



CA FASTIGHETER AB

Est. 1912



GREEN BOND FRAMEWORK

2021

BACKGROUND & RATIONALE

Established in 1912, CA Fastigheter AB (“CA Fastigheter”, or “the company”) is a Swedish real estate company which is part of the Claesson & Anderzén AB group. CA Fastigheter owns, manages and develops residential and commercial properties both inside and outside Sweden. The company has 93 employees and six offices throughout Sweden, including offices in Stockholm and Malmö. Our Green Bond Framework provides an opportunity for investors to learn about our sustainability agenda and to support us in this journey.

SUSTAINABILITY AT CA FASTIGHETER

For CA Fastigheter sustainability is apparent in everything we do, sustainability work is integrated into our business strategy, in day-to-day operations and in the decisions we make. It is about all areas of environmental responsibility and social responsibility and organization. CA Fastigheter is a long-term property owner, it ensures the sustainability of what we do. We build properties for the future that take responsibility for climate and environment, taking care of our employees and have a long-term value development.

We will continuously evaluate our performance with the intention of constantly becoming better. CA's sustainability work is directed and prioritized on the activities we do, who the relevant stakeholders are and where our effects have the best result. To ensure our processes are robust in all our activities we are working to introduce an environmental management system in accordance with ISO 14001:2015, which will be completed in winter of 2021. ISO 14001:2015 is an environmental management system. The system is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner to contribute to sustainability.

A certification should show how CA Fastigheter works with improvements in the field of sustainability and environment and achieve the intended outcomes of its environmental management system, which provide value for the environment, the organization itself and interest parties.

The Chief Executive Officer is responsible for the activities relating to sustainability and the strategy approved by the Board of Directors.

It is very important that our employees are engaged in the company's work with sustainability and follow routines and policies. We want our employees to understand that even small things they do can be sustainable. It is important that everyone feels that can contribute.

In 2021 a Code of Conduct for contractors will be written because we think it is of great importance that our contractors and sub-contractors follow our policies. Today we work with contractors who are well known to CA Fastigheter.

CA Fastigheter's sustainability work is found throughout the organization. The responsibility is clearly distributed by external laws and other regulations but also by internal policies and control documents. We have short- and long-term goals in sustainability. Our long-term goals, see below, are connected to UN Sustainable Development Goals. Our short-term goals are for example: sick leave must be a maximum of two percent annually in CA Fastigheter and cases of corruption should be zero.

We have identified three focus areas which sustainability work is categorized in, it shows our responsibility to our stakeholders but are even the areas where we can affect the most. Within each focus area, there are goals that are followed up and evaluated.

CA Fastigheter has published a sustainability policy and has communicated it to employees, board members and owners. The policy clarifies CA Fastigheter's overall sustainability strategy. Sustainable business includes for CA Fastigheter a responsibility for how we through our business affects people, societies, economics, and environment. The policy also clarifies how CA Fastigheter works with sustainability development in different ways and with different perspectives, but through three main streams- environmentally, economically and socially.

Another important document, a Code of Conduct for employees, has also been written. CA Fastigheter follows Global Compact's guidelines for human rights, labour, environment, and anti- corruption. The company has routines and policies for the work environment.

Environment

Environmentally, the company works to reduce the amount of chemicals in the business, to recycle as much as possible and to actively work with energy-saving measures. CA Fastigheter closely monitors its energy consumption and uses operational analyses and energy audits to improve.

Every property that CA Fastigheter renovate is subject to an environmental inventory. An example of how CA Fastigheter works is the pilot project in Malmö, where CO₂e emissions are expected to be reduced by 97% by replacing existing district heating with geothermal heating in a large property at Kryddgården.

New production, maintenance and repair must be done with continuously reduced environmental impact. The company prioritizes resource-efficient alternatives and methods, but also considers functionality and manageability. A large part of CA Fastigheter's environmental impact comes from materials

The result of CA Fastigheter's sustainability work is reported, for the first time, in accordance Global Reporting Initiative (GRI) guidelines for level core. The sustainability report is a voluntary account of the sustainability work and is published on CA Fastigheter's website. The report takes among other things, CA Fastigheter's work with Gasverket in Stockholm. Gasverket is a unique area with old industrial buildings. Now some of them are renovated to schools and commercial stores. The sustainable requirements have been very strict and many environmental measures have been taken. But the result is amazing.

Under 2020 employees answered an employee survey. A total of 95 percent responded, that is a high number. The motivation index was 4.2 (on a fifth-point scale). It is a very good result that makes us proud.

and transport, therefore, responsible suppliers are always hired for building and managing the housing.

Ca Fastigheter is also a member of the Sweden Green Building Council – the leading organization for sustainable construction. The organization manages Miljöbyggnad (Environmental Building). Miljöbyggnad is a system for certify buildings where sixteen different indicators must be reached.

For many years, CA Fastigheter has built sustainable properties and worked at making the properties more energy efficient. To step up our sustainable work we want to make our properties even more sustainable by trying to certify them according to Miljöbyggnad Silver. Even existing buildings, older than five years, can become certifying. For CA Fastigheter, an environmental certification means for example that we can reduce energy use and have control over the climate impact of constructions products.

In CA Fastigheter's risk analysis extreme weather such as torrential rain, storms and

temperature fluctuations are examples of risks that can damage CA Fastigheter's property portfolio. By trying to prepare for that we can reduce the damage. All new buildings are climate adapted and constructed in accordance with Swedish Planning and Building Act as well as all current building standards. We will continue to work with the tenant's waste management stations and try to simplify the sorting at source and expand the number of properties that use renewable energy sources.

Economic and Social

The company stands for long term value development, responsible investments and financial transparency. It is economically sustainable for CA Fastigheter to take care of its customers. Satisfied customers help to create financial stability so that the business

can continued to be developed. The company has a long-term perspective both in management and in urban development projects.

CA Fastigheter creates a good social environment for its residential customers and tenants, the company also ensures its employees have a good working environment. All management services relating to the properties are carried out by CA Fastigheter own staff. This allows us to be cost effective and being available and involved. CA Fastigheter continues to develop safe outdoor environments in the neighborhood of our buildings, improve the user's environment in the waste management stations.

CA Fastigheter supports BRIS, Cancerfonden and sports clubs and every year we identify organizations or activities that we can support.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The company is working to meet the UN Sustainable Development Goals focusing on the goals most relevant to our business. Our long-term goals that we have analyzed and identified are:



CA Fastigheter must be a safe and secure workplace, all our employees are offered health examinations and we encourage them to participate in wellness activities. CA Fastigheter is a workplace where all feel comfortable.



CA Fastigheter promotes career and competence development in our employees and try to achieve gender equality in all positions. We employ zero tolerance against discrimination and harassment of any kind.



CA Fastigheter will reduce energy consumption and increasing energy efficiency.



At CA Fastigheter we have equal opportunities, we work to minimise the risk of work-related injuries.



All new buildings will meet the requirements that is needed for Miljöbyggnad Silver and we have focus on sustainability focus our renovation projects. We install low flush toilets, taps and shower heads that reduce water consumption.

THE FRAMEWORK

CA Fastigheter has developed this Framework to enable the issuance of Green Bonds, where proceeds raised from the bonds will be exclusively used to finance or refinance, in whole or in part, new and/or existing eligible Green Assets financed by CA Fastigheter or its subsidiaries that meet the environmental criteria outlined in the section below.

The Green Bond framework is structured around the 2018 ICMA Green Bond Principles (GBP) and hence consists of the four core components (Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting), as well as the recommended external review component.

Use of Proceeds









Proceeds raised from CA Fastigheter's Green Bonds will be allocated exclusively to "Eligible





Green Assets". "Eligible Green Assets" are defined by CA Fastigheter as assets that promote climate resilient growth and the transition to a low-carbon society.

It is CA Fastigheter's intention to follow best practices, in relation to Green Bonds as the market standards develops. Therefore, CA Fastigheter's Green Bond Framework may be amended and/or updated to reflect the changes in market practice or the company's overall sustainability focus.

Sustainable Development Goals

In this Framework, each Green Project category has been mapped to the SDGs in accordance with the ICMA "Mapping the SDGs" document. All the Green Project categories contribute to the EU Environmental Objective of Climate Mitigation.

GBP Categories	Eligible Categories	Core UN SDG Targets														
<p>Green Buildings</p>	<p>New Buildings Financing of new commercial and residential buildings that either have or will receive a design stage certification, a post construction certification or an in-use certification from Miljöbyggnad Silver or an equivalent certification and that is at least 20 percent more energy efficient than the level required by the relevant building regulation (BBR or NZEB) or,</p> <p>Existing buildings Financing of existing commercial and residential buildings that either have or will receive a design stage certification, a post construction certification or an in-use certification from Miljöbyggnad Silver, Miljöbyggnad idrift, or an equivalent certification and that achieves a 25 % energy efficiency from renovation and refurbishment or,</p> <p>Financing of building where renovation and refurbishments of existing buildings are made that lead to a 30% increase in energy efficiency or,</p> <p>Financing of buildings with a high environmental performance that achieve an energy use per square meter not exceeding the targets set out below:</p> <table border="1" data-bbox="352 931 986 1133"> <thead> <tr> <th>Construction year</th> <th>Energy use per square meter (Atemp)</th> </tr> </thead> <tbody> <tr> <td>Before 1910:</td> <td>160 kWh / sqm</td> </tr> <tr> <td>1910- 1971:</td> <td>135 kWh / sqm</td> </tr> <tr> <td>1972-1999:</td> <td>125 kWh / sqm</td> </tr> <tr> <td>2000-2006:</td> <td>100 kWh / sqm</td> </tr> <tr> <td>2007-2012:</td> <td>90 kWh / sqm</td> </tr> <tr> <td>2013-2018:</td> <td>20 % below BBR</td> </tr> </tbody> </table> <p>Due to building standards, technical and legal restrictions are greater in older buildings and energy use is more complicated than in new ones, which is why the table above has higher values for older buildings. In several properties, we have installed eco-pilots to regulate heat via sensors that allow us to control and adjust the property's energy use remotely, this has resulted in large energy savings. Investments have also been made in geothermal heat, which has a major impact on energy use. We have set new energy targets for our property portfolio, which is continuously updated in our sustainability work. We base calculations according to the table above on the property's energy consumption in cases where we do not have control over the tenants' consumption.</p>	Construction year	Energy use per square meter (Atemp)	Before 1910:	160 kWh / sqm	1910- 1971:	135 kWh / sqm	1972-1999:	125 kWh / sqm	2000-2006:	100 kWh / sqm	2007-2012:	90 kWh / sqm	2013-2018:	20 % below BBR	   
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<p>Energy Efficiency</p>	<p>Financing of energy efficiency projects including, but not limited to, retrofitting and renovations of windows, ventilations, installation of LED lighting, insulation, in each case where the project results in an efficiency improvement of 30%.</p>	   														

<p>Renewable Energy</p>	<p>Financing of onsite renewable energy, and/or heating, the building and/or distributed to the wider grid. This could include, but is not limited to, renewable energy from solar, and non-fossil geothermal sources.</p>	 
<p>Pollution prevention & control</p>	<p>Financing of waste management such as HVAC systems contributing to reduction and of waste as well as removal of harmful substances such as asbestos, PCBs, mould, chemicals and metals that have negative effects on biodiversity, human health and the environment.</p>	 

Process for evaluation and selection

CA Fastigheter has established a Green Bond Committee (GBC) to oversee the selection of Eligible Green Assets. The GBC consists of representatives from Senior Management, Treasury and sustainability, where the head of sustainability has the option to veto decisions made by the committee.

The GBC is responsible for maintaining and updating the portfolio of Eligible Green Assets and ensuring that assets within the portfolio adhere to the criteria outlined in the above section. The portfolio will act as guidance for determining whether there is sufficient headroom when issuing a green bond.

The CEO will be responsible for the allocation of the net proceeds from the issuance of Green Bonds to the relevant Eligible Green Assets.

Management of proceeds

CA Fastigheter has established a separate Green Bonds register, whereby the net proceeds of any Green Bond issuance will be credited towards. The Green Bonds register ensures strong monitoring and tracking of the Use of Proceeds. A payment or transfer from the Green Bonds register is only allowed to finance Eligible Green Assets, as outlined in this framework, or to repay a Green Bond.

CA Fastigheter will document any transfers to and from the Green Bonds register, to ensure tracking and simplify review. If the register has a positive balance, the unallocated funds will be used in line with the company’s internal liquidity policy. The ambition is to use the proceeds within one year and no later than two years from the time of issuance of the Green Bonds.

Reporting

Following the issuance of its first green bond, and on an annual basis thereafter for the duration of the bond, CA Fastigheter will publish a report providing details of its Green Bond Program.

Allocation reporting will include the following information:

- ❖ Summary of the development of CA Fastigheter's Green Bond Program
- ❖ Estimate of the share of financing vs re-financing of Eligible Green Assets
- ❖ Amount allocated at the end of the reporting period
- ❖ The amount outstanding for each GBP category
- ❖ Selection of project examples

The impact report aims to disclose the environmental impact of the Eligible Green Assets financed through this framework. CA Fastigheter will strive to report on the environmental impact of Eligible Assets financed by Green bonds when feasible and subject to data availability. The impact report will, if relevant, utilise the following impact indicators:

- Use of environmental building certifications and energy performance certificates
- Energy consumption disclosed by absolute consumption (kWh) and intensity (kWh per square meter) per year
- Renewable energy capacity installed (MWh)
- Reduced/avoided greenhouse gas emissions (CO₂e) per year
- Quantities of harmful substances removed, where measurable (area or kilograms, as applicable).

External Review

Second party opinion (pre-issuance)

To secure alignment with national and international guidelines, CA Fastigheter has

engaged Cicero to act as an external verifier of this Green Bond Framework and the Eligible Assets.

Third-Party Review (post-issuance)

CA Fastigheter has appointed an external independent auditor to annually assure that the selection process for the financing of Eligible Assets and that the allocation of the net proceeds of the Green Bonds are done in accordance with CA Fastigheter Green Bond Framework. The Green Bond Framework, the second party opinion, and the investor letter will be publicly available on CA Fastigheter website.