

1. Introduction

1.1. About Catena AB

Catena AB ("Catena" or the "Company") is a listed property company that, through partnerships sustainably develops, owns, and manages efficient logistics facilities.

The business model is driven with the objective to link Scandinavia's cargo flows to support an efficient logistics network. This vision is accomplished through property development and active management of strategically located logistics properties adjacent to key logistic hubs in Scandinavian metropolitan areas.

With deep knowledge of logistics and trade, Catena can strengthen a strong position in the market and provide customers with a proactive and ambitious partner. The contract portfolio is long term and tenants consist primarily of large, secure, and well-established companies operating in different sectors, such as logistics, transport, fast-moving consumer goods (FMCG), and durable goods traders.

As of 31 Dec 2020, Catena's property portfolio comprised 113 logistics properties located along important transport routes and population centres mainly in southern and central Sweden. The total lettable area was approximately 1,947.5 thousand m2 (1,842.7), and total rental value amounted to SEK 1,388.5 million (1,264.8).



1.2. Catena's sustainability contribution

Sustainability has long been a priority and a strategic horizon from which Catena operates. The Company's sustainability work focuses on participating in societal development by establishing the conditions for more sustainable logistics, reducing the environmental impact, and being an attractive employer.

Governance & reporting

Catena's Sustainability Policy and Code of Conduct form the basis of the Company's sustainability work and aims to ensure that the business is steered in a sustainable direction. The Sustainability Policy applies to all employees, and provides guidelines in areas including energy, environmental certification and, greenhouse gas emissions, as well as social and ethical aspects. Catena's Code of Conduct for suppliers includes requirements in the areas of the environment, work environment, health and safety, human rights, and anti-corruption.

In addition to the Company's policies and guidelines, the sustainability work is based on the ten principles of the UN Global Compact. As a member, the Company works actively to contribute to the Agenda 2030 and the Sustainable Development Goals (SDGs). Catena has identified six SDGs where the Company's operations have a greater impact:













The annual Sustainability Report is conducted in accordance with the Global Reporting Initiative (GRI) Standards, as well as with EPRA's Sustainability Best Practice Recommendations. In 2020, the Company has also chosen to start reporting in line with the Task Force on Climate-Related Financial Disclosure (TCFD)'s recommendations.

Significant sustainability initiatives & awards

- <u>Setting Science Based Targets ("SBT"):</u> To ensure that Catena's targets for reducing greenhouse gas emissions reflect current science and the Paris Agreement, the new emission targets were reviewed and approved by the SBT initiative during 2020. Catena has resolved to reduce its Scope 1 and 2 emissions by 50% by 2030 compared with 2018, and is also working actively to reduce its Scope 3 emissions.
- Member of LMF30: In 2020, Catena became a member of the LFM30, which is a local initiative in Malmö to achieve a climate-neutral construction sector in line with Agenda 2030.
- <u>Sustainability awards</u>: In 2020, Catena was awarded two European Public Real Estate (EPRA) Sustainability awards EPRA Silver and EPRA Most Improved. The non-profit association that presents Europe's listed property companies pays attention to sustainability indications within the environment, social responsibility, and corporate governance issues.

Sustainability targets

Catena's aims to significantly reduce its emissions throughout the value chain by setting clear sustainability goals. These include:

- By 2030, Catena will reduce its emissions in Scope 1 and Scope 2 by 50 percent compared with 2018, while setting ambitious targets for Scope 3.
- At least 50% of all space at the Group's facilities shall be certified, as a minimum, at the Miljöbyggnad Silver level or equivalent as of 2025
- All buildings should, if possible, include a photovoltaic facility adapted to the conditions of the property and the tenant
- Fossil-free energy by 2030

 Reduce energy consumption for normal-year adjusted heating by 15% in kWh/m2 and for electricity by 10% in kWh/m2 by 2025 compared with 2017



Sustainable property portfolio

Catena works to create sustainable properties by considering the entire life cycle of the building. Tightening requirements on materials used in projects, implementing energy efficiency projects and environmental certifications safeguards energy-efficient operation of Catena's buildings while also maintaining a healthy indoor environment. Catena is working actively to increase knowledge about emissions occurring during construction projects and to find sustainable solutions that reduce these.

All of Catena's new buildings meet Miljöbyggnad Silver environmental certification as a minimum. In 2020, seven buildings with a total area of 120,500 m2, achieved Miljöbyggnad Silver certification and certification processes are currently in progress or being prepared for a further 11 buildings. Catena is also examining opportunities to raise the sustainability performance in its existing portfolio and has initiated certification in accordance with Miljöbyggnad iDrift. A total of 328,719 m2 is certified or in the process of certification under Miljöbyggnad and Miljöbyggnad iDrift. That is equivalent to 16% of Catena's total lettable

To safeguard a low environmental impact and to avoid hazardous substances in new construction, Catena always compiles a digital logbook via the Byggvarubedömningen building product assessment service, where contractors document built in products. Selected materials must be approved by the system before being used in Catena's properties.

Catena is also working actively with photovoltaic cell facilities, with seven new plants installed in 2020. Along with the facilities already installed on Catena's roofs, these are estimated to achieve an annual output of approximately 4,250 MWh. Other measures to reduce energy consumption include, using geothermal heating, purchasing renewable electricity as well as influencing tenants in terms of their purchased energy sources.

The establishment of this Green Finance Framework (the "Framework"), focusing on green and energy efficient buildings, will enable Catena's continued positive environmental impact in society.

This Framework has been developed in alignment with the Green Bond Principles of 2018 ("GBP")¹ and Green Loan Principles ("GLP")². The Framework is applicable for issuance of Green Finance Instruments including Green bonds, hybrid bonds and other types of debt instruments such as loans, revolving credit facilities, commercial papers, etc.

The Framework is aligned with the four recommended components of the GBP and GLP; Use of Proceeds (Section 2), Process for Project/Asset Evaluation and Selection (Section 3), Management of Proceeds (Section 4) and Reporting and Transparency (Section 5).

Furthermore, the Green Finance Framework is reviewed by an external impartial firm, which has provided a second opinion to confirm its alignment with the GBP and GLP.

The Framework and second opinion from CICERO Shades of Green are available on Catena's website.

2. Use of proceeds

An amount equivalent to the net proceeds from Catena's Green Finance Instruments shall be used to finance or refinance, Eligible Assets providing distinct environmental benefits ("Green Eligible Assets"). The Company will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Green Eligible Assets.

Green Eligible Assets

The real estate sector is the single largest energy consuming sector in the EU, responsible for about 40% of total energy consumption and 36% of total carbon emissions³. Investing in green and energy efficient buildings thus play a key role in the energy transition.

EU Taxonomy alignment

Catena has started to explore what the EU Taxonomy would mean for the Company's activities. At this stage Catena is missing some data and methodologies to perform a complete EU Taxonomy assessment. Hence, the Company has focused on evaluating its activities substantial contribution to environmental objectives and compliance with technical screening criteria, where the information is available. The Company's preliminary assessment suggest that its activities contribute to the environmental objective Climate Change Mitigation.

^{1.3.} Green Finance Framework

¹ Green Bond Principles published in June 2018 are voluntary process guidelines for issuing Green bonds established by International Capital Markets Association (ICMA), https://www.icmagroup.org/green-social-and-sustainability-bonds/greenbond-principles.pdp.

bond-principles-gbp/

² Green Loan Principles published in March 2018 are voluntary process guidelines

Green Eligible Assets categories Green & energy efficient buildings

Sub-category

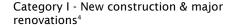
Core **SDGs**

Relevant EU Taxonomy environmental objective & activity



Climate change mitigation

- 7.1. Construction of new buildings
- 7.2. Renovation of existing buildings
- 7.7. Acquisition and ownership of buildings



- New construction that either have or with the objective to receive minimum Miljöbyggnad Silver or Green Building or other minimum equivalent certification standard in terms of energy consumption after the completed construction
- New construction with an energy performance certificate ("EPC") of class A or B
- New construction with an energy consumption at least 20% below the applicable national building regulation
- Major renovations resulting in a reduced energy consumption of at least 30%

Category II - Existing buildings

- Buildings with certification from the construction phase mentioned in category I
- Buildings with obtained certification of Miljöbyggnad iDrift Silver demonstrating energy consumption of at least 10% below the applicable national building regulation5
- Buildings with an energy performance certificate ("EPC") of class A or B6
- Existing buildings with an energy consumption at least 20% below the

applicable national building regulation7 Energy retrofits such as installation of onsite solar

panels, heat pumps, improvements in ventilation

systems, extension of district heating and cooling

systems, improvements, and implementation of



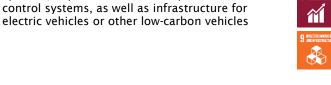




Climate change mitigation

- 7.3. Installation, maintenance, and repair of energy efficiency equipment
- 7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings
- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- 7.6. Installation, maintenance, and repair of renewable energy technologies







Green Eligible Assets under "Green & energy efficient buildings" are based on the market value of such assets reported in the balance sheet, at time of the cut-off date for annual reporting of the Green Finance Instruments. Green Eligible Assets in "Energy efficiency", correspond to the relevant invested amount.

Process for Asset Evaluation & Selection

3.1. Selection of Green Eligible Assets

The evaluation and selection process for Green Eligible Assets is a key process in ensuring that the amount equivalent to the net proceeds from Green Finance Instruments is allocated to assets and expenditures which meet the criteria in the Framework.

The selection of Green Eligible Assets is managed by a dedicated group, the Green Finance Committee ("GFC"). Members of the GFC consist of CEO, Head of Treasury, Deputy CEO & CFO, and the Sustainability team. Catena will assure that the sustainability expertise always relies within the GFC. All decisions are made in consensus, and this applies to the selection process of Green Eligible Assets as well.

A list of Green Eligible Assets is kept by the Finance department who is also responsible for keeping it up to date.

3.2. Further responsibilities of the GFC

GFC will follow the development of the green financing market and manage any future updates of the Green Finance Framework to reflect current and future market practices (e.g. the upcoming EU Taxonomy) and potential updates to the GBP and GLP.

The list of Green Eligible Assets is monitored on a regular basis during the term of the Green Finance Instruments to ensure that the proceeds are sufficiently allocated to Green Eligible Assets. This is also a responsibility of the GFC.



3.3. Exclusion criteria

The proceeds of Catena's Green Finance Instruments will not be used to finance either fossil fuel energy generation, nuclear energy generation, weapons, and defence industries nor potentially environmentally negative resource extraction, gambling, or tobacco.

4. Management of proceeds

Equivalent to the net proceeds from Catena's Green Finance Instruments will be tracked by using a spreadsheet where all issued amounts of Green Finance Instruments will be inserted. The spreadsheet will contain the list of Green Eligible Assets mentioned in Section 2. Information available in the spreadsheet will in turn serve as basis for regular reporting described in Section 5.

All Green Finance Instruments issued by Catena will be managed on a portfolio level. This means that a Green Finance Instrument will not be linked directly to one (or more) pre-determined Green Eligible Assets. The Company will keep track and ensure there are satisfactory Green Eligible Assets in the portfolio. Assets can, whenever needed, be removed, or added to/from the Green Eligible Assets' portfolio.

Any unallocated proceeds will be temporary held by Catena and placed on the Company's ordinary bank account.

5. Reporting & transparency

To be fully transparent towards investors and other stakeholders, Catena commits to regular reporting until no Green Finance Instruments are outstanding. The report will be published on the Company's website on an annual basis and will cover the following areas:

Allocation of proceeds reporting

- Total amount of Green Finance Instruments issued
- Share of proceeds used for financing/re-financing and share of proceeds used for categories described in Section 2
- Share of unallocated proceeds (if any)

Impact reporting

Catena intends to report on quantitative impact indicators where relevant data is available for the below two main categories:

Green & energy efficient buildings:

- Information on the energy consumption in kWh/m2/year
- Estimated annual greenhouse gas emissions reduced or avoided (tCO2e)
- Energy performance certificate class, if any
- Type of certification including level, if any (e.g. Miljöbyggnad Silver etc.)

Energy efficiency:

- Amount of energy saved per m2
- Estimated annual greenhouse gas emissions reduced or avoided (tCO2e)

6. External review

Second opinion

To confirm the transparency and robustness of Catena's Green Finance Framework, it is verified and approved by an external second opinion provider. The second opinion by CICERO Shades of Green is available on the Catena's website, together with this Framework.

External verification

Allocation of proceeds reporting will be subject to an annual review by an external part/verifier. The verification report provided by the external part will be published on Catena's website.

