



Diös

2019

**Annual report
Green Financing
Framework**

About Diös

Read more in our annual report for 2019.



22,885

Property value, SEKm



1,483

Leasable area, '000 sq.m.



333

Properties, no



153

Employees

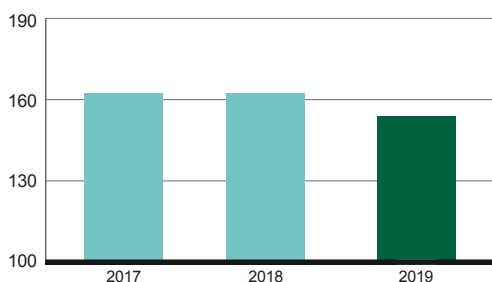
Sustainable cities are the only way forward. Urbanisation will continue and the demand for sustainable urban development will increase. As the leading property owner in its markets, Diös is uniquely positioned to help its cities grow sustainably, taking responsibility for both the current and future generations. We will create the most inspiring cities in Sweden.

We established our Green Financing Framework in September 2019 as a natural step in for being a responsible business and for taking a comprehensive approach encompassing economic, social and environmental factors. We are making a concerted effort to change our own behaviour to have a more positive economic, social and environmental impact, and this will ultimately inspire and encourage our stakeholders to do the same. We want to help fight climate change and build safer cities while also creating new opportunities for businesses and new places for people to meet.

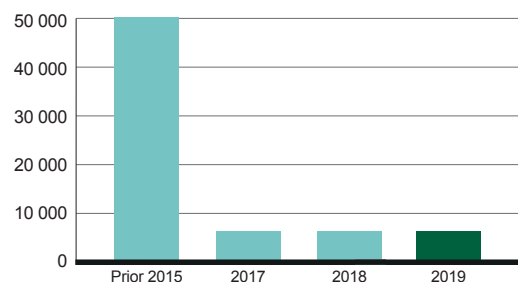
We have continued our efforts during the year with several initiatives within different areas. Below there is a selection of initiatives:

- A new target has been set to, no later than 2045, have net-zero carbon emission.
- We have increased the number of environmentally certified properties from 23 at the end 2018 to 39 at the end of 2019.
- We reached our target for 2019 to reduce our energy consumption by 3 per cent.
- 98 per cent of our energy consumption is supplied by fossil free sources.
- In 2019, we participated in an initiative to increase the share of renewable fuels in aviation. Together with a number of other companies, municipalities and regions in Jämtland, we purchased 8.8 tonnes of bio jet fuel and contributed to a saving of 27.7 tonnes of carbon dioxide equivalent.
- During the year we encourage all employees having the privilege of a company car to fuel HVO100. We will continue to review and develop our car and travel policy to further reduce the climate and environmental impact of our travels.

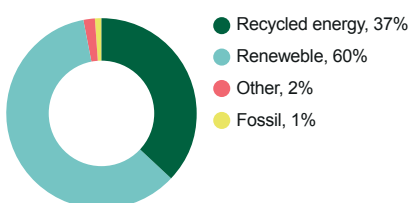
ENERGY INTENSITY, KWH/SQ.M., ATEMP¹



CO₂-EMISSION (SCOPE 2), TONNES¹

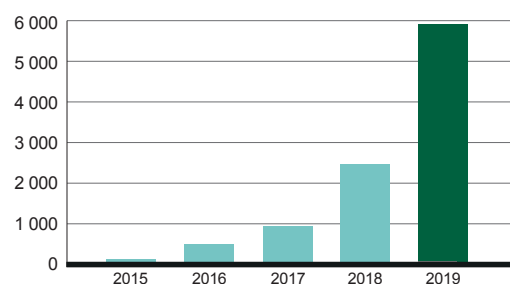


ENERGY DISTRIBUTION 2019¹



¹Diös total portfolio.

VALUE GREEN BUILDINGS, SEK M



Financing

We have total assets approved for financing within the Green Financing Framework of SEK 962 million at the end of 2019. The volume of issued green commercial papers was SEK 300 million. We had no outstanding green bond or green bank loans as of 31 December 2019.

	Nominal Amount, SEKm
Green bonds	-
Green commercial papers	300
Green bank loans	-
Total green financing	300
Eligible green assets	962
Remaining green amount	662
Green liquidity portfolio	-



Green Financing Framework

The framework set up the criteria of which type of assets can be included as green assets within the areas; Clean transportation, Energy efficiency, Green buildings, Pollution and prevention control and Renewable energy. The framework has been reviewed by an external party, the Center for International Climate Research (CICERO), a Norwegian climate research institute, with the rating Medium Green.

The criteria's in full can be read in the framework and can be accessed [here](#).

The second opinion from CICERO can be accessed [here](#).

Areas in the framework

Clean transportation

This year we've completed the installation of 124 charging stations for electric vehicles in our cities. The target is for around 700 charging stations and we are now taking actions to speed up the installations. Alongside this we now have only electric vehicles in our service carpool. We think it's important not only to make it possible for our stakeholders to change their behaviour, but also try to make changes ourselves. By driving electrical vehicles, we get a better understanding for services needed by our tenants.

Energy efficiency

To reach our energy efficiency target we have for the last two years focused on optimizing all our buildings with the existing installations

and solutions. To reach further savings forward we need both to uphold the optimization and to improve our technical installations to more energy efficient equipment. We install new smart solutions both in new construction, renovations and in the daily maintenance.

Green buildings

By using accepted environmental certification criteria both in our existing building and in our new construction we secure that our properties fulfil the national building requirements and contribute to a better environment. We can learn from the criteria's how to develop our maintenance and our adaption projects for more sustainable buildings.

Pollution prevention and control

Our city malls are an excellent hub for logistics, recycling and waste management in the city centre. In our concept, Pick-Pack-Post, we are exploring the possibilities to coordinate transportation and services to reduce pollution and emissions.

Renewable energy

During the year we have upscaled our solar power projects where we aimed to start production of twenty larger solar power plants 2019. We completed two facilities that together with the one that was already running provided us with 183 MWh clean energy. We have also started to build seven plants that will be deployed early 2020 and laid the groundwork for several more installations.

Examples of assets included in the Green Financing Framework



Noten 3 new construction

In spring 2019 the construction started of a new hotel building in central Sundsvall. In the 14,000 sqm, the hotel will consist of 270 hotel rooms, conference, restaurant, a rooftop bar and a gym and spa facility. The building will undergo a BREEAM-SE certification designed to level Very Good. District heating and cooling will be used, and the energy performance is predicted to 64 kWh/sq.m., which is approximately 70 per cent better than the Swedish building regulations. The hotel will be ready for opening in summer 2021.



Magne 4 new construction

In the spring 2019 the construction of a new hotel building in central Umeå started with estimated opening in the spring 2022. The hotel will comprise 270 hotel rooms, conference facilities, restaurant and a gym. The building will undergo a BREEAM-SE certification designed to level Very Good. District heating and cooling will be used, and the energy performance is predicted to 68 kWh/sq.m., which is approximately 70 per cent better than the Swedish building regulations.



Normalm 1:24 existing building

The office building 'Metropol', located in the district Normalm in Sundsvall, comprise about 80 office tenants, a restaurant, a gym and a pre-school. The building has undergone a BREEAM In-Use certification 2019 and achieved rating Very Good. A 1,000 sq.m. solar plant on the roof supplies the building with 10 % of its electricity demand and geothermal system installed in 2015 supplies the building with heating, cooling and hot water. The energy performance of 64 kwh/sq.m. is approximately 30 per cent better than the Swedish building regulations.



Solar energy on the property Brynäs 12:1

During the summer of 2019 we installed a total of 900 solar panels, covering an area of 1,800 sq.m, on the roof of the property Brynäs 12:1 in central Gävle. The solar panels are expected to produce about 225 MWh, which is almost 50 per cent of the building's electricity demand.



GREEN NEW CONSTRUCTION

Property	City	Expected certification	Expected energy consumption, kWh	Energy performance, kWh/sq.m. (exp)	Energy intensity BBR, kWh/sq.m	Carbon footprint, tonnes	Carbon footprint, kg/ sq.m.
Noten 3	Sundsvall	BREEAM-SE Very Good	1 013 760	66	97	94	6,1
Magne 4	Umeå	BREEAM-SE Very Good	1 036 524	68	98	52	3,4
Total			2 050 284	67	97	146	4,8

GREEN EXISTING BUILDINGS

Property	City	Certification	Energy consumption, kWh	Energy performance, kWh/ sq.m.	Energy intensity BBR, kWh/sq.m	Carbon footprint, tonnes	Carbon footprint, kg/ sq.m.
Kräftan 6	Östersund	BREEAM In-Use Very Good	277 777	84	105	5	1,5
Läraren 1	Umeå	BREEAM In-Use Very Good	329 779	87	105	20	5,2
Norrmalm 1:24	Sundsvall	BREEAM In-Use Very Good	864 576	47	91	2	0,1
Barberaren 7	Östersund	Miljöbyggnad Silver	477 990	90	145	8	1,9
Fryshuset 2	Sundsvall	BREEAM In-Use Very Good	567 620	84	105	38	6,2
Badhuset 1	Sundsvall	BREEAM In-Use Very Good	849 050	74	91	71	5,3
Sleipner 5	Skellefteå	BREEAM In-Use Very Good	1 622 349	87	105	74	6,8
Björken 1	Umeå	BREEAM In-Use Very Good	336 834	69	101	2	0,3
Total			5 325 975	74	103	219	3,8

RENEWABLE ENERGY

Type of investment	City	Yearly production, kWh	% of installation supply of the assets total energy use	Prevented CO2e emission, tonnes
Solar cells				
Humlan 6	Luleå	75 000	9	29
Abborren 11	Luleå	113 000	3	44
Badhuset 1	Sundsvall	62 000	5	24
Brynäs 12:1	Gävle	225 000	32	88
Frösö 3:7	Östersund	200 000	2	78
Mörviken 2:102*	Åre	102 000	6	39
Kommunalmannen 4	Östersund	90 000	9	35
Kräftan 3	Östersund	100 000	20	39
Hemlingby 56:10	Gävle	175 000	34	69
Kopplingen 6	Umeå	137 000	55	54
Norrbacka 12	Sundsvall	117 460	7	46
Sirius 25	Skellefteå	50 000	1	20
Total		1 446 460		565

*The production for Mörviken 2:102 is based on true production and not expected like the rest.

CLEAN TRANSPORTATION

Investment	Greenhouse gas emission, CO2e	Greenhouse gas savings, tonnes	No. of charging stations
Charging stations electrical vehicles	n/a	174	124
Total		174	124

No assets within "pollution prevention and control" has been included in the framework at the end of 2019 due to the short period of time from the set up of the program and the year-end.

Limited Assurance Report from the independent auditor

To Diös Fastigheter AB (publ),
corporate identity number 556501-1771

Introduction

We have been engaged by Diös Fastigheter AB (publ) to undertake a limited assurance engagement of the 2019 Annual report Green Financing Framework ("the Reporting").

Responsibilities of Diös Fastigheter AB's (publ) Management

Diös Fastigheter AB's Management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the Diös Fastigheter AB's Green Financing Framework 2019 (available at www.dios.se/investerare/gron-finansiering/) as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Diös Fastigheter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by Diös Fastigheter AB's Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the 2019 Annual report Green Financing Framework, is not prepared, in all material respects, in accordance with the criteria.

Östersund 26 March 2020

Deloitte AB

Richard Peters
Authorized Public Accountant



Diös