

Akademiska Hus Green Bond Framework

JUNE 2023



AKADEMISKA HUS



IMPORTANT NOTICE

This document (the “Green Bond Framework” or “Framework”) contains information on Akademiska Hus (“Akademiska Hus”) and its issuance of interest-bearing notes with added environmental criteria (the “Green Terms”). Any such issuance by Akademiska Hus that includes the Green Terms in its bond documentation, by reference or inclusion, as detailed in this document or in future versions of this document will be labelled a Green Bond (“Green Bond”). Depending on the language of the bond documentation the Green Terms in this Framework may be translated into other languages, as required in the local jurisdiction.

Furthermore, all parties are advised to review the risk factors in the relevant bond documentation. Any issuance of notes will be subject to the version of the Green Terms in the associated bond documentation. Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework, and for making such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Green Terms would be applicable, for instance regarding the adherence to current and future regulation, standards or market practices such as the Green Bond Principles or the forthcoming European Green Bond Standard. Any new issuance of Green Bonds will include a reference to, or inclusion of, the most recently published Green Terms, which shall be publicly available in the Framework on Akademiska Hus website.

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Forum Medicum, Lund University, Lund.

Background

The global sustainability challenges are focused on the transition to a fossil-free world based on clean energy, restoring the planet's biosphere, improving wellness and a socially just society. The majority of the students at university level in Sweden are based in our buildings during their student life which gives us a unique opportunity, as they are the decision-makers of the future, to create a larger positive impact on society. The climate is changing and there is little time to reverse the trend and curb climate emissions to limit global warming to 1.5°C– 2°C. We are at the point where we globally need to reduce our emissions by half every decade to be aligned with the Paris Agreement. The construction and property sector currently accounts for just over 20 per cent of total greenhouse gas emissions in Sweden and as a real estate company, our operations are climate and resource intensive. We have set a goal to achieve carbon

neutrality for the entire value chain by 2035 by reducing our emissions with 85 per cent between 2019 and 2035. We must act swiftly to reduce our climate impact through our own measures and in collaboration with others. Akademiska Hus invites you as an investor to contribute to our journey towards a carbon neutral and an even more sustainable company.

THIS IS AKADEMISKA HUS

Akademiska Hus AB is one of the largest property companies in Sweden and is owned by the Swedish State. The company was founded with the purpose to own, develop, and manage properties for colleges and universities in Sweden with educational facilities, offices, laboratories and student housing. We are managing 3.4 million square metres of rentable space,

Our sustainability dimensions

 <p>ECOLOGICAL SUSTAINABILITY</p> <hr/> <p>We are part of an ecosystem with limited resources and are doing what we can to mitigate climate change.</p> <hr/> <p>OUR FOCUS</p> <ol style="list-style-type: none"> 1. Achieve climate neutrality by 2035 throughout the value chain. 2. Reduce the amount of delivered energy by 50 per cent between 2000 and 2025. 3. Improve biodiversity on campus and throughout the value chain. 	 <p>SOCIAL SUSTAINABILITY</p> <hr/> <p>We develop sustainable, vibrant and inclusive campus environments and serve as a force for good in society.</p> <hr/> <p>OUR FOCUS</p> <ol style="list-style-type: none"> 1. Develop sustainable campuses with healthy buildings. 2. Assume social responsibility with a focus on student well-being. 3. Be a sustainable company based on gender equality, with an inclusive culture, good ethics and a good working environment. 	 <p>ECONOMIC SUSTAINABILITY</p> <hr/> <p>We use our resources efficiently, future-proof our properties and work to ensure that our business is long-term and sustainable.</p> <hr/> <p>OUR FOCUS</p> <ol style="list-style-type: none"> 1. Make sustainable and long-term investments. 2. Future-proof campuses and address climate risks. 3. Promote circularity and resource-efficient use of premises. 	 <p>CULTURAL SUSTAINABILITY</p> <hr/> <p>We preserve our historic campus environments and make them more attractive and inspiring through design and art.</p> <hr/> <p>OUR FOCUS</p> <ol style="list-style-type: none"> 1. Preserve historic buildings and campus environments. 2. Develop good place identity on our campuses. 3. Manage existing and provide space for new art in our knowledge environments.
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where more than 300,000 people study, conduct research and work daily. By year-end 2022, the property portfolio had a market value of MSEK 115 000.

The majority of our revenue, approximately 90 per cent comes from colleges and universities. The vast majority of Swedish universities and colleges are government agencies. Cash flow from our current operations is mainly reinvested in new construction as well as in redevelopment and extensions of existing holdings. To meet customer needs, we often invest in highly customized premises, which results in long lease terms.

Akademiska Hus mission is to provide the centres of education with the best possible conditions for their activities. We are, therefore, working in close collaboration with our customers to build and manage sustainable knowledge environments for research, education and innovation. By taking overall responsibility for creating attractive campuses, we strengthen the competitiveness of the centres of education and Sweden as a nation of knowledge.

SUSTAINABILITY AT AKADEMISKA HUS

In our role as one of Sweden's largest property developers and managers, we have great opportunities to contribute to a more sustainable society, and we achieve the best results, when we work in close collaboration with our customers. Our sustainability work is based on the UN Sustainable Development Goals and categorized into four sustainability dimensions with prioritized targets that guide our sustainability work forward.

THE PATH TOWARDS CARBON NEUTRALITY

Our goal is to become carbon neutral throughout the value chain by 2035. Today, emissions from our operations comes from mainly two areas:

1. Property development and project operations, including the carbon footprint from new construction, renovation, and tenant fit-out projects.
2. Property operations, including the emissions from the energy used both in facility operations and from the customers' activities.

To minimise greenhouse gas emissions, Akademiska Hus has created a climate and energy strategy. The strategy outlines required actions and guides our decisions to reach our ambitious carbon goals. We involve our customers in the sustainability work and help them in turn to achieve their sustainability and carbon goals where most universities and colleges have signed up to "Klimatramverket" which requires them to reduce their emissions in accordance with the Paris agreement.

To achieve rapid change with results in the near future, we complement our long-term target with intermediate targets for our operations. Measures and activities are identified and implemented as part of a roadmap anchored in the annual plans of the operations. The initial focus will be on launching activities and changes in decision-making structures to climate-optimize processes and working methods while enabling a direct reduction of climate emissions.

We will gradually reduce the climate impact from the entire value chain to demonstrate climate neutrality in 2035

In order to promote rapid change and achieve results in the near future, we complement our long-term target with intermediate targets and specific activities.



BEGINNING IN 2023



The company's total climate footprint* will show a declining trend, seen over a period of three years.

TO 2025

-40%

Climate footprint has decreased by 40%

TO 2030

-65%

Climate footprint has decreased by 65%

TO 2035

-85%

Climate footprint has decreased by 85%

*Climate footprint for 2019 in ton CO₂e. Reduction without climate compensation.

Akademiska Hus roadmap with targets to achieve carbon neutrality is as follows:

We prioritise our efforts based on carbon calculations which show where we see potential for the greatest climate impact and thus the greatest potential to make a difference. As one of the first real estate companies in Sweden, we have created a carbon budget, similar to a financial budget, for our operations to determine and follow up on the emission levels that each part of the company and their activities cannot exceed for us to achieve our carbon goals. Through high goals and an ambitious roadmap, we will significantly reduce our carbon footprint. However, we will not reach all the way down to zero; part of our climate footprint is expected to be beyond our control. Our definition of carbon neutrality is therefore when the reported carbon footprint is reduced by at least 85 per cent from the level we reported for the base year, 2019. We aim to use carbon removal or similar methods for the remaining 15 per cent of emissions to achieve full carbon neutrality.

Our latest measures on carbon emissions based on the Greenhouse Gas Protocol Standard can be found in our annual sustainability report on <https://www.akademiskahus.se/en/sustainability/sustainability-report/>

CARBON TARGETS FOR THE PROJECT PORTFOLIO

Akademiska Hus strives to make the construction process of its buildings more sustainable by carefully considering the material and design choices. In the early stages, the design

process shall apply a carbon-optimised vision that enables efficient use and ensures a sustainable and long-term solution that meets current and future customer needs while strengthening campus identity. Alternative solutions will be tested early in the process to steer away from new construction and towards more efficient use of the existing property portfolio, where new additions are long-term, robust and circular, and where the life cycles of both the building's structure and its components are taken into account. In addition, with new construction and renovations, we strive to achieve:

- A minimised need for newly built space by analysing spatial data and using an optimised physical design that ensures well designed, flexible, efficiently utilised and future-proof environments.
- Designs and systems with optimised and circular materials, reduced quantities of construction materials and demolition waste, and requirements for recycling.
- Actively demand materials which are re-used, contain high recycled content and has low carbon impact with an extra focus on carbon-intensive materials that occur in large volumes.
- Reduce the climate impact from groundwork and logistics associated with projects by taking steps towards a fossil-free supply chain.

The transition towards less new construction is an on-going

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process with our customers to create a change of culture on how we see the need for new buildings and how to make better use of existing buildings. When construction is required, we aim to build with as low carbon footprint as possible, and to achieve the required results, we use carbon targets for our new construction, major renovation and tenant fit-out projects that decreases over time using the metric CO₂e/m².

ENERGY STRATEGY

Akademiska Hus has a clear target of reducing energy consumption in our operations. By 2025, the quantity of delivered energy, including energy that our customers use in their operations, shall be reduced by half compared to the base year 2000. Our decisions regarding energy efficiency measures in property operations are based on parameters related to both financial considerations and reduced energy consumption. We develop calculation models and purchasing strategies to provide increased climate benefits. When preparing for investments, alternative solutions and scenarios must always be explored and compared. Our aim is for all delivered energy to be fossil-free, and we actively support increased traceability from production source to our actual use. To achieve the overarching energy target, while also working towards our climate target, we are active in three main areas – Reduce, Collaborate and Promote.

- We **reduce** energy and power requirements during construction and in our existing portfolio by prioritising a building design that results in high durability and ensuring that the building shell is energy efficient, while equipping the building with well-adapted and energy efficient technical systems and solutions.
- We **collaborate** with the energy suppliers' systems to optimise energy delivery with respect to power and climate. Through collaboration between the properties in our aggregate holdings, we take advantage of energy surpluses and deficits between buildings so that our total energy need can be reduced.
- We **promote** the use of energy with a low climate impact by encouraging installation of local renewable energy facilities. We also act to provide an impetus to the energy industry by actively requesting delivery of district heating and cooling with a low climate impact.

RENEWABLE ENERGY

Akademiska Hus used electricity comes from renewable sources such as wind, biomass and hydro power. The electricity is provided both for our own use and for our customers. A large part of our carbon emissions related to our property operations is from district heating using waste to energy methods. In order to reduce our emissions from district heating and create demand for clean district heating, we aim to purchase the solution with the lowest carbon footprint available on the market, which in some cases, where it is available, includes fossil-free district heating.

Utilising locally produced renewable energy has great potential and Akademiska Hus is the real estate company in Sweden

with the highest number of solar panels installed. By year-end 2022, we had 129 solar panel installations which generates 9.5 million kWh annually and an expected increase to 13.5 million kWh in a few years' time. To complement the solar panels, we share energy between buildings on our campuses, use local demand response to lower the energy usage on the grid during peak hours and we are currently testing local battery storage for buildings.

ADDRESSING CLIMATE RISK IN THE PORTFOLIO

We are preparing for a changed global climate based on the estimated climate scenarios by IPCC. Despite a changed climate, our buildings are still required to provide a healthy indoor environment while avoiding potential climate related damage. During 2022, Akademiska Hus conducted an overview analysis, based on the EU Taxonomy criteria's, of the potential climate related risk for all our buildings regarding changed ground conditions and erosion, rising sea levels, flooding, increased precipitation, forest fires and rising temperatures. We use the year 2100 as the end year for our analysis. Most of our buildings have good resilience against a changed climate, but there are cases where actions are required which will be initiated during 2023. Akademiska Hus report on our climate related risks in our annual sustainability report using the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines.

DEVELOPING THE SUSTAINABLE CAMPUS

In close collaboration with Swedish centres of education, we aim to create a sustainable, attractive, and inclusive campus that can compete on a global level for students. To improve our campuses, we have an in-house process of campus development which focuses on the well-being of the people who spend their time on campus. This process helps us to leverage the joint knowledge we share with our customers and convert it into clearly defined and sustainable development and campus plans. For people to thrive, we need to create environments that meet a variety of needs. This applies both indoors and outdoors, as well as to physical and virtual environments. We search for solutions that meet both current and future needs. The campus is a venue for research and learning, but also for interaction with the surrounding community. In addition, to develop efficient and inspiring learning environments, we create an inclusive environment, meeting places and collaborate with other stakeholders to ensure an attractive range of services. Restaurants, opportunities for cultural and sports activities and access to childcare near campus are examples of services that make life easier and are increasingly integrated on campus. Research and student housing is a high priority, and we see campus-based student housing as an important factor for creating a vibrant environment that is open, safe and inviting around the clock.

Mental health is essential to our well-being, our health and our ability to perform. Research shows that green environments of the right quality can make a place more relaxing and stimulating, with a positive impact on recovery and the ability to concentrate. Akademiska Hus collaborates with the centres of education to determine how to better utilise the potential of

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our outdoor environments. By focusing on green environment and its ecosystem, biological diversity can be preserved and strengthened while creating environments that promote health. When properly developed, the green environments are an essential resource on campus as a learning environment, a place for recovery and sustainable performance. When planning outdoor environments, we also consider security – an issue that is becoming increasingly important in today's society.

Biodiversity loss is one of the greatest challenges facing the planet. Akademiska Hus both work with reducing the negative biodiversity impact of our supply chain and, as a large landowner, improving the conditions for species on and around our campuses through considerate planting and maintenance.

ENVIRONMENTAL CERTIFICATION

We use environmental certification standards for buildings to validate important sustainability qualities in a building in terms of energy, indoor environment and material choices. By the end of 2022, we had a total of 53 certified buildings, including 12 at gold level and 41 at silver level of Miljöbyggnad. We require all new construction projects to obtain the Swedish Miljöbyggnad certification at Gold level and perform or prepare all major renovation projects for a certification. In student housing projects, regardless of new construction or major renovation, we require a Miljöbyggnad Silver level. We continuously review our certification strategy to ensure that the systems are appropriate for the purpose and help us to stimulate and develop sustainable solutions.

SUSTAINABILITY GOVERNANCE AND INITIATIVES

Akademiska Hus Board of Directors has overall responsibility for adopting a sustainable strategy and objectives for the company. The CEO and the Director of Sustainability, who is part of the Executive Management team, set strategic goals and action plans in close collaboration with the Executive Management team and the company's sustainability team. The operational work is monitored and coordinated by an assigned sustainability team. The responsibility for operational implementation is assigned directly to the business units. In addition, all employees have a responsibility, and are encouraged, to actively contribute to sustainability efforts through their daily work.

Akademiska Hus has since 2013 been an active member of the UN Global Compact and aligned to the Global Compact's ten principles for human rights, work, environment, and anti-corruption. Our governance and sustainability initiatives are well founded in the ten principles of the Global Compact and our value creation rests on the UN's global sustainable development goals. Our business plan contains goals and activities that are clearly linked to the global goals and associated targets considered to be most relevant for Akademiska Hus,

thereby ensuring that we contribute to the global goals through our daily work. Akademiska Hus prioritize goal 4, 5, 7, 8, 11, 12, 13 and 17. Our Code of Conduct for suppliers and business partners includes requirements to follow the UN convention for human rights, ILO core conventions, UN child convention, OECD guidelines for multinational enterprises and UN Global Compact. Akademiska Hus performs supplier reviews on an annual basis based on compliance with our Code of Conduct. A whistleblower function is available on our website [akademiskahus.se](https://www.akademiskahus.se).

We report annually according to the Global Reporting Initiatives (GRI) guidelines and include reporting of compliance with the EU Taxonomy criteria's and TCFD for climate related risk. Since mid-2000s Akademiska Hus has been certified to meet the standard of Environmental Management System ISO 14001:2015 and from 2022, we meet the standard of Occupational Health and Safety ISO:45001. We express our expectations regarding sustainable operations through two codes of conduct, one for employees and one for suppliers.

SUSTAINABLE FINANCE

Akademiska Hus activities in the green bond market date back to April 2019, when our first Green Bond Framework was established. The proceeds have financed some of the most sustainable parts of our real estate portfolio including state of the art office and education buildings as well as energy efficiency projects and ambitious renewable energy projects.

Due to the rapid development in the sustainability area in general, and sustainable finance in particular, an update of Akademiska Hus Green Bond Framework is considered a natural and necessary next step. The core of the update is to incorporate the latest developments in market best practise of green bonds and to update the market to Akademiska Hus constantly increasing focus on sustainability and climate related activities.

An important part of the update is the partial incorporation of EU Taxonomy criteria. Focus lies on the technical screening criteria and aims to indicate to which degree investments included in the Green Bond Framework will be aligned with the EU Taxonomy. The partial incorporation is also an important step for potential future adaption to the European Green Bond Standard. Akademiska Hus will continue to follow developments concerning both market best practice and the changes in the regulatory landscape.

Akademiska Hus has worked together with Svenska Handelsbanken to develop the Green Bond Framework. Cicero has provided a second opinion on the Framework, which is publicly available on Akademiska Hus website. More information about our work with sustainability is available on our website ([akademiskahus.se](https://www.akademiskahus.se)).

Caroline Arehult
CEO
28th of June 2023

Peter Anderson
CFO
28th of June 2023

Erik Florman
Director of Sustainability
28th of June 2023

Green Bond Framework

This Framework is aligned with the 2021 ICMA Green Bond Principles and has been developed to, more broadly, comply with the Technical Screening Criteria assuring substantial contribution to at least one of the first two environmental objectives “climate change mitigation” and “climate change adaptation” under the EU Taxonomy (the Climate Delegated Act, December 2021). For transparency, details about the alignment and deviations of this Framework with the EU Taxonomy are further clarified in Appendix 1. Additional information on the EU Taxonomy can be found in Appendix 2.

Akademiska Hus has worked together with Svenska Handelsbanken to develop this Green Bond Framework. Akademiska Hus acknowledges the recommendation in the Green Bond Principles of appointing an external reviewer for heightened transparency. Cicero has provided a second opinion on the Framework, which is publicly available on Akademiska Hus website.

The structure of this Framework is built on the Green Bond Principles four core components:

1. Use of proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Akademiska Hus recognises that the market for Green Bonds will continue to develop, not least due to the upcoming standard for Green Bonds within the EU, the European Green Bond Standard, entering into force. Akademiska Hus will closely monitor the development of the market and update the Green

Bond offering from time to time to reflect current best market practices.

USE OF PROCEEDS

ALLOCATION OF PROCEEDS

An amount equal to the net proceeds from Green Bonds will be used by Akademiska Hus, to in whole or in part finance or refinance investments (“Eligible Green Projects and Assets” or “Green Projects and Assets”) that promote the transition to low-carbon, climate resilient and sustainable economies as well as environmental and ecosystem improvements. The net proceeds will be used to finance or refinance projects and assets that comply with the categories and criteria outlined in the table below. Akademiska Hus operates in the Swedish market, the net proceeds will therefore be used exclusively to finance or refinance investments in Sweden. The majority of the net proceeds are expected to be allocated to new projects and assets (defined as projects and assets financed within 12 months from completion). The proportion of net proceeds allocated to new projects and assets will be disclosed in the annual reporting. The combined allocated amount to a specific Green Asset, by one or several sources of financing with specified use of proceeds, may not exceed its value.

EXCLUSIONS

Green financing will not be allocated or linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

GREEN BOND FRAMEWORK

ELIGIBLE GREEN ASSETS

GBP Categories	Eligible Green Activities	EU Taxonomy Environmental Objectives	UN Sustainable Development Goals (SDGs)
Climate change adaptation	Financing of activities that mitigate the adverse effects of climate change and their impact on real estates including adaptation of buildings and the buildings surroundings to better oppose climate risks such as flooding, increased sea levels and temperature.	Climate change adaptation	 
Energy efficiency	<p>Investments in the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint. This includes, but are not limited to:</p> <ul style="list-style-type: none"> • Installation of geothermal heating/cooling • Energy-efficient lighting • IT-technology (monitoring, efficiency management and remote operation) • Energy efficient windows or an upgraded ventilation system <p>Only directly associated expenditure (e.g. material, installation and labour) is eligible for financing. Akademiska Hus will ascertain the following:</p> <ul style="list-style-type: none"> – High estimated energy savings in the targeted area (minimum 20%) – Minimize long term negative climate impact and potential rebound effects – Minimal negative climate impact from the technology use 	Climate change mitigation	 

GBP Categories	Eligible Green Activities	EU Taxonomy Environmental Objectives	UN Sustainable Development Goals (SDGs)
Green buildings	<p>Investments in environmentally accredited and energy efficient buildings, campus areas and student accommodation, as defined below:</p> <p>New buildings (built after 31 December 2020)</p> <ul style="list-style-type: none"> • Primary energy demand is, or will be, at least 25% lower than the threshold set for nearly zero-energy building (NZEB) requirements in national measures • For buildings larger than 5000 m²: <ul style="list-style-type: none"> – Upon completion, the building undergoes testing for air-tightness and thermal integrity – The life-cycle Global Warming Potential (GWP) of the building has been calculated • Buildings have, or will, receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of Miljöbyggnad “Guld” • Student accommodations with a primary energy demand are, or will be, at least 10% lower than the threshold set for nearly zero-energy building (NZEB) requirements in national measures. Student accommodations also have or will receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of Miljöbyggnad “Silver” • All new buildings have, or will receive a screening of material climate risks <p>Existing buildings (built before 31 December 2020)¹</p> <ul style="list-style-type: none"> • Buildings have an Energy Performance Certificate (EPC) demonstrating class A or are within the top 15% of the national or regional building stock, expressed as Primary Energy Demand (PED)² • Buildings have, or will receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of at least Miljöbyggnad “Silver” • Existing buildings have undergone a screening of material climate risks <p>Renovation of existing buildings</p> <ul style="list-style-type: none"> • Renovation of existing buildings that either leads to a reduction of Primary Energy Demand (PED) of at least 30%, or where the building meets the applicable requirements for “major renovations” • The renovated building have, or will receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of at least Miljöbyggnad “Silver” • Renovated buildings have undergone a screening of material climate risks 	Climate change mitigation	   

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GBP Categories	Eligible Green Activities	EU Taxonomy Environmental Objectives	UN Sustainable Development Goals (SDGs)
Renewable energy	Renewable energy production such as: <ul style="list-style-type: none"> • Wind power installations • Emissions-free geothermal heating and cooling installations • Heat pumps and heat exchangers • On-site solar power installations or stand-alone solar farms • Thermal solar panels, as well as related infrastructure investments for example grid connections, electric substations, networks or foundations 	Climate change mitigation	 

1 The criteria's for existing's buildings also covers student accommodation

2 The top 15% PED applicable under this Framework will be updated continuously. Akademiska Hus will reference an external benchmark when determining the top 15%. Such a benchmark could be e.g. guidance by national governments or a specialist study

PROCESS FOR PROJECT EVALUATION AND SELECTION

Projects and Assets eligible for Green Bonds will be identified as part of the ongoing operations. Large investments (>10 MSEK) will be identified through the standard investment process, while smaller investments will be identified through a separate routine. Projects and Assets identified will be evaluated by the Green Business Council (GBC). The GBC was established in 2019 in connection with Akademiska Hus first Green Bond Framework. The GBC is a subcommittee of the Investment Council and consists of representatives from the Treasury and the Sustainability departments.

The Green Business council will evaluate the nominated Projects and Assets to ensure compliance with the Green Terms outlined in this Framework. They will review information about the Assets and evaluate the overall environmental impact, including life cycle considerations, potential rebound effects and resilience. The Projects and Assets must also be compliant with applicable national laws and regulations, as well as policies and guidelines at Akademiska Hus. Upon decision the GBC can request additional information and consult with others, but the mandate to decide is held by the Group. A decision to allocate net proceeds will require a consensus decision by the GBC, whereby the Director of Sustainability effectively holds a veto. Decisions made by the council will be documented. To ensure legitimacy in the process, an updated list of all Projects and Assets that meet the Green Terms will be kept by Akademiska Hus treasury department. If a Project or an Asset cease to meet the Green Terms, it will be removed from the list. The list will be used as a tool to determine if there is a current or expected capacity to issue a Green Bond.

MANAGEMENT OF PROCEEDS

The net proceeds of any issuance under the Green Bond Framework will be credited to an earmarked account (the “**Green Account**”) or otherwise tracked by Akademiska Hus (the “**Green Portfolio**”). Deductions will be made from the Green Portfolio by an amount corresponding to the financing or refinancing of Eligible Green Projects and/or Assets or at repayment of any Green Bonds. If an Eligible Green Project or Asset no longer qualifies according to the Green Terms or if the underlying Eligible Green Project and Asset is divested or lost, an amount equal to the funds allocated towards it will be re-credited to the Green Portfolio pending reallocation to other Eligible Green Projects and/or Assets. Net proceeds may be reallocated to other Eligible Green Projects and Assets by the treasury department at any time during the term of a Green Bond. Akademiska Hus treasury department will keep a record of the purpose of any change in the Green Portfolio. Pending allocation of the net proceeds and while the Green Account has a positive balance, including the unlikely event that there are no Eligible Green Projects and/or Assets, the proceeds may be invested or utilised by the treasury following Akademiska Hus financial policy. Such investments are permitted in Swedish government notes (including related entities), Swedish municipal notes (including related entities) or commercial papers issued by Nordic banks and corporates (with a minimum BBB+ rating from a reputable rating agency). The allocation of proceeds will be verified by a third party (see “Annual Review” under Reporting).

The Selection Process of Eligible Green Assets at Akademiska Hus



EXTERNAL REVIEW

Akademiska Hus acknowledges the recommendation in the Green Bond Principles regarding transparency and verification of net proceeds allocation. For further information, see the “Annual Review” section under Reporting.

REPORTING

Akademiska Hus will publish an annual report on its website (akademiskahus.se) that will detail the allocation of Green Bond net proceeds and adherence to the Green Terms (the “Reporting”). The Reporting will contain information on the Eligible Green Projects and Assets that have been financed with Green Bonds, a summary of Akademiska Hus Green Bond activities in the preceding year as well as information, including examples, of the Eligible Green Projects and Asset’s adherence to the relevant criteria.

ALLOCATION DISCLOSURE

- Akademiska Hus will provide allocation reporting for each of the Use of Proceeds categories in the Framework. Emphasis will be placed on providing examples and allocation reporting to single projects based on size
- The sum of outstanding Green Bonds
- The sum of the Green Portfolio balance (including any short-term investments or funds managed within Akademiska Hus liquidity portfolio)

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- The proportion of net proceeds allocated to new investments (see definition under Allocation of proceeds)
- All data is to be as of the end of the previous year

IMPACT REPORTING

The Reporting will contain a disclosure of Asset level performance indicators. The reporting will strive to disclose the impact based on the Green Bond financing's share of the total investment. For Projects and Assets that are not yet operational, Akademiska Hus will strive to provide estimates of future performance levels. Given the number of project types in the use of proceeds categories, the KPI's could differ from the broad performance indicators highlighted below. Akademiska Hus will emphasise energy production/savings and greenhouse gas savings as the most relevant performance metrics for most project types. The metrics below are examples of indicators that are likely to be used by Akademiska Hus in the forthcoming Reporting.

ANNUAL REVIEW

The external auditor of Akademiska Hus, or a similar party appointed by Akademiska Hus with the relevant expertise and experience, will investigate and report whether an amount equal to the Green Bond net proceeds have been allocated to the Eligible Green Projects and Assets that Akademiska Hus has communicated in the Reporting. The conclusions will be provided in a signed statement, which will be published on Akademiska Hus website (akademiskahus.se).

DEDICATED WEBSITE

Akademiska Hus has a dedicated webpage for Green Bonds at its website (akademiskahus.se) where investors can find information regarding Akademiska Hus Green Bonds, including:

- The Green Bond Framework
- The Second Opinion
- The Reporting
- The Annual Review
- Investor Presentations

GBP Categories	Indicators and Metrics
Climate change adaptation	<p>Each yearly report will include an example of an investment that has been financed with green net proceeds (if such a project has been financed). Given the number of project types that qualify under the category the KPI's will not be disclosed beforehand in the Framework.</p> <p>Akademiska Hus will where applicable, emphasise a description of the need for the investment. And if possible, what resilience the investment creates.</p>
Energy efficiency	<ol style="list-style-type: none"> i. Energy savings (aggregated, MWh/year) ii. Carbon savings (aggregated, tonnes/year) iii. Examples of at least 2 projects that have been financed during the year with green net proceeds (if such a project has been financed)
Green buildings	<ol style="list-style-type: none"> i. Environmental certification ii. Absolute energy use (MWh) and intensity (PED per square meter) per year iii. The reduction in Primary Energy Demand (PED) compared to the requirement in the national implementation of NZEB iv. Calculated carbon footprint disclosed by absolute emissions (kilos) and intensity (kilo per square meter) v. Buildings that qualify according to an Energy Performance Certificate (EPC): the level of the EPC vi. Buildings that qualify based on Primary Energy Demand (PED): confirm that the PED was within acceptable limits of the national or regional building stock (top 15%) vii. Verify that the building has undergone a screening of material climate risks
Renewable energy	<ol style="list-style-type: none"> i. Yearly production (MWh) ii. Prevented CO₂e emissions from production (tonnes)

DEFINITIONS

EU TAXONOMY the EU Taxonomy is a part of the EU Action plan on Sustainable Finance. It is a classification system that defines sustainable economic activities with the purpose of facilitating capital aggregation for a green and sustainable transition. To be aligned with the EU Taxonomy an activity must contribute substantially to at least one of the six defined environmental objectives and “do no significant harm” to the other five.

MILJÖBYGGNAD GULD means the rating Guld within the Miljöbyggnad building certification scheme administered by the Sweden Green Building Council (SGBC), pursuant to its definition at the time of receipt of the relevant certification.

MILJÖBYGGNAD SILVER means the rating silver within the Miljöbyggnad building certification scheme administered by the Sweden Green Building Council (SGBC), pursuant to its definition at the time of receipt of the relevant certification.

NZEB means the EU Nearly Zero Energy Buildings requirement, to be implemented in Sweden in the coming years

TAXONOMY ALIGNED ECONOMIC ACTIVITY means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852; whereby an economic activity shall qualify as environmentally sustainable where that economic activity complies with Technical Screening Criteria, does not significantly harm any of the Environmental Objectives and is carried out in compliance with the Minimum Safeguards.

THE TAXONOMY REGULATION (JUNE, 2020) means EU Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Policy Documents and International Commitments that Govern Akademiska Hus Environmental and Sustainability work

Public Policies and Guidelines and other information that govern Akademiska Hus Environmental and Sustainability work are available at www.akademiskahus.se

PUBLIC POLICIES AND GUIDELINES

- Annual and Sustainability Report 2022
- Code of Conduct – Internal and for suppliers
- Environment Management Certification (ISO:14001:2015)
- Process method for Campus development
- Occupational Health and Safety Management Systems Certification (ISO 45001:2018)
- Sustainability policy
- Climate and energy strategy
- Guidelines for business travel
- Equality and diversity plan
- Work environment policy
- Procurement policy
- Purchasing procedures

INTERNATIONAL COMMITMENTS

- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- ILOs core conventions
- OECD guidelines for multinational companies

Appendix 1: EU Taxonomy Alignment

The table below comments on alignment with, and deviations from, the technical screening criteria for substantial contribution to the environmental objective “climate change mitigation” under the EU Taxonomy (December 2021).

GBP Categories	EU Taxonomy reference	Comments on EU Taxonomy alignment
Climate change adaptation	Annex II	Akademiska Hus strives for Eligible Green Assets to comply with the EU Taxonomy’s technical screening criteria for substantial contributions to climate change adaptation. However, due to the broad scope of activities covered by Annex 2 of the Climate Delegated Act (December 2021), only comments at a general level can be provided.
Energy efficiency	7.3 Installation, maintenance and repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	The eligible assets will, on a best-effort basis, be aligned with the EU Taxonomy’s technical screening criteria for substantial contribution to climate change mitigation (December 2021).
Green buildings	7.1 Construction of new building	<p>The Eligible Green Assets will, on best effort basis, be aligned with the EU Taxonomy’s technical screening criteria for substantial contribution to “climate change mitigation” under the EU Taxonomy (December, 2021)</p> <p>Additional comments:</p> <ul style="list-style-type: none"> • The Framework requires new buildings to have or receive an environmental certification in addition to the requirements on energy. This requirement ensures that additional aspects of a building’s environmental footprint, such as material use, water and access to public transport are twwaken into consideration • This Framework requires the primary energy demand for new buildings to be at least 25% lower than the threshold set for nearly zero-energy building (NZEB) requirements in national measures. This requirement is more ambitious than the EU Taxonomy requirement of 10%. For student accommodations a primary energy demand of at least 10% lower than the threshold set for nearly-zero energy building (NZEB) is required, which is in line with the EU Taxonomy requirements • Akademiska Hus follows the technical screening criteria for new buildings larger than 5000m². However, at the time of publishing this Framework, specific market practices for when and how to conduct a life cycle assessment (LCA) are lacking. Akademiska Hus will therefore monitor the development with the ambition to follow the technical screening criteria in the EU Taxonomy

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GBP Categories	EU Taxonomy reference	Comments on EU Taxonomy alignment
Green buildings	7.1 Construction of new building	<ul style="list-style-type: none"> The screening of material climate risks will, on a best-effort basis, be conducted in accordance with the EU Taxonomy. Akademiska Hus aspires to follow updated guidance and best market practices
	7.2 Renovation of existing buildings	<ul style="list-style-type: none"> The criteria for Eligible Green Assets in this Framework is aligned with the technical screening criteria for substantial contribution to the environmental objective “climate change mitigation” under the EU Taxonomy (December 2021) The Framework requires renovated buildings to have or receive an environmental certification in addition to the requirements on energy. This requirement ensures that additional aspects of a building’s environmental footprint such as material use, water and access to public transport is taken into consideration The screening of material climate risks will, on a best-effort basis, be conducted in accordance with the EU Taxonomy. Akademiska Hus aspires to follow updated guidance and best market practices
	7.7 Acquisition and ownership of buildings	<p>The criteria for Eligible Green Assets in this Framework is aligned with the technical screening criteria for substantial contribution to the environmental objective “climate change mitigation” under the EU Taxonomy (December 2021).</p> <p>Additional comments:</p> <ul style="list-style-type: none"> The criteria in this Framework requires existing buildings to have or receive an environmental certification in addition to the requirement on energy. This requirement ensures that additional aspects of a building’s environmental footprint such as material use, water and access to public transport are taken into consideration The top 15% PED applicable under this Framework will be updated continuously. Akademiska Hus will reference an external benchmark when determining the top 15%. Preferably the external benchmark will be in the form of guidance by national governments but in cases where this is not possible an external benchmark could be e.g. a specialist study The screening of material climate risks will, on a best-effort basis, be conducted in accordance with the EU Taxonomy. Akademiska Hus aspires to follow updated guidance and best market practices

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GBP Categories	EU Taxonomy reference	Comments on EU Taxonomy alignment
Renewable energy	<p>4.1 Electricity generation using solar photovoltaic technology</p> <p>4.3 Electricity generation from wind power</p> <p>4.6 Electricity generation from geothermal energy</p> <p>4.21 Production of heat/cool from solar thermal heating</p> <p>4.22 Production of heat/cool from geothermal energy</p> <p>7.6 Installation, maintenance and repair of renewable energy technologies</p>	<p>The Eligible Green Assets will, on best effort basis, be aligned with the EU Taxonomy’s technical screening criteria for substantial contribution to “climate change mitigation” under the EU Taxonomy (December, 2021)</p>

Appendix 2: Key Characteristics of the EU Taxonomy

EU TAXONOMY

The Taxonomy Regulation (June, 2020) and associated legal Frameworks contain six Environmental Objectives (“**Environmental Objectives**”). In December 2021, the Climate Delegated Act, covering the first two Environmental Objectives was formally adopted by the European Council and entered into force on the 1st of January 2022. Any eligible activity must substantially contribute towards one or more of these six Environmental Objectives, while at the same time not significantly harming any other Environmental Objective. These objectives are fairly aligned with, but expand upon, the five objectives in the Green Bond Principles. Furthermore, the EU Taxonomy defines sustainable economic activities through categorization, Technical Screening Criteria (“**TSC**”), including Do-No-Significant-Harm criteria (“**DNSH**”) and Minimum Safeguards (“**Minimum Safeguards**”), with the purpose of facilitating capital aggregation for a green and sustainable transition.

ENVIRONMENTAL OBJECTIVES

1. **Climate change mitigation:** Activities that contribute to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals.
2. **Climate change adaptation:** Activities that contribute to reducing the negative effects of the current and expected future climate or preventing an increase or shifting of negative effects of climate change on location and context specific economic activities or natural and built environments.
3. **Sustainable use and protection of water and marine resources:** Activities that contribute to the good status of waters by limiting water discharges, decontaminating drinking water, improving water efficiency and ensuring the sustainable use of marine ecosystems and the good status of marine waters.
4. **Transition to a circular economy:** Activities that contribute to the transition to a circular economy, aimed at minimising and correctly managing waste, hazardous substances and making the most of resources, focusing on areas like design, systems, sharing economy, product life extension and recycling.
5. **Pollution prevention and control:** Activities that contribute to a high level of environmental protection from pollutants other than greenhouse gasses affecting air, water or soil whilst minimizing negative impact on human health and the environment.

6. Protection and restoration of biodiversity and

ecosystems: Activities that protect, conserve and enhance biodiversity and ecosystem services via nature conservation or sustainable land management, agricultural practices and forest management.

TECHNICAL SCREENING CRITERIA

The TSC shall determine the conditions under which a specific economic activity within the European Union qualifies as contributing substantially to an Environmental Objective, while not causing significant harm to one or more of those objectives (see DNSH). In the Taxonomy Regulation (June, 2020) the TSC are defined as being based on conclusive scientific evidence, taking a life cycle perspective and emphasizing quantitative thresholds whenever feasible.

DO NO SIGNIFICANT HARM

In order to avoid that investments qualify as sustainable in cases where the economic activities benefitting from those investments cause harm to the environment to an extent that outweighs their contribution to an Environmental Objective, the EU Taxonomy also requires that the economic activity demonstrates that it “do no significant harm” (“**DNSH**”) to the other Environmental Objectives. The EU Taxonomy therefore specifies the minimum requirements that need to be met to avoid significant harm, considering both the short- and long-term impact of a given economic activity.

MINIMUM SAFEGUARDS

For an economic activity to be considered environmentally sustainable, it must also comply with Minimum Safeguards. To be eligible under the EU Taxonomy the relevant activity must be aligned with the:

- i. OECD Guidelines for Multinational Enterprises
- ii. UN Guiding Principles on Business and Human Rights
- iii. International Labor Organization’s Fundamental Principles and Rights at Work (including the eight fundamental conventions of the ILO) and
- iv. The International Bill of Human Rights.



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