



Investor Report

Green Bonds 2020

Sustainable financing with green bonds

During 2020 Jernhusen issued a total of MSEK 1,250 in bonds within the Green Bond framework. Jernhusen considers the issuing of green bonds to be an integrated way of developing the company's sustainable business.

Jernhusen has ambitious sustainability goals, which create prerequisites for Jernhusen's sustainability efforts and the aim of leading the development of tomorrow's station areas, depot areas and intermodal terminals. Active sustainability efforts also create the possibility for Jernhusen to introduce green financing and the company has the ambition that all financing will be sustainable.

JERNHUSEN'S GREEN BOND FRAMEWORK

In 2018, Jernhusen added a Green Bond Framework to 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 carried out.

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 is aligned with industry best practices.

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

FINANCED INVESTMENTS AND PROJECTS

During the year, Jernhusen issued bonds to a total of MSEK 1,250 within the green bond framework which enables financing for several investments, projects and environmentally certified buildings.

Issued Green bonds 2020

Loan no.	Volume SEKm	Issue date	Duration
128	500	2020-04-17	5 years
129 T1	300	2020-09-23	5 years
129 T2	250	2020-11-03	5 years
130	200	2020-12-15	5 years

Disclosure of total allocation

Green investments or assets as of 2020-12-31 (SEKm)	Investment/market value	Allocated net proceeds
Green & Energy-efficient Buildings	8,273	4,340
Energy Efficiency	22	19
Renewable Energy	6	4
Clean Transportation	102	99
Pollution Prevention and Control	1	1
Sum of allocated net proceeds		4,463
-Proportion allocated to new projects/assets		426
Sum of outstanding Green bonds		4,463
Green Account Balance ¹⁾		0
Sum of market value and investments	8,404	

¹⁾ Includes short term investments.

At 31 December 2020, Jernhusen's confirmed green investments and assets totalled 8 404 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	2,113
Hotel Continental Stockholm	949
Office building Glasvasen Malmö	175
Göteborg Central station	129
Malmö Central Station	652
Office building Foajen Malmö	321
Freight terminal Malmö	95
Electrifying tracks & fecal waste management	4
Sum of allocated net proceeds	4,439

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 and Miljöbyggnad and by the end of 2020 all buildings were environmentally classified or certified. By sustainably improving and developing our properties, it enables

an environmental certification or classification and simultaneously makes sure that our properties are in line with modern standards. When we construct 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	MWh/year	kWh per m ² (A _{temp})	CO ₂ (tonnes)	CO ₂ emissions kg/m ²	Renewable energy (%)	Green agreements (% of signed contracts)	Visitors daily (stations)
Stockholm Centralstation	Norrmalm 5:3	1871	BIU, Very Good	14,190	337	999	23.7	68%	49%	250,000
Hotel Continental Stockholm	Orgelpipan 6	2016	SGBC silver	2,849	149	135	7.1	46%	0 ¹⁾	N/A
Office building Glasvasen Malmö	Loket 1	2015	BREEAM-SE, Excellent	1,043	150	38	5.4	43%	100%	N/A
Office building Foajen Malmö	Rallaren 1	2019	BREEAM-SE, Excellent	847	77	37	3.4	68%	100%	N/A
Göteborg Centralstation	Gullbergsvass 17:3	1856	BIU, Very Good	5,174	285	99	5.5	95%	54%	75,000
Malmö Centralstation	Innerstaden 31:10	1858	BIU, Very Good	5,756	191	37	1.2	96%	74%	65,000

¹⁾ Green agreements were introduced after time of completion.

GOTHENBURG CENTRAL STATION BREEAM IN-USE, VERY GOOD

In 2020 a proof of Jernhusens intensive sustainable property management was a fact as Gothenburg Central Station received a BREEAM In-Use certification. Gothenburg Central Station is more than 150 years old and Jernhusen has invested heavily to create a sustainable property over time. The property received a BREEAM In-Use certification rating of Very Good and could therefore be included in the criteria for the Green Bond Framework.



Energy efficiency

Energy efficiency is a key component of Jernhusen's strategic sustainability initiatives. Jernhusen is aiming to halve the use of purchased energy in our properties by 2030, using 2008 as the base year. 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.

ENERGY EFFICIENCY PROJECTS 2020

Several energy efficiency projects were carried out during 2020, mainly in terms of the installation of LED lighting but also the installation of energy effective ventilation systems and installation of new windows with higher insulation capacity. The projects are expected to generate annual energy savings of 1363 MWh and annual CO₂ reductions of 82 tonnes. All these projects give a positive contribution to succeed in our long-term goal of a more energy efficient property portfolio.

POLLUTION PREVENTION AND CONTROL

In the Pollution Prevention and Control category, there are three sub-categories: Soil Remediation, Removal of Harmful Substances and Waste Management. The first two categories include activities to remediate soil or removal of harmful materials on our properties in order to improve the environment. Waste management solutions involve creating conditions for improving and developing waste issues to reduce the amount of waste and increase recycling rates.

KPI disclosure Energy efficiency projects

Project	Building	Property	CO ₂ reduction tonnes/year	Energy savings (MWh/year)
Insulation glass installation	Notvikens depot	Notvikens 100:1	7,9	132
Energy-effective ventilation	Borlänge depot	Matsknutsgårdarna 3:15	3,4	57
Energy-effective ventilation	Örebro storage	Olaus Petri 3:233	3,3	55
LED lighting trainwash	Trainwash building	Västerås 5:10	0,8	14
LED lighting	Hagalund depot	Loket 1	49,8	830
LED lighting	Hagalund depot	Loket 1	7,2	120
LED lighting	Hagalund depot	Järva 3:14	6,0	100
LED lighting in terminal	Malmö intermodal terminal	Kirseberg 30:22	3,3	55
In total			82	1,363

KPI disclosure Pollution Prevention and Control

Project	Building	Property	Type of harmful substance	Quantities
Waste management facility	Malmö Kirseberg	Järnvägen 1:5	recycling of waste 5 fractions	8,833 kg
Asbestos remediation	Gothenburg Central station	Gullbergsvass 17:3	Asbestos	<10 kg
Oil separator	Borlänge Depot	Matsknutsgårdarna 9:12	Oils	240 kg
In total				9,083 kg

BORLÄNGE: NEW OIL SEPARATOR

We are constantly working to improve the environmental performance of our properties. In the older properties, there may be environmental challenges in waste management which can be solved by recycling waste fractions or by the removal of fossil waste such as oils and other chemicals.

In Borlänge Jernhusen has a maintenance depot. To improve the waste management system a modern oil separator has been installed. This contributes to minimizing the climate impact of the present property but also ensures a longterm sustainable future.



Photographs in this report taken by Pixprovider



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 2020 ("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, 10 March 2021

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

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Namn returnerat från Svenskt BankID: Helena Ehrenborg

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