



Second-Party Opinion

Europi Property Group Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Europi Property Group Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Clean Transportation – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11.



PROJECT EVALUATION / SELECTION Europi Property Group AB has established a Green Finance Committee which will be responsible for evaluating and selecting eligible assets in line with the eligibility criteria. The Company has implemented a risk framework to identify and mitigate associated environmental and social risks, which is applicable to all allocation decisions. Sustainalytics considers the risk management system to be adequate and the project evaluation and selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Europi Property Group AB's Green Finance Committee will track the allocation of proceeds. The proceeds raised will be credited to an earmarked account. The Company intends to fully allocate the proceeds within a year of issuance. Pending allocation, proceeds will be temporarily placed and managed in liquidity reserves. This is in line with market practice.



REPORTING Europi Property Group AB intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include information such as allocated amount per Eligible Asset category and geographical distribution and share of financing versus refinancing. In addition, Europi Property Group AB is committed to reporting on relevant impact metrics. Sustainalytics views Europi Property Group AB's allocation and impact reporting as aligned with market practice.

Evaluation date February 06, 2023

Issuer Location Stockholm, Sweden

Report Sections

Introduction..... 2
 Sustainalytics' Opinion 3
 Appendices 9

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Introduction

Europi Property Group AB (“Europi”, or the “Company”) is a pan-European real estate investment company founded in 2019 and headquartered in Stockholm. Europi invests discretionary capital from Nordic institutions and family offices in real estate deals with superior risk-adjusted returns alongside an established network of local operating partners. Europi owns and manages 13 directly-owned real estate assets as well as two portfolios of indirectly owned assets in the United Kingdom, Portugal, Poland, Germany and Spain.

Europi has developed the Europi Property Group Green Finance Framework (the “Framework”) under which it intends to issue green bonds and loans and use the proceeds to finance and/or refinance, in whole or in part, existing and future projects that are expected to deliver positive environmental outcomes. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation

Europi engaged Sustainalytics to review the Europi Property Group Green Finance Framework, dated April 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)¹ and the Green Loan Principles 2021 (GLP).² This Framework will be published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.12 which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Europi’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Europi representatives have confirmed (1) they understand it is the sole responsibility of Europi to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Europi.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

³ The Europi Property Group Green Finance Framework is available on Europi Property Group AB’s website at: <https://europi.se/investor-relations/>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Europi is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Europi has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Europi Property Group Green Finance Framework

Sustainalytics is of the opinion that the Europi Property Group Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of Europi's Green Finance Framework:

- Use of Proceeds:
 - The eligible categories, Green Buildings, Renewable Energy, Clean Transportation are aligned with those recognized by the GBP and GLP.
 - Under the Green Buildings category, Europi may finance the development and acquisition of new and existing buildings based on the following eligibility criteria:
 - New and existing buildings that have achieved or are expected to achieve one of the following minimum certification levels: BREEAM ("Excellent")⁵, BREEAM ("Very Good" with excellent or higher score in the Energy category), LEED ("Gold")⁶, DGNB ("Gold")⁷, Miljöbyggnad ("Silver")⁸, EDGE ("Certified", "Advance" and "Zero Carbon")⁹, HQE ("Excellent")¹⁰ or RTS ("3 Stars").¹¹ Sustainalytics considers the certification levels specified to be aligned with market practice.
 - Existing buildings that have received an Energy Performance Certificate (EPC) with energy class A or buildings belong to the top 15% of the national or regional building stock based on primary energy demand (PED). Sustainalytics views the degree of energy efficiency improvements for financing existing buildings to be aligned with market practice.
 - Under the Green Buildings category, Europi may also finance renovation projects that lead to at least 30% reduction in PED compared to the pre-renovation levels. Sustainalytics considers investments in renovation projects that achieve the specified level of energy efficiency to be aligned with market practice.
 - Within the Renewable Energy category, the Company may finance renewable energy technologies and related infrastructure including solar, wind and geothermal projects. Sustainalytics considers these investments to be aligned with market practice and notes the following: (i) solar power projects include rooftop solar panels, in the case of solar thermal and concentrated solar power (CSP) facilities, Europi has confirmed that fossil fuel backup will be

⁵ BREEAM, "Scoring and Rating BREEAM assessed buildings", at:

https://www.breeam.com/BREEAM2011SchemeDocument/Content/03_ScoringRating/scoring.htm

⁶ LEED, "LEED Rating System", at: <https://www.usgbc.org/leed>

⁷ DGNB, "DGNB Certification Process", at: <https://www.dgnb-system.de/en/certification/certification-process/>

⁸ Sweden Green Building Council, "Miljöbyggnad Certification", at: <https://www.sgbc.se/certifiering/>

⁹ EDGE, "Certification", at: <https://edge.gbci.org/certification>

¹⁰ HQE, "HQE Certification", at: <https://www.behqe.com/cerway/essentials>

¹¹ RTS, "RTS Environmental Classification", at: <https://cer.rts.fi/en/rts-environmental-classification/>

- limited to 15% of the facility's electricity production; (ii) for geothermal projects, the Framework specifies a life cycle emission threshold below 100gCO₂e/kWh.
- Under the Clean Transportation category, Europi may finance the following projects: (i) electric vehicle (EV) charging points and related infrastructure such as transformers and components that connect EV charging points to the grid, the Company has confirmed that financing of parking lots will be excluded, (ii) bicycle garages, (iii) pedestrian walkways, and (iv) bicycle lanes. Sustainalytics considers these are in line with market practice.
 - Project Evaluation and Selection:
 - Europi has established a Green Finance Committee (GFC) which will be responsible for evaluating and selecting eligible assets in line with the Framework's eligibility criteria. The GFC consists of the CEO, CFO and the Head of Business Development.
 - Europi has implemented a risk framework which will be used to identify and mitigate environmental and social risks associated with all eligible assets. This process will be applicable to all allocation decisions made under the Framework. Sustainalytics considers the environmental and social risk management system to be adequate and aligned with market expectation. For additional detail, see Section 2.
 - Based on the establishment of the Green Finance Committee and the presence of risk management system, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - Europi's Green Finance Committee will be responsible for the management and allocation of proceeds. An amount equal to the proceeds raised will be credited to and managed through an earmarked account.
 - Europi intends to fully allocate the proceeds within one year of issuance. Pending allocation, proceeds will be placed and managed in liquidity reserves.
 - Based on the use of earmarked account to manage proceeds and the disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - Europi intends to report on the allocation of proceeds and corresponding impact which will be published on the Company's website on an annual basis. Allocation reporting will include a list of Eligible Assets with allocated amount per Eligible Asset category and geographical distribution, the share of financing versus refinancing, type of financing securities and respective outstanding amounts, and the description of the Eligible Assets portfolio.
 - Where feasible, impact reporting may include key performance indicators such as environmental certification and respective level, annual energy reduced in MWh or GWh, annual renewable energy generated in MWh, annual GHG emissions reduced or avoided in tonnes of CO₂ equivalent and number of EV charging stations installed.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the Europi Property Group Green Finance Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Europi

Contribution of framework to Europi Property Group AB's sustainability strategy

Sustainalytics is of the opinion that Europi demonstrates a commitment to sustainability with a focus on the decarbonization of its real estate portfolio, investing in renewable energy, and donating to non-governmental organizations (NGOs) and charity organizations.¹²

Sustainalytics highlights the following Europi initiatives, which are particularly aligned with the Framework:

- Decarbonization of Real Estate Portfolio – Europi invests in properties that are either BREEAM or LEED certified or have the potential of achieving these certifications through refurbishment and

¹² Additional documentation, "Annual Report 2021", has been provided by Europi to Sustainalytics for review.

redevelopment. Through the Company's CityBee portfolio,¹³ 67% of the properties have LEED, BREEAM, DGNB, GRESB or ISO 14001 certification and 33% of the properties are in the process of achieving these certifications.¹⁴

- Investment in Renewable Energy – Through the Company's Ecogis portfolio,¹⁵ Europi will invest in rooftop photovoltaic panels to increase access to green energy. The first solar panels are estimated to be installed and operational in 2022. Additionally, one of Ecogis' strategic initiatives include improving the energy performance of its' buildings to reduce utility consumption by investing in technologies that enable the use of renewable energy sources.¹⁶
- Collaboration with Charity Organizations – Europi makes annual donations to the World Land Trust (WLT)¹⁷ to support conservation efforts. In addition, the Company also committed to offsetting its 2021 carbon emissions through participating in the WLT's Carbon Balanced Program. Europi is also a partner of the Hand-in-Hand organization¹⁸ and sponsors their "Bee for Honey & Money program", which provides entrepreneurial training, microloans, and education of modern beekeeping and honey production practices in Kenya.¹⁹

In addition to the aforementioned initiatives, Europi is also a signatory of the UN Global Compact Principles,²⁰ and aligns the Company's strategies and operations with universal principles on human rights, labour, environment and anti-corruption.

Sustainalytics recognizes Europi's commitment to its ongoing environmental and social initiatives and encourages it to develop quantifiable and time-bound sustainable targets to further strengthen its sustainability practices.

Approach to managing environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bond(s) and/or loan(s) issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, emissions, effluents, and waste generated during construction. Sustainalytics is of the opinion that Europi is able to manage and/or mitigate potential risks through the implementation of the following:

- All new investments are approved by the Board and subject to a comprehensive risk assessment. The Operational team leads the risk management of investments and reviews the portfolio regularly in collaboration with the Company's Board.²¹ In addition, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout job sites in Europe and requires employers to "ensure the safety and health of workers in every aspect related to the work".²²
- Europi has established a risk matrix where it identifies potential enterprise risks including sustainability risks. The identified risks are supported with corresponding risk mitigation schemes.²³
- The Company addresses key sustainability risks including hazardous materials in buildings, use of non-renewable energy sources and adverse labour conditions by conducting sustainability workshops with local operating partners and ensure investment strategies align with positive environmental impact.²⁴

¹³ CityBee is one of Europi's Investment Themes focusing on acquiring prime office assets in innovation cities in Europe. CityBee's assets are currently based in U.K., Germany, and Spain.

¹⁴ Additional documentation, "Annual Report 2021", has been provided by Europi to Sustainalytics for review.

¹⁵ Ecogis is one of Europi's Investment Themes focusing on modern big box logistics and last mile assets in Portugal. The portfolio consist of 7 assets, primarily located in the Lisbon metropolitan area.

¹⁶ Additional documentation, "Annual Report 2021", has been provided by Europi to Sustainalytics for review.

¹⁷ World Land Trust is an international conservation charity that works with local non-profits, non-government organizations and other stakeholders to protect tropical forests and threatened habitats.

¹⁸ Hand-in-Hand is an international organization that fights poverty through entrepreneurship operating from Sweden. Hand-in-Hand provides education, training and network to small-scale entrepreneurs.

¹⁹ Additional documentation, "Annual Report 2021", has been provided by Europi to Sustainalytics for review.

²⁰ For more information, please visit: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

²¹ Additional documentation, "Annual Report 2021", has been provided by Europi to Sustainalytics for review.

²² Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work" (1989), at: <https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

²³ *Ibid.*

²⁴ *Ibid.*

- Europi's employees are annually trained in anticorruption, and the Company also hosts a whistleblower platform on its' website for reporting internal and external risks.²⁵
- The Company is headquartered in Sweden which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance systems, legislation and institutional capacity to mitigate the common environmental and social risks associated with the eligible asset financed or refinanced under the Framework.²⁶
- As a real estate investment company, Europi is exposed to potential construction risks as a result of developing new buildings or refurbishing existing assets. In accordance with the EU regulation Construction and Demolition Waste, Europi is required to follow the guidelines set out by each of the Member States that the Company operates in. These regulations ensure that waste management is carried out without endangering human health or causing harm to the environment.²⁷

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Europi has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on the below where the impact is specifically relevant in the local context.

Importance of green buildings in the EU and the UK

The building sector is a significant contributor of GHG emissions and the largest energy consumer in the European Union (EU), accounting for 36% of total CO₂ emissions and 40% of the energy consumption as of 2020.²⁸ Under the Climate Target Plan 2030, the EU targets to reduce its GHG emissions by 55% below 1990 levels by 2030 and to achieve climate neutrality by 2050.²⁹ In order to achieve these goals by 2030, the EU would need to reduce emissions from its building stock by 60%, its final energy consumption by 14% and energy consumption from heating and cooling by 18% compared to 2015 levels.³⁰ Therefore, investment in green building and building renovation to improve energy performance is expected to play a major role in decarbonizing the sector. The renovation of existing buildings could reduce the EU's total energy consumption by an estimated 5-6% and lower its total emissions by 5%.³¹ The European Commission's Renovation Wave strategy aims to double the annual energy renovation rates in by 2030 from the current weighted average energy renovation rate of 1%.³² In line with these commitments, the Energy Performance of Buildings Directive requires all new buildings from 2021 to be nearly zero-energy buildings (NZEB).³³

In the United Kingdom (UK), the building sector is a key contributor of energy consumption and emissions. Buildings were responsible for 59% of the UK's total electricity consumption in 2019 and accounted for approximately 23% of the country's emissions in 2020.^{34,35} The UK's building stock remains one of the most inefficient in Europe: 38% of the energy consumed in British buildings is derived from fossil fuels as of 2020.^{36,37} To mitigate the adverse impact of its energy mix, the UK government has set a target to eliminate

²⁵ *Ibid.*

²⁶ Equator Principles, "Designated Countries", (2021), at: <https://equator-principles.com/designated-countries/>

²⁷ European Commission, "Construction and demolition waste", at: https://ec.europa.eu/environment/topics/waste-and-recycling/construction-and-demolition-waste_en

²⁸ European Commission, "In Focus: Energy Efficiency in Buildings" at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

²⁹ European Commission, "2030 Climate Target Plan", at: https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan_en

³⁰ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at: https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³¹ European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: https://ec.europa.eu/energy/sites/ener/files/documents/1_final_report.pdf

³² European Commission, "Renovation Wave", at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

³³ European Commission, "Energy performance of buildings directive", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

³⁴ Climate Change Committee, "The Sixth Carbon Budget Buildings", at: <https://www.theccc.org.uk/wp-content/uploads/2020/12/Sector-summaryBuildings.pdf>

³⁵ Department for Business, Energy & Industrial Strategy, "2020 UK greenhouse gas emissions, provisional figures", at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/972583/2020_Provisional_emissions_statistics_report.pdf

³⁶ House of Commons Business, Energy and Industrial Strategy Committee, "Energy efficiency: building towards net zero", at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1730/1730.pdf#:~:text=The%20UK%E2%80%99s%20building%20stock%20remains%20one%20of%20the,for%20the%20other%2C%20costlier%20actions%20required%20for%20decarbonisation.>

³⁷ Energy in Buildings & Industry, "Renewables outstrip fossil fuels in UK in 2020", at: <https://eibi.co.uk/news/renewables-outstrip-fossil-fuels-in-uk-in-2>

fossil fuels from the UK's electricity generation by 2035.³⁸ The government also aims to achieve net zero emissions by 2050 with intermediate emission reduction goals of 68% by 2030 and 78% by 2035 below 1990 levels.³⁹ Achieving these emissions reduction targets would require the UK to significantly reduce design-related and operating emissions from buildings. Existing buildings will require deep energy retrofits and new buildings will have to meet increasingly stringent standards during the development phase. According to the UK Green Building Council, there is a need for widespread market transformation and consumer consideration of the value associated with net-zero buildings.⁴⁰ The council also recommends that the buildings sector should adopt strategies to reduce construction impacts, reduce operational energy use and increase energy efficiency.⁴¹

Based on the above, Sustainalytics is of the opinion that Europi's financing of green buildings will contribute to the emission reduction in the building sector and will further support the EU and the UK in achieving their climate targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) and loan(s) issued under the Europi Property Group Green Finance Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

³⁸ Government of the UK, "Plans Unveiled to Decarbonise UK Power System by 2035", at: <https://www.gov.uk/government/news/plans-unveiled-to-decarbonise-uk-power-system-by-2035>

³⁹ Government of the UK, "UK enshrines new target in law to slash emissions by 78% by 2035", (2021), at: <https://www.gov.uk/government/news/ukenshrines-new-target-in-law-to-slash-emissions-by-78-by-20>

⁴⁰ UK Green Building Council, "Building the Case for Net Zero", 2020, at: https://www.ukgbc.org/wp-content/uploads/2020/09/Building-the-Case-for-NetZero_UKGBC.pdf

⁴¹ UK Green Building Council, "Net Zero Carbon Buildings: A Framework Definition", (2019), at: https://www.worldgbc.org/sites/default/files/Net-Zero-Carbon-Buildings-A-framework-definition_1.pdf

Conclusion

Europi has developed the Europi Property Group Green Finance Framework under which it may issue green bonds and loans and use the proceeds to finance green building, renewable energy and clean transportation projects. Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impact.

The Europi Property Group Green Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Europi Property Group Green Finance Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Europi has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Europi Property Group AB is well-positioned to issue green bonds and that the Europi Property Group Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Europi Property Group AB
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Europi Property Group Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 6, 2023
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Clean Transportation – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Europi Property Group AB has established a Green Finance Committee which will be responsible for evaluating and selecting eligible assets in line with the eligibility criteria. The Company has implemented a risk framework to identify and mitigate associated environmental and social risks, which is applicable to all allocation decisions. Sustainalytics considers the risk management system to be adequate and the project evaluation and selection process to be in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Europi Property Group AB's Green Finance Committee will track the allocation of proceeds. The proceeds raised will be credited to an earmarked account. The Company intends to fully allocate the proceeds within a year of issuance. Pending allocation, proceeds will be temporarily placed and managed in liquidity reserves. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

Europi Property Group AB intends to report on allocation of proceeds on an annual basis until full allocation. Allocation reporting will include information such as allocated amount per Eligible Asset category and geographical distribution and share of financing versus refinancing. In addition, Europi Property Group AB is committed to reporting on relevant impact metrics. Sustainalytics views Europi Property Group AB's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Environmental certification and level achieved, Annual energy produced on-site, Annual renewable energy generated, Number of EV charging stations installed |

Frequency

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Information published in the Company's Green Financing Investor Report |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):
Date of publication:
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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