

Second-Party Opinion

Rikshem Sustainability-Linked Bond Framework

Second-Party
Opinion



Reviewed by:

MORNINGSTAR

SUSTAINALYTICS

Evaluation Summary

Sustainalytics is of the opinion that the Rikshem Sustainability-Linked Bond Framework aligns with the Sustainability-Linked Bond Principles 2023. This assessment is based on the following:

- Selection of Key Performance Indicators** The Rikshem Sustainability-Linked Bond Framework includes four KPIs (see Table 1). Sustainalytics considers KPIs 1 and 2 to be adequate, KPI 3.1 to be strong and KPI 3.2 to be adequate based on their materiality, relevance, scope of applicability and adequacy to external benchmarking.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPTs to be aligned with Rikshem's sustainability strategy. Sustainalytics further considers all the SPTs to be moderately ambitious, based on comparison with past performance, peer performance and science-based trajectories, as applicable.
- Bond Characteristics** Rikshem will link the financial and structural characteristics of the sustainability-linked bonds issued under the Framework to its performance against the SPTs and its reporting commitments under the Framework. Non-achievement of an SPT or non-compliance with its reporting commitments will result in a coupon step-up or a premium payment. This is aligned with the Sustainability-Linked Bond Principles 2023.
- Reporting** Rikshem commits to report on an annual basis on its progress on the KPIs in a Sustainability-Linked Bond Progress Report published on its website. Rikshem also commits to disclose relevant information relating to recalculations of the KPIs and other information on its decarbonization strategy and governance that has impacts on the KPIs. The reporting commitments are aligned with the Sustainability-Linked Bond Principles 2023.
- Verification** Rikshem commits to have external limited assurance conducted against each SPT for each KPI at least once a year, which is aligned with the Sustainability-Linked Bond Principles 2023.

Evaluation Date	February 6, 2024
Issuer Location	Stockholm, Sweden

The SPTs contribute to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI 1: Tenant safety index (%)	2021	Adequate	SPT 1: Increase tenants' safety index score to 79% by 2030, relative to a 2021 baseline	Moderately Ambitious
KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct (%)	2022	Adequate	SPT 2: Increase the percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct to 100% by 2030, relative to a 2022 baseline	Moderately Ambitious
KPI 3.1: Energy consumption intensity of property portfolio (kWh/m ²)	2019	Strong	SPT 3.1: Reduce energy consumption intensity by 35% by 2030, relative to a 2019 baseline	Moderately Ambitious
KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified (%)	2023	Adequate	SPT 3.2: All new buildings to be Miljöbyggnad Silver-certified	Moderately Ambitious

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Scope of Work and Limitations

Rikshem AB has engaged Sustainalytics to review the Rikshem Sustainability-Linked Bond Framework dated February 2024 (the "Framework") and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2023 (SLBP).¹

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent² opinion on the alignment of the Framework with the SLBP, as administered by ICMA.

As part of this engagement, Sustainalytics exchanged information with various members of Rikshem AB's management team to understand the sustainability impact of their business processes and SPTs, as well as the reporting and verification processes of aspects of the Framework. Rikshem AB's representatives have confirmed that:

- (1) They understand it is the sole responsibility of issuer to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Rikshem AB. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure KPI performance.³ The measurement and reporting of the KPIs is the responsibility of the issuer. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Rikshem AB has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs:

- (1) A material change to the external benchmarks⁴ against which targets were set;
- (2) A material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs.

For inquiries, contact the Corporate Solutions project team:

Titus Vilches (Amsterdam)
Project Manager
titus.vilches@morningstar.com
(+31) 20 797 1563

Abhishek Patane (Mumbai)
Project Support

Kibii Sisulu (London)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Ashok Yashwant (Mumbai)
Project Support

Siina Matihaldi (Amsterdam)
Project Support

Siga Wu (Amsterdam)
Project Support

¹ The Sustainability-Linked Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

² When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

³ Sustainalytics has provided an opinion based on the understanding that the financial characteristics of instruments issued under this Framework will be tied to the achievement of SPTs corresponding to each of the KPIs included in the Framework.

⁴ Benchmarks refers to science based benchmarks.

Introduction

Rikshem AB (“Rikshem” or the “Company”) is a Swedish real estate company that develops, owns, and manages residential properties, student housing, rental apartments, senior accommodation housing, and properties for public use such as schools, nursing homes and care facilities. As of December 2022, Rikshem owned a portfolio of 519 properties with a fair value of SEK 63 billion (EUR 5.5 billion). Headquartered in Stockholm, the Company had 316 employees as of December 2022.

Rikshem intends to issue sustainability-linked bonds where the financial characteristics are tied to the achievement of SPTs for four KPIs.

Rikshem has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the SLBP.

Rikshem has defined the following KPIs and SPTs:

Table 1: KPI Definitions

KPI	Definition
KPI 1: Tenant safety index (%)	The KPI is defined as the perceived safety amongst tenants in Rikshem’s properties. It is measured by index 100 (the “Index) developed by AktivBo. ⁵ The Index evaluates safety factors based on the following criteria: i) lighting; ii) security of store rooms; iii) contact with neighbours; iv) personal safety in the basement or attic; v) personal safety in the neighbourhood during evenings and nighttime; vi) personal safety in the stairwell; vii) non-disturbance by neighbours’ way of life; and viii) security against burglary. The data is collected using surveys where tenants rate their experience as Very Good, Good, Inadequate or Bad. Survey questions are equally weighed, and each question gets an index score between 1 and 100 as per the responses. Rikshem surveys one 12 th of its tenants each month.
KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct (%)	KPI 2 is defined as the percentage of Framework Agreement Suppliers that have completed self-led reviews in relation to the total number of Framework Agreement Suppliers that have signed Rikshem’s Supplier Code of Conduct. Framework Agreement Suppliers are key contractors and suppliers which have existing framework agreements with Rikshem, outlining the terms and conditions for procurement of goods and services. Rikshem utilizes self-led reviews as a method to monitor supplier compliance with their commitments under the Supplier Code of Conduct. This code outlines the principles to which Rikshem’s suppliers have pledged adherence, aiming to achieve a more sustainable supply chain. Aligned with international conventions and declarations, the principles address various sustainability areas, including the environment, labour rights, human rights, anti-corruption, and governance. ⁶
KPI 3.1: Energy consumption intensity of property portfolio (kWh/m ²)	The KPI is defined as the reduction in energy consumption intensity per square metre per year of Rikshem’s property portfolio. The KPI is calculated by dividing the aggregate energy consumption in properties included in the KPI for a given year by the total area of all properties covered by the KPI during that year. The data is gathered monthly from meters installed in the buildings. The energy consumed for heating purposes is normalized using an Energy Index method ⁷ which adjusts heat usage based on temperature, humidity, and wind.
KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified (%)	The KPI is calculated by dividing the number of newly completed projects in a given year that have achieved Miljöbyggnad Silver certification by the total number of newly completed buildings within that year. Rikshem follows the latest version of Miljöbyggnad certification, ⁸ currently 4.0 for new buildings, which assesses 15 indicators: i) heating power demand; ii) solar heat gain; iii) energy use iv) climate impact; v) moisture prevention; vi) noise protection; vii) thermal environment in the winter time; viii) thermal environment

⁵ Aktivbo, “About us”, at: <https://www.aktivbo.com/about-us>

⁶ Rikshem, “Leverantörsuppförandekod”, at: <https://www.rikshem.se/media/4esf1xqn/leverant%C3%B6rsuppf%C3%B6randekod.pdf>

⁷ The Energy Index method normalizes the usage of heat for a building with respect to temperature, humidity, and wind.

⁸ Sweden Green Building Council, “Miljöbyggnad”, at: <https://www.sgbc.se/certifiering/miljobyggnad/>

	in the summer time; ix) absence of hazardous substances; x) climate risks; xi) ecosystem services; xii) adaptability and demountability; xiii) circularity of materials; xiv) waste management; and xv) documentation of building materials. ⁹
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Table 2: SPTs and Past Performance

KPI	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KPI 1: Tenant safety index (%)	N/A	N/A	69.8 (Baseline)	71.4	74.7	75.0	76.0	77.0	77.5	78	78.5	79.0
KPI 2: Percentage of completed self-reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct (%)	0	0	0	0 (Baseline)	1	14	29	43	57	71	86	100
KPI 3.1: Energy consumption intensity of property portfolio (kWh/m ²)	138.8 (Baseline)	127.8	130.8	118.0	116.3	114.7	110.0	105.0	100.8	96.8	93.0	90.0 (-35%) ¹⁰
KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified (%)	N/A	N/A	N/A	N/A	71 (Baseline)	100	100	100	100	100	100	100

⁹ Swedish Green Building Council, "Miljöbyggnad 4.0", (2022), at: https://sgbc.se/app/uploads/2022/12/Manual_MB_4.0_1.pdf

¹⁰ 35.16% reduction as compared to 2019 baseline.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of the Rikshem Sustainability-Linked Bond Framework with the Sustainability-Linked Bond Principles

Sustainalytics is of the opinion that the Rikshem Sustainability-Linked Bond Framework aligns with the five core components of the SLBP.



Selection of Key Performance Indicators

Relevance and Materiality of KPIs

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the issuer's business on environmental or social issues; and ii) to what extent the KPI is applicable.

KPI 1: Tenant safety index

Sustainalytics considers KPI 1 to be material and relevant due to significant concerns over safety and security, exposure to crime, and fear of crime among the population in Sweden. In 2023, the Swedish crime survey indicated that 26% of the population feels unsafe in their neighbourhoods during hours of darkness.¹¹ Based on the municipality-level data from the same survey, Sustainalytics notes that, on average, 30% of citizens feel unsafe in cities where Rikshem's properties are located.¹² Rikshem has communicated to Sustainalytics that the majority of its rental apartments are located in areas characterized by segregation, perceived insecurity and criminality.¹³ Hence, addressing tenants' safety concerns is imperative for tenants' peace of mind, comfort and overall satisfaction. Additionally, the Sustainability Accounting Standard Board (SASB) considers Product Design and Lifecycle Management as one of the material topics for real estate service providers. The SASB notes that property managers are responsible for tenant relations, building maintenance and building security.¹⁴ Regarding applicability, KPI 1 covers 24,000 out of 30,000 households, which is approximately 80% of Rikshem's total tenants in 2023.

Based on the above, Sustainalytics considers KPI 1 to be material with a high scope of applicability.

KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct

Sustainalytics considers KPI 2 to be relevant and material given the importance of addressing business ethics in Rikshem's supplier base, which comprised 96% of contracting companies as of 2022 in terms of total procurement spending. Sustainalytics' Industry Report for Real Estate considers Bribery and Corruption as well as Business Ethics as material topics for the sector.¹⁵ Additionally, the SASB views Business Ethics as a material topic for real estate service providers and construction companies. This topic addresses a company's ability to manage risks and opportunities regarding the ethical conduct of business including fraud, corruption and bribery as per the regional and national business norms and standards.¹⁶ In addition, the National Agency for Public Procurement in Sweden notes that the construction industry in Sweden has serious challenges with human exploitation, economic crime, illegal labour, discrimination and work environment violations.¹⁷

¹¹ The Swedish National Council for Crime Prevention, "Swedish Crime Survey 2023", at: https://bra.se/download/18.126e8d3a18afe99a9721db1/1696838115678/2023_Swedish_Crime_Survey_2023.pdf

¹² The Swedish National Council for Crime Prevention, "Nationella trygghetsundersökningen", at: <https://bra.se/statistik/statistiska-undersokningar/nationella-trygghetsundersokningen.html>

¹³ Rikshem has shared this information with Sustainalytics.

¹⁴ SASB, "Real Estate", at: <https://sasb.org/standards/materiality-finder/find/?industry%5B0%5D=IF-RE>

¹⁵ Sustainalytics, "Real Estate Industry Report" (2022)

¹⁶ SASB, "Real Estate", at: <https://sasb.org/standards/materiality-finder/find/?industry%5B0%5D=IF-RE>

¹⁷ Upphandlings myndigheten, "Arbetsrättsliga villkor", at: <https://www.upphandlingsmyndigheten.se/branscher/bygg-och-anlaggning/social-hallbarhet-inom-bygg/arbetsrattsliga-villkor/>

Sustainalytics notes that Rikshem's Supplier Code of Conduct addresses these issues by outlining sustainable supply chain practices in line with the UN Global Compact, covering human rights, labour rights, the environment and anti-corruption. Rikshem's Supplier Code of Conduct also requires its suppliers to have zero tolerance towards all forms of bribery and discrimination in employment on the basis of gender and ethnic or national origin.

Regarding applicability, Rikshem's supplier base consisted of 1,987 external suppliers in 2022, of which 35% (699) were Framework Agreement Suppliers which accounted for 85% of Rikshem's total procurement spending in 2022.

Based on the above, Sustainalytics considers KPI 2 to be material with a high scope of applicability.

KPI 3.1: Energy consumption intensity of property portfolio

Sustainalytics considers KPI 3.1 to be material and relevant given that the SASB¹⁸ identifies Energy Management as a material topic for the Real Estate industry. The SASB notes that real estate assets consume significant amounts of energy, primarily related to space heating, ventilation, air conditioning, water heating, lighting and the use of equipment and appliances.¹⁹ In its materiality assessment, Rikshem identifies climate-neutral operations as a material topic for the Company.²⁰

Regarding applicability, KPI 3.1 covers 90% of Rikshem's building portfolio where Rikshem has full control over energy use for heating and electricity in terms of the properties' total area.

Based on the above, Sustainalytics considers KPI 3.1 to be material with a high scope of applicability.

KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified

Sustainalytics' Industry Report on Real Estate identifies Corporate Governance, Product Governance and Emissions, Effluents and Waste as some of the Material ESG issues for the sector.²¹ Additionally, the SASB identifies Energy Management, Water Management and management of tenant sustainability impacts as material issues for real estate owners and developers.²²

Sustainalytics notes that the KPI addresses the energy efficiency of Rikshem's newly constructed properties based on the version of Miljöbyggnad^{23,24} existing at the time of certification. The Miljöbyggnad certification assesses buildings' annual energy usage in kWh/m², where for the silver level, the buildings' energy usage should be 80% or less than what is prescribed in Boverket building regulations.²⁵ Sustainalytics further notes that in addition to energy efficiency, the current version of Miljöbyggnad addresses other environmental factors such as climate risks, climate impact and waste management. Based on the above, Sustainalytics considers KPI 3.2 to be relevant and material to the environmental sustainability of the Company's newly completed properties.

Regarding applicability, KPI 3.2 covers newly completed buildings ready for occupancy from 2023 onwards. Sustainalytics considers KPI 3.2 to have sufficient applicability in combination with KPI 3.1 given that KPI 3.1 and KPI 3.2 will be calculated using the same energy intensity unit (kWh/m²), and that the new buildings built after 2023 will support KPI 3.1 to lower the overall energy usage of Rikshem's portfolio.

KPI Characteristics

In its assessment of the KPI's characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on the material environmental or social issue; and iv) if applicable, whether the methodology can be benchmarked against an external contextual benchmark.²⁶

¹⁸ SASB, "SASB Standards overview", at: <https://www.sasb.org/standards/>

¹⁹ SASB, "Real Estate", at: <https://sasb.org/standards/materiality-finder/find/?industry%5B0%5D=IF-RE>

²⁰ Rikshem, "Annual Report and Sustainability Report", (2022), at: <https://www.rikshem.se/media/124akqet/rikshem-ab-publ-annual-and-sustainability-report-2022.pdf>

²¹ Sustainalytics, "Real Estate Industry Report", (2022)

²² SASB, "Real Estate", at: <https://sasb.org/standards/materiality-finder/find/?industry%5B0%5D=IF-RE>

²³ Sweden Green Building Council, "Miljöbyggnad", at: <https://www.sgbc.se/certifiering/miljobyggnad/>

²⁴ Swedish Green Building Council, "Miljöbyggnad 4.0", (2022), at: https://sgbc.se/app/uploads/2022/12/Manual_MB_4.0_1.pdf

²⁵ Boverket, "Boverket's building regulations – mandatory provisions and general recommendations", (2019), at:

<https://www.boverket.se/en/start/building-in-sweden/swedish-market/laws-and-regulations/national-regulations/building-regulations/>

²⁶ External contextual benchmarks provide guidance on alignment with ecological system boundaries. This criterion is not applied to social KPIs or impact areas for which such contextual benchmarks are not available.

KPI 1: Tenant safety index

Sustainalytics considers Rikshem's definition and methodology to calculate KPI 1 to be clear based on the ease of calculation. Sustainalytics notes that the KPI's underlying survey methodology is based on AktivBo's Index 100 framework, which is reportedly used by more than 450 commercial and residential real estate developers in more than 10 countries. However, Sustainalytics is of the opinion that KPI 1 does not lend itself to be compared against an external contextual benchmark.

Sustainalytics further considers the KPI to be an indirect measure of the Company's performance on tenants' sense of security, which is influenced by many other factors outside the control of Rikshem such as the state of peace and order in the communities where Rikshem's properties are located, as reflected in those communities' crime statistics.

KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct

Sustainalytics considers the definition and methodology to calculate KPI 2 to be clear based on the ease of calculation. Sustainalytics also notes that KPI 2's methodology is not externally defined, and that it cannot be compared against external contextual benchmarks.

Sustainalytics further considers the KPI to be an indirect measure of the Company's performance on sustainable supply chains as conducting supplier self-led reviews does not necessarily result in suppliers' improved performance on achieving sustainable and ethical business operations.

KPI 3.1: Energy consumption intensity of property portfolio

Sustainalytics considers Rikshem's definition and methodology to calculate KPI 3.1 to be clear based on the ease of calculation and consistency with the Company's historical disclosure. Sustainalytics also notes that KPI 3.1 represents a standard metric of energy consumption in the property sector, but it cannot be compared to an external benchmark in the absence of an appropriate trajectory. Sustainalytics also considers KPI 3.1 to be a direct measure of the Company's performance on the material environmental issue of energy efficiency.

KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified

Sustainalytics considers Rikshem's definition and methodology to calculate KPI 3.2 to be clear based on its ease of calculation. Sustainalytics notes that the KPI's underlying methodology is based on a generally accepted building certification framework, but considers that in the absence of an appropriate trajectory, it does not lend itself to benchmarking against contextual benchmarks. Sustainalytics further considers KPI 3.2 as an indirect measure of Rikshem's performance on a material environmental issue, noting that the certification is an indicator of a building's potential, rather than the actual sustainability performance, including achieving energy efficiency.

Overall Assessment

Sustainalytics considers KPI 1 to be adequate given that: i) it is an indirect measure of Rikshem's performance on a highly relevant and material social issue that is applicable to a significant proportion of Rikshem's tenants; ii) it is based on a clear and consistent calculation methodology; iii) it follows an underlying methodology used in Rikshem's industry; and iv) it does not support benchmarking against contextual benchmarks.

Sustainalytics considers KPI 2 to be adequate given that: i) it is an indirect measure of the Company's sustainability performance on a material environmental issue applicable to 85% of the Company's suppliers based on the amount of procurement spending; ii) it follows a clear but not externally-defined methodology; and iii) it does not support benchmarking against contextual benchmarks.

Sustainalytics considers KPI 3.1 to be strong given that: i) it is a direct measure of the Company's sustainability performance on a material environmental issue applicable to 90% of existing buildings in Rikshem's portfolio; ii) it follows a clear and consistent methodology; iii) it follows a methodology used in Rikshem's industry; and iv) it does not support benchmarking against contextual benchmarks.

Sustainalytics considers KPI 3.2 to be adequate given that: i) it is an indirect measure of the Company's sustainability performance on a material environmental issue with a sufficient scope of applicability in combination with KPI 3.1; ii) it follows a clear and externally-defined methodology; and iii) it does not support benchmarking against emission reduction trajectories.

KPIs	Strength of KPIs			
	Not Aligned	Adequate	Strong	Very strong
KPI 1: Tenant safety index	Not Aligned	Adequate	Strong	Very strong
KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct	Not Aligned	Adequate	Strong	Very strong
KPI 3.1: Energy consumption intensity of property portfolio	Not Aligned	Adequate	Strong	Very strong
KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets

Alignment with Rikshem’s Sustainability Strategy

Rikshem has set the following SPTs for its KPIs:

- SPT 1: Increase tenants’ safety index score to 79% by 2030 relative to a 2021 baseline
- SPT 2: Increase the percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct to 100% by 2030, relative to a 2022 baseline
- SPT 3.1: Reduce energy consumption intensity by 35% by 2030, relative to a 2019 baseline
- SPT 3.2: All new buildings to be Miljöbyggnad Silver-certified

Sustainalytics considers the SPTs to be aligned with Rikshem’s sustainability strategy. Climate-neutral operations, development and investment in safe and pleasant neighborhoods and ethical and sustainable business practices, are the key priorities of Rikshem’s sustainability strategy.²⁷ The Company aims to build safe and attractive neighborhoods and has initiated a neighborhood development programme which includes security patrols, subletting checks, improved locking systems and outdoor lighting. SPT 1 as a safety index reflects the Company’s effort in this area and aligns with the Company’s objective. Rikshem has also committed to enhancing ethical and sustainable business practices, with a focus on creating a sustainable supply chain. SPT 2 addresses the Company’s strategy in this area. Regarding SPTs 3.1 and 3.2, Rikshem has set a target to halve its emissions by 2030 and become climate-neutral by 2045, which requires reducing overall energy consumption intensity and improving energy efficiency in the Company’s properties. Hence, SPT 3 aligns with Rikshem’s climate strategy and contributes to its emission goals.

Please refer to Section 2 for an analysis of the credibility of Rikshem’s sustainability strategy.

Strategy to Achieve the SPTs

SPT 1: Increase tenants’ safety index score to 79.0% by 2030, relative to a 2021 baseline.

- Rikshem collaborates with local stakeholders including municipalities, police and other property owners around its properties to detect unauthorized sublets and disturbances as well as maintain active customer dialogue.
- The Company organizes safety walks in the neighborhoods and conducts safety surveys among its tenants, the results of which guide Rikshem’s neighborhood-specific safety strategies. Rikshem also regularly assesses contracts to prevent unauthorized subletting having reviewed 71% of contracts in 2022. In addition, the Company uses the results of the safety index to identify areas of improvement regarding tenant safety.
- The Company encourages socialization in the neighborhoods by providing good lighting conditions and developing communal areas, such as seating and barbecue areas, playgrounds and other places for recreation. Rikshem also implements social initiatives in neighborhoods situated in socially vulnerable areas, including providing support for students with their daily homework and offering summer jobs for young people.

²⁷ Rikshem shared the Sustainability Policy with Sustainalytics confidentially.

- Rikshem aims to develop or renovate its entrance floors to reinforce tenants' perceived feeling of safety. Additionally, Rikshem intends to develop properties for public use, such as schools, daycare centres and nursing homes, near its properties to increase the day time population.
- The Company participates in neighbourhood development by densifying and renovating its existing portfolio to meet local needs. The Company intends to diversify its offering of housing options, types of buildings, sizes and standards to contribute to reduced segregation and increased security.

SPT 2: Increase the percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct to 100% by 2030, relative to a 2022 baseline

Rikshem intends to achieve SPT 2 through the following strategy:

- Rikshem intends to collaborate with its suppliers through regular dialogue and encourage them to follow the required standards outlined in the Supplier Code of Conduct.
- Rikshem plans to use digital tool "Evaluate" to conduct self-led reviews.²⁸ This tool categorizes supplier's sustainability data into themes as per the Supplier Code of Conduct, evaluates the progress and facilitates a due diligence process.
- To facilitate the supplier analysis, the Company increased the number of procurers and appointed a sustainability coordinator for supply chains in 2022.²⁹

SPT 3.1: Reduce energy consumption intensity by 35% by 2030, relative to a 2019 baseline.

Rikshem intends to achieve SPT 3.1 through the following strategy:

- Rikshem intends to implement energy efficiency and renewable energy measures during renovation and new construction projects to reduce its energy use. These include installing solar panels on buildings, optimizing heating systems, recovering heat from ventilation systems, increasing attic insulation, installing LED lighting, and new monitoring and control system.
- Since 2020, Rikshem has received funding from the European Investment Bank for a project called "Energismarta fastigheter", through which the Company has increased collaboration among its internal teams, such as energy and technology, sustainability and digitalization teams, to develop working methods for energy efficiency solutions including the aforementioned energy efficiency measures. The project will end in 2024.
- From 2022 to 2024, Rikshem is developing a project in Uppsala to connect geothermal energy with district heating for its properties and install solar panels to increase the share of renewable electricity.
- Starting in 2023, Rikshem intends to install regulation and control systems to upgrade, monitor, and optimize energy usage of its properties.

SPT 3.2: All new buildings to be Miljöbyggnad Silver-certified.

Rikshem intends to achieve SPT 3.2 through the following strategy:

- Rikshem will have in place a team dedicated to ensuring that the Company's new projects are built in compliance with the standards consistent with Miljöbyggnad Silver certification.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond a business-as-usual trajectory; ii) how the SPTs compare to targets set by peers; and iii) how the SPTs compare with science.³⁰

Rikshem has set the baselines for the SPTs as follows: i) SPT 1: 2021, the year when the Company began using AktivBo's survey; ii) SPT 2: 2022, as the year with the most recent data; iii) SPT 3.1: 2019, marking the inception of Rikshem's initiatives to reduce energy consumption in its property portfolio; and iv) SPT 3.2: 2023, the commencement of the Company's performance tracking in developing sustainable new building projects under the Miljöbyggnad building certification framework.

²⁸ Evaluate, "Due Diligence", at: <https://evaluate.se/en/due-diligence>

²⁹ Rikshem, "Annual Report and Sustainability Report" (in Swedish), (2022), at: <https://www.rikshem.se/media/j1iplboz/rikshem-ab-publ-ars-och-hallbarhetsredovisning-2022.pdf>

³⁰ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

SPT 1: Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance.

From 2021 to 2023, the Company increased the perceived feeling of safety by an annual rate of 2.45 percentage points. To achieve SPT 1, Rikshem must increase the result of the safety index by 4.3 percentage points by 2030, which reflects an annual growth rate of 0.61 percentage points between 2023 and 2030. Sustainalytics notes that while the impact of Rikshem's strategy may not be reflected in the survey results immediately, reaching the higher end of the index requires greater effort compared to past performance. Therefore, Sustainalytics considers SPT 1 to be below historical performance while representing a continuous material improvement.

In comparison with nine peers globally, Rikshem is generally aligned with its peers in facilitating various forms of surveys and initiatives that address tenants' perception of safety.

SPT 2: Sustainalytics was able to use the following benchmark in assessing ambitiousness: peer performance.

Sustainalytics notes that since the Company only started measuring the SPT in 2023, there is a lack of historical data on the progress on the KPI.

In comparison with nine peers, Sustainalytics notes that the Company's targets are not directly comparable with its peers. However, the relevant peers already have measures in place to address business ethics within their supply chains. Therefore, Sustainalytics considers the SPT to be generally aligned with Rikshem's peers.

SPT 3.1: Sustainalytics was able to use the following benchmarks in assessing ambitiousness: past performance, peer performance and science.

Regarding past performance, Sustainalytics notes that the Company reduced its energy consumption intensity by 16.2% between 2019 and 2023, representing an average annual reduction of 4.1%. Sustainalytics notes that the achievement of the SPT in 2030 would result in a decrease in energy consumption intensity of 22.6% compared to the intensity observed in 2023. This represents an average annual reduction rate of 3.2% between 2023 and 2030. Sustainalytics notes that for such intensity-based targets, it is comparatively easier to reduce in energy usage in the beginning with more viable decarbonization strategies than to achieve the same in later years. Thus, Sustainalytics considers the SPT to represent a continuous material improvement and to be aligned with the Company's past performance.

Rikshem's targets were compared with six of its peers in the real estate industry that have European and Swedish operations. Out of the six peers, Sustainalytics notes that Rikshem's targets are greater than targets set by two peers, align with targets set by three peers and are lower than the target set by one peer. Based on this, Sustainalytics considers the SPT to be aligned with peers' targets.

Regarding comparison with science, Sustainalytics is of the opinion that SPT 3.1 cannot be compared against an external contextual benchmark in the absence of a suitable trajectory.

SPT 3.2: Sustainalytics was able to use the following benchmarks in assessing ambitiousness: peer performance and science.

As Rikshem will start building projects with Miljöbyggnad Silver certification from 2021, there is a lack of consistent historical data on the progress on the KPI. Therefore, Sustainalytics did not compare the SPT with Rikshem's past performance.

Rikshem's targets were compared with four of its peers in the real estate industry that have Swedish operations. Sustainalytics notes that, Rikshem's targets generally align with the targets set by all four peers.

Regarding comparison with science, Sustainalytics is of the opinion that SPT 3.2 cannot be compared against an external contextual benchmark in the absence of a suitable trajectory.

Overall Assessment

Sustainalytics considers SPT 1 to be moderately ambitious given that: i) it is below past performance but represents a continuous material improvement; and ii) it is aligned with targets set by Rikshem's peers.

Sustainalytics considers SPT 2 to be moderately ambitious given that: i) it cannot be compared to past performance; and ii) it is aligned with Rikshem's peers.

Sustainalytics considers SPT 3.1 to be moderately ambitious given that: i) it is generally aligned with historical performance; ii) it is aligned with Rikshem's peers; and iii) it cannot be compared to a science-based trajectory.

Sustainalytics considers SPT 3.2 to be moderately ambitious given that: i) it cannot be compared to past performance; ii) it is aligned with targets set by Rikshem’s peers; and iii) it cannot be compared to a science-based trajectory.

SPTs	Ambitiousness of SPTs			
SPT 1: Increase tenants’ safety index score to 79% by 2030, relative to a 2021 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Increase the percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct to 100% by 2030, relative to a 2022 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 3.1: Reduce energy consumption intensity by 35% by 2030, relative to a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 3.2: All new buildings to be Miljöbyggnad Silver-certified	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



Bond Characteristics

Rikshem has disclosed that the financial and structural characteristics of the sustainability-linked bonds issued under the Framework will vary depending on its performance against the SPTs. Rikshem will incur a step-up in the coupon or a premium payment in case of a trigger event, which will occur if: i) the SPTs have not been achieved by the respective observation dates; ii) the reporting does not meet the requirements as set out in the Framework; and iii) verification of the SPT performance has not been provided and made public on or prior to the respective reporting end date.³¹ The applicable financial and structural characteristics will be specified in the relevant bond’s documentation. Sustainalytics recognizes that the financial characteristics of the sustainability-linked bonds are aligned with the SLBP but does not opine on the adequacy of the magnitude and structure of the financial penalty.

Sustainalytics recognizes that Rikshem can issue multiple sustainability-linked bonds under the Framework. Additionally, the Company has disclosed that it intends to include all KPIs in all issuances under the Framework. For each issuance, Sustainalytics encourages Rikshem to select a set of KPIs that collectively reflects relevant and material sustainability issues for the Company.



Reporting

Rikshem commits to report on its progress on the KPIs on an annual basis and on the information related to the achievement of the SPTs in their respective observation years in its Sustainability-Linked Bond Progress Report, which will be published on an annual basis or before the reporting end date on the Company’s website. Rikshem further commits to disclose relevant information that may enable investors to monitor the level of ambition of the SPTs and assess any required changes to the bonds’ characteristics, which may include: i) progress on the KPIs as per the target observation date; ii) information regarding recalculations of the KPIs as set out in fallback mechanisms and exceptional events, if any; iii) verification report outlining the performance against the SPTs, its related impact and timing of such impacts on bond characteristics; and iv) information regarding Rikshem’s emissions reduction strategy and governance with impacts on the KPIs and the target trajectory. Where feasible, Rikshem intends to report on the qualitative and quantitative information relevant to the progress on the KPIs, the sustainability impacts of the improvements, and updates on new or proposed regulations relevant to the KPIs and SPTs. The reporting commitments are aligned with the SLBP.



Verification

Rikshem commits to have an external verifier provide limited assurance on the progress for each KPI at least once a year before the reporting end date. The verification report, together with Rikshem’s Sustainability-Linked Bond

³¹ Reporting end date is the date in any given year falling 120 days after 31st December of that year.

Progress Report, will be published on the Company's website. The verification commitments are aligned with the SLBP.

Section 2: Assessment of Rikshem's Sustainability Strategy

Credibility of Rikshem Sustainability Strategy

Rikshem conducted a materiality assessment of its business in 2019 and identified 10 material sustainability areas: i) reduced climate emissions; ii) resource efficiency and the environment; iii) safety and well-being; iv) variety of choice; v) customer dialogue; vi) easy to live sustainably; vii) sustainable business; viii) sustainable supply chains; ix) equality and diversity; and x) sustainable working life.³² The board of directors oversees the Company's sustainability strategy and policies to further the Company's alignment with its targets related to decarbonizing Rikshem's business and enhancing safety and security on its properties.

To decarbonize its operations and property portfolio, Rikshem has set several climate targets: i) SBTi-validated targets for reducing scope 1 and 2 GHG emissions by 42% by 2030, from a 2020 baseline; ii) carbon neutrality in its property management by 2030; and iii) carbon neutrality by 2045. The Company plans to meet these climate targets by implementing energy saving projects such as replacing inefficient lighting, installing solar panels, building car charging infrastructure and installing individual metering and charging systems in its properties. Additionally, the Company regularly monitors energy use and its carbon emissions and aims to reduce energy consumption by 35% by 2030 relative to a 2019 baseline. Moreover, Rikshem joined Lokal Färdplan Malmö 2030, a climate-neutral roadmap to 2030 for the building and construction sector in Malmö, and set a threshold for new construction projects in Malmö at 280 kgCO₂e/m² of gross outside area.³³

Another material ESG topic for Rikshem is improving tenant satisfaction and sense of safety. Rikshem had set a target of perceived safety index (100) score of 70.8% for 2022, which it achieved with a score of 71.4%. To further improve the safety of its tenants, the Company supports the integration of young people living in Rikshem's neighbourhoods through the provision of summer jobs and funding for local sports associations. The Company also collaborates with the relevant local police services and municipalities to strengthen relationships in the communities where its properties are situated.³⁴

Given the above elements of Rikshem's sustainability strategy, Sustainalytics considers that the Framework will further support Rikshem's sustainability initiatives and sustainability efforts.

Rikshem's Environmental and Social Risk Management

Sustainalytics acknowledges that while Rikshem's defined targets are impactful, achieving the SPTs bears environmental and social risks related to ESG Integration – Financials,³⁵ Human Capital,³⁶ Product Governance³⁷ and Bribery and Corruption.

Sustainalytics comments below on Rikshem's ability to mitigate such potential risks.

- **ESG Integration – Financials:** To address risks pertaining to ESG Integration – Financials, Rikshem has in place a Sustainability Policy to assess environmental and social risks and opportunities of its financed projects as per the Company's material sustainability areas. This policy requires the Company to implement measures to reduce emissions through its value chain, including the construction process, property management, employee travel and transportation, and emissions from customers and tenants. Rikshem also aims to reduce the use of substances hazardous to the environment and health and appropriately manage waste arising from its operations and portfolio as per the regional laws.³⁸
- **Human Capital:** Rikshem's human capital risk prevention and management is guided by its Code of Conduct, which outlines guidance and practices to respect human rights, including employment conditions, such as working hours, leave and overtime; and equality and non-discrimination of any sort such as employment, promotion, bullying and harassment.³⁹

³² Rikshem, "Annual Report and Sustainability Report", (2022), at: <https://www.rikshem.se/media/124akqet/rikshem-ab-publ-annual-and-sustainability-report-2022.pdf>

³³ Ibid.

³⁴ Ibid.

³⁵ Sustainalytics' MEI of ESG Integration – Financials includes all ESG integration activities by financial institutions that are either driven by financial downside risk considerations or by business opportunities.

³⁶ Sustainalytics' MEI of Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

³⁷ Sustainalytics' MEI of Product Governance focuses on how companies manage their responsibilities toward clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

³⁸ Rikshem shared the Sustainability Policy with Sustainalytics confidentially.

³⁹ Rikshem shared the Code of Conduct with Sustainalytics confidentially.

Additionally, Rikshem has in place a Work Environment Policy, which requires management to achieve a “good workplace” and good co-operation between its employees. This includes steps to prevent ill health and accidents at the workplace. The Company monitors and evaluates employees’ working conditions through surveys and assesses data regarding ill-health and work-related injuries and incidents.⁴⁰ Rikshem has also developed a Supplier Code of Conduct, which requires suppliers to support and respect human rights, have zero tolerance for discrimination, and ensure safe working environments.⁴¹

- **Product Governance:** Rikshem’s Sustainability Policy emphasizes its commitment to tenant safety and satisfaction in its properties. The Company regularly monitors and evaluates its tenants’ experience related to safety and well-being.⁴² The Company’s local real estate managers regularly ensure that the properties are managed and that they meet agreed safety standards. For any faults or damage in the property, tenants can report online⁴³ or contact the Company by phone.⁴⁴
- **Bribery and Corruption:** Rikshem’s Code of Conduct outlines the values, ethics and business principles that address risks related to bribery and corruption. The code applies zero tolerance towards all forms of bribery, such as gifts, travel and representation or services that may affect the independence of the giver or recipient.⁴⁵ In addition, Rikshem has in place a policy for countering conflicts of interest, requiring board members, management and employees to identify and manage conflicts of interest, such as secondary employment involving property-related activities or investments, as well as personal interests of family members or employees that could potentially influence actions in the workplace.⁴⁶ Rikshem also has a whistleblowing policy enabling its employees to report on any wrongdoing including breaches of the Company’s Code of Conduct and other policies. An employee can report to the immediate manager or use Rikshem’s whistleblowing function, which includes the CEO, the general counsel and the HR manager. The policy protects the reporting employee ensuring they will not be held accountable or subjected to retaliation as long as the employee had reasonable grounds to believe the information reported was true.⁴⁷

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Rikshem. Overall, Sustainalytics considers that Rikshem has management programmes and policies to mitigate the aforementioned risks.

Section 3: Impact of the SPTs

Importance of increasing energy efficiency and addressing tenant’s safety for the real estate sector in Sweden

Despite the 64% reduction in GHG emissions between 2005 and 2020,⁴⁸ the buildings sector still accounts for approximately 40% of Sweden’s energy use and 21% of the country’s domestic GHG emissions.^{49,50} To reduce its emissions, Sweden has established a national target of reducing GHG emissions by 59% by 2030, compared to a 2005 baseline and achieving net-zero GHG emissions by 2045.⁵¹ The government has implemented the following measures to decarbonize the building sector and contribute to achieving its climate goals: i) improving the energy efficiency of buildings and product supply following the EU’s requirements for energy labelling and eco-design; ii) limiting the energy consumption of buildings to 90 kWh/m² for single family housing, 85 kWh/m² for apartment blocks and 80 kWh/m² for non-residential premises; and iii) providing stakeholders in the construction

⁴⁰ Rikshem shared the Work Environment Policy with Sustainalytics confidentially.

⁴¹ Rikshem, “Leverantörsuppförandekod”, at: <https://www.rikshem.se/media/4esf1xqn/leverant%C3%B6rsuppf%C3%B6randekod.pdf>

⁴² Rikshem shared the Sustainability Policy with Sustainalytics confidentially.

⁴³ Rikshem, “Mina sidor”, at: <https://minasidor.rikshem.se/>

⁴⁴ Rikshem, “Annual Report and Sustainability Report” (in Swedish), (2022), at: <https://www.rikshem.se/media/j1iplboz/rikshem-ab-publ-ars-och-hallbarhetsredovisning-2022.pdf>

⁴⁵ Code of Conduct, Rikshem shared this document with Sustainalytics confidentially.

⁴⁶ Rikshem shared the Policy for Countering Conflicts of Interest with Sustainalytics confidentially.

⁴⁷ Rikshem shared the Whistleblowing Policy with Sustainalytics confidentially.

⁴⁸ European Environment Agency, “Greenhouse gas emissions from energy use in buildings in Europe”, (2023), at: <https://www.eea.europa.eu/ims/greenhouse-gas-emissions-from-energy>

⁴⁹ Blomqvist, S. et al., (2022), “Ten years of energy efficiency—Exploring the progress of barriers and drivers in the Swedish residential and services sector”, Energy Reports, at: <https://www.sciencedirect.com/science/article/pii/S2352484722023745>

⁵⁰ Boverket, “Utsläpp av växthusgaser från bygg- och fastighetssektorn”, (2024), at: <https://www.boverket.se/sv/byggande/hallbart-byggande-och-forvaltning/miljoindikatorer--aktuell-status/vaxthusgaser/>

⁵¹ International Energy Agency, “Sweden”, at: <https://www.iea.org/countries/sweden>

sector with training programmes on low-energy buildings. Additionally, the country follows the EU's EPBD to modernize the buildings sector, encouraging the construction of energy-efficient buildings and retrofits.⁵²

With regard to tenant safety, Boverket, the Swedish National Board of Housing, Building and Planning, notes that the segregation in the housing sector along socio-economic lines has increased since 1990 across all municipalities in Sweden.⁵³ It also estimates that segregation, in combination with inequality and exclusion, may increase crime and sense of insecurity in socially vulnerable areas in Sweden.⁵⁴ The Swedish crime survey indicates that as of 2022, 27% of the population felt unsafe in their neighbourhoods at night. The same figure reached approximately 50% in Rinkeby-Kista and Skärholmen, two suburban neighbourhoods in Stockholm.⁵⁵ In this context, the Nordic Council of Ministers reports that urban segregation in Stockholm, Gothenburg and Malmö is among the most extreme in Europe.⁵⁶ In 2016, the government launched a long-term reform programme to reduce segregation over the 2017-25 period and improve the sense of safety among the population.⁵⁷ The programme focuses on five policy areas: i) crime mitigation, which includes providing resources to police authorities to manage and mitigate crime and developing a model to prevent recidivism; ii) increasing long-term employment for foreign-born women; iii) improving educational outcomes by financing schools to support students' learning; iv) strengthening social services and reducing housing segregation by supporting the collaboration among various government agencies such as the social insurance agency, the employment agency, the migration agency, the tax agency, and the pensions authority; and v) supporting civil society and strengthening democratic values by financing organizations and municipalities that work against violent extremism.⁵⁸ To achieve the objectives of the programme, the government committed to investing SEK 6.6 billion (EUR 569.7 million) annually to address housing segregation.⁵⁹

Given the above context, Sustainalytics is of the opinion that Rikshem's investments in energy efficiency improvements and tenant security have the potential to support Sweden's decarbonization objectives and improve the sense of safety in the Swedish real estate sector respectively, while also contributing to the country's climate and social goals.

Contribution to SDGs

The Sustainable Development Goals were adopted by the United Nations General Assembly in September 2015 and form part of an agenda for achieving sustainable development by the year 2030. The sustainability-linked bonds issued under the Framework are expected to help advance the following SDG goals and targets:

KPI	SDG	SDG Target
KPI 1: Tenant safety index (%)	10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	11. Sustainable Cities and Communities	11.1 Safe and affordable housing
	16. Peace, Justice and Strong Institutions	16.1 Significantly reduce all forms of violence and related death rates everywhere
KPI 2: Percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct (%)	8. Decent Work and Economic Growth	8.8 Protect labour rights and promote safe working environments
	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
KPI 3.1: Energy consumption intensity of property portfolio (kWh/m ²)	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency

⁵² European Parliament, "Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency", (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AQJL_2018_156_01_0075_01.ENG

⁵³ Boverket, "Boendesegregation i Sverige", (2023), at: <https://www.boverket.se/sv/samhallsplanering/boendesegregation/sverige/>

⁵⁴ Boverket, "Vad får boendesegregationen för konsekvenser?", (2023), at:

<https://www.boverket.se/sv/samhallsplanering/boendesegregation/konsekvenser/>

⁵⁵ The Swedish National Council for Crime Prevention, "Swedish Crime Survey 2023", at:

https://bra.se/download/18.126e8d3a18afe99a9721db1/1696838115678/2023_Swedish_Crime_Survey_2023.pdf

⁵⁶ Nordic Council of Ministers, "The segregated city A Nordic overview", (2019), at: <https://nordicwelfare.org/wp-content/uploads/2019/03/The-segregated-city-A-nordic-overview-1.pdf>

⁵⁷ Smart City Sweden, "Goal 10: Reduced inequalities", at: <https://smartcitysweden.com/global-goals/reduced-inequalities/>

⁵⁸ Regeringskansliet, "Långsiktigt reformprogram för minskad segregation år 2017-2025", at:

<https://www.regeringen.se/contentassets/94760eec95e04a45b0a1e462368b0095/langsiktigt-reformprogram-for-minskad-segregation-ar-2017-2025.pdf>

⁵⁹ Ibid.

<p>KPI 3.2: Percentage of new building projects that are Miljöbyggnad Silver-certified (%)</p>		<p>and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
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Conclusion

Rikshem intends to issue sustainability-linked bonds, tying the financial characteristics of these instruments, such as a coupon adjustment or premium payment to the achievement of the following SPTs:

- (1) SPT 1: Increase tenants’ safety index score to 79% by 2030 relative to a 2021 baseline
- (2) SPT 2: Increase the percentage of completed self-led reviews among Framework Agreement Suppliers that have signed the Supplier Code of Conduct to 100% by 2030, relative to a 2022 baseline
- (3) SPT 3.1: Reduce energy consumption intensity by 35% by 2030, relative to a 2019 baseline
- (4) SPT 3.2: All new buildings to be Miljöbyggnad Silver-certified

Sustainalytics considers the KPIs chosen to be relevant, material and aligned with the Company’s sustainability strategy. Sustainalytics considers KPIs 1, 2, and 3b to be adequate and KPI 3a to be strong. Sustainalytics considers all the SPTs to be moderately ambitious. Furthermore, Sustainalytics considers the reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers the Rikshem Sustainability-Linked Bond Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2023 and the prospective achievement of the SPTs to be impactful.

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