

An architectural rendering of a modern, multi-story building with a courtyard. The building features large glass windows and balconies with greenery. The courtyard is paved and has a fountain area with people walking and sitting. The scene is overlaid with a green tint.

2023

Investor report

Green and sustainability-
linked bonds



Atrium Ljungberg

Atrium Ljungberg's investor report describes which property projects have been financed with proceeds from green and sustainability-linked bonds, as well as compliance with the frameworks.

Background

Atrium Ljungberg owns, develops and manages properties totaling 945,000 m² letting area with a property value of SEK 58,5 billion. We want to be a leading developer of attractive, sustainable city districts and properties in Stockholm, Göteborg, Malmö and Uppsala. Atrium Ljungberg remains active throughout the entire lifecycle of a building; as the developer of the property, as a contractor and as a property manager. We own large areas, so we can maintain a general strategy for a city district that really helps to enhance sustainability. We place demands on our suppliers and work with our tenants to achieve more than we could individually. By doing this we are trying to guide the entire value chain in a sustainable direction. Properties have enormous environmental impact throughout their entire lifecycle. The construction and property industry accounts for a significant proportion of Sweden's energy consumption and total emissions. This is why it is important for Atrium Ljungberg to reduce both our own and our customers' environmental impact and streamline resource utilisation in terms of energy, waste, etc. This will allow us to reduce greenhouse gas emissions and counter climate change. Our work also involves contributing to the UN Sustainable Development Goals.

Sustainability work



We develop sustainable cities and properties where people want to live and work for many years to come. Cities that are capable of handling urbanisation, climate change and social transformation. We take longterm responsibility when we build, develop and manage. Atrium Ljungberg's focus is to always act with care for people and the environment.

Our sustainability work is integrated into our business model and forms an important part of the work to achieve our vision. Working proactively on sustainability issues enables us to manage risks in a structured way, while also identifying new business opportunities. In December 2021, our sustainability strategy and goals were adopted by the Board of Directors. These goals run until 2030 and are linked to our green bonds and sustainability-linked bonds. They were based on extensive discussions with stakeholders and a materiality analysis. There are goals and strategies linked to these focus areas, as well as steering functions, policies and guidelines. Read more about the goals further down in the report.

In December of 2023, new goals were accepted by the Board of Directors. In the process of deciding on the new goals, the perspectives from our different stakeholders have been an important input. The goals are categorized based on these stakeholders and can be further read about in the 2023 Annual report and Sustainability report.

Goals 2030

- Atrium Ljungberg will be climate-neutral by 2030 and halve the climate impact of construction projects and decrease the impact with 22 % of the climate footprint for property management by 2025
- Atrium Ljungberg's locations will achieve a score of more than 90% in the social index 'Our City' by 2030.
- 100% of our substantial purchases will be evaluated by 2025 based on our Supplier Code of Conduct.

2030

Climate-neutral

Atrium Ljungberg will be climate-neutral by 2030 and halve its emissions from construction projects by 2025. Climate-neutral means that we must strive after reaching net-zero greenhouse gas emissions. All our activities currently have a climate impact, which is why we are working to reduce our emissions as far as possible, with the ambition to reach zero as the first priority.

Socially sustainable locations

We are no ordinary property company. Although buildings are at the heart of our business, we are actually more interested in the people in them. We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. By developing mixed-use cities, we can create urban life where everyone is happy, feels safe and secure, and can be inspired – locations where people want to spend time, both now and in the future. For many years we have used eight urban development principles in our sustainability work. These principles have now been integrated into our goal for socially sustainable locations, as part of the 'Our City' index.

Business ethics

Business ethics is an important area for Atrium Ljungberg to focus on. Our work moving forwards will be divided into two goals: supply chains and anti corruption. These are two important areas, where there are significant sustainability risks that need to be managed in our industry. Atrium Ljungberg wants to be a longterm and reliable partner in all of its relationships. We work proactively, both inhouse and with our suppliers, to counter the risks of bribery, corruption and human rights violations that may occur in the industry. 100% of our substantial purchases from our main suppliers will be evaluated by 2025.

Sustainable employees

The competence and wellbeing of our employees are important to ensure that we are a company that is sustainable and successful in the long term. We want to be a stimulating organisation where the emphasis is on learning, engagement, health and safety. Since 2022 we have decided to use a new employee survey, which focuses more on the sustainable employee – Human Financial Wellness. In January 2023 we set an index goal for the entire organisation at 5.5, where the maximum is 7.

Green and sustainability-linked financing

At the end of the year Atrium Ljungberg's interest bearing liabilities amounted to SEK 24,966 million, with 69% being green or sustainabilitylinked financing as shown in the table below:

Borrowing	SEK m	Proportion of debt
Green bank loans	4,367	18%
Green bonds (2017 framework)	6,288	25%
Green bonds (2022 framework)	2,900	11%
Sustainability-linked bank loans	2,696	11%
Sustainability-linked bonds	1,000	4%
Total	17,251	69%

In addition to the debt listed above, a high proportion of the Group's unutilised credit facilities are sustainability-linked. Any loans taken out from these facilities will therefore be considered sustainability-linked debt.



Green bonds

Atrium Ljungberg's framework for green bonds aims to promote the transition to lower carbon dioxide emissions and growth that will benefit our climate. Green bonds aim to ensure for investors that the funds they invest yield returns both financially and environmentally. This framework indicates which criteria must be met for a project to qualify for funding from the company's green bonds. New build projects or existing buildings with stringent energy requirements are the primary recipients of financing. Investments in energy efficiency measures, renewable energy and clean transport are examples of the other categories that can receive financing. In order to receive financing for new build projects, commercial properties have to be certified in accordance with BREEAM, with a minimum grade of 'Excellent' or an equivalent grade from another certification standard. Energy consumption must also be at least 20% lower than the level in BBR (Boverket's building regulations). For existing buildings to receive financing, they must be certified in accordance with BREEAM In-Use.



Green framework

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than the level in BBR (Boverket's building regulations). For existing buildings to receive financing, they must be certified in accordance with BREEAM or BREEAM In Use, with a minimum level of 'Very Good'. The buildings must also meet the energy consumption requirements that are based on the year of their construction.

The ambition is to use a large portion of the proceeds from the green bonds to finance new projects or projects that have recently been completed. The projects are selected by Atrium Ljungberg's Green Bond Committee, which comprises the CFO, the Head of Sustainability and the Head of Treasury. CICERO Shades of Green issued a second opinion of the framework, awarding it an overall grade of 'Medium Green' and an "Excellent" governance rating. The annual investor reports are also reviewed by Atrium Ljungberg's auditors.

Borrowing & green projects

2022 framework

In 2023 a total of SEK 900 million green bonds were issued, with SEK 0 million maturing under this framework. The first bonds under this framework will mature in 2025. The allocated volume was set by Atrium Ljungberg's Green Bond Committee, employing the criteria as set out in the framework. The KPIs reported in the following tables must meet the required levels under the Green Bond Framework from February 2022, which is available on al.se.

Green buildings

Building	Property	Allocated volume	Area m ²	Certification ¹	Energy consumption ²		Requirement BBR ³	Climate impact	Annual CO ₂ reduction ⁴	Share of green leases	
		SEK m	m ² NRA /RA		kWh/m ² /year	Annual savings MWh year	kWh/m ²		Percentage improvement	g/m ²	tonnes CO ₂
Life city	Molekylen 1	1 050	34 739	Excellent	64	775	70	9%	1670	228	97,1
Sickla Stationshus	Sicklaön 83:42	425	25 000	Excellent	46,9	350	70	33%	2320	355	N/A
Tapetfabriken	Sicklaön 83:59	220	11 069	Excellent	92	357	108	15%	5240	40	100
Katarinahuset	Tranbodarne 11	1 163	31 526	Excellent ¹	92	1005	104	12%	1840	432	99 ⁷
Total		2 858									

Renewable energy

Building	Property	Type of project	Proportion of the properties' consumption (kWh)	Energy use ⁵	Annual CO ₂ reduction ⁶
			%	kWh/year	tonnes CO ₂
Pv palatset, Mineralvattenfabriken	Blästern 11-13	Geothermal facility	85%	3 615	74
Proppen	Proppen 6	Solar cells	29%	105	9
NOD	Borganäs 1	Solar cells	65%	436	39
Stora Katrineberg	Stora Katrineberg 16	Solar cells	11%	169	15
Curanten	1326 - Sicklaön 83:58	Solar cells	35%	334 843	30
Allocated volume (total)	SEK 22 million				

1. Goal certification

2. Energy consumption refers to property energy, excluding the tenant's own electricity. The area for estimation of kWh/m² relates to the estimated area A-temp. Energy consumption refers to actual consumption for completed projects, where data for the full year is available. An energy calculation is used for projects that have not been completed.

3. Energy requirement according to BBR at the time of new-build construction.

4. This refers to the difference between the annual CO₂ emissions that the projects would have had in 2021 based on the BBR requirement with an emission factor of 315g CO₂/kWh for electricity and 63g CO₂/kWh for district heating, compared with actual emissions in 2021 or estimated emissions based on project calculations.

5. Estimated capacity from the facility.

6. Estimated emissions saved by using renewable energy that the company generates itself instead of purchasing energy. Purchased energy KPI electricity mix 90g CO₂/kWh.

7. Based on contracted area.

Clean transportation

Building	Property	Charging points installed	Proportion of parking spaces with charging	Bike parking
		Number	(%)	Number
Chokladfabriken	Eken 6	12	9%	46
Kylhuset 15	Kylhuset 15	7	14%	
M2	Lundbyvassen 4:13	51	13%	
Allocated volume (total)	SEK 3 million			

Energy efficiency

Building	Property	Projects	Annual savings MWh year ¹	Annual CO2 reduction (tonnes) ²
Chokladfabriken	Eken 6	Ventilation reconstructed	138	124
M2	Lundbyvassen 4:13	New units	237	16
Magasinet	Sicklaön 83:22	Energy project to reduce district heating needs	775	43
Lindholmen 30:1	Lindholmen 30:1	Energy management system	550	32
Allocated volume (total)	SEK 17 million		1 150	183

Outstanding green bonds as of 31 December 2023 issued under the 2022 framework

No.	Sequential no.	ISIN	Currency	SEK m	Due
1	138	SE0013883535	SEK	700	28 April 2025
2	139	SE0013883543	SEK	800	28 April 2025
3	140	SE0013883550	SEK	500	28 April 2027
4	141	SE0013883972	SEK	300	27 October 2025
5	142	SE0013884368	SEK	300	13 July 2026
6	143	SE0013361185	SEK	300	25 January 2027
				2 900	
Total market value of approved projects				7 952	
Other allocation or pledging of assets				2 142	
Allocated volume for green bonds				2 900	
Available volume				2 910	

1. Estimated savings from the project.

2. Estimated emission reduction from energy saving measures. KPI 90g CO₂/kWh for electricity reduction and 46g CO₂/kWh for district heating reduction.

Borrowing & green projects

2017 framework

In 2023, no green bonds were issued under the 2017 Green Bond framework but Green Bonds with a total nominal value of SEK 1,150 million matured. As per the end of the year, a total of SEK 6 320 million Green Bonds are outstanding under the 2017 framework and SEK 1,150 million bonds thereof will mature both in 2024 and 2025. The allocated volume was set by Atrium Ljungberg's Green Bond Committee, using the criteria as set out in the framework. The KPIs reported in the following tables have met the required levels under the Green Bond Framework from 17 February 2017, which is available on al.se.

Building	Property	Certification ¹	Allocated volume	Area m2	Energy consumption ²		Requirement BBR ³	Estimated climate impact	Annual CO2 reduction ⁴
			SEK m	m2 NRA/RA	MWh	kWh/m2	kWh/m2	tonnes CO2	tonnes CO2
Parkhusen, kvarter 1	Gränby 25:1, Uppsala	Miljöbyggnad - Silver	132	2 831	315	47	85	24	46
Sickla 1898, Curanten	Sicklaön 83:22, Nacka	BREEAM - Very good 1)	490	11 500	908	53	70	21	206
Sickla Front II	Sicklaön 346:1, Nacka	BREEAM - Excellent	1 864	37 634	2 060	67	80	56	211
Norra Gränbystaden	Brillinge 8:1 och 9:1, Uppsala	BREEAM - Very good	968	32 800	2 782	67	92	116	697
Panncentralen	Sicklaön 83:33, Nacka	Miljöbyggnad - Silver	66	976	71	63	138	3	7
Solar cells	Sicklaön 83:22, Nacka		8						
Existing properties	Lundbyvassen 4:13	BREEAM IN-USE - Very good	415	20 184	1 997	88	96	51	394
Existing properties	Lundbyvassen 4:7	BREEAM IN-USE - Very good	431	15 970	706	38	96	18	343
Existing properties	Borgarnäs 1, Stockholm	BREEAM IN-USE - Very good	893	25 355	2 380	75	124	45	480
Existing properties	Stora Katrineberg 16	BREEAM IN-USE - Very good	1 053	42 491	2 023	43	139	12	1 834
			6 320	189 741					

1. Goal certification

2. Energy consumption refers to property energy excluding the tenant's own electricity. The area for estimation of kWh/m2 relates to the estimated area A-temp. Energy consumption refers to actual consumption for completed projects, where data for the full year is available.

3. Energy requirement according to BBR (Boverket's building regulations) at the time of new-build construction; for In-Use certifications it refers to the energy consumption in 2015, or the acquisition year for properties acquired after 2015.

4. This refers to the difference between the annual

CO2 emissions that the project would have had in 2021 based on the BBR requirement with an emission factor of 315 g CO2/kWh for electricity and 63 g CO2/kWh for district heating, compared with actual emissions in 2021 or estimated emissions based on project calculations.

Outstanding green bonds as of 31 December 2023 issued under the 2017 framework

No.	Sequential no.	ISIN	Currency	SEK m	Due
4	123	SE0011869767	SEK	500	2 July 2024
5	125	SE0011643311	SEK	500	21 August 2024
6	126	SE0011643303	SEK	300	21 August 2024
7	128	SE0013359882	SEK	500	1 April 2025
8	134	SE0013883105	SEK	800	1 July 2025
9	130	SE0013360054	SEK	350	3 February 2026
10	132	SE0013102167	SEK	700	29 April 2026
11	135	SE0013360351	SEK	1 000	1 October 2026
12	133	SE0013102183	SEK	300	29 April 2027
13	136	SE0013360393	SEK	550	6 September 2027
14	204	NO0010907256	NOK	820	23 November 2027
				6 320	
Total market value of approved projects				8 649	
Other allocation or pledging of assets				2 297	
Allocated volume for green bonds				6 320	
Available volume				31	



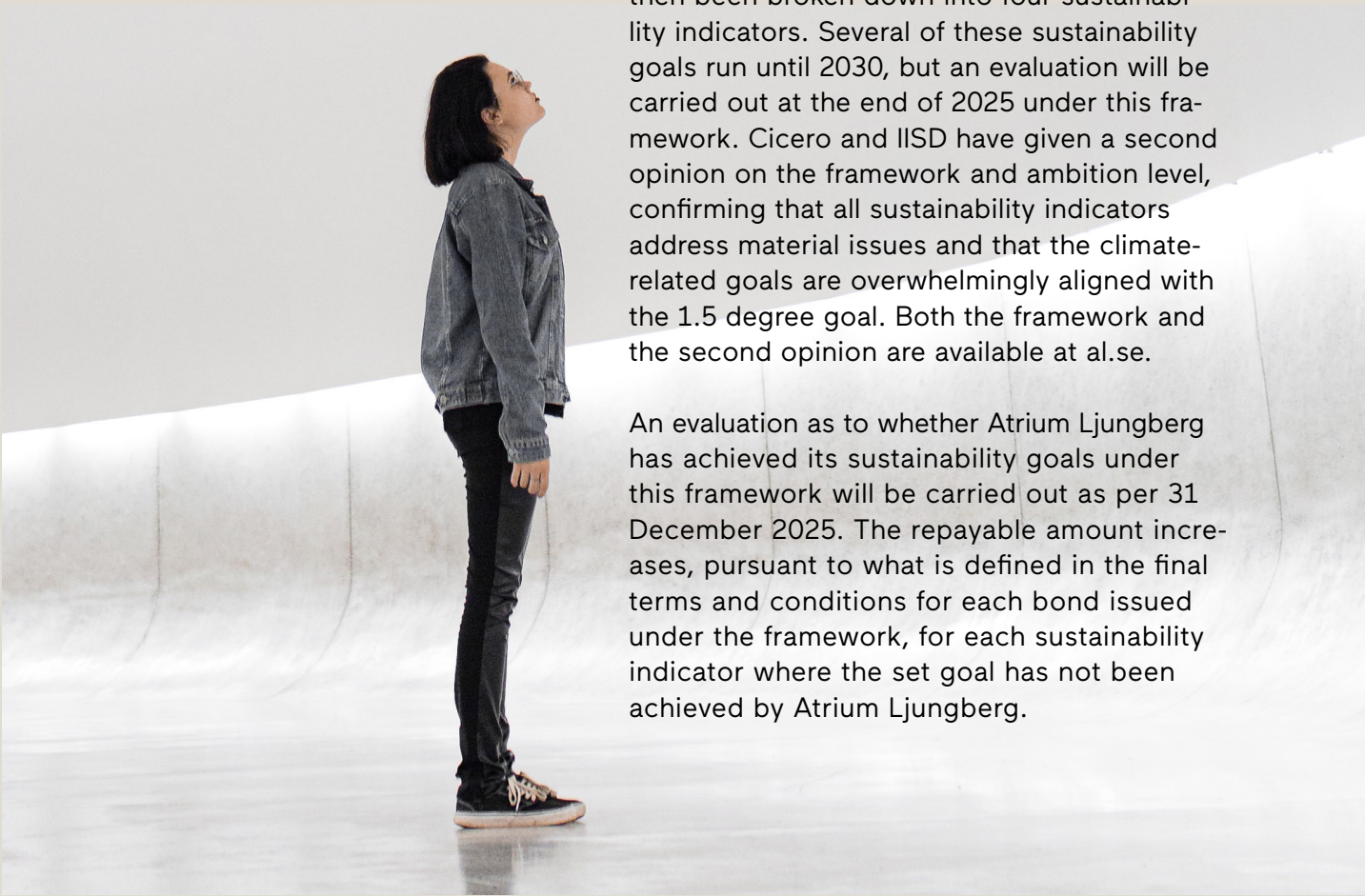
Sustain- ability- linked bonds

A new framework for sustainability-linked financing was launched on Atrium Ljungberg's Capital Market Day 2022. Sustainability-linked financing differs from green financing as the borrowing is not earmarked to any specific properties or projects, but linked to the company's overall sustainability goals. If Atrium Ljungberg does not achieve the set goals, the interest rate for the bond will increase based on a pre-established model.

Investor presentations were held after the 2022 Capital Market Day and on 15 February 2022 Atrium Ljungberg became the first property company in the Nordic region to issue a sustainability-linked bond.

This framework enables investors to be involved in financing the entire "transition journey" of Atrium Ljungberg's sustainability agenda, covering not only environmental topics but all parts of ESG.

Sustainability-linked design



Three of the company’s sustainability goals have been adopted as part of the framework for sustainability-linked financing. They have then been broken down into four sustainability indicators. Several of these sustainability goals run until 2030, but an evaluation will be carried out at the end of 2025 under this framework. Cicero and IISD have given a second opinion on the framework and ambition level, confirming that all sustainability indicators address material issues and that the climate-related goals are overwhelmingly aligned with the 1.5 degree goal. Both the framework and the second opinion are available at al.se.

An evaluation as to whether Atrium Ljungberg has achieved its sustainability goals under this framework will be carried out as per 31 December 2025. The repayable amount increases, pursuant to what is defined in the final terms and conditions for each bond issued under the framework, for each sustainability indicator where the set goal has not been achieved by Atrium Ljungberg.

The table below summaries all of the indicators and goals.

Sustainability indicator	Starting value (Baseline)	Goals in the 2025 framework	Company’s goals 2025	Company’s goals 2030
1. Climate foot-print for new builds	458 kgCO2e/GFA	-50 %	-50 %	-75 %
2. Climate foot-print for property management	16.3 kgCO2e/m2	-22 %	-	-43 %
3. ‘Our City’ index for social sustainability	22 %	50 %	-	90 %
4. Evaluation of suppliers	1 %	100 %	100 %	100 %

Monitoring sustainability-linked bonds

Sustainability-linked framework

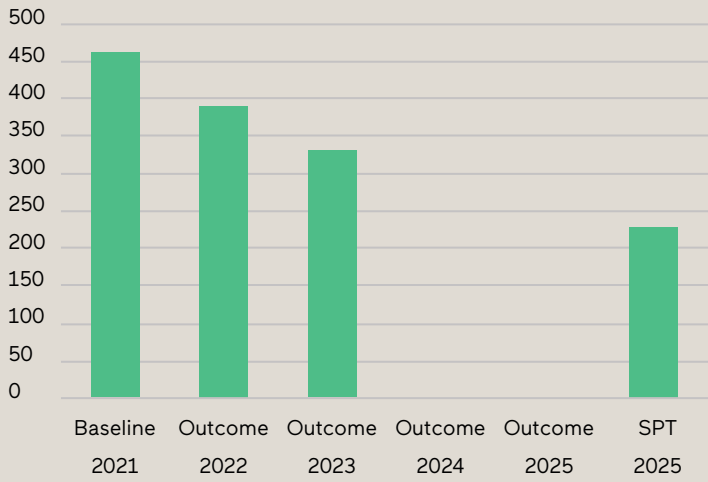
KPI	Unit	Baseline 2021	Outcome 2022	2023	2024	2025	SPT 2025
KPI 1	KgCO ₂ e/BTA (medel)	458	388	331			228
KPI 2	KgCO ₂ e/kvm	163	164	11,1**			12,7
KPI 3	Social index (%)	22%	34%	43%			50%
KPI 4	Supplier reviews %	1%	10%	20%			100%

KPI	Unit	Baseline 2021	Change* 2022	2023	2024	2025	SPT 2025
KPI 1	KgCO ₂ e/BTA (medel)	458	-15%	-15%			-50%
KPI 2	KgCO ₂ e/kvm	163	0,5%	-32%			-22%
KPI 3	Social index (%)	22%	12%	9%			28%
KPI 4	Supplier reviews %	1%	9%	10%			99%

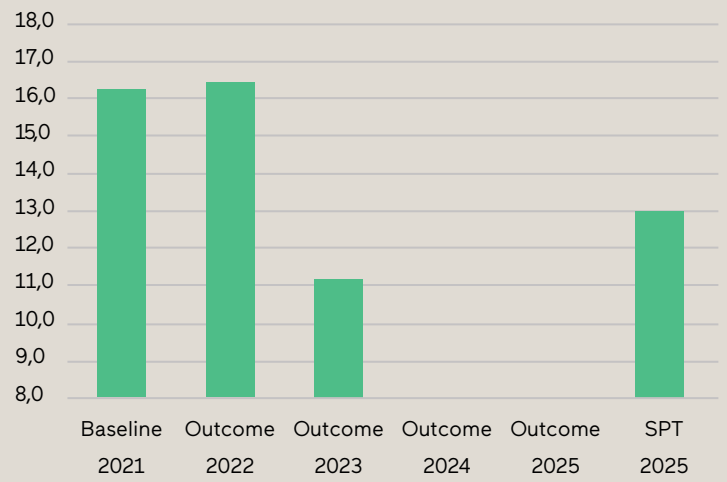
*=percentage change for KPI 1-2 and percentage point change for KPI 3-4.

** This KPI differs from Atrium Ljungberg's Annual Report, where 6,0 kgCO₂e/sqm are reported for 2023, and 7,0 for 2022, as the emissions for materials were added based on the calculations performed for the starting value (baseline) in the framework. This also affects the way emissions from transport have been calculated.

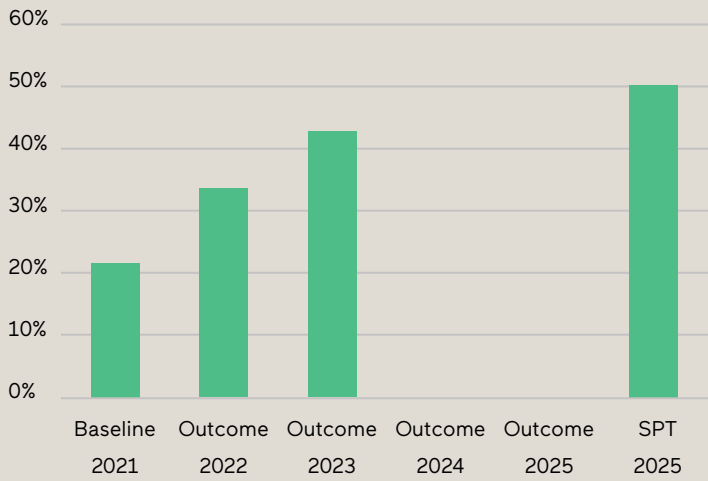
KPI 1



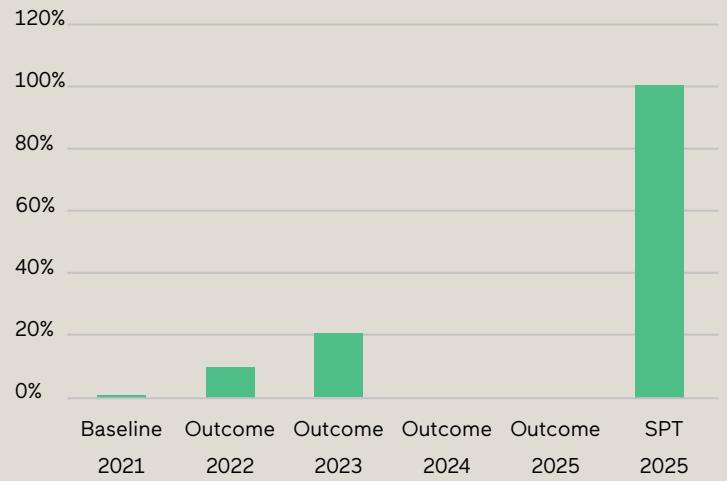
KPI 2



KPI 3



KPI 4



Examples of financed projects



Green buildings Katarinhuset

Area: 25,000 m² NRA
Certifying: BREEAM-SE Excellent

The refurbishment and modernization of Katarinhuset began in 2020 and will be completed in 2024, but tenants already started to move in to the modern offices with fantastic views of Skeppsholmen and the Old Town in 2023. We are planning to develop the building's roof terrace so that the general public can access it via Mosebacke and Katarinahissen. In connection to the renovation of Katarinhuset, we have given priority to keeping everything valuable, reusing what is possible and finding sustainable solutions for the future. Various, continual public transport is a few steps away and our bicycle lounge creates great conditions for environmental friendly travel.



Clean transport Charging stations

When developing options for sustainable transport to and from our locations, one important piece of the puzzle is an effective charging infrastructure. Over the year we expanded the number of charging stations at many of our properties so that we could meet the needs of both our customers and our visitors. This is an important step in reaching our goal of 80 % fossil free transportation in our locations by 2030.

Energy efficiency Lindholmen 30:1

A project to increase energy efficiency in 2023 has been one in Lindholmen 30:1 in Gothenburg. We have replaced both control systems and fans in the property, which is estimated to decrease energy usage with 208 000 kWh.

Renewable energy Sicklaön 83:58 (Curanten) - Solar panels

We have installed solar panels on Curanten, the health and healthcare center i Sickla. The system has a peak effect of 172,55 kWp. This will enable us to generate more renewable energy.

Information

The information we release to the market concerning Atrium Ljungberg's operations must be transparent, clear and correct in order to build market confidence in our company and our brand. As a listed company Atrium Ljungberg is subject to the rules of the listing agreement with the Nasdaq Stockholm exchange. Significant events, interim reports and year-end reports are published immediately via press released, with all of this information also available on our website: al.se. Regular meetings with analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information about our company, current events and operational changes. The Annual Report and interim reports are available on our website. Interim reports and preliminary financial statements are translated into English and all language versions are published simultaneously on our website. The annual reports are translated into English shortly after the publication of the Swedish language version.

Interested parties can subscribe to both financial reports and press releases via our website: al.se. The site also provides updated information on our operations, our properties and projects, financial key performance indicators, the share, and much more besides.



Information relating to Atrium Ljungberg's framework for green bonds and sustainability-linked financing, our annual investor reports, second opinions from CICERO and IISD, and our auditors' reports are available at al.se. Investor reports on the green and sustainability-linked bonds are released once a year once the Annual Report and Sustainability Report have been published.

Publication of Financial information

Interim Report January–March 2024	12 April 2024
Interim Report January–June 2024	9 July 2024
Interim Report January–September 2024	11 October 2024
Year-End Report 2024	February 2025
Annual Report 2024	March 2025
Investor Report for Green Bonds	March–April 2025
Investor Report for Sustainability-Linked Bonds	March–April 2025

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