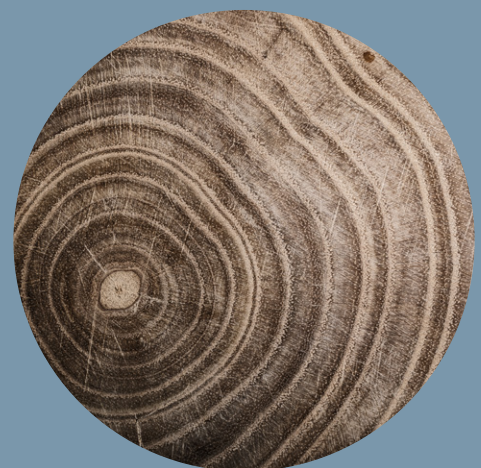




Green Bond Framework

July 2020



Introduction to this Green Bond Framework

This framework is aligned with the Green Bond Principles as of 2018 and will as such contain information regarding use of proceeds, process for project selection, management of proceeds and impact reporting.

The Second Opinion that Cicero shades of Green has made of this framework is available on our website. Our accountant will make a limited assurance as to the allocation of proceeds in the impact report.

Sustainability at Svenska Handelsfastigheter

Svenska Handelsfastigheter group is a Swedish publicly listed property company based in Stockholm. The group portfolio consists of 111 commercial properties operating in 61 municipalities stretching from Ystad to Boden, with a total area of 550 thousand square meters. The majority of tenants are large Swedish retail stores, ICA being the largest followed by Bergendahl, COOP and Rusta. Svenska Handelsfastigheter's goal is, through experience, a long-term approach and active collaboration with leading retailers, to develop shopping centres for future.

Sustainability is a growing part of Svenska Handelsfastigheter's business strategy. The majority of Svenska Handelsfastigheter investors are pension funds with a long investment horizon, which makes the long-term approach the core of the business strategy.

A big part of energy consumption in society is associated with buildings. As a property company Svenska Handelsfastigheter recognises its societal and environmental impact and has four focus areas within sustainability:

- Resource efficiency and climate change
- Urban development
- Anti-corruption
- Business ethics in the supply chain

Renewable energy is already being used in many properties and to scale up the efforts focus is aimed to contribute to the Sustainable Development Goals (SDG) 7, 11, 12 and 13.

7 AFFORDABLE AND
CLEAN ENERGY



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Use of proceeds

Proceeds will finance eligible assets and projects, in part or in full, as per this section of the Framework. Eligible assets and projects will contribute either to the adaptation and/or to the mitigation of climate change. Proceeds may be used to fund new assets and projects as well as for re-financing. Green Bonds will not be used to finance investments in fossil energy generation, nuclear energy generation, the weapons and defence industries, potentially environmentally negative resource extraction, gambling or tobacco.

Green Buildings

Financing of newly constructed, acquired, refurbished or existing buildings and at least one of the following certificates:



Miljöbyggnad "Silver" certification (or better)



LEED "Gold" certification (or better)



BREEAM "Very Good" certification (or better)



Nordic Swan Ecolabel



BREEAM in-use "Very Good" (or better)



Green Building Certificate

Renewable Energy

Investments in solar power equipment and emission-free geothermal energy solutions.

Energy Efficiency

Funding for projects which aim to improve the energy efficiency by at least 25% in buildings owned by Svenska Handelsfastigheter. This includes, but is not limited to, performance improvement to the insulation, ventilation, light systems and windows.

Selection of eligible green projects and assets

Svenska Handelsfastigheter has formed a Green Bond Committee to oversee that only assets and projects eligible as per this framework are funded by proceeds from any Green Bond.

The Green Bond Committee consists of the CEO, CFO and Head of Technology. Each member of the committee has the right to veto against any asset or project. The group shall meet no more seldom than twice yearly, and notes of which projects and assets they deem as eligible per this framework will be saved.

The Green Bond Committee shall in conjunction with each meeting have the option to consult an environmental specialist, who may be either external or an employee of Svenska Handelsfastigheter, such as a consultant specialised in Sustainability.

Management of proceeds

The net proceeds of any bond issued under this Framework will be credited to the "Green Account". An amount equal to the investment made into an eligible project or asset may be deducted from the Green Account.

Should a project or asset no longer qualify as per this Framework, the funds will be returned to the "Green Account".

The Finance Department is responsible for i) the allocation of the net proceeds from the issuance of Green Bonds to the approved eligible projects and assets and for ii) keeping records of the purpose of any transfers on the Green Account.

Impact reporting

Svenska Handelsfastigheter will yearly for as long as it has Green Bonds outstanding make an impact report publicly available on its website. A reputable audit firm will make a statement therein as to the allocation.

The report will enclose information regarding both allocation and impact (measured where possible, otherwise estimated). Svenska Handelsfastigheter will to the extent possible report on follows metrics amongst others:

- The sum of the aggregated Green bonds issued
- A full list of all projects that has been allocated proceeds from a Green Bond, including information regarding the certification level achieved when applicable.

Renewable energy

- Capacity of energy generation of plant (MW)
- Annual renewable energy generation in MWh or GWh
- Annual GHG emissions reduced/avoided, in tonnes of CO₂ -equivalent

Green buildings

- Annual energy avoided in MWh or GWh compared to the relevant building code (for new buildings)
- Annual energy reduced in MWh or GWh compared to the pre-investment situation (for refurbishments)
- Annual energy production on-site, in MWh or GWh
- Annual GHG emissions reduced/avoided, in tonnes of CO₂ -equivalents

Energy efficiency

- Annual energy reduced/avoided in MWh or GWh (electricity) and MWh or GWh (other energy savings)
- Annual GHG emissions reduced/avoided, in tonnes of CO₂ -equivalent