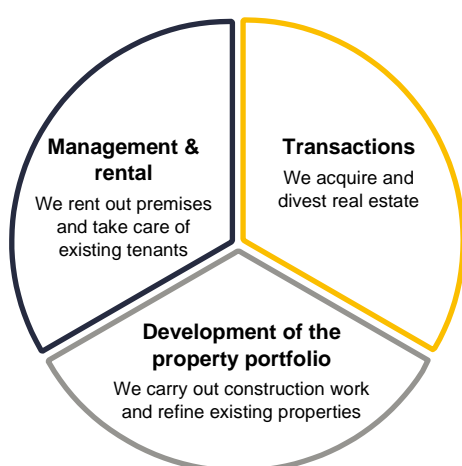


I. Introduction

I.1. About NP3 Fastigheter

NP3 Fastigheter (“the Company” or “NP3”) is a Sweden-based real estate company founded in 2010. The Company’s business concept is to, with the tenants in focus, own, develop and manage commercial properties, mainly in northern Sweden.

NP3’s strategy for creating value for its shareholders is focused on a continuous improvement of cash flow through transactions, development of the existing stock and efficient management. The Company continuously refines the property portfolio through acquisitions and divestments to create geographical and categorical risk diversification as well as a good total return on the property portfolio.



As of June 30, 2020, NP3’s property portfolio amounted to 1,392,000 square meters of lettable area within the property categories; industry, commerce, logistics as well as offices. The Company currently has around 1,800 tenants and 372 properties within the six defined business areas; Sundsvall, Gävle, Dalarna, Östersund, Umeå and Luleå.

NP3’s vision is to create Sweden’s long term most profitable real estate company through strong business insight and satisfied tenants and investors.

I.2. NP3 Fastigheter’s sustainability contribution

Long-term value creation and sustainability are an integral part of NP3’s daily operations and business strategy. The guidelines for the Company’s sustainability work can be found in its sustainability policy, which is based on the UN Global Compact’s ten international principles on human rights, labour law, environmental considerations and anti-corruption.



NP3’s internal operations linked to UN’s Sustainable Development Goals

The UN’s 17 sustainability goals for achieving economic, social and environmental development are well linked to NP3’s sustainability perspective. Seven global goals have been selected where the Company considers itself to have the greatest opportunity to contribute to through its operations:



Energy-efficient solutions for a low-carbon property portfolio

As with most real estate companies, the energy consumption of the properties is the largest factor affecting the climate, and thus also NP3’s most important environmental issue. To reduce the energy use and carbon dioxide emissions of its property portfolio, NP3 invests in efficient systems for electricity, heat and ventilation in the properties. Continuous work on evaluating alternative energy sources and phasing out fossil fuels, is also done. For 2021 and onwards, the Company has decided to buy CO2-neutral electricity to further reduce carbon dioxide emissions.

Environmental certification of buildings

For NP3, it is important to invest in energy-efficient properties that, in addition to sustainability, provide the return that corresponds to the Company’s high standards. Hence, NP3 aims to environmental certify all major renovations and new production.

1.3. The Green Bond Framework

The establishment of this Green Bond Framework (the “Framework”), focusing on green and energy-efficient buildings, will enable NP3 Fastigheter’s continued positive environmental impact in society.

This Framework has been developed in alignment with the Green Bond Principles 2018 (“GBP”)¹. The Framework is applicable for issuance of Green bonds and other types of debt instruments where net proceeds will be applied to finance or re-finance, in part or in full, new and/or existing Eligible Projects/Assets with clear environmental benefits.

The Framework is aligned with the four recommended components of the GBP; Use of Proceeds (Section 2), Process for Project/Asset Evaluation and Selection (Section 3), Management of Proceeds (Section 4) and Reporting (Section 5).

Furthermore, the Green Bond Framework is reviewed by an impartial firm, which has provided a second opinion to confirm its alignment with the GBP.

The Framework and second opinion from CICERO are available on NP3 Fastigheter’s website.



2. Use of Proceeds

An amount equivalent to the net proceeds from NP3 Fastigheter’ Green bonds shall be used to finance or re-finance, in part or in full, Eligible Assets providing distinct environmental benefits (“Green Eligible Assets”). The Company will continuously exercise its professional

judgement, discretion and sustainability expertise when identifying the Eligible Assets.

Green Eligible Assets

The real estate sector is the single largest energy consuming sector in the EU, responsible for about 40 percent of total energy usage and 36 percent of total carbon emissions². Investing in green and energy efficient buildings, and in energy-efficiency solutions, thus play a key role in the clean energy transition.

Eligible projects will contribute to the UN Sustainable Development Goals: 7 – Affordable and clean energy, 8 – Decent work and economic growth, 9 – Industry, innovation and infrastructure, 11 – Sustainable cities and communities.

I. Green and energy efficient buildings

All new construction, existing and acquired buildings that either have or with the objective to receive:

- ✓ an energy performance certificate (EPC) A or B
- ✓ one of the following certifications including the lowest indicated levels:
 - Green Building and Miljöbyggnad Silver
 - BREEAM Very Good, BREEAM In-Use Very Good, LEED Gold, and with an energy consumption of at least 25% below the current building regulation (Swedish BBR code)
 - an equivalent level from another well recognized certification scheme
- ✓ Major renovations resulting in reduced energy consumption of at least 30%

Core UN SDGs:



II. Energy efficiency

Energy retrofits such as heat pumps, converting to LED lightning, installation of photovoltaic glass, improvements on ventilation systems, extension of district heating and cooling systems.

¹ Green Bond Principles published in June 2018 are voluntary process guidelines for issuing Green bonds established by International Capital Markets Association (ICMA), <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² EU Taxonomy Report: technical Annex March 2020, https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

Core UN SDGs:



Eligible Assets under “*Green and energy efficient buildings*” are based on the market value of such assets reported in the balance sheet, at time of the cut-off date for annual reporting of the Green bonds. Eligible Green Assets in “*Energy efficiency*”, correspond to the relevant invested amount.

3. Process for Asset Evaluation and Selection

3.1. Selection of Eligible Assets

The evaluation and selection process for Eligible Assets is a key process in ensuring that the amount equivalent to the net proceeds from Green bonds is allocated to assets and activities which meet the criteria in the Framework.

The selection of Eligible Assets is managed by a dedicated group, the Green Bond Committee (“GBC”). Members of the GBC consist of the Head of Property Management, the CFO and the controller. NP3 Fastigheter will make sure the sustainability expertise always relies within the GBC. All decisions are made in consensus, and that applies to the selection process of Eligible Assets as well.

A list of Eligible Assets is kept by the Finance Department who is also responsible for keeping it up to date.

3.2. Further responsibilities of the GBC

NP3 will follow the development of the green bond market and manage any future updates of the Green Bond Framework to reflect current and future market practices (such as the upcoming EU Taxonomy) and potential updates to the GBP.

The list of Eligible Assets is monitored on a regular basis during the term of the Green bonds to ensure that the proceeds are sufficiently allocated to Eligible Assets. This is also a responsibility of the GBC.

3.3. Exclusion

The proceeds of NP3 Fastigheter’s Green bonds will not be used to finance fossil fuel energy generation, nuclear energy generation, the weapons and defence industries, potentially environmentally negative resource extraction, gambling or tobacco.

4. Management of Proceeds

Equivalent to the net proceeds from NP3 Fastigheter’s Green bonds will be tracked by using a spreadsheet where all issued amounts of Green bonds will be inserted. The spreadsheet will also contain the list of Eligible Assets mentioned in Section 3. Information available in the spreadsheet will in turn serve as basis for regular reporting described in Section 5.

All Green bonds issued by NP3 Fastigheter will be managed on a portfolio level. This means that a Green bond will not be linked directly to one (or more) pre-determined Eligible Assets. The Company will keep track and ensure there are sufficient Eligible Assets in the portfolio. Assets can, whenever needed, be removed or added to/from the Eligible Assets’ portfolio.

Any unallocated proceeds temporary held by NP3 Fastigheter will be placed on the Company’s ordinary bank account.



5. Reporting

To be fully transparent towards the Sustainability investors and other stakeholders, NP3 Fastigheter commits to regular reporting as long as it has Green bonds outstanding. The report will be published on the Company’s website on an annual basis and will cover the following areas:

Allocation of proceeds reporting

- ✓ Total amount of Green bonds issued
- ✓ Share of proceeds used for financing/re-financing as well as share of proceeds used for categories described in Section 2

- ✓ Share of unallocated proceeds (if any)

Impact reporting

NP3 Fastigheter intends to report on quantitative impact indicators where feasible and relevant data is available for the below two main categories.

- I. Green and energy efficient buildings*
 - ✓ Information on the energy usage in kWh/m²/year
 - ✓ Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)
 - ✓ Energy performance certificate class A or B
 - ✓ Type of certification including level, if any (e.g. BREEAM, Green Building etc.)

- II. Energy efficiency*
 - ✓ Amount of energy saved per square meter
 - ✓ Estimated annual GHG emissions reduced or avoided (tCO₂e)

6. External review

Second party opinion

To confirm the transparency and robustness of NP3 Fastigheter's Green Bond Framework, it is verified and approved by an external second opinion provider. The second opinion by CICERO is available on the NP3 Fastigheter's website, together with this Framework.

External part/verifier

Allocation of proceeds will be subject for an annual review by an external part/verifier. A verification report provided by the external part will be published on the Company's website.

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