



**CA FASTIGHETER AB (publ)**

Green Bond

Investor report 2023

## INVESTOR REPORT

CA Fastigheter issued 500 MSEK in green bonds in June 2021 in green bonds according to the company's green bond framework. Proceeds from the issuance have been used in accordance with CA's Green Bond Framework and the bonds are listed on Nasdaq Stockholm's Sustainable Bond list. CA has issued 500 MSEK of green bonds under the framework. The report period is 1 July 2022 - 30 June 2023.

### INTRODUCTION

CA Fastigheter AB (CA) is a long-term and value-driven real estate company characterized by short decision-making processes and close collaborations. By working towards environmental sustainability in the long run, we continuously improve our environmental performance and contribute to a more sustainable society. Our sustainability efforts are integrated into our business strategy, daily operations, and decision-making processes.

Currently, CA owns, manages, and develops residential and commercial properties in attractive growth regions. The operations are focused on property management and property development primarily in Sweden but also in Germany.

As of December 31, 2022, CA's property portfolio consisted of 158 managed properties. The portfolio comprises 653,820 square meters of leasable area. Of these areas, 46% are residential properties, while the remaining spaces consists of commercial premises, including retail, offices, hotels, and warehouse spaces. The value of the managed properties amounted to SEK 14 884 MSEK at the end of the period.

CA has offices in six different locations in Sweden: Malmö, Växjö, Borås, Jönköping, Stockholm and Kalmar. CA's headquarters is located in Kalmar.

### SUSTAINABILITY EFFORTS

During 2022, CA's sustainability efforts have taken significant strides forward. The sustainable strategy is supported and encouraged by the board and management, providing the best possible conditions for sustainability work. The work with environmental certifications of new and existing buildings, ISO certification and the emission of the green bond have solidified sustainable development within the company as a well-established concept and tangible approach visible throughout the organization. CA's sustainability work is directed and prioritized based on the nature of its operations, the relevant stakeholders, and the areas where CA's efforts can have the greatest impact. Within CA's focus areas – employees, properties, and long-term value creation – goals are set, monitored, and evaluated.

Sustainable business practices mean that CA conducts its operations in a long-term and responsible manner. It encompasses how the business is conducted over an extended period and how crucial functions are fulfilled, such as being a safe workplace, supplier, and taxpayer. CA's long history attests to the company being a long-term real estate firm with a strong sense of social responsibility. CA takes responsibility beyond its own operations and cares about the surrounding environment affected by the company.



In the sustainability strategy, CA presents its sustainability goals. CA works to contribute to the achievement of the United Nations' global goals for sustainability development, Agenda 2030, and through a materiality analysis, has identified the goals where the company has the greatest potential to make an impact. CA has linked its own sustainability goals to the corresponding goals in Agenda 2030. The goals are monitored, evaluated, and actions are established in an action plan.

## SUSTAINABILITY GOALS

### Description

Energy consumption is an environmental impact. By monitoring and working on measures such as operational optimization and the installation of new technology, not only can consumption be reduced but also the emission of CO<sub>2</sub>-e.

Measures to reduce water consumption.  
Selection of renewable energy sources.

### Goals

Energy consumption should decrease annually by 1.5% and by 2026, a savings of 15% per square meter should be achieved.

Water consumption should decrease annually by 1%.  
By 2025, 75% of the energy should be renewable.



Environmental certification of all new construction projects at a minimum level in line with the green framework and certification of the existing portfolio.

The work on environmental certifications is carried out for all new construction projects. Evaluation for certification of the existing portfolio is underway.



Report/measure greenhouse gas emissions in scope 1-3.

CA Fastigheter works to minimize emissions through measures such as reducing energy consumption, utilizing renewable energy, reducing transportation, and choosing fossil-free fuels.



Establish processes and reporting for climate risks.

CA will commence TCFD reporting to complete a comprehensive TCFD reporting by 2025.



Control in the supply chain regarding sustainability areas, emphasizing the importance of engaging business partners who share CA's values.

A code of conduct for suppliers will be shared with the most significant business partners during 2023.



### New sustainability goal

Stricter sustainability goals reinforce CA's commitment to the importance of sustainability work for shareholders, the board, and the organization. The goals contribute to achieving sustainable development objectives and meeting the demands of our external stakeholders.

By 2023/2024, 20% of buildings in existing portfolio will be classified as green.

By 2024/2025, 30% of buildings in the existing portfolio will be classified as green.

By 2025/2026, 40% of buildings in the existing portfolio will be classified as green.



The decision to work on environmental certifications for buildings aligns with CA's green path forward and is part of the business strategy. Environmental certifications create sustainable properties with long-term value development and encompass both new construction projects and existing buildings. The work contributes to reducing energy consumption, making sustainable material choices, and promotes sustainable property management.

## CA AND UN GLOBAL COMPACT

The ten principles of the UN Global Compact regarding human rights, labor rights, environment, and anti-corruption form the basis of CA's code of conduct for employees. The code of conduct clarifies CA's position and serves as a common understanding of acceptable and unacceptable behaviour. All employees are expected to adhere to and conduct themselves in accordance with the code of conduct and receive continuous training in line with it. CA's website includes an external whistle-blower function that enables both internal and external reporting of serious misconduct. No cases of misconduct were reported in 2022. CA's zero-tolerance policy towards corruption and bribery is clearly stated in the anti-corruption policy. Employees in positions where they may be exposed to any form of corruption receive anti-corruption training.

## SUPPLY CHAIN

CA strives to maintain good relationships with business partners, suppliers, and contractors. Regardless of size, business partners are expected to share CA's values and impose similar requirements on their subcontractors. To clarify this expectations, CA has developed a code of conduct for business partners that addresses requirements for business ethics, workplace and occupational health and safety, working conditions, human rights, and the environment. In line with the code of conduct, CA will impose clearer requirements and ensure compliance through monitoring and auditing.

For more information about CA's sustainability efforts, please refer to the 2022 sustainability report.

## SUSTAINABLE ACTIVITIES 2022

CA Fastigheter AB is certified according to ISO 14001:2015.

Extensive renovation work has been carried out in Araby area of Växjö, where CA owns and manages 721 apartments. These renovations have resulted in an energy saving of over 40%. The renovations have also contributed to socially sustainable urban development.

Work on business strategies and new goals is being initiated.

Bojen, on Varvsholmen, in Kalmar, was CA's first building to be environmentally certified.



The work certify the existing portfolio continues.

The installation of solar panels and geothermal heating has significantly reduced energy consumption and climate impact.

Credit rating agency Nordic Credit Rating (NCR) has conducted an analysis and assigned a rating to CA Fastigheter AB. The long-term rating is BBB- and the short-term rating is N-4.

## GREEN FRAMEWORK

CA's green framework was finalized in the spring of 2021, and no changes have been made to the framework in 2022. The framework is based on the Green Bond Principles and adheres to the four principles as well as the recommended external review.

### SHADES OF GREEN

Based on our review, we rate CA's green bond framework **CICERO Light Green**.

Included in the overall shading is an assessment of the governance structure of the green bond framework. CICERO Shades of Green finds the governance procedures in CA's framework to be **Good**.



### GREEN BOND PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.

1. *Use of proceeds*
2. *Process for project evaluation and selection*
3. *Management of proceeds*
4. *Reporting*
5. *External Review*

The independent climate and research institute Cicero (Center for International Climate Research) reviewed the framework and provided a second opinion. Cicero classified the framework as "Light green" for the green criteria and "Good" for governance.

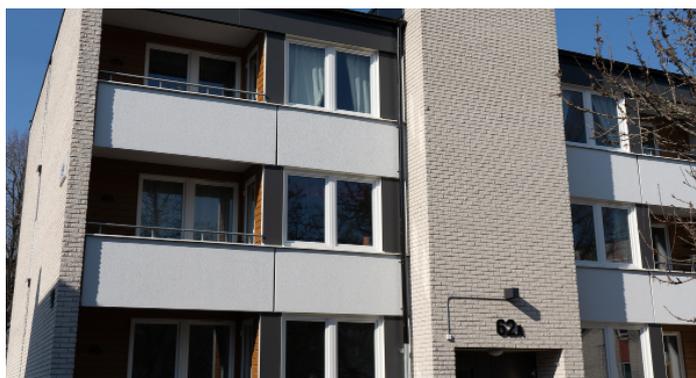
### GREEN FINANCE COMMITTEE

CA's Green Finance Committee (GFC) consists of the CEO, CFO, and sustainable manager. The committee's responsibility is to evaluate and ensure that investments align with the criteria in the green framework. The committee regularly meets with regional managers and technical managers to assess upcoming and existing projects. CA's ambition is for all projects to be evaluated within the framework of the green criteria. In CA's new development, environmental certification of the project is a given goal, as well as an increased ambition to certify the properties already existing in the existing portfolio. Environmental certifications not only provide recognition of the building's sustainability but also offer valuable insights into measures that can be taken to enhance environmental and social sustainability.

The framework and Cicero's statement can be found in full at [www.cafastigheter.se](http://www.cafastigheter.se)

## ALLOCATION

The purpose of the report is to disclose the allocation of funds from the green bond that has occurred during the years 2021 and 2022 within the criteria specified in the green framework. The investments made promote the environment and are in line with CA's sustainability strategy. As expected, the allocation (see table on page 6) at this stage has been made to existing properties and falls within the criterion of green buildings. The actions taken are in accordance with the defined categories in the framework and have resulted in environmental benefits such as reduced energy consumption and renewable energy. As CA's intention is to constantly improve and adhere to market standards, the framework may be updated or modified to reflect any changes that occur. The investor report is based on the established valuation conducted as of December 31, 2020\*, as well as the loans held by the properties as of September 30, 2021. The investments from the bond have all been used to refinance investments that align with the green framework. No new allocations of funds from the green bond have occurred in 2022.



\*Valuation of Professorn 8 and Araby Phase 1 on December 31, 2021.

## GREEN BUILDINGS

Allocation of funds from the bond has been made to existing properties categorized as green buildings during 2021. The amount allocated is based on the valuation as of December 31, 2020, and the loan structure as of September 30, 2021.

Existing buildings	Property category	Region	Criteria Green Bond Framework	Market value (MSEK)	Allocation of Green Bond (MSEK)
Taxeringsintendenten	Residential property	Malmö	30% lower energy consumption	148	73,2
Ättlingen 2	Commercial property	Jönköping	Energy use per square meter A-temp	46,6	27,1
Hus 20 Maskinhuset	Commercial property	Stockholm	Energy use per square meter A-temp	118	48,1
Araby etapp 1 (värdering gjord 2021)	Residential property	Växjö	30% lower energy consumption	93,6	46,3
Veddesta 2:18	Commercial property	Stockholm	30% lower energy consumption	319	161,7
Professorn 8 (värdering gjord 2021)	Residential property	Malmö	30% lower energy consumption	114	51
Björnen 10	Residential property	Växjö	Energy use per square meter A-temp	175	72,8
Stadsträdgården 5	Residential property	Kalmar	30% lower energy consumption	68,3	39
<b>Subtotal, allocated</b>					<b>519,2</b>

## SELECTION OF PROPERTIES INCLUDED IN INVESTOR REPORT

### ÄTTLINGEN 2, JÖNKÖPING

CA Fastigheter acquired the property in 2010. The property has a total area of 7 620 square meters and consists of spaces for industrial, warehouse and workshop purposes.

Installation of a solar panel system will provide approximately 30% of the annual energy demand for the property, contributing to the use of green electricity and resulting in a CO<sub>2</sub>-e savings of over 1.3 tons.



### VEDDESTA 2:18, STOCKHOLM

The property is a 16 400 square meters building located in Järfälla, where Matvärlden and Beijer are tenants.

By recovering heat from the cooling systems, adjusting parameters in the control system, and improving the building envelope, the energy consumption has been reduced by over 30%.



### PROFESSORN 8, MALMÖ

Professorn 8 consists of two buildings and was constructed in 1960. After an extensive renovation, including the insulation of attics and the installation of a new heat recovery system, the energy consumption was reduced by 43%.

Professorn 8 is environmentally certified according to Miljöbyggnad IDrift with a silver rating.



## Auditor's Limited Assurance Report

To CA Fastigheter AB (publ), corporate identity number: 556227-5700

### Introduction

We have been engaged by CA Fastigheter AB (publ) to undertake a limited assurance engagement of selected information in CA Fastigheter AB's Green Finance Investor Report as of June 2023 ("the Reporting"), to corroborate that the proceeds from the issue of green bonds of SEK 500 million have been used in accordance with CA Fastigheter AB's Green Finance Framework.

The reporting criteria against which this information was assessed, are the relevant parts of the CA Fastigheter AB's Green Finance Framework available on CA Fastigheter AB's website. The set criteria in the framework are to finance projects in new and existing green buildings, energy efficiency, renewable energy and investments that prevent and reduce pollution.

Our assurance does not extend to any other information in the Reporting. We have not reviewed and do not provide any assurance over any individual project information reported, including where applicable estimates of impact.

### **Responsibilities of the Executive Management for the Reporting**

The Executive Management are responsible for use and management of proceeds, the preparation of the Green Finance Investor Report in accordance with the applicable criteria as well as evaluating and selecting eligible assets. This responsibility also includes the internal control relevant to the preparation of a Green Finance Investor Report that is free from material misstatements, whether due to fraud or error.

### **Responsibilities of the Auditor**

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Thus, our responsibility is to comment on the information stated in the Board of Directors' and CEO's statement in the investors report and the use of the issued amount according to the categories of the framework based on our limited review.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily to persons responsible for the preparation of the Report, applying analytical review procedures and other limited assurance procedures. The nature of the procedures performed in a limited assurance engagement vary and are less in scope than for a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQM 1 (International Standard on Quality Management) 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 of CA Fastigheter AB (publ) in accordance with the professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance



with these requirements. Consequently, the procedures performed 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.

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 on the information stated in the Reporting (CA Fastigheter AB (publ)'s Green Bond Investor Report 2023), nothing has come to our attention that causes us to believe that CA Fastigheter AB (publ) has not, in all material respects, used the issued amount of SEK 500 million to categories other than those specified by the framework.

Kalmar, 30 June 2023

Ernst & Young AB

Franz Lindström

Authorized Public Accountant