisition and Ownership of Infrastructure and Buildings	Allocated net proceeds SEKm
Stockholm Central Station	800
Göteborg Central Station	390
Malmö Central Station	150
Sum of allocated net proceeds	1,340

Green and Energy-Efficient Buildings and Clean Transportation projects (2018 Framework)

Green buildings & clean transportation projects and assets	Allocated net proceeds SEKm
Stockholm Central Station	2,217
Hotel Continental Stockholm	1,398
Office building Glasvasen Malmö	453
Göteborg Central Station	129
Malmö Central Station	652
Office building Foajén Malmö	589
Freight terminal Malmö	85
Electrifying tracks & fecal waste management	4
Sum of allocated net proceeds	5,527

KPI disclosure and projects

Green Financing Framework (2022)

6.14 INFRASTRUCTURE FOR RAIL TRANSPORT – ACQUISITION AND OWNERSHIP OF INFRASTRUCTURE

This category includes acquisition and ownership of infrastructure such as train stations and depots that were completed or renovated 2001 or later, and that have or will receive a certification within the BREEAM assessment method of at least "Very Good". Also included in this category are freight terminals with electrified cranes and service vehicles for loading/unloading of goods completed or renovated 2010 or later.

By focusing on long-term maintenance, we ensure that our buildings are energy efficient, sustainable and climate resilient. We continuously certify according to BREEAM In-Use and use the outcome to set relevant action plans.

6.14 Acquisition and ownership of buildings

Building	Property	Construction year	Certification	Energy ¹⁾		Emission ¹⁾		Renewable energy %	Visitors daily (stations)
				Absolute MWh/year	Intensity kWh/m ² (BRA)	Absolute t CO ₂ e	Intensity kg CO ₂ e/m ² (BRA)		
Stockholm Central Station	Norrmalm 5:3 del av	1871	BREEAM In-use Very Good	13,884	313	1,014	23	68%	114,000
Malmö Central Station	Innerstaden 31:10	1858	BREEAM In-use Very Good	5,687	387	409	28	74%	54,000
Göteborg Central station ²⁾	Gullbergsvass 17:3	1856	BREEAM In-use Very Good	6,477	268	352	15	55%	57,000

¹⁾ Including operational energy.

²⁾ The BREEAM In-use certification for Göteborg Central Station expired at the end of 2022, and Jernhusens is awaiting approval of the renewed certificate.

6.14 INFRASTRUCTURE FOR RAIL TRANSPORT – MODERNIZATION AND MAINTENANCE

The modernization and maintenance category for infrastructure for rail transport includes investments in modernization of Jernhusens train stations, depots and freight terminals. Today, Jernhusen actively work with digitalization projects to prepare our assets for future use. Within the project, old measuring equipments are changed into new remotely read meters while a state-of-the-art energy management system is implemented, allowing remote energy optimization. Where applicable, new meters are also installed to cover all energy consumption. These

together provide an excellent basis for energy optimization, contributing to Jernhusens goal of climate neutrality by 2045. The project aims to contribute to a lowered energy usage of 20 percent within the asset portfolio.

18 projects were on-going during 2022, at locations such as Alvesta Central Station, Ängelholms Central Station, Helsingborg Raus Depot and Hagalund Depot.

6.14 INFRASTRUCTURE FOR RAIL TRANSPORT – ENERGY EFFICIENCY IMPROVEMENTS

Energy efficiency is a key component of Jernhusen's strategic sustainability initiatives as it contributes significantly to the goal of climate neutrality by 2045. This category includes energy efficiency projects performed at Jernhusens train stations, depots and freight terminals. Projects included in this category are for example low energy lighting instalment (such as LED), energy efficient ventilation and improved insulation material. The direct costs (materials plus installation and labour costs) are eligible for funding under the framework.

Numerous energy efficiency projects were carried out during 2022, primarily in terms of the installation of LED lighting. The projects are expected to generate annual energy savings of 929 MWh and annual emission reductions of 86 tonnes CO₂-equivalents.

6.14 Energy efficiency improvements

Project	Building	Property	Estimated CO ₂ e reduction t CO ₂ e/year	Estimated energy savings MWh/year
Energy-effective ventilation	Tillberga depot	Hubbo-Mälby 3:6 del av	1.9	21
LED lighting	Örebro CV depot	Del av Olaus Petri 3:233	83	896
LED lighting	Årsta intermodal terminal	Östberga 1:8 del av	0.6	6
LED lighting	Hagalund depot	Järva 3:14 del av	0.5	6
In total			86	929



NEW LED LIGHTING UNITS IN ÖREBRO CV

To achieve the goal of climate neutrality by 2045, energy efficiency projects are performed throughout all Jernhusen's properties. An exceptional project was performed during 2022, where the majority of the indoor lighting in Örebro CV depot area was changed from conventional lighting to new energy-efficient LED lighting units. This project alone has a potential of saving 896 MWh per year, improving the efficiency by 77 percent.

Green Financing Framework (2018)

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 construc-

tion, be working towards, an environmental certification. Jernhusen currently applies the BREEAM assessment methods of BREEAM-SE and BREEAM In-Use for all buildings. All buildings within this category are currently environmentally classified or certified.

KPI disclosure Green and Energy-efficient Buildings

Building	Property	Construction year	Certification	Energy ¹⁾		Emission ¹⁾		Renewable energy %	Visitors daily (stations)
				Absolute MWh/year	Intensity kWh/m ² (BRA)	Absolute t CO ₂ e	Intensity kg CO ₂ e/m ² (BRA)		
Office building Foajen Malmö	Rallaren 1	2019	BREEAM-SE Excellent	855	76	59	5	72	N/A
Office building Glasvasen Malmö	Malmö Loket 1	2015	BREEAM-SE Excellent	968	99	58	6	61	N/A
Stockholm Central Station	Norrmalm 5:3 del av	1871	BREAAM In-use Very Good	13,884	313	1,014	23	68	114,000
Malmö Central Station	Innerstaden 31:10	1858	BREAAM In-use Very Good	5,687	387	409	28	74	54,000
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The Glasvasen office building in Malmö.



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 2022 ("the Report"). The scope of our work was limited to assurance of page 3 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 4 and 5, columns "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 as well as section one (page 12-14) of the *Jernhusen Green Financing Framework* dated 2022-10-27, 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 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. 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, 24 February

Öhrlings PricewaterhouseCoopers AB



Helena Ehrenborg
Authorized Public Accountant



Isabelle Hammarström
Sustainability Expert member of FAR