



# CATENA

## Investor Report

2021

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# Introduction

## Background

The World Bank issued the world's first green bond in 2008, and since then interest in this type of dedicated loan has increased significantly. Catena's green framework was established in 2021 and can include all types of debt instruments where the cash equivalent is reserved for green investments. The framework has been established in accordance with the Green Bond and Green Loan Principles developed by ICMA (International Capital Market Association). The framework has, in turn, been reviewed by a third party, CICERO Shades of Green, a subsidiary of the Climate Research Institute CICERO (Center for International Climate Research) which has submitted a Second Opinion in which the framework has been rated "Medium Green shade". In May 2021, Catena issued its first green bonds. In this report, we provide an account of the investments classified as green in accordance with the framework. The report has been reviewed by our auditors, who have issued a statement on the final page.

A responsible company that continuously develops its operations is a competitive and attractive company. Combined, Catena's tenants' production and transport, as well as our own projects and operations, cause considerable emissions. We find it important to assume responsibility and we are working with stakeholders to ensure that aspects of sustainability are taken into account in our decisions and actions. By developing more sustainable logistics solutions, Catena is able to exert a positive influence over both business partners and the environment.

The Swedish National Board of Housing, Building and Planning estimates that the construction and property sectors account for slightly more than 20 percent of the total environmental impact in Sweden. The sector also contributes to emissions through imports of building materials and construction products.

## Sustainability work

Since 2013, Catena has been working with an internal environmental management system that is certified in accordance with ISO 14001, meaning that we are committed to continuously improving our environmental work. Catena's Sustainability Report presents data in accordance with the GRI (Global Reporting Initiative).

By also signing the UN Global Compact, Catena has taken a stand on issues of human rights, labour law, the environment and anti-corruption. Catena's sustainability work supports Agenda 2030 and the global goals.



Read more about our sustainability work on our website.

## Significant initiatives in 2021

Catena works actively with climate risk analyses and follows the recommendations established by the Task Force for Climate-related Disclosure (TCFD). In 2021, Catena conducted climate scenario analyses with 2050 as the time horizon, in which all employees were involved in identifying and assessing climate-related risks and opportunities faced by Catena's operations. Combined with ongoing

external monitoring and stakeholder dialogues, the climate risk analysis has resulted in an updated materiality analysis, based on which we have fine-tuned our sustainability targets:

- Net-zero greenhouse gas emissions by 2030
- The entire portfolio must be net-positive in terms of biodiversity by 2030
- 100 percent of the Group's lettable area must be environmentally certified by 2030
- Certified as a Great Place to Work with the ambition of achieving a Trust Index of 85 percent by 2025 (the industry average in Sweden is 82 percent)
- Influence our business partners and our environment positively by participating in societal development

The biodiversity target entails an increased focus on biological diversity in connection with how land is used.

## EU taxonomy

Although Catena is not initially covered by the reporting requirement, the Company applied the green taxonomy pro-actively in 2021. Accordingly, as a guide for external stakeholders, the table below provides a preliminary account of how Catena's operations comply with the EU taxonomy. We identify 100 percent of Catena's operations as falling under the seven activities detailed by the EU taxonomy within the construction and property sectors.

### Exposure to the EU taxonomy

	Total 2021, SEK million	"Eligible" according to EU taxonomy
Sales <sup>1</sup>	1,387.4	100%
Investments <sup>2</sup>	2,455.8	100%
Costs <sup>3</sup>	85.1	100%

<sup>1</sup> Sales refer to total rental income in the income statement.

<sup>2</sup> Investments (Capex) refer to capitalised expenses that increase the value of our properties, including conversions/extensions, acquisitions, new construction.

<sup>3</sup> Costs (Opex) refer to direct expenses for maintenance and repair of properties.

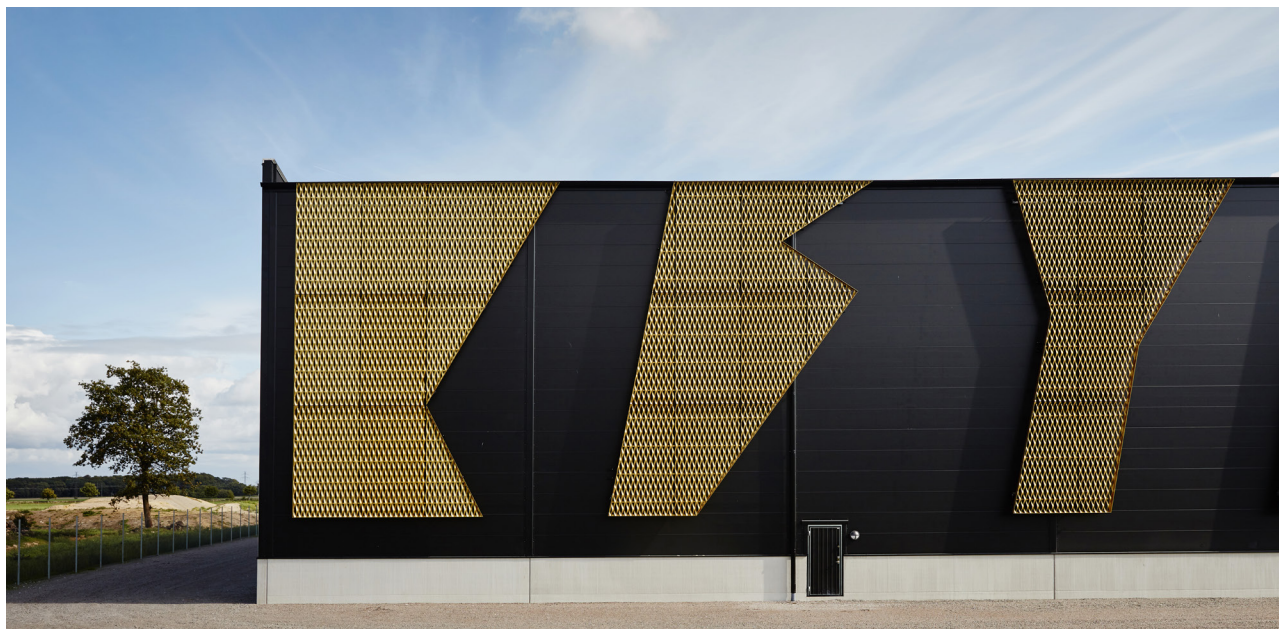
## Energy consumption of properties

From an operational perspective, the properties' energy consumption is the factor with the greatest impact on the climate and the properties' energy consumption is therefore a prioritised environmental issue for Catena. In close collaboration with our tenants, we are constantly looking for new solutions to save energy and reduce climate impact. Catena is to reduce its energy use for normal-year adjusted heating by 15 percent (kWh/m<sup>2</sup>) and for electricity by 10 percent (kWh/m<sup>2</sup>) by 2025 compared with the base year of 2017. The target includes both energy consumed in properties and energy consumed in operations.

## Greenhouse gas emissions

Unlike previously, greenhouse gas emissions in the newly formulated targets also pertain to indirect emissions in Scope 3, for example emissions from our tenants' energy use and emissions that occur during new construction, extension and major renovation projects. For us, it is important to take responsibility for our entire value chain. Most of our emissions occur in Scope 3, so it is of great importance that we work strategically to reduce these.

# Our green financing



## Our green financing

At the end of 2021, Catena had a total SEK 2,756 million in green loans outstanding, corresponding to 25 percent of all interest-bearing debt outstanding. An interim target is to achieve at least 50 percent green financing by 2025. In 2021, Catena established its own MTN programme and, at the same time, it established its own green financing framework. Shortly thereafter, SEK 1,400 million in green bonds were issued within the framework.

In addition to green financing within its own framework, at the end of the year, Catena had green loans raised partly from banks and partly from Swedish Real Estate Financing (SFF) amounting to SEK 1,356 million.

The bonds within Catena's own MTN programme are listed on the Nasdaq Stockholm Green Bond List.

Outstanding bonds (MTN)			
ISIN	Issued (year)	Maturity (year)	Nominal amount
SE0013104635	2021	2025	SEK 950 million
SE0013104627	2021	2025	SEK 450 million

All green financing raised within Catena's own framework is managed at the portfolio level. This means that a green debt instrument is not necessarily linked directly to a specific green asset. The allocation of the cash equivalent proceeds from outstanding green financing within Catena's own framework is distributed among a pool of qualified green investments.

Catena maintains a register of all qualifying assets/investments and makes sure that sufficient green assets are available at all times to cover outstanding green loans.

Read more about our selection and assessment process in our Green Finance Framework.

Distribution, green investments and loans 31 December 2021	SEK million
<b>Green and energy-efficient properties</b>	
New properties and major renovations	4,941
Existing properties	2,855
<b>Energy efficiency</b>	
Energy-efficient projects	31
<b>Qualified green assets<sup>1</sup></b>	<b>7,827</b>
Green Bonds (MTN) – within own framework	1,400
Green bank loans <sup>2</sup>	1,178
Green Bonds (SFF) <sup>3</sup>	178
<b>Green financing</b>	<b>2,756</b>
<b>Remaining scope for green funding</b>	<b>5,071</b>
<b>Share of cash, new financing/refinancing</b>	
New financing	7%
Refinancing	93%

<sup>1</sup> Value as of 31 December 2021.

<sup>2</sup> Green bank loans meet both the bank's own green framework and Catena's.

<sup>3</sup> Green bonds via SFF meet both SFF's green framework and Catena's.

### Cicero's statement

Cicero Shades of Green has rated the framework Cicero Medium Green with the following statements:



**“In addition to the company's policies and guidelines, the sustainability work is based on the ten principles of the UN Global Compact. As a member, the Company works actively to contribute to the Agenda 2030 and the Sustainable Development Goals (SDGs).”**

“In 2020, Catena became a member of the LFM30, which is a local initiative in Malmö to achieve a climate-neutral construction sector in line with Agenda 2030. Also in 2020, Catena was awarded two European Public Real Estate

(EPRA) Sustainability awards – EPRA Silver and EPRA Most Improved.”

“The policies toward sub-contractor through Catena's Code of conduct is good, covering business ethics, social safeguards as well as environmental issues. The management of proceeds is in accordance with the Green Bond Principles and the Green Loan Principles. The annual Sustainability Report of Catena is conducted in accordance with the Global Reporting Initiative (GRI) Standards, as well as with EPRA's Sustainability Best Practice Recommendations. In 2020, the Company has also chosen to work towards reporting in line with the Task Force on Climate-Related Financial Disclosure (TCFD)'s recommendations”

**“Included in the overall shading is an assessment of the governance structure of the green finance framework. CICERO Shades of Green finds the governance procedures in Catena's framework to be Excellent.**

#### EXAMPLE PROPERTY: SNESHOLM 1:16

Morgongåva

38 000 m<sup>2</sup>

Miljöbyggnad Silver



## Big roofs bring great opportunities

At the Snesholm 1:16 property in Morgongåva, we have one of our most energy-efficient properties with an annual energy consumption of 6kWh/m<sup>2</sup>. A 9,100-m<sup>2</sup> solar cell system is installed on the roof, making it one of Sweden's largest roof-top facilities. The plant is owned by the tenant Apotea and produces about 1,500,000 kWh annually. The premises are heated with the help of two geothermal heat pumps and passive cooling

from the rock is used for cooling offices and warehouses. In 2021, the property was also certified in accordance with the Miljöbyggnad Silver environmental building standard, which ensures that the property, in addition to being energy efficient, also offers a pleasant and comfortable living environment and that built-in materials are free of hazardous substances.

## PROPERTIES QUALIFIED UNDER THE GREEN FRAMEWORK

### CATEGORY 1 - Green and energy-efficient properties

Property	Environmental certification	Output, solar cell system, kWp	Energy class	Government requirements	Energy performance	Improvement compared with regulatory requirements	Estimated annual climate impact	Estimated annual climate impact (including operational electricity)	Estimated annual emissions avoided <sup>3</sup>
Backa 23:5, building 1	iDrift Silver		C	70	63	10	21.79	41.17	1.30
Backa 23:5, building 2	iDrift Silver	251 <sup>1</sup>	A	70	35	50	0.59	92.64	0.61
Backa 97:10			B	70	39	44	20.59	35.93	16.68
Björred 1:205			B	96	63	34	4.28	18.22	2.24
Broby 57:5	Miljöbyggnad Silver	499	B	70	37	47	7.82	N/A	7.08
Förmannen 4			A	70	28	60	10.08	31.26	12.92
Hammaren 1			A	70	29	59	12.56	N/A	8.33
Hammaren 2			A	70	29	59	17.92	N/A	17.96
Kometvej 15			A	41.3	40.2	3	8.90	N/A	N/A
Lokesvej 18			A	41.2	39.8	3	10.70	N/A	N/A
M.P. Allerups Vej 61			A	56.8	51	10	1.42	N/A	N/A
Morgongåva 15:33	Miljöbyggnad Silver	1,500	A <sup>2</sup>	80	32	60	13.20	N/A	35.94
Mosås 4:57			B	70	51	27	29.30	37.50	11.07
Norra Varalöv 31:11, building 1	Miljöbyggnad Silver		A	70	15	79	4.84	N/A	15.28
Norra Varalöv 31:11, building 2	Miljöbyggnad Silver	255 <sup>1</sup>	A	70	14	80	12.88	58.12	47.03
Norra Varalöv 31:11, building 3	Miljöbyggnad Silver	255	A	70	28	60	11.80	N/A	18.71
Norra Varalöv 31:5			B	70	37	47	2.85	N/A	2.60
Plantehuset 3, building 1	Miljöbyggnad Silver	255	B	70	48	31	7.79	N/A	68.66
Plantehuset 3, building 2	Miljöbyggnad Silver		A	86	6	93	1.95	N/A	39.21
Plantehuset 3, building 3	Miljöbyggnad Silver		A	70	21	70	19.73	N/A	44.39
Rebberberga 26:37			A	70	25	64	6.29	N/A	9.99
Rosersberg 11:81			A <sup>4</sup>	70	29	59	1.28	81.50	40.94
Slottshagen 2:1			B	88	50	43	75.56	103.05	58.55
Snesholm 1:16	Miljöbyggnad Silver	1,500 <sup>1</sup>	A	70	10	86	8.41	N/A	48.84
Sunnanå 12:51	Miljöbyggnad Silver <sup>5</sup>		A	70	25	64	9.74	34.44	16.41
Sunnanå 12:52, building 1	Miljöbyggnad Silver		C	80	71	11	1.61	4.13	2.93
Sunnanå 12:52, building 2	Miljöbyggnad Silver		B	70	38	46	8.95	N/A	4.65
Sunnanå 12:52, building 3	Miljöbyggnad Silver	291	A	70	26	63	9.53	16.06	15.40
Sunnanå 12:52, building 4	Miljöbyggnad Silver	291	A	70	18	74	5.55	N/A	14.76
Sunnanå 12:52, building 5	Miljöbyggnad Silver		B	70	41	41	2.92	36.25	2.06
Vanda 1			B	70	51	27	3.12	106.73	25.72
Vindtunneln 1	Miljöbyggnad iDrift <sup>5</sup>		B	70	47	33	24.01	45.88	8.57
Vindtunneln 2			B	70	40	43	29.70	40.78	16.27
Åre 92	Miljöbyggnad Silver		B <sup>2</sup>	70	54.8	22	77.80	N/A	46.88
<b>TOTAL</b>				<b>70</b>	<b>36</b>	<b>47</b>	<b>246.67</b>	<b>783.67</b>	<b>661.96</b>

<sup>1</sup> The solar cell system is owned by the tenant.

<sup>2</sup> This is a forecast. This value pertains to a new building for which no energy declaration has yet been prepared.

<sup>3</sup> Estimated emissions avoided include only the building's energy consumption (not operational electricity) and compare emissions from actual energy consumption with regulatory requirements.

<sup>4</sup> Energy declarations were made in 2018, which is why there are no figures for primary energy. Energy performance is therefore presented as actual energy consumption.

<sup>5</sup> Certification process in progress.

**CATEGORY 2** - Energy efficiency

Catena works continuously alongside tenants to streamline and reduce energy consumption in the properties. Investing in efficient electricity, heating and ventilation systems is a given matter. Here we report some examples of major energy projects that have been implemented and initiated in 2019-2021.

Property	Measures	Estimated annual savings, tonnes CO2e	Status
<b>Fördelaren 1</b>	<ul style="list-style-type: none"> <li>– Heat pumps are installed that use the excess heat from the cooling machines</li> <li>– Electric radiators are being replaced by more energy-efficient ones</li> <li>– Electric battery in recovery centre disconnected in favour of water-borne</li> <li>– Installation of solar cell plant (planned for 2022)</li> </ul>	50	Completed in 2020
<b>Vångagärdet 20</b>	<ul style="list-style-type: none"> <li>– Heating switched from natural gas to district heating</li> <li>– Fluorescent lamps switched to LED</li> <li>– Replacement of ventilation units with heat recovery.</li> <li>– More measures are planned in the future</li> </ul>	765	Completed in 2019
<b>Mappen 1, 3 och 4</b>	<ul style="list-style-type: none"> <li>– Three buildings will be disconnected from the district heating network, with heating to be replaced by geothermal solution with heat pump and seasonal storage. The area is to become self-sufficient in energy.</li> </ul>	249	Forecast for completion in 2022

**EXAMPLE PROPERTY: MAPPEN 1, 3 och 4**

Linköping

57 000 m<sup>2</sup>

Energy project



## New, self-sufficient energy system

Catena works continuously to reduce its properties' climate footprint and operating costs by streamlining their energy consumption. A good example of this is Catena's site on Köpertoolsgatan in Linköping, immediately adjacent to the airport. Catena has three buildings at the site with 57,000 m<sup>2</sup> of warehousing and logistics space, with Arla, ICA and Bring, among others, as tenants. Catena also holds land suitable for another building of approximately 10,000 m<sup>2</sup>. For the three existing buildings, as well as for a future fourth building, a new, shared energy system is being built that will be entirely self-sufficient

and will be disconnected from the district heating system. The new system is based on the heat generated by a cooling plant in a freezer unit in one of the buildings, being stored in a geothermal storage plant comprising some 50 boreholes with a total depth of 15,000 metres. The properties' respective systems are being connected and the heat generated by the freezers can be used for heating in all of the properties. Total heat consumption estimated to decrease to 10 kWh/m<sup>2</sup>. In total, the project will lead to a 74-percent reduction in energy consumption, corresponding to a saving of 249 tonnes of CO<sub>2</sub> per year.

# Method

In 2021, the energy declarations on approximately 65 percent of Catena's properties have been updated, energy declarations on other properties are being updated and these will be reported next year. The table on page 5 is based on information produced in the energy declarations. Energy declarations show energy class as well as the regulatory requirements on new construction, that is, requirements according to BBR 29 for Swedish properties and requirements according to BR18 for the Danish portfolio. These also show the buildings' energy performance based on a primary energy figure.

The table also presents the emissions occurring in connection with energy consumption. Emissions from energy consumption are presented primarily in Scopes 1 and 2, that is, emissions from energy consumed by properties. Where we have data, we also present emissions from our tenants' energy consumption, that is, operational electricity, as part of our Scope 3.

Climate impact calculations are based on the Greenhouse Gas protocol. Emissions from electricity use are location-based and use IVL/Boverket's conversion factor for the Swedish electricity mix of 0.037 kgCO<sub>2</sub>e per kWh. For district heating, the recalculation factor used is that is

published on the website of the relevant supplier energy company. For the Danish properties, estimated emissions were obtained directly from the energy declarations.

The estimated emissions avoided are based on the energy consumption avoided through improved energy performance compared with the regulatory requirement. In order to produce the difference between the emissions from actual energy use and official requirements, the official requirements (presented as primary energy figures) have been converted to energy use with certain assumptions being applied. We assume the same percentage distribution between heating and electricity for the regulatory requirement as for the building's actual consumption. Based on this distribution, heating and electricity consumption are converted to greenhouse gas emissions with the relevant emission factors. Please see the formula below, which we have used to calculate the building's primary energy (taken from BBR 29).

$$EP_{pet} = \frac{\sum_{i=1}^6 \left( \frac{E_{uppv,i}}{F_{geo}} + E_{kyl,i} + E_{tvv,i} + E_{f,i} \right) \times VF_i}{\lambda}$$

EXAMPLE: LOGISTICS POSITION SUNNANÅ

📍 Burlöv

🏠 81 000 m<sup>2</sup>

🌿 Miljöbyggnad Silver



## High sustainability performance at Logistics position Sunnanå

Catena owns a number of properties at Logistics Position Sunnanå with a total lettable area of approximately 81,000 m<sup>2</sup>.

Logistics Position Sunnanå is an attractive and efficient logistics location in the Greater Copenhagen area, from which our customers reach the motorway quickly and with short transport routes. To ensure high sustainability performance of the properties, all of the buildings are certified in accordance with the Miljöbyggnad Silver environmental building standard. With the help of various energy solutions such as geothermal energy, recycling of waste heat from refrigeration and freezing plants, Tellus energy trees and solar cells, the properties are resource-efficiently and sustainably supplied. Three of the buildings have energy class A, two have energy class B and one building

achieves energy class C. In the last of these buildings, a solar cell system will be installed in 2022, raising the energy class of this property too.

Catena is also working to further expand the area via the neighbouring site, where a number of warehouse and logistics buildings are to be built, which will be included in Catena's green pool following completion. The sustainability requirements are being further fine-tuned here. The buildings will be certified in accordance with Breeam-SE's lowest level "Very good", focusing on energy efficiency, integration and a supply of natural values, as well as careful choices of materials to reduce the impact on the climate even from the construction phase.



## Auditor's Limited Assurance Report

To Catena AB (publ), Corporate identification number 556294-1715

### Introduction

We have been engaged by the board of directors in Catena AB (publ) ("Catena") to undertake a limited assurance engagement of the information in Catena's Investor Report 2021 ("the Report").

### Responsibilities of the Catena board of directors and management

The Catena board of directors and management is responsible for preparing the Report in accordance with applicable criteria. The criteria is stated in the Catena Green Finance Framework dated April 2021, available on Catena's website. This responsibility includes the internal control relevant to the preparation of a Report that is free from material misstatements, whether due to fraud or error.

### Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained.

We have conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected information in the Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a compre-

hensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent towards Catena in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our procedures are based on the criteria defined by the Catena board of directors and management as described above. We consider these criteria suitable for the preparation of the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

### Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the Report has not been prepared, in all material respects, in accordance with the reporting criteria defined by the Catena board of directors and management.

Malmö 18 March 2022

PricewaterhouseCoopers AB

Mats Åkerlund  
Authorized Public  
Accountant

Daniel Johansson Stattin  
Expert Member of FAR

# CATENA

Catena is a listed property company that, through collaboration sustainably develops and durably manages efficient logistics facilities. Its strategically located properties supply the Scandinavian metropolitan areas and are adapted for both current and future goods flows. The overarching objective is to generate strong cash flow from operating activities to enable sustainable growth and stable returns. Catena's shares are traded on NASDAQ Stockholm, Large Cap.

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