



Green Bond Framework November 2020

SFF CONTRIBUTING TO SUSTAINABLE DEVELOPMENT

Through our Green Bonds, SFF finances properties with high environmental requirements and contributes, among other things, to reducing CO2 emissions and combating climate change. Since the autumn of 2015, SFF has had a green framework and continued to issue Green Bonds under the MTN program. Investor interest in Green Bonds has grown strongly since the first issuances, while the owner companies' interest in green financing has grown. As per 30th of June 2020, SFF's outstanding green bonds amounted to SEK 3,7 bn, which makes up 55% of the total issued volume. The Board's goal is to continue to increase the green bond volumes further. The Green Bonds may only be used to finance properties that meet high environmental requirements, including for example, energy and water use, local environment, choice of materials and indoor climate. The eligible buildings are environmentally certified, registered to become environmentally certified and have an energy consumption at least 20% lower than the National Board of Housing, Building and Planning's building regulations, BBR, for new properties.

For older properties, energy-saving measures must be introduced and energy consumption may not exceed 100 kWh per square meter or else energy use must be reduced by at least 30%. SFF's Green Bonds are listed on Nasdaq Stockholm Sustainable Bonds List. To ensure that SFF's green bond framework meets high environmental requirements, it has been verified by the external quality assurance provider Cicero, Center for International Climate and Environmental Research Oslo. Cicero is an independent research institute affiliated with the University of Oslo. In its second party opinion, Cicero gave the green framework a medium green shading. This shading shows that SFF issues sustainable Green bonds with high environmental requirements. Through stakeholder dialogues SFF is actively working to support the green bond market, among other things by participating in seminars, writing articles and conducting investor meetings. SFF's most important stakeholders are the investors and the company's owners. Investors get information through a market letter published on the website each time a Green Bond is issued. The market letter contains information on which properties have been financed and what climate impact they have. In addition an investor report is published every year which, among other things, contains information about all properties financed by Green Bonds.



Investors are also informed at the company's annual capital market day, individual meetings and press releases. SFF's owners have been working methodically for several years with sustainability issues and have identified a number of sustainability areas that the companies follow up and report on, on an ongoing basis. Sustainability areas include, for example, energy efficiency and energy consumption, climate issues and urban and community planning. SFF conducts an ongoing dialogue on sustainability issues with the owner companies in both formal and informal contexts. The owners' ambition is to increase the number of environmentally certified properties in order to contribute to a more sustainable real estate industry. The owners have also noticed an increased demand for sustainable and environmentally certified properties from tenants and other stakeholders. SFF's own operations have a limited impact on the environment, social conditions, respect for human rights and the fight against corruption, as the company is a small organization. The company is well aware of environmental issues and as a consequence most board meetings take place through telephone conference and staff at SFF rarely travel.

HOW SFF OPERATES

SFF is a collaboration between five leading Swedish real estate companies to finance the owners' properties. The business has been positive for both the owners and the capital markets. The owners have access to a cost-effective source of financing which simultaneously broadens the financing base and investors have been given the opportunity to buy bonds secured by real estate assets. When buying bonds issued by SFF investors receive security in a high-quality property portfolio that is diversified in terms of both geography and property types. The owners of SFF consist of the listed companies Catena AB, Diös fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB. Through SFF, the five owners get access to external capital to continue developing their properties. SFF started its operations in January 2015 and was the first company in Sweden to provide collateral for an MTN program. SFF issues Green Bonds and it is the company's ambition to increase overall proportion of green issues. Green bonds are issued to finance the owners' climate-smart and sustainable properties.

SFF's five owners are listed on Nasdaq Stockholm's main list. Fabege and Wihlborgs are traded on Large Cap and Catena, Diös and Platzer on Mid Cap list. On September 30, 2020, the companies had a total market capitalization about SEK 103 billion. The owners own 20% each of SFF and the members have veto in the board, which means that all decisions are made by unanimity.

Catena is a leading real estate company in logistics. The company develops, owns and manages efficient logistics facilities that supply Scandinavia's metropolitan regions. The properties' market value on 30 September 2020 amounted to SEK 18 billion and the company's market capitalization to SEK 15 billion.

Diös is northern Sweden's largest private real estate company. The company provides both commercial real estate and residential. The market extends from Borlänge in the south to Luleå in the north. The market value of the properties' on September 30, 2020 amounted to SEK 24 billion and the company's market capitalization to SEK 9 billion.

Fabege is one of Sweden's leading real estate companies with a main focus against leasing and management of commercial premises and property development. The property portfolio is concentrated in the Stockholm region with a focus at Stockholm's inner city, Arenastaden, Solna Business Park and Hammarby seaport. The properties' market value on September 30, 2020 amounted to SEK 75 billion and the company's market capitalization to SEK 41 billion.

Platzer is one of Gothenburg's largest real estate companies in commercial properties, mainly offices. The properties are concentrated in central and western Gothenburg. The properties' market value on September 30, 2020 amounted to SEK 22 billion and the company's market capitalization to SEK 11 billion.

Wihlborgs is the leading commercial real estate company in the region of Öresund. The properties are located in Malmö, Lund, Helsingborg and Copenhagen. The market value of the properties on September 30, 2020 amounted to SEK 47 billion kronor and the company's market capitalization to SEK 27 billion.

SUSTAINABILITY AT THE FIVE OWNERS

Catena

Catena links Scandinavia's cargo flows by developing sustainable logistics properties. Catena's properties offer efficient space where its customers can conduct their business operations in a good working environment and with as low an impact on the environment as possible. Part of Catena's devotion to create a sustainable business is achieved through environmental building certifications, where the minimum standard for Catena's new buildings is Miljöbyggnad Silver. Furthermore, through innovative energy solutions Catena ensures an efficient use of resources and 97% of its energy comes from renewable sources. Catena's ambition is to reduce its greenhouse gas emissions (scope 1 and 2) with 50% by 2030 compared to 2018 and Catena is developing strategies to reduce its Scope 3 emissions, focusing on emissions that result from construction. Catena's emission reduction target has been approved by the Science Based Target initiative and is, thus, in line with current science to limit global warming to 1.5 °C.

At the logistics position Sunnanå, Catena owns two properties with a total of 6 buildings. Logistics position Sunnanå has an attractive and efficient location in Greater Copenhagen, where its customers are quickly and with short transport routes out on the motorway. To ensure a high sustainability performance on the properties, all buildings must be certified according to Miljöbyggnad Silver. The properties also have a high energy performance, as innovative solutions, such as Tellus' energy trees, geothermal energy and solar cells, create efficient and renewable energy consumption in the area. On average, the properties use at least 25% lower energy than the requirements according to the National Board of Housing, Building and Planning's building regulations.



Read more about Catena's sustainability work at www.catenafastigheter.com/sustainability/ and from its latest annual report www.catenafastigheter.com/media/f4idmfvo/sustainability-report-2019.pdf

Diös

Diös' vision is to create Sweden's most inspiring cities. Diös helps its tenants make sustainable choices, works to reduce its own and its tenants greenhouse gas emissions, optimizes its energy use, environmentally certify our properties, reduces its own and its tenants' water use, promotes diversity and equality as well as engages in societal issues that contribute to urban development. Diös has set a goal of achieving net zero emissions of greenhouse gases in its operations by 2045 and that all energy will be fossil-free by 2030. All electricity Diös buy is 100% renewable. In new production, Diös builds according to the environmental certification systems BREEAM-SE Very Good or better and continuously certifies its existing commercial properties with BREEAM In-Use.

Diös' office property Metropol in Sundsvall has almost 80 different tenants, a large co-working partner, a restaurant, a gym and a preschool. The building is certified according to BREEAM In-Use Very Good. For the building's tenants and visitors, there is access to charging stations for electric cars and good opportunities to get there by bike or public transport. The building receives heating and cooling from a geothermal heating system and on the roof, there is a 1000 sqm large photovoltaic system that produces about 10% of the property's electricity consumption. Total energy performance is 64 kWh / m² which is about 30% lower than the requirement in BBR, the building has an energy class B.



Read more about Diös work with sustainability at www.dios.se/english/sustainability and in the latest annual report www.dios.se/english/financial-reports.

Fabege

As a developer of sustainable urban districts, Fabege considers it important to take long-term corporate responsibility. Remaining at the forefront in terms of sustainability is mission-critical, partly because in the long run of company must be able to attract customers, employees and investors. Green financing is a welcomed component of these efforts. Fabege environmentally certifies properties according to BREEAM. Fabege works with the methodology CityLabAction in the development of sustainable neighborhoods. Fabege only buys electricity, heating and cooling that has been generated from renewable energy sources. Green leases from tenants are standard. Selected sustainable objectives:

- 100% Green financing 2020
- Climate neutral management by 2030
- 100% Green leases
- 90% of Fabege's employees should recommend Fabege as an employer

Arenastaden in Solna is a modern city district with access to excellent public transportation. Arenastaden has high ambitions when it comes to sustainability. The aim is to create an attractive and long-term sustainable district that people enjoy spending time in. Fabege has developed most of the office buildings in the area among them Nationalarenan 8, a 3D property on top of the Mall of Scandinavia. The building includes a lettable area of approximately 42 000 m² rented by Telia Company based on a green lease agreement. The property is certified according to BREEAM-SE, level excellent. All energy use comes from renewable energy sources. Total energy performance is 50 kWh / m² and CO₂ emission amounts to 0,1 kg / m².



Read more about Fabege's green financing online at www.fabege.se/en/investors/financing/green-financing/ and about our sustainability work at <https://www.fabege.se/en/sustainability/>

Platzer

At Platzer the aim is to contribute to society in a positive way with as small an environmental footprint as possible. A building affects the environment throughout the lifecycle, from construction, during usage and up until deconstruction. In environmental issues Platzer focus on areas of property management where Platzer has the most impact such as energy consumption, waste management and emissions of carbon dioxide. Platzer's ecological objectives are targeted towards reducing its impact on the environment. Environmental classification of its properties is a receipt for its properties being kind to both the humans working in the building as well as the surrounding environment, it also enables green financing. Through green leases Platzer gets a system for co-working with its tenants to reduce the properties' environmental impact. These joint efforts have helped Platzer to halve the energy consumption over the last ten years. Selected sustainable objectives:

- All properties shall have an environmental certification
- 80% Green leases in the long term
- Long term emissions of carbon dioxide not exceeding 0,5 kg/sq.m.
- Reduction of energy consumption of 2% every year in like-for-like properties

Our office property Gullbergsvass 5:26 in Gothenburg, more known as Tennet, has a lot of smart features. Some examples of smart technologies installed in the building are acoustic controlled lighting in the garage and daylight adjusted lighting in the atrium. The atrium also contains solar panels, used as sunblock, that produce approx. 25 000 kWh of electricity annually. Total energy performance is 48 kWh/sq.m. Due to its high efficiency the property has the environmental classification LEED Platinum.



Please read more about our sustainability efforts at www.platzer.se/om-platzer/hallbarhet and in the latest annual report www.investors.platzer.se/sv/rapporter-presentationer

Wihlborgs

At Wihlborgs, our main priority is to contribute to a thriving Öresund region, and this is recognized in our sustainability agenda. We focus our sustainability efforts in four areas – developing and managing sustainable properties with a low environmental impact; ensuring that we are an attractive employer, emphasizing our employees’ wellbeing and development; maintaining responsible business relationships throughout the value chain; and committing to the region and community by supporting initiatives that strengthen local infrastructure, innovation, and education.

We have committed to five main sustainability targets for the period 2020-2022:

- 80% of our office properties in Sweden shall be environmentally certified Scope 1 and 2 CO2e emissions shall be less than 1.5 kg/m2
- Trust Index according to Great Place to Work shall be higher than 85%
- 75% of customers shall be willing to recommend Wihlborgs as a business partner
- 50% or more of our sponsorship activities shall be community-focused

Wihlborgs is an active participant in the UN Global Compact since 2010. We have reported on our sustainability performance annually in accordance with the GRI Sustainability Reporting Guidelines since 2011 and responded to the GRESB ESG Benchmark since 2012. In 2020, we have set a CO2 emission reduction target in line with the Science-Based Target Initiative (SBTi).

Ideon Gateway in Lund is an example of a sustainable property where environmental considerations were an integral part already in the design stage of the building. Heating and cooling are supplied largely through geothermal energy, photovoltaic panels integrated into the building façade provide electricity, practically all lighting is LED, and the elevators in the 19 floor building have regenerative drive systems that convert excess heat into reusable energy. Ideon Gateway is an energy efficient building with an energy performance well in line with the EU requirements on “nearly zero-energy buildings” (NZEB). The property has an EU EPC-rating of “B” and all electricity supplied to the building is renewable. Ideon Gateway is LEED Platinum and Miljöbyggnad Guld certified.



Please read more about our sustainability agenda and performance on our website and in our annual report available at www.wihlborgs.se/en

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Real estate and real estate development affect the society in several ways. Impact occurs primarily through energy consumption, waste management and CO2 emissions. The real estate sector also affects how people live their everyday lives and how local businesses and community functions can work. By financing environmentally certified and energy efficient buildings the owner companies' sustainability work and SFF contribute to the UN's global goals and Agenda 2030. It is within these four UN's global goals that SFF can influence the most via the owner companies and where the work has the greatest effect. These areas are:



Goal 7 – Affordable and Clean Energy

According to the UN, access to sustainable, reliable and renewable energy and clean fuels is a prerequisite for being able to meet several of the challenges facing the world today, such as poverty, climate change and inclusive growth. By changing how we produce and consume energy, we can ensure access to electricity and energy services for all while reducing greenhouse gas emissions. SFF's owner companies work systematically with energy efficiency and to change the energy mix. Energy efficiency takes place in several ways. Among other things, the companies strive to build in smart energy solutions for new production and renovations that reduce energy consumption. They also implement technical measures in existing properties to reduce power outlets and energy use. One step in increasing energy efficiency is also to clarify the energy use for tenants and to encourage changed consumption. The companies work with different methods to change the energy mix, including the ambition to increase or completely switch to renewable energy. One way to change the mix is to strive to buy origin-labeled electricity from renewable energy sources. Several of the owner companies produce solar power on the roofs of their properties and thus indirectly increase access to renewable energy in the electricity market.



Goal 11 – Sustainable Cities and Communities

Goal 11 aims at sustainable urban development, which includes sustainable construction and sustainable planning of housing, infrastructure, public places, transport, recycling and safer chemical management. The UN also believes that inclusive and innovative urban planning is needed to make cities safe and sustainable for the future. All SFF's five owner companies work to environmentally certify their newly built properties and, if possible, also major renovations. The environmental certificates are a guarantee that the property is sustainable from a social, economic or environmental perspective. There are several environmental certificates in the market today. In order to be able to finance the properties under SFF's Green Framework, they must be certified according to one of SFF's approved environmental certificates and be able to document low or energy efficiency through renovations. In addition, SFF sets the following requirements: for a newly built property, the energy consumption per square meter must be 20% lower than the National Board of Housing, Building and Planning's building regulations, BBR and for an older property, large energy saving measures must have been implemented that reduced energy consumption to a maximum of 100 kWh per square meter or reduce energy use by at least 30%. When relevant, the owner companies take an active part in urban planning to ensure a sustainability perspective. This may, for example, mean that the companies add charging points for electric cars in the areas and plan for bicycle parking as well as accessibility for cyclists.



Goal 12 – Responsible Consumption and Production

The UN believes that sustainable development requires that we reduce our ecological footprint by changing the way we produce and consume goods and resources. According to the UN, the transition to sustainable consumption and production of goods is a necessity to reduce our negative impact on climate, the environment and human health. All owner companies offer green leases as part of enabling tenants to make active environmental choices. Through agreements, the companies agree with their tenants about a common ambition to improve environmental work in the house. For example, through reducing energy use, improving waste management or choosing resource-efficient materials. The environmental certification of properties is also important for the tenants to be able to make environmentally friendly choices.



Goal 13 – Climate Action

Climate change is one of the great issues of our time and a threat to our civilization. SFF's owner companies work systematically in several ways to increase the awareness of both employees and tenants about the importance of contributing to combating climate change. At the same time, the companies are conducting extensive work to increase energy efficiency and change the energy mix in order to reduce the climate impact.

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GREEN BOND FRAMEWORK

As part of SFF' commitment to sustainability, a Green Bond Framework (the “Framework”) has been developed, on a best effort basis to the guidelines in the EU Green Bond Standard (EU GBS) published 2020 by the European Commission referencing to the EU Taxonomy Regulation, as well as to the ICMA Green Bond Principles (GBP) 2018. Therefore, the framework consists of the four key pillars and recommended External Review component.

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

It is SFF’s intention to follow the best practices, in relation to Green Bonds as the market standards develop and as the EU classification of environmentally sustainable economic activities (the Taxonomy) and the EU Green Bond Standard enter into force. Therefore, SFF’s Green Bond Framework may be amended and/or updated to reflect the changes in market practice.

USE OF PROCEEDS

Allocation of net proceeds





SFF will finance Eligible Assets in part or in full that promote the transition to low-carbon and climate resilient growth as determined by SFF and in line with SFF’s sustainability policy. The proceeds raised based on the Green Bond Framework can be applied towards new Eligible Assets and to refinance existing assets defined as assets older than 12 months. All proceeds under the Green Bond Framework will be used in compliance with the below list of Eligible Assets providing environmental benefits in accordance with the defined categories. Eligible Assets are owned by SFF’s owners or indirectly through their subsidiaries. SFF will only finance or refinance investments in Sweden. SFF will continue to report the aggregate amount of Green Bonds issued and specify how proceeds has been applied in the annual Green Bond Investor report as well as in the dedicated transaction report.

Exclusions

Green Bond net proceeds will not be allocated to Assets for which the purpose of the Eligible Assets is fossil energy production, nuclear energy generation, weapons and defense, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Sustainable Development Goals

In this Framework, each Eligible Assets category has been mapped to the SDGs in accordance with the High-Level Mapping to the Sustainable Development Goals published by ICMA.

GBP Categories	Eligible Assets	Core UN SDG Targets	Environmental Objective
Green Buildings	<p>New Buildings Financing of new commercial buildings certified in accordance with:</p> <ul style="list-style-type: none"> ➤ Miljöbyggnad Silver, LEED Gold, BREEAM-SE Very Good, or an equivalent system determined by SFF that have, or will receive a design stage certification or a post construction certification and that is at least 20 percent more energy efficient than the level required by the relevant building regulation (BBR) or meet the requirements of NZEB. <p>Existing buildings Financing of existing commercial buildings that have a dedicated energy management system in place and that is certified in accordance with:</p> <ul style="list-style-type: none"> ➤ Miljöbyggnad Silver, LEED Gold, BREEAM-In-Use Very Good or an equivalent system determined by SFF that have, or will receive a design stage certification or a post construction certification or an in-use certification and that achieves at least one of following criteria: <ul style="list-style-type: none"> ❖ reduction of energy use by at least 30%. ❖ energy use not exceeding 100 kWh per square meter (Atemp). 	<div style="text-align: center;">  <p><i>Ensure access to affordable, reliable, sustainable and modern energy for all</i></p> </div> <div style="text-align: center;">  <p><i>Make cities and human settlements inclusive, safe, resilient and sustainable</i></p> </div> <div style="text-align: center;">  <p><i>Ensure sustainable consumption and production patterns</i></p> </div> <div style="text-align: center;">  <p><i>Strengthen the ability of individuals and institutions to counteract, adapt and mitigate the consequences of climate change and their ability to provide early warnings, and to strengthen knowledge and awareness of this</i></p> </div>	Climate Change Mitigation

SELECTION AND EVALUATION OF ELIGIBLE ASSETS

The evaluation and selection process for Eligible Assets is a key process in ensuring that the proceeds from Green Bonds are allocated to assets and activities which meet the criteria in the Framework. Eligible Assets are nominated for evaluation, by the sustainability department of the borrower, to ensure compliance with the use of proceeds and to make sure that an amount equal to the net proceeds qualify or is replaced with Eligible Assets if needed because of divestment or lost green eligibility for any reason. The selected decision is carried out by SFF's Treasury Department based on the provided evaluated and nominated Eligible Assets. All decisions to issue Green Bonds are made by SFF's Board of Directors. The Board of Directors will have to approve any future updates of the Green Bond Framework.

MANAGEMENT OF PROCEEDS

An amount equal to the net proceeds of any Green Bonds will be credited to an earmarked account that will support SFF's lending to Eligible Assets. The legal documentation for each green bond will refer to this green bond framework or any update of it. The Green Portfolio of Eligible Assets will be reviewed and updated on a yearly basis or when needed. Net proceeds will at all-time be disbursed directly from the earmarked account to Eligible Assets to finance the owner's properties.

REPORTING

SFF will continue reporting on the expected or actual environmental outputs and/or impact of the Eligible Assets Portfolio. The Green Bond Investor Report will be published on an annual basis and made available on SFFs webpage, as well as complemented by a transaction report in relation to each green bond transaction. The methodology for deriving the impact indicators will be outlined in the investor report.

Allocation Reporting

Allocation reporting will include the following information:

- i. A summary of Green Bond developments
- ii. The outstanding amount of Green Bonds issued
- iii. The balance of the Green Assets in the Green Register and the available headroom in the value of the Green Assets (if any)

Impact Reporting

The impact reporting aims to disclose the environmental impact of the Eligible Assets financed under this Framework, based on SFF's financing share of each Eligible Assets. SFF will strive to report on the environmental impact of Eligible Assets financed by Green bonds when feasible and subject to data availability. The information may be provided on an aggregated portfolio basis because of confidentiality agreements, competitiveness consideration, or numerous Eligible Assets limiting the amount of detail that can be made available. The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis, SFF 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.

Examples of impact indicators
<p>Green buildings</p> <ul style="list-style-type: none">✓ Environmental certification✓ Energy consumption disclosed by absolute consumption (kWh) and intensity (kWh per square metre) per year✓ Calculated carbon footprint disclosed by absolute emissions (tons) and intensity (kg per square meter) per year.

EXTERNAL REVIEWS

Second party opinion (pre-issuance)

To secure alignment with national and international guidelines, SFF has engaged Cicero to act as an external verifier of this Green Bond Framework and the Eligible Assets.

Third-Party Review (post-issuance)

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

SUPPORTIVE DOCUMENTS

#	Name	Public / Non-Public
1	SFF - Annual Report 2019	Link
2	SFF – rapport 2019 till investerare	Link
3	SFF – Brev till investerare 2020-09-07	Link
4	Catena - Annual Report 2019	Link
5	Diös - Annual Report 2019	Link
6	Fabege - Annual Report 2019	Link
7	Fabege - Sustainability Report 2019	Link
8	Platzer - Annual Report 2019	Link
9	Wihlborgs - Annual Report 2019	Link