



Green Finance Framework

February 2023



Background and Rationale

Founded in 2019, Europi Property Group AB (“Europi”, the “Issuer” or the “Company”) is a pan-European real estate investment company headquartered in Stockholm. Europi has a flexible investment strategy with a strong focus on sustainability and invests across all major European geographies and real estate segments, enabling them to take advantage of changing investor sentiment and socio-economic trends. The Company’s target markets are characterised by strong macroeconomic fundamentals, a high degree of innovation and a liquid real estate transaction environment.

Europi selects and pursues investments with the most attractive risk-adjusted returns, typically through buying below replacement costs and by adding value through active asset management. This enables Europi to actively work on the sustainability impact of its assets. Europi has a gross asset value of over EUR 400 million comprising real estate assets primarily within offices, mixed uses, logistics, and residential. In terms of geographical location, the properties are well-diversified throughout Europe ranging from the United Kingdom to Spain. The total net leasable area of the directly owned real estate assets amount to ~220,000 square meters.

Europi is committed to improve the built environment and contribute to solving global challenges. ESG considerations play a significant part in the Company’s strategy as well as asset level business plans and asset management initiatives. As an example, Europi works with LEED and BREEAM which are leading organisations within sustainability rating schemes of buildings. Various initiatives relating to improving the assets’ ratings and performance have been pursued, such as establishing beehives within their business area CityBee, and solar panels will be installed at several of their logistics properties. Europi will continue to build knowledge and competence related to ESG within the organization to ensure the Company is at the forefront of these important issues.

Approach to Sustainability

Sustainability lies at the core of Europi’s business model and is an integral part of how the Company conducts its day-to-day operations as well as its investment decisions. Europi operates within a firmwide holistic ESG approach and have created ESG strategies both at corporate and asset level. To ensure a best possible outcome, Europi has established an ESG framework to initiate, monitor and progress ESG efforts for currently owned and potential new assets. Europi has also set up long-term initiatives for the Company to strive for:

- Calculate carbon footprint for each property and work against neutrality
- Dialogue with local stakeholders to improve local communities
- Social impact goals in partner contracts
- Green financing

The ESG impact and opportunities is a key due diligence item for Europi when evaluating new investments. It is of extra interest to the Company since one of the key value adding strategies as an owner is to improve property performance and standard through working with, among other things, energy efficiency. This typically both reduces the environmental footprint of assets whilst at the same time minimise operating costs.

Europi's sustainability strategy is aligned with the UN Global Compact Principles and the Company is an official signatory of the initiative. The UN Global Compact initiative is the world's largest corporate sustainability initiative, and it works for businesses all around the world to align operations and strategies with universal principles on the environment, human rights, labour, and anti-corruption.

Europi's contribution to the United Nations Sustainable Development Goals and Agenda 2030



Good Health and Well-being

Europi will offer all tenants a healthy and safe environment that encourages and salutes productivity



Gender Equality

Europi constantly works to increase gender equality and to provide equal opportunities at all levels within the Company



Affordable and Clean Energy

Europi consistently works with energy efficiency, renewable energy and fossil free energies to minimise the Company's environmental footprint



Decent Work and Economic Growth

Europi is committed to be a thoughtful and sustainable employer and believe in bringing those values forward to our tenants and partners



Climate Action

Europi is a property owner who takes action to prevent global warming and preserve the local environment

Europi also supports leading organisations focusing on delivering positive environmental and societal impact. The Company is a partner to Hand-in-Hand, an organisation originating from Sweden operating globally to fight poverty through entrepreneurship. Hand-in-Hand provides a network, education, and training in order for individuals to provide for themselves and become successful small-scale entrepreneurs. Europi also makes annual donations to the World Land Trust, an international conservation charity that works together with local non-profit, nongovernmental organisations across the world to protect tropical forests and threatened habitats.

Governance

It is of the utmost importance for Europi that all business is conducted in accordance with the law and the highest business ethics. Therefore, the Company has established a strict zero-tolerance when it comes to bribery and corruption. In addition, Europi's current ESG framework also supports the strict governance policy through the various initiatives that has been put in place proactively. These initiatives include sustainability policy, anti-bribery training, whistleblower function, corporate governance principles, insider trading policy, partner agreements, asset management agreements and accounting guidelines.

Green Financing Framework

This Green Financing Framework has been developed in accordance with both the 2021 ICMA Green Bond Principles (GBP), as well as the 2021 APLMA, LMA and the LSTA Green Loan Principles (GLP). Through this Framework Europi may issue different securities including, but not limited to, Green Bonds. The Green Financing Framework is aligned with the four core components of the GBP and GLP, as well as the recommended External Review component:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

1. Use of Proceeds

Europi has established this Framework to issue Green Finance Securities for which the proceeds will be exclusively allocated to finance or refinance Eligible Assets, in whole or in part financed by Europi, and subsidiaries. Eligible Assets will promote the transition towards a low-carbon and environmentally sustainable society, as determined by Europi in accordance with the categories in the tables below. Europi can finance new Eligible Assets and refinance existing Eligible Assets. New financing is defined as Eligible Assets that are under development or have been finalised up to one year before the approval by the Green Finance Committee. Eligible Assets that were finalised and taken into operation more than one year before the approval in the Green Finance Committee are defined, monitored and reported as refinancing. There is no uniform look-back period for refinanced Eligible Assets, the Green Finance Committee will assess the remaining lifetime of those assets and its remaining life cycle benefit once refinancing Eligible Assets. The distribution between new financing and refinancing will be reported on in the Green Bond Investor Report. The legal documentation for each Green Finance Security will refer to this Framework. Proceeds will also be allocated to capital expenditures within the Eligible Asset Categories of this Framework.

United Nations Sustainable Development Goals

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

Eligible Asset Category: Green building

Financing of acquisition, development and renovation of new and existing environmentally friendly buildings.

Substantial contribution to the EU Environmental Objectives: Climate Change Mitigation

United Nation Sustainable Development Goal: 7.2, 9.4



New Buildings

Development projects and newly constructed buildings where the buildings have, or will receive, a design stage certification or a post-construction certification or an in-use certification of:

- BREEAM Excellent (or higher,);
- BREEAM Very Good with excellent or higher on energy category score;
- LEED Gold (or higher);
- DGNB Gold (or higher);
- Miljöbyggnad Silver (or higher);
- EDGE Certified, EDGE Advanced, EDGE Zero Carbon;
- HQE Excellent (or higher);
- RTS 3 stars (or higher).

Existing Buildings

Existing buildings where the buildings have, or will receive, a post construction certification or an in-use certification:

- BREEAM Excellent (or higher);
- BREEAM Very Good with excellent or higher on energy category score;
- LEED Gold (or higher);
- DGNB Gold (or higher);
- Miljöbyggnad Silver (or higher);
- EDGE Certified, EDGE Advanced, EDGE Zero Carbon;
- HQE Excellent (or higher);
- RTS 3 stars (or higher).

or;

Existing buildings where the building has at least an Energy Performance Certificate (EPC) class A or, as an alternative, the building has a Primary Energy Demand (PED) which is within the top 15% of the national or regional building stock,

or;

Financing of renovation projects where the renovation leads to a reduction in the Primary Energy Demand (PED) of at least 30%.

Eligible Asset Category: Renewable Energy

Financing of renewable energy technologies and related infrastructure.

Substantial contribution to the EU Environmental Objectives: Climate Change Mitigation
United Nation Sustainable Development Goal: 7.2



Solar Power

Electricity generation and related infrastructure using solar power technology with fossil fuel back-up below 15%.

Wind Power

Electricity generation and related infrastructure from wind power.

Geothermal Power

Electricity and heat generation where life-cycle GHG emissions is 100gCO₂e/kWh or lower as well as related infrastructure using geothermal energy.

Eligible Asset Category: Clean Transportation

Financing of infrastructure and solutions for clean transportation

Substantial contribution to the EU Environmental Objectives: Climate Change Mitigation
United Nation Sustainable Development Goal: 11.2



Clean transportation

EV charging points and related infrastructure, bicycle garages, pedestrian walkways, bicycle lanes and that support and emphasize the use of clean transportation solutions.

2. Process for Project Evaluation and Selection

Europi has established a Green Finance Committee (GFC) to evaluate and select assets that are in line with its Green Finance Framework. It consists of the CEO, CFO and Head of Business Development. The committee will meet on a regular basis and their decisions are made in consensus. The responsibilities of the committee are among other things to evaluate the compliance of the proposed Eligible Assets with the eligibility criteria outlined in the Use of Proceeds section of this framework as well as applicable laws and regulations and Europi's policies and long term goals for social and environmental sustainability. The Green Finance Committee is also responsible for replacing investments that no longer meet the eligibility criteria (following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.). The Committee will on a best effort basis, review and update the content of the Eligibility criteria of this Green Financing Framework and manage any future updates of this document to reflect relevant changes in Europi's corporate strategy, technology and market developments such as the EU classification of environmentally sustainable economic activities, the EU Taxonomy. Europi utilises several tools to identify and mitigate the environmental and social risks associated with eligible assets under evaluation and selection. Sustainability risk is a key pillar of Europi's Risk Framework. Mitigants include among other things assessment of our partners' ESG profile and ambition, numeric or accreditation goals for the partner to work against, individual ESG plan for each investment and anti-corruption training annually. ESG risks and considerations also represents a key criteria in the formal investment process as well as in DD-checklists.

3. Management of Proceeds

An amount equal to the proceeds of any Green Finance Securities raised under this Framework will be credited to an earmarked account that will support Europi’s financing of Eligible Assets. As long as Green Finance Securities are outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Europi’s lending pool in an amount up to all disbursements from that pool made in respect of Eligible Assets. Europi’s Green Finance Committee is responsible for the allocation of proceeds and the aim is to allocate all of the proceeds within 12 months post issuance. If, for any reason, an Eligible Asset ceases to comply with the requirements set out in this Framework, that asset will be removed from the earmarked pool. Proceeds yet to be allocated towards Eligible Assets will be placed in the liquidity reserves and managed as such.

4. Reporting

To enable investors to follow the development and to provide insight into prioritised areas Europi will provide a Green Financing Impact Report on an annual basis. Europi intends to report on quantitative impact indicators where feasible and relevant data information is available. The Green Financing Investor Report will include:

4.1 Allocation Reporting

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

4.2 Impact Reporting

The impact reporting aims to disclose the environmental impact of the Eligible Assets financed under this Framework, based on Europi’s financing share of each Asset. The impact reporting may be aggregated due to confidentiality agreements or competitive considerations. The impact assessment is provided with the reservation that not a ll related data can be covered and that calculations therefore will be on a best effort basis e.g. if an Eligible Asset is under development but not yet operational, Europi will provide best estimates of future environmental impacts. The impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below.

Green Building	Environmental Certification and level Annual energy reduced in MWh or GWh compared to the pre-investment situation (for refurbishments) Annual energy production on-site in MWh or GWh
Renewable Energy	Annual renewable energy generation in MWh Annual GHG emissions reduced/avoided, in tonnes of CO2-equivalent
Clean Transportation	Number of installed EV charging stations Annual GHG emissions reduced/avoided from cars and other vehicles, due to the investment (by comparison to average emissions by km for alternative transportation)

5. External Review

5.1 Second Party Opinion (Pre-issuance)

To secure alignment with national and international guidelines, in accordance with the Guidelines developed by the Green Bond Principles, Europi has engaged Sustainalytics to act as an independent external verifier of this Green Financing Framework. The Second Party Opinion report will be made publicly available on Europi's website.

5.2 Third-Party Review (Post-issuance)

Europi will appoint 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 Financing Securities are done in accordance with Europi's Green Financing Framework.

5.3 Publicly Available Documents

The Green Financing Framework, the second party opinion and the investor report will be publicly available on Europi's website.

Appendix

Documentation of Environmental and Sustainability Work

#	Name
1	Annual and Sustainability Report
2	Sustainability Policy
3	Company Policies and Procedures

