

Studentbostäder i Norden AB

Sustainable Bond Framework



**STUDENTBOSTÄDER
I NORDEN AB**

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In April 2021 Studentbostäder i Norden (SBS) developed a sustainable bond framework in accordance with the ICMA Green Bond Principle and ICMA Social Bond Principle (together ICMA Sustainability Bond Framework). This framework governs the terms and conditions of how SBS will allocate, the proceeds from green/social bonds, loans and other types of debt financing. The total sustainable bond framework amounts to SEK 1000 million.

The impact report covers the outstanding sustainable bond of SEK 480 million that SBS issued during 2021 used to continue the company's journey in providing green, energy efficient and affordable student housing.

Use of Proceeds

The selection of eligible projects is determined by the company's sustainable bond committee (SBC) and consists of the CEO, Head of finance & transactions and Head of Project management. Projects financed with the sustainable bond proceeds are required to fulfill any of the criteria below:

GREEN ELIGIBLE ASSETS

The proceeds from the bond can be used to finance or re-finance new construction or existing buildings;

- With or with the objective of reaching an energy performance certificate (EPC) of class A or B.
- With or with the objective of reaching the following environmental certifications:

- i LEED "Gold" or better
- ii BREEAM "Very Good" or better
- iii BREEAM-In-Use "Very Good" or better
- iv Nordic Swan Ecolabel (Svanen)
- v Miljöbyggnad "Silver" or better
- vi Green Building or better
- vii Passive house

Or any other well recognised certification scheme of similar level, approved by the SBC

- With an energy use per year 20% below the national building regulation, such as Boverket's Building Regulations ("BBR"), applicable at time of construction. In addition, selected properties within this category have installed solar panels
- Where major renovations resulting in reduced energy consumption of at least 30% compared to pre-renovation.

ENERGY EFFICIENCY

Energy retrofit items such as heat pumps, converted to LED lighting, improvements in ventilation systems, extension of district heating and cooling systems, on-site solar panels, geothermal heating, etc.

SOCIAL ELIGIBLE ASSETS

Affordable student housing

All new construction and existing buildings with rental apartments with a rental level lower or on par with the standard rents required for investment grants for student housing proposed in the Swedish National Board of Housing, Building and Planning (Sw. "Boverket"). Target population: students

External review

To confirm the transparency and robustness of SBS's Sustainability Bond Framework, it is verified and approved by a third party. The second opinion by ISS Corporate Solutions is available on the SBS website, together with this Framework.

This framework, including other relevant steering document resulted in the following evaluation.

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION
Green buildings	Significant contribution
	Limited contribution
Energy efficiency	Limited contribution
Affordable housing	Significant contribution

MANAGEMENT OF PROCEEDS

Net proceeds from SBS' Sustainability bonds will be tracked by using a spreadsheet where all issued Sustainability bonds will be listed. The spreadsheet will also contain the list of Eligible Assets. Information available in the spreadsheet will in turn serve as the basis for regular reporting described.

All Sustainability bonds issued by SBS will be managed on a portfolio level. This means that a Sustainability bond will not be linked directly to one (or more) pre-determined Eligible Assets. The Company will keep track and ensure there are sufficient Eligible Assets in the portfolio. Assets can, whenever needed, be removed or added to/from the Eligible Assets' portfolio.

Any unallocated proceeds temporary held by SBS will be placed on the Company's ordinary bank account.



Reporting

To be fully transparent towards the sustainable bond investors and other stakeholders, SBS commits to regular reporting as long as it has Sustainability bonds outstanding. The report will cover the following areas:

ALLOCATION OF PROCEEDS

- Total amount of Sustainability bonds issued
- Share of proceeds used for financing/re-financing as well as share of proceeds used for eligible assets
- Share of unallocated proceeds

IMPACT REPORTING

SBS intends to report on quantitative impact indicators where feasible and relevant data is available. Some of the below criteria indicating environmental and social impact will be available:

GREEN & ENERGY EFFICIENT BUILDINGS

- Energy use (kWh/m²)
- Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)

ENERGY EFFICIENCY

- Total amount energy saved (MW)
- Reduction in energy use (%)

AFFORDABLE STUDENT HOUSING

- Total number of affordable apartments
- Rental cost compared to the maximum permitted standard rent for investment grants for student housing according to the Swedish National Board of Housing, Building and Planning (Sw. "Boverket")

Use of proceeds

In the table below the proceeds allocation to green and social projects from SBS's sustainable bond is specified. The total proceeds amount to SEK 600 million which has been issued in two tranches: SEK 500 million during Q2 2021 and SEK 100 million during Q4 2021.

Volume outstanding	
Total volume of bonds outstanding (MSEK)	Total volume of allocated proceeds by Q1 2024 (MSEK)
500	500
100	100
-120	-120
480	480

In accordance with SBS's sustainable bond framework the proceeds will be allocated to both Green and Social eligible projects. This table presents a project specific view of what the total bond proceed has been allocated to.

Project specific use of proceeds			
Project	Sustainability aspect	Total number of affordable student units	By Q1 2024 (MSEK)
Copenhagen Engvej	Green	578	240
Stockholm Ferdinand 14-15	Green	1 043	200
Norrköping Ankarstocken	Green & Social	198	40
Tot. Use of proceeds			480

The table below provides a detailed description of the individual green projects that the bond proceeds has been allocated to. This table presents the specific energy use of each student project and where possible the energy performance class.

Allocation to green eligible projects			
Project	Sustainability aspects	Energy use	
Copenhagen Engvej	Green	EPC A	
Stockholm Ferdinand 14-15	Green	House 1, 51,6 kWh/kvm Atemp	
		House 2, 53,2 kWh/kvm Atemp	
		House 3, 46,5 kWh/kvm Atemp	
		House 4, 58,7 kWh/kvm Atemp	
		House 5, 57,2 kWh/kvm Atemp	
Norrköping Ankarstocken	Green & Social	54,6 kWh/kvm Atemp	

The table below provides a detailed description of the individual social projects that the bond proceeds has been allocated to. This table presents the total number of affordable student units at each project including the expected rental level that the project will have when completed. Further it involves the maximum permitted standard rent for student housing required to attract investment grants.

Allocation to social eligible assets				
Project	Sustainability aspects	Total number of affordable student units	Expected rental level	Maximum permitted standard rent for approved investment grants (Boverket)
Norrköping Ankarstocken	Green & Social	198	2 316 SEK/sqm ("normhyra" 1 450 SEK/sqm)	2 316 SEK/sqm ("normhyra" 1 450 SEK/sqm)

Since no relevant data is yet available to report on quantitative impact indicators of Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e), Total amount energy saved (MW) or reduction in energy use (%) SBS does not report on these.