

Green Finance Framework Bonnier Fastigheter 2021

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Strategy and rationale

Bonnier has owned and developed properties in Stockholm since the mid-1800s. Properties that, in many cases, Bonnier Fastigheter still owns and manages.

About Bonnier Fastigheter

Our objectives encompass healthy financial growth, committed employees and satisfied tenants without entailing negative consequences for the climate and social environment. Through our long-term approach, we create the preconditions for advancing and developing sustainable property management and construction. We aim to be a sustainable community builder, who promotes a safe and open society where people and businesses thrive and develop.

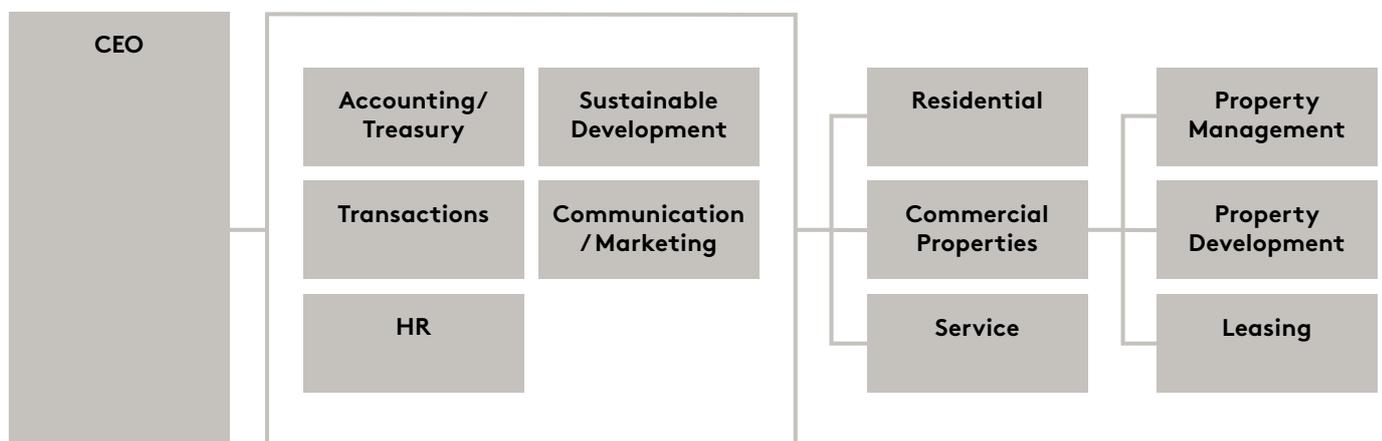
Sustainable success requires that we succeed in creating the right preconditions for dynamic environments in and around our properties. Beyond good architecture and design that intrinsically create experiences, successful projects hinge on people and dynamic environments.

Bonnier Fastigheter, which is wholly owned by the Bonnier family, was founded in 1985 to manage and develop the Bonnier Group's property holdings. The company acquires, develops, adds value and manages properties in Greater Stockholm and Uppsala.

The majority of the Stockholm properties are centrally located in Stockholm's city centre, but the company also invests in the expansive areas of Kista, Kungens Kurva and Värtahamnen.

Operations comprise three business areas: Residential, Commercial Properties and Service. The business areas collaborate and are supported by the staff functions.

BONNIER FASTIGHETER'S ORGANISATION



A strategic decision was taken in 2019 to start developing rental properties with the aim of building a portfolio of some 2,000 apartments over the coming years. Initially, this is being conducted through a 50/50 joint venture.

Moreover, the company maintains substantial focus on project and property development and is currently driving forward detailed development planning for three land allocations in Värtahamnen, one of Stockholm's new environmental profile areas, comprising some 71,000 square metres of offices and retail. The company is focused on creating an attractive and sustainable city district, and works actively to reduce environmental impact across all project stages while concurrently setting stringent requirements for, inter alia, sustainable energy systems, recycling systems, and water and sewerage systems. The properties

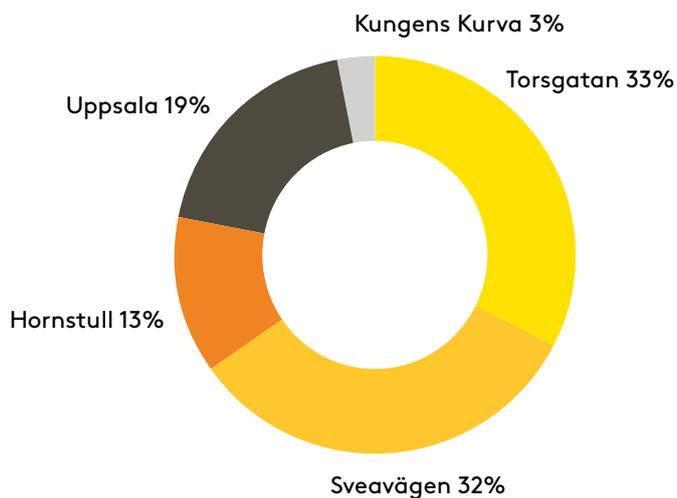
are to be certified to BREEAM Excellent and Miljöbyggnad Gold.

Property management comprises the backbone of the business, and where local offices ensure we are always close to customers. The properties are allocated across six sub-areas with good public transport connections.

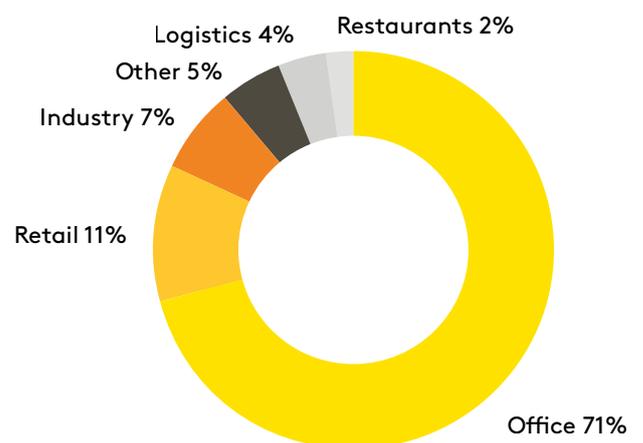
To complement its traditional property management offering, business area Service is tasked with providing service and services developed to simplify everyday life for tenants and for the Bonnier Group's offices.

Bonnier Fastigheter's property portfolio encompasses a total lettable area of about 210,000 square metres (excl. parking garages).

MARKET VALUE END OF 2020 BY SUB-AREA



RENTAL REVENUE IN 2020 BY SEGMENT





Bonnier Fastigheter's sustainability strategy

Sustainability strategy

Our values are: Relationships, Commitment, Experiences and the Neighbourhood's development. We have broken down our sustainability strategy into three components: the Neighbourhood, Relationships and the Portfolio. These three areas highlight sustainability efforts from different aspects and together form one complete unit.

Relationships

We commit to values-based partnerships that enable development. We also promote well-being, high productivity and fair behaviour internally and with our stakeholders. Furthermore, we work systematically, both internally and externally, with issues related to the focus areas of Competent organisation, Responsible business relationships and Sustainable urban development. For many years, we have endeavoured to be a responsible social actor. All work should be marked by a high standard of ethics and morals.

We work in adherence with our established Code of Conduct which is based, inter alia, on the ten principles of the UN Global Compact, which we joined in January 2019. Moreover, we are the initiator behind the company Stadsutvecklarna i Värtahamnen, where several commercial property owners in the area meet to discuss development issues.

Each year, we measure and follow up our commitment index and strive to consistently surpass the benchmark. We prioritise our employees' work-life balance and encourage each employee's individual creativity and commitment through our goal-driven approach. Wellness activities and employee training also plays a role in how we build and encourage health and relationship building at our workplace.

Neighbourhood

We create and offer relevant, attractive and healthy environments/properties for our customers and the local area, moreover, we continuously reduce our environmental impact and create the preconditions for sustainable behaviour.

Through the focus areas of Sustainable architecture and material choices, Effective use of resources and Promotion of informed choices and sustainable behaviour, we conduct activities including the selection and logging of project materials and monthly follow-ups of utilities consumption for example.

Moreover, we take buildings' heritage values into consideration when conducting projects as well as how to add value to the location.

We offer our tenants green leases and provide energy statistics, bicycle service and access to EV charging points.

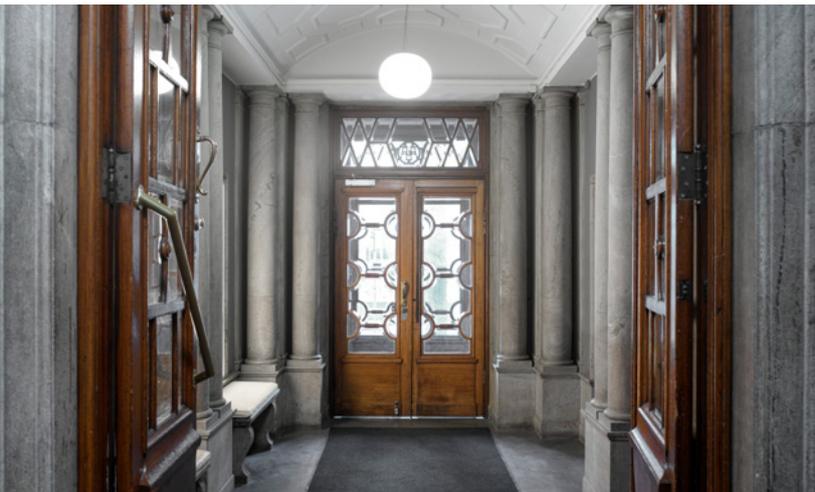
Each year, we measure and follow up energy savings, customer satisfaction and, from 2020, the allocation of our carbon emissions based on the GHG Protocol.

The Portfolio

We are developing our operations to promote long-term sustainable growth and proactive risk management. Within the focus areas of Growing sustainable property portfolio and Systematic risk management, we conduct annual follow-ups of KPIs, including the surplus ratio, loan-to-value ratio, interest coverage ratio and net lettings. Long-term profitability is fundamental if we are to be able to implement our strategies and achieve our goals. Profitability is also a prerequisite for sustainable development and responsible business. Our stable financial position makes us a reliable business partner for customers and suppliers as well as an attractive employer for skilled staff.

Examples

Below are set out two examples demonstrating our high environmental goals and the neighbourhood's development.



Magasinet awarded BREEM In-Use Excellent

The Stormkransen 14 property, or Magasinet as it is also known, was built in the 1920s and designed by the architecture firm, Höög & Morssing, among others. The listed building has been owned by Bonnier since 1929.

In 2018, the property was renovated with the aim of creating state-of-the-art office units with open-plan layouts and demanding environmental ambitions without compromising the building's heritage and distinguishing features.

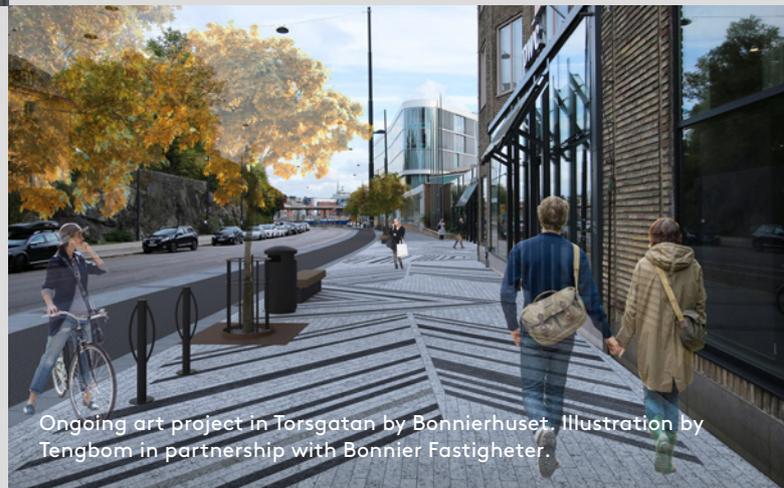
The project shows that it is possible to make an older building sustainable and achieve an impressive rating without impacting the city's historic architecture.

Neighbourhood developments around Bonnierhuset

Bonnierhuset at Torsgatan 21 was the first high-rise to be built in Stockholm after the Second World War. 70 years after its inauguration, Tengbom's creation remains one of the city's best-known landmarks.

Bonnier Fastigheter has taken several initiatives aimed at improving Torsgatan and its surroundings. One of these is Bonnier Fastigheter conducting a land art project in Torsgatan, where two new paving artworks are taking form in front of the property.

The building was recertified in 2019 according to BREEM In-Use with the impressive rating of Excellent.



Ongoing art project in Torsgatan by Bonnierhuset. Illustration by Tengbom in partnership with Bonnier Fastigheter.

Summary

We want to build a sustainable society through long-term ownership combined with a local presence and committed, active and innovative stewardship. Our objective is to consistently exceed our customers' expectations.

Our business idea entails leveraging our local presence and long-term commitment to acquire, develop, add value to and manage properties. Our sustainability work is integrated into operations and should extend through all processes from concept to follow-up.

Our portfolio comprises mostly older properties and we take pride in showing that older buildings can also be modernised to meet the needs of today's tenants and achieve high environmental ratings without having to

compromise their historical value. This is all due to our commitment together with our long-term perspective and ceaseless efforts.

We want to add value to our neighbourhoods and aim at highlighting art in public spaces. For us, sustainability pervades everything around us in the community we are part of.

Stockholm, April 2021

Tomas Hermansson, CEO
Sara Björnberg, Head of Sustainable Development
Anneli Albäck, Financial Manager

Framework structure

As part of Bonnier Fastigheter’s continued commitment to sustainability, a Green Finance Framework (the “Framework”) has been developed.

The structure of the Framework has been developed in alignment with the ICMA Green Bond Principles (GBP) 2018, as well as the LMA and APLMA Green Loan Principles (GLP) 2018, and therefore consists of the four core components as well as the recommended External Review component (The ICMA, LMA and APLMA refer to these as “the four core components”).

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting
5. External Review

Bonnier Fastigheter intends to follow best practices, in relation to green bonds and green loans, in pace with the development of market standards and as the EU classification of environmentally sustainable economic activities (the Taxonomy) and the EU Green Bond Standard enter force. Accordingly, Bonnier Fastigheter’s Green Finance Framework may be amended or updated to reflect changes in market practice.

Exclusion

Green debt net proceeds will not be allocated to projects encompassing fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Alignment with the UN Sustainable Development Goals

The 2030 Agenda and the Sustainable Development Goals (SDGs) were adopted by the United Nations

General Assembly on 25 September 2015. There are 17 global SDGs with 169 defined targets aimed at achieving long-term sustainable economic, social and environmental development in order to eradicate poverty, to reduce inequality and injustice in the world, and to fight climate change.

The business sector plays an important role in helping to achieve the 2030 Agenda. In 2019, Bonnier Fastigheter analysed which of the SDGs and their targets that the company, directly or indirectly, had the greatest possibility of affecting and where the company had least effect.

Based on this analysis, Bonnier Fastigheter selected a number of goals as core SDGs and some as supportive SDG’s. The core SDGs comprise those goals assessed as material and business critical. The supportive SDG’s comprise those targets that generally, or to a degree, affect operations as well as targets that the company should devote particular attention to when conducting operations. The core SDGs (3, 6, 7, 8, 11, 12 and 13) are described in more detail below.

The investments covered by this Framework however primarily contribute to goals 3, 7, 11, 12 and 13, and the targeted EU Environmental Objective, Climate change mitigation.

CORE SDGS:



Good Health and Well-Being

Promoting the well-being and safety of our employees, customers and the public in and around our projects. As part of these efforts, we take care of our employees' health and follow up their work/life balance and short-term sick leave data. When choosing project materials, we strive to minimise the risk of emissions. Our development projects have the aim of creating safe environments where people want to spend time.



Clean Water and Sanitation

Many of our properties are located close to water and we take care to nurture that added value through efforts to conserve that resource. For example, as part of developing our development rights in Värtahamnen, we have focused particularly on sustainable water and sewerage systems with stringent requirements for local management of rainwater run-off, increased measurement of water consumption, separated sewer networks and low flush lavatories among other actions.



Affordable and Clean Energy

The property sector has considerable responsibility as well as major opportunities for driving development in the right direction. Streamlining energy efficiency without any loss of creature comforts is part of our daily work and something we have worked with systematically for a long time. In 2020, all of our properties' energy consumption data will be mapped based on potential. This work will provide a clear picture of the portfolio's potential and make it possible to realise our goal of a 25% reduction in our energy consumption by 2025 compared with 2016. Since 2010, all our purchased electricity is guarantee of origin labelled hydropower and we work actively on the issue of alternative energy sources with the aim of all our energy coming from non-fossil sources by 2030.



Decent Work and Economic Growth

Our sustainable economic growth is driven by committed employees and satisfied tenants. A safe and secure work environment plays a key role in the above and we conduct regular safety inspections.



Sustainable Cities and Communities

We have high ambitions in terms of environmental certification of properties and sustainable urban development. Bonnier Fastigheter's objective is for all properties to be certified. At present, 86% of the properties are certified, which corresponds to 74% of the floor space. We use certification as a tool to further improve our properties and as a means of confirming that we have succeeded. Our property management portfolio is mainly certified in accordance with BREEAM In-Use. Our development projects within Bonnier Bostad are mainly examined using Miljöbyggnad and BREEAM-SE is used for our commercial properties.



Responsible Consumption and Production

We work constantly with making active choices of products and materials, and we want to provide our customers with the best possibilities for doing the same, irrespective of whether this pertains to purchasing services, sorting waste or tenant improvements.



Climate Action

Through informed behaviour and by creating the best preconditions possible for our customers through green leases, active material choices and continuous energy efficiency improvement, we contribute to reducing carbon emissions. Our objective is for all our rental agreements to include agreed green objectives. To date, 41% of our office lettings are green. When requested, we provide energy statistics to our tenants with the aim of raising their awareness and commitment to the issue.

Use of proceeds

The net proceeds from Bonnier Fastigheter's issuances of green finance instruments will finance eligible assets, in part or in full, that promote environmental benefits as determined by Bonnier Fastigheter and in line with Bonnier Fastigheter's Sustainability Policy.

The proceeds raised based on this Green Finance Framework can be used to finance new assets, acquisitions, projects and to refinance existing assets. All proceeds under this Green Finance Framework will be used with the following list of eligible assets, which provide environmental benefits in accordance with the defined categories. Eligible assets can be owned by Bonnier Fastigheter directly or indirectly through subsidiaries.

In addition to green finance instruments issued by Bonnier Fastigheter in the capital market, the company may also raise green loans through lending institutions. Any such green loans are to be sourced from lending institutions that fund these loans through issuing green bonds. Bonnier Fastigheter reports the aggregate amount of green loans raised and specifies each eligible asset financed by a green loan in a separate section of the Green Finance Impact Report.

GBP & GLP CATEGORIES	ELIGIBLE ASSETS	CORE UN SDG TARGETS
CLEAN TRANSPORTATION	<p>Financing of EV charging points, bicycle garages, pedestrian walkways, bicycle lanes and other supportive infrastructure investments that promote and emphasise the use of clean transportation solutions.</p>	 
ENERGY EFFICIENCY	<p>Financing of investments, including energy retrofits such as the installation of more efficient ventilation or heating systems, adjusting light controls and light fittings.</p> <p>The Green Finance Committee will only include investments that target a minimum energy saving of 25% and where a minimum negative climate impact and potential rebound effect is achieved.</p>	 
GREEN BUILDINGS	<p>Financing of development, newly constructed properties, acquired properties that either have or will receive a design stage certification or a post-construction certification of an in-use certification of Miljöbyggnad Silver, BREEAM Excellent, LEED Gold or an equivalent level from a certification scheme and that have an energy usage which is at least 20% below the applicable national legislation.</p> <p>Financing of existing or acquired properties that either have or will receive a post-construction certification or an in-use certification of Miljöbyggnad Silver, BREEAM Very Good, LEED Gold or an equivalent level from a certification scheme, and that achieve an energy use not exceeding 95 kWh per square metre per year or reduce energy use by at least 30% from renovation/upgrade.</p>	    
RENEWABLE ENERGY	<p>Financing of onsite or stand-alone installation of solar panels and geothermal heating and cooling installations as well as related infrastructure in order to increase the share of renewable energy used within Bonnier Fastigheter's property portfolio and thereby, to support the aim of an increased share of renewable energy in the properties and to decrease the share of fossil fuels.</p>	 

Table 1. Eligible categories and asset descriptions.

Process for project selection and evaluation

Bonnier Fastigheter has established a Green Finance Committee (GFC) to evaluate and select assets that meet the criteria set out in the Use of proceeds section.

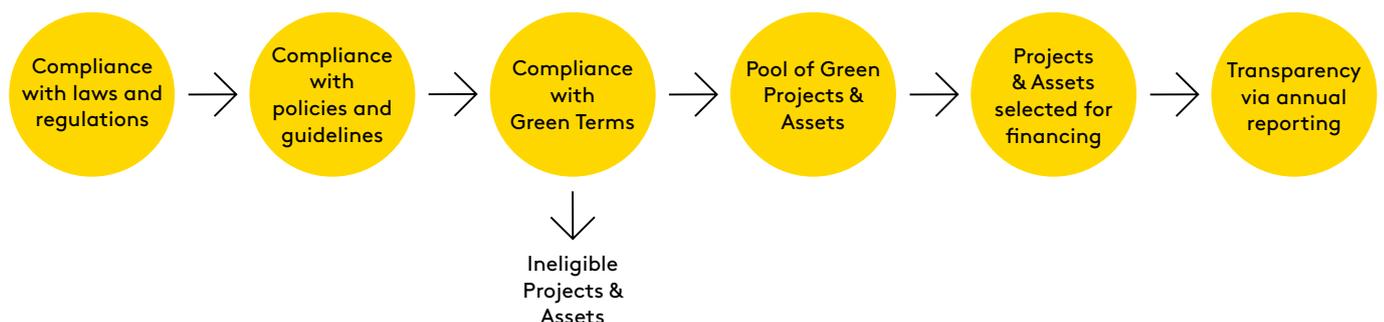
The Committee meets at least on an annual basis or when needed. The Green Finance Committee is comprised of:

- Group Treasurer
- Head of Sustainable Development
- Financial Manager
- Business area president Commercial Properties
- Business area president Residential

The Green Finance Committee is responsible for:

1. Evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of proceeds section above. All decision to allocate net proceeds will require a consensus decision by the committee.
2. Ensuring that the pool of eligible assets is aligned with the categories and criteria as specified in the Use of proceeds section.
3. Replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activities with eligibility criteria, etc.)
4. On a best effort basis, reviewing and updating the content of the Green Finance Framework and managing any future updates of this document to reflect relevant changes in the company's corporate strategy, technology and market developments (e.g. the introduction of the EU Green Bond Standard).

PROCESS OVERVIEW



Management of proceeds

An amount equal to the net proceeds of any green finance instruments issued will be credited to an earmarked account that will support Bonnier Fastigheter's lending on eligible assets.

As long as the green finance instruments are outstanding and the earmarked account has a positive balance, funds may be transferred from the earmarked account to Bonnier Fastigheter's lending pool in an amount corresponding to the total of all disbursements from that pool to finance eligible assets. The earmarked account is used as a basis for monitoring and tracking the eligible assets. The Group Treasury is responsible for the allocation of proceeds. Should, for any reason, an eligible asset no longer meet the requirements set out in this Framework, said asset will be removed from the eligible assets pool. Proceeds that have yet to be allocated to eligible assets will be placed in the liquidity reserves and managed as such.

Reporting

To enable investors to monitor performance and to provide insight into prioritised areas, Bonnier Fastigheter will provide an annual Green Finance Impact Report.

Bonnier Fastigheter intends to report on quantitative impact indicators where feasible and where relevant data is available. The Green Finance Impact Report will include:

Allocation Reporting

1. A description of the portfolio of eligible assets;
2. Type of financing instruments utilised and respective amounts outstanding;
3. Information on the split between new financing and re-financing; and
4. A list of eligible assets including allocated and disbursed amounts per category and geographical distribution.

Impact Reporting

The impact reporting aims to disclose the environmental impact of the eligible assets financed under this Framework, based on Bonnier Fastigheter's financing share of each project. As Bonnier Fastigheter can finance large and small eligible assets within the same project category, impact reporting will be aggregated to some extent.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations will therefore be on a best effort basis, e.g. if a Green Building is under construction but not yet operational, Bonnier Fastigheter will provide best estimates of future energy performance levels. The impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below.

GBP CATEGORIES**EXAMPLES OF IMPACT INDICATORS**

CLEAN TRANSPORTATION

1. The number of installed EV charging points.

ENERGY EFFICIENCY

1. Energy savings (aggregated, kWh/year).
2. Carbon savings (aggregated, tonnes/year).

GREEN BUILDINGS

1. Environmental certification.
2. Energy consumption disclosed by absolute consumption (MWh) and intensity (kWh per squaremetre) per year.
3. Calculated carbon footprint disclosed by absolute emissions (tonnes) and intensity (kg per square metre) per year.

RENEWABLE ENERGY

Each yearly report will include an example (if applicable) of a renewable energy investment that has been financed with net green proceeds. KPIs will not be disclosed beforehand in this Framework. Bonnier Fastigheter will focus on carbon savings, where applicable, as relevant performance metrics.

Table 2. Examples of impact indicators.

External Review

To secure alignment with national and international guidelines, Bonnier Fastigheter will obtain an external third-party opinion on this Green Finance Framework.

The second opinion will be received by Cicero. The document is available on Bonnier Fastigheter's website.

An appropriate external independent assurance provider will annually assure Bonnier Fastigheter's selection process for the financing of eligible assets and the allocation of the proceeds of any Bonnier Fastigheter green finance instruments, and that such processes and allocations are in accordance with the Bonnier Fastigheter Green Finance Framework.

Definitions and Policy documents

DEFINITIONS

BREEAM, a grading scheme for the real estate sector developed by BRE Global as well as local adaptations such as BREEAM-SE developed by the SGBC, pursuant to its/their definition at the time of receipt of the relevant certification.

BREEAM Very Good and BREEAM Excellent means ratings within BREEAM.

Miljöbyggnad, a building certification scheme administered by the Sweden Green Building Council (SGBC), pursuant to its definition at the time of receipt of the relevant certification.

MILJÖBYGGNAD SILVER means the rating SILVER within Miljöbyggnad.

LEED, a grading scheme for the real estate sector developed by the U.S. Green Building Council and administered in Sweden by the SGBC, pursuant to its definition at the time of receipt of the relevant certification.

LEED GOLD means the rating GOLD within LEED.

POLICY DOCUMENTS

NAME	PUBLIC/NON-PUBLIC
1. Annual Report 2019	YES
2. Business Report 2019	YES
3. Sustainability Policy	NO
4. Code of Conduct - employees	NO
5. Code of Conduct - suppliers	NO
6. Whistle-blower Policy	NO
7. Equal Treatment Policy	NO
8. Anti-Corruption Policy	NO

