



# Green Bond Framework

November 2024

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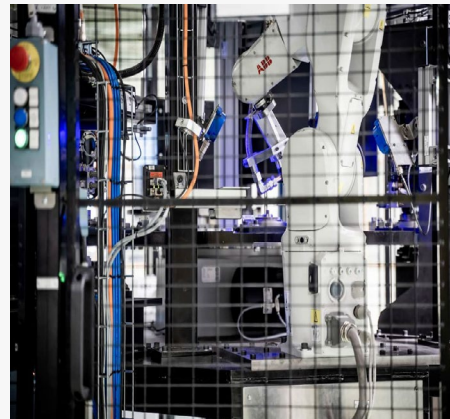
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# This is Logistri

Logistri Fastighets AB (“Logistri” or the “Company”) is a *Swedish real estate company* that acquires, develops and manages commercial buildings for *light industry, warehousing, and logistics*. Since the start in 2017, the Company's real estate portfolio has successfully grown from SEK 600 million to just over *SEK 1,700 million* with continuously good profitability and a strong financial position. The vision is to be a stable and long-term partner to companies that require business-adapted and sustainable premises.

Logistri's tenants operate in various sectors, most of which are Swedish and international industrial and engineering companies. The buildings are located in *southern and central Sweden*, in close proximity to strategic infrastructure such as major roads, railways and ports. The Company aims to manage and develop the buildings in a long-term and sustainable manner. Logistri primarily invests in buildings where the tenants have a long history in the location and where the buildings are a strategic asset for their operations. This often means that production facilities are an integral part of the buildings.

As of June 2024, the property portfolio amounted to [186,479]m<sup>2</sup> of lettable area across [21] properties with a total property value of SEK [1,740] million. Rental income by segment mainly relates to light industry, warehousing and logistics, together accounting for approximately [90.8]% of total rental income.



## Logistri's sustainability work

Responsible business conduct and sustainability issues are a central part of Logistri's operations and profitability goals. Logistri strives to live up to high expectations of ethically sustainable business operations through transparency, knowledge of laws, regulations and industry standards. Logistri also works to ensure that the Company's environmental impact is as limited as practically possible. This also includes the Company's tenants and partners, to the extent that Logistri can influence them.

### Environmental responsibility

Logistri strives to create economically, environmentally, and socially sustainable premises together with its tenants and partners. The Company is aware of its environmental impact and thus Logistri has focused on identifying the areas of operational activity that have the greatest potential to deliver real impact, including:

- *Reducing energy use*: solar panel installations, LED conversion of lighting, efficient operating systems and improved heating and ventilation technologies
- *Controlling the environmental impact of buildings*: by inventorying and preparing to implement systems for continuous monitoring and environmental certification
- *Tenant cooperation*: working together with tenants and by together signing “*green*” leases, sharing information and objectives for long-term environmental impact of both buildings and operations

Further, *environmental certification* helps guarantee the building's environmental performance. Logistri strives to create sustainable properties and environmental certifications help safeguard an energy-efficient operation while also maintaining a healthy indoor environment. Over time, the Company aims to environmentally certify the majority of its buildings including new construction. Also, work is underway to develop targets and activities that can enable Logistri to further reduce the environmental footprint from its properties and associated operations. Currently, the sustainability goals for 2030 include:

- Share of *environmentally certified buildings* > 50%
- Share of "*green*" leases > 80%
- Share of properties with *solar panels* > 50%
- Share of properties with a follow-up related to *CO2 emissions* – 100%
- *Energy efficiency* requirement in connection to retrofits/replacements – Min. 20%
- Share of properties with *charging stations* for electric cars – 100%

#### **Selected measures**

- A "*green lease*" has been signed with the intention of increasing tenant cooperation on sustainability issues. Preliminary agreements have been reached with several tenants and an additional ~10 green supplementary agreements will be signed
- Three feasibility studies for *solar panel installations* have been carried out and discussions on implementation are underway. Currently, solar panel installation is ongoing at one property
- Two additional projects for conversion to *LED lighting* have been carried out and in 2024 all properties will be converted
- More than three properties have been *environmentally certified*, according to Miljöbyggnad Silver, Miljöbyggnad Guld and BREEAM Very Good
- A project to develop the Company's ESG platform in accordance with the Corporate Sustainability Reporting Directive (CSRD) is underway

## **Social responsibility**

Social responsibility reflects Logistri's ambition to ensure that the Company acts responsibly in terms of employees, suppliers and other stakeholders. Logistri has a *zero-tolerance attitude* against corruption, discrimination, harassment, forced labour and environmental violations. In addition, Logistri has included tenant Code of Conduct clauses in its lease agreements covering adherence to international sanctions regimes, anti-money laundering, anti-bribery as well as no involvement in organized crime.

## **Governance**

Logistri's sustainability work is supported by *Swedish laws and regulations, internal guidelines and goals*. To further integrate sustainability into corporate governance, the Company's ambition is to start at the beginning of 2025 to collect data and conduct a double materiality assessment in accordance with the CSRD requirements. As a following step, Logistri aims to establish policies and update internal guidelines to address its most material ESG topics and to determine the scope of its sustainability reporting.

## **Logistri's rationale for Green bond issuance**

The real estate sector has a large impact on the environment. According to the National Board of Housing, Building and Planning's environmental indicators, it accounts for 34% of Sweden's energy use and 22% of domestic greenhouse gas (GHG) emissions<sup>1</sup>. The ongoing transition of the property sector requires large investments and increases opportunities for external financing. Logistri is committed to continue investing in green and energy efficient buildings to further accelerate the Company's sustainability efforts.

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<sup>1</sup> <https://www.boverket.se/sv/byggande/hallbart-byggande-och-forvaltning/miljoindikatorer---aktuell-status/>



# The Green Bond Framework

The establishment of this *Green Bond Framework* (the “Framework”) has been developed in alignment with the *Green Bond Principles* from 2021 (“GBP”)<sup>2</sup>. It follows the core components as well as key recommendations of the principles:

- Use of Proceeds
- Process for Asset Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework is applicable for issuance of green bonds (“Green Bonds”).

The terms and conditions of the underlying documentation for each Green Bond issued by Logistri shall provide a reference to this Framework. This Framework may over time be updated, however new versions shall have no implications for the Green Bonds that have been issued under this Framework.

Further, this Framework is applicable to the parent company and its subsidiaries. In case green eligible assets are owned by joint ventures or associated companies, the value of green eligible assets is to be adjusted for the share of capital owned by Logistri.

Swedbank has acted as advisor to Logistri in the establishment of this Framework.

## Use of Proceeds

### Allocation of net proceeds

An amount equivalent to the net proceeds from Logistri’s Green Bonds shall be used to finance or re-finance, in whole or in part, a portfolio of assets (“Green Eligible Assets”). Green Eligible Assets aim to provide distinct environmental benefits and comply with the Eligibility Criteria detailed in the table on the following pages.

Green Eligible Assets are both capital expenditures (“CapEx”) (could either be reported directly in the income statement or capitalised on the balance sheet) and/or operational expenditures (“OpEx”). CapEx does not have any requirement for look-back period, while OpEx does have a requirement of maximum three-year look-back period from the time of issuance. Refinancing refers to Green Eligible Assets that have been financed prior the reporting year. New financing refers to Green Eligible Assets that have been financed during the reporting year.

### Exclusion criteria



The net proceeds of Logistri’s Green Bonds will not be used to finance either *fossil fuel energy generation, nuclear energy generation, weapons, and defence industries nor potentially environmentally negative resource extraction, gambling, or tobacco*.

### EU Taxonomy

Logistri has taken into consideration the *EU Taxonomy* and thereby mapped applicable categories to the environmental objectives and to relevant economic activities under the EU Taxonomy. Where possible, applicable Eligibility Criteria has been designed to comply with the technical screening criteria set out in the EU Taxonomy Delegated Act on climate change mitigation as at the time of this Framework publication.

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<sup>2</sup> The Green Bond Principles (GBP) 2021 (with June 2022 Appendix I)

Green Eligible Asset categories	Eligibility Criteria
<p><b>ICMA GBP: Green Buildings</b></p> <p><b>EU Taxonomy objective:</b> Climate change mitigation</p> <p><b>UN SDGs:</b></p>  	<p><b>New buildings<sup>3</sup></b> <i>Corresponding EU Taxonomy activity: “7.1. Construction of new buildings”</i></p> <p>Buildings that either have or will receive:</p> <ul style="list-style-type: none"> <li>• Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero Energy Building (NZEB) according to national building regulations<sup>4</sup>, or</li> <li>• Energy Performance Certificate (EPC) A or B<sup>5</sup>, or</li> <li>• Minimum certification of Miljöbyggnad “Silver” or BREEAM “Very Good” with minimum score of 60% in the Energy category</li> <li>• Additional criteria for buildings larger than 5,000 sqm<sup>6</sup>: <ul style="list-style-type: none"> <li>• The building undergoes testing for air-tightness and thermal integrity, upon completion; and</li> <li>• The life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle</li> </ul> </li> </ul> <p><b>Existing buildings<sup>7</sup></b> <i>Corresponding EU Taxonomy activity: “7.7. Acquisition and ownership of buildings”</i></p> <p>Buildings that either have or will receive:</p> <ul style="list-style-type: none"> <li>• EPC A or qualifying within top 15% of the national building stock expressed as operational PED and demonstrated by adequate evidence<sup>8</sup>, or</li> <li>• Minimum certification of Miljöbyggnad/Miljöbyggnad iDrift “Silver” or BREEAM/BREEAM In-Use “Very Good” with minimum score of 60% in the Energy category</li> </ul> <p><b>Major renovations<sup>9</sup></b> <i>Corresponding EU Taxonomy activity: “7.2. Renovation of existing buildings”</i></p> <ul style="list-style-type: none"> <li>• PED savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation</li> </ul>

<sup>3</sup> New buildings are defined as buildings where the building application was filed after 31 December 2020.

<sup>4</sup> In Sweden, thresholds set for NZEB is implemented through the BBR 29 requirements.

<sup>5</sup> Most recent version BBR 29 at the time of publication of this Framework.

<sup>6</sup> Subject to implementation through national legislation.

<sup>7</sup> Existing buildings are defined as buildings where the building application was filed before 31 December 2020.

<sup>8</sup> The report by the Swedish Property Federation (Fastighetsägarna in Sw.), CIT Energy Management will be used for determining top 15%. Logistri can also seek guidance from other appropriate external benchmarks to determine the top 15% if such report is issued by a national government or industry specialist.

<sup>9</sup> If the building post renovation fulfils criteria under “existing buildings” i.e. EPC A or within top 15% the market value of the building will qualify. If not, it will be limited to the renovation cost.

**ICMA GBP category:** Energy Efficiency

**EU Taxonomy objective:** Climate change mitigation

**UN SDGs:**



Installation, replacement, and maintenance of energy efficient measures including:

Energy efficient equipment

*Corresponding EU Taxonomy activity: “7.3. Installation, maintenance, and repair of energy efficiency equipment”*

- Addition of insulation to the building such as external walls (incl. green walls), roofs (incl. green roofs)
- Energy efficient windows, doors, light sources, heating, ventilation, air conditioning (HVAC) and water heating systems, incl. equipment related to district heating services

Charging stations for electric vehicles

*Corresponding EU Taxonomy activity: “7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings”*

- Charging stations for electric vehicles

Instruments and devices for measuring, regulating and controlling energy performance of buildings

*Corresponding EU Taxonomy activity: “7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”*

- Smart thermostat systems and sensing equipment, including. motion and day light control, building automation and control systems, smart meters for heat, cool and electricity

Renewable energy technologies

*Corresponding EU Taxonomy activity: “7.6. Installation, maintenance, and repair of renewable energy technologies”*

- Solar power, heat pumps, storage units and heat exchanger/recovery systems





# Process for Asset Evaluation and Selection

## Selection of Green Eligible Assets

The evaluation and selection process are key to ensure that an amount equivalent to the net proceeds from Green Bonds are allocated to Green Eligible Assets which meet the Eligibility Criteria as set out in the Framework.

## The Green Bond Committee

Logistri's *Green Bond Committee* ("GBC") is responsible for the evaluation and selection of Green Eligible Assets. Members of the GBC consist of the CEO, CFO and head of property management. The GBC will convene at least annually. Logistri will assure that the sustainability expertise always relies within the GBC. The evaluation and selection process has the following steps:

- Any GBC member or relevant department at Logistri may propose potential Green Eligible Assets to be evaluated in line with the Eligibility Criteria as set out in the Framework
- The GBC confirms that the proposed Green Eligible Assets are in line with the with Eligibility Criteria as set out in the Framework
- Approved Green Eligible Assets will be inserted to an internal tracking spreadsheet
- In addition, Logistri ensures that all Green Eligible Assets adhere to the Company's internal guidelines and processes as well as official national environmental and social standards and applicable national laws and regulations. These laws are monitored and enforced by the local authorities, among others, as part of obtaining the necessary permits for new build projects

Additional responsibilities of the GBC include:

- Reviewing the eligibility of Green Eligible Assets on a regular basis (at least annually) to ensure there is sufficient volume of Green Eligible Assets in the internal tracking spreadsheet
- Reviewing the Framework and updating it to reflect changes in business strategy, market, or regulatory developments on a best-effort basis
- Overseeing, approving and publishing the Investor Report. Logistri may rely on external consultants and their data sources, in addition to its own assessments
- Updating external documents such as the Second Party Opinion (SPO) and related documents from external consultants and accountants in connection with material updates to this Framework

## Management of Proceeds

### Tracking of net proceeds

An amount equivalent to the net proceeds from Logistri's Green Bonds will be tracked by using an *internal tracking spreadsheet* and managed on a *portfolio level*. This means that a Green Bond will not be linked directly to one (or more) pre-determined Green Eligible Assets.

The Company will keep track and ensure there are sufficient volume of Green Eligible Assets in the internal tracking spreadsheet. Further, the internal tracking spreadsheet can be updated as needed by adding Green Eligible Assets or removing Green Eligible Assets that are divested or ceases to comply with the Eligibility Criteria as set out in the Framework. The CFO is responsible for the management of proceeds.

### Allocation Period

Logistri will commit to, on a best-effort basis, allocate the net proceeds from the Green Bonds to Green Eligible Assets within 12 months from the issuance date of each Green Bond.

### Temporary holdings

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

## Reporting

To be fully transparent towards investors and other stakeholders, Logistri will publish an *Investor Report*. The report will include an allocation report and an impact report and will be published on an annual basis until full allocation and in the event of any material developments, as long as there are Green Bonds outstanding. The Investor Report will be made available on Logistri's website, [www.logistri.se](http://www.logistri.se), together with this Framework.

### Allocation reporting

- Total amount of Green Bonds outstanding
- Breakdown by Green Eligible Asset category
- Share of proceeds used for new financing/refinancing
- Share of unallocated proceeds (if any)
- List of underlying Green Eligible Assets if not of confidential nature

### Impact reporting

Logistri intends to report on quantitative impact indicators where reasonable and relevant data is available. Examples of impact indicators include:

#### Primary indicators

- Estimated annual energy reduced/avoided below national building standards (kWh/m<sup>2</sup>, or %) or other relevant benchmark
- Estimated annual greenhouse gas emissions reduced/avoided (tCO<sub>2</sub>e)

#### Secondary indicators

- EPC class, if any, or within top 15%
- Type of environmental certification incl. level if any

## External Review

### Second Party Opinion

This Framework has been reviewed by ISS Corporate who was asked to confirm the alignment with ICMA GBP. The independent Second Party Opinion by ISS Corporate will be available on Logistri's website; [www.logistri.se](http://www.logistri.se), together with this Framework.

### Verification

The allocation reporting will be externally verified, by an auditor or another independent third party, to verify whether an amount equal to the net proceeds from Logistri's Green Bonds have been allocated to Green Eligible Assets. This verification will take place annually until full allocation and in the event of any material developments. The verification report will be published on Logistri's website; [www.logistri.se](http://www.logistri.se), together with the Investor Report.



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