

# Prisma Properties Sustainability Work

## 1 Introduction

Prisma Properties creates value by being an active real estate company that develops and pursues long-term ownership of properties within the low-price daily goods and fast-food segments. Prisma's sustainability work is guided by UN's global development goals (SDGs<sup>1</sup>) and is conducted with an ESG<sup>2</sup> perspective which aligns well with the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards<sup>3</sup> (ESRS). Hereafter, you can read about Prisma's ESG work and how we create value within each target area.

### 1.1 Environment

Prisma prioritizes a responsible and active work for the environment and its surrounding, through efforts with energy efficiency measures for the property portfolio (since that is both the real estate sectors, and Prisma's largest CO2 emission area), production and sale of renewable energy through solar panels, expansion of charging infrastructure for light and heavy transports, and requirements for tenants regarding renewable energy supply when certifying properties in accordance with Miljöbyggnad Silver<sup>4</sup>. Additionally, Prisma offers services such as bicycle parking spaces, green roofs<sup>5</sup>, and solutions for local stormwater management based on the tenants and municipal requests.

In collaboration with suppliers and tenants, Prisma works for sustainable resource management. This is achieved by demanding good resource management in new property constructions to minimize waste and enabling good waste and recycling sorting for tenants. Prisma's ambition is to create attractive spaces and solutions that are sustainable over time, with a focus on optimised resource flows in both production and management operation.

Prisma's long-term ambition is to continue its work with innovation as a prerequisite for successful sustainability efforts. Prisma's ambition is to continue the contribution in developing sustainable local energy systems focusing on production of renewable energy and the expansion of charging infrastructure. Also, Prisma will further investigate the possibility to make use of recycled concrete in the production and the development of modular buildings to facilitate the reuse of building elements in new constructions.

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<sup>1</sup> <https://sdgs.un.org/goals>

<sup>2</sup> ESG =Environment, Social and Governance, <https://www.oecd.org/finance/esg-investing.htm>

<sup>3</sup> <https://www.efrag.org/Activities/2010051123028442/Sustainability-reporting-standards-roadmap?AspxAutoDetectCookieSupport=1>

<sup>4</sup> <https://www.sgbc.se/certifiering/miljobyggnad/vad-ar-miljobyggnad/>

<sup>5</sup> <https://www.boverket.se/sv/PBL-kunskapsbanken/teman/ekosystemtjanster/praktiken/grona-grona-tak/>

## **1.2 Social**

Prisma's social sustainability approach strives and actively work to achieve a positive societal impact, aiming to develop sustainable properties that contribute to positive urban development and works with social sustainability in several ways. One focus area is developing accessible and inclusive marketplaces in cooperation with municipalities and tenants. Prisma's marketplaces aim to be accessible to everyone, meaning that people with different types of disabilities should be able to stay in and around Prisma's marketplaces on equal terms.

Another focus area is ensuring that our marketplaces and tenants can offer our end-consumers goods and services at reasonable prices, enabling more people to afford a decent everyday life. Prisma's properties and marketplaces aim to suit everyone. Internally, Prisma works to achieve optimal health and well-being among both employees and tenants. Gender equality and equal treatment are areas that Prisma work on regarding the own organisation. Prisma also demand that their tenants align with Prisma's measures (Code of Conduct) to ensure solid working conditions in the value chain.

Prisma strives to be an attractive employer and a forward-thinking real estate actor. One way for Prisma to create positive social impact is through new job opportunities and contribute to more people entering the workforce by offering internships and vocational training positions for youths, students, and socio-economically vulnerable groups with our tenants.

Prisma acknowledges the complexity of creating socially sustainable value both internally and in the value chain. It's an area that large parts of the sector struggle to improve. However, it's important for Prisma to manage a changing world, both regarding the properties themselves and all the people who will use and stay around them. Prisma plans to develop social roadmaps, collaborate with key actors in the value chain, especially our tenants, and integrate social issues into sustainability reporting. For us, it is essential to incorporate social aspects into our strategy and ensure human rights at all levels.

## **1.3 Governance**

The ultimate responsibility for Prisma's sustainability work lies with the board and the CEO. Decisions on the company's sustainability policy with associated sustainability goals are made by the company's board. To drive Prisma's sustainability work forward, Prisma has appointed a Sustainability Manager who, together with Prisma's ' COO and CFO, forms the company's sustainability committee, se also figure 1.

Prisma's sustainability policy acts as the guidelines for the company's sustainability work, which is an integrated and self-evident part of the company. The policy is being prepared by the company's Sustainability Committee and approved by the board, see Prisma's organization for the progress of the company's sustainability working Figure 1.

The company's sustainability issues are continuously developed, which is why the sustainability policy with associated annexes is evaluated and revised annually. All sustainability goals are followed

up annually and reported to the management team and the board. The goals are also reported externally in the company's quarterly and annual reports and on the website.



**Figure 1: Prisma Properties organization-map of the company's sustainability work.**

Prisma employees and stakeholders are a central part of how successful the sustainability work is adapted into the core business, a work which Prisma intends to further develop based on results from the double materiality analysis conducted in 2024.

Central stakeholders for Prisma's sustainability work are the company's owners, investors, partners, suppliers, tenants, and municipalities. To ensure their contribution to successful sustainability work, Prisma's sustainability committee organizes continuous training and informational meetings related to Prisma's sustainability ambitions. This aims to ensure that employees and stakeholders understand how they can contribute to successful sustainability efforts throughout the value chain.

In addition, Prisma also adhere to the company's Code of Conduct for both employees and subcontractors regarding personnel matters and collaboration with subcontractors. Green appendices are also included in the company's tenant agreement to ensure good cooperation around Prisma's sustainability efforts.

## 2.0 Progress of Prisma's Sustainability Work

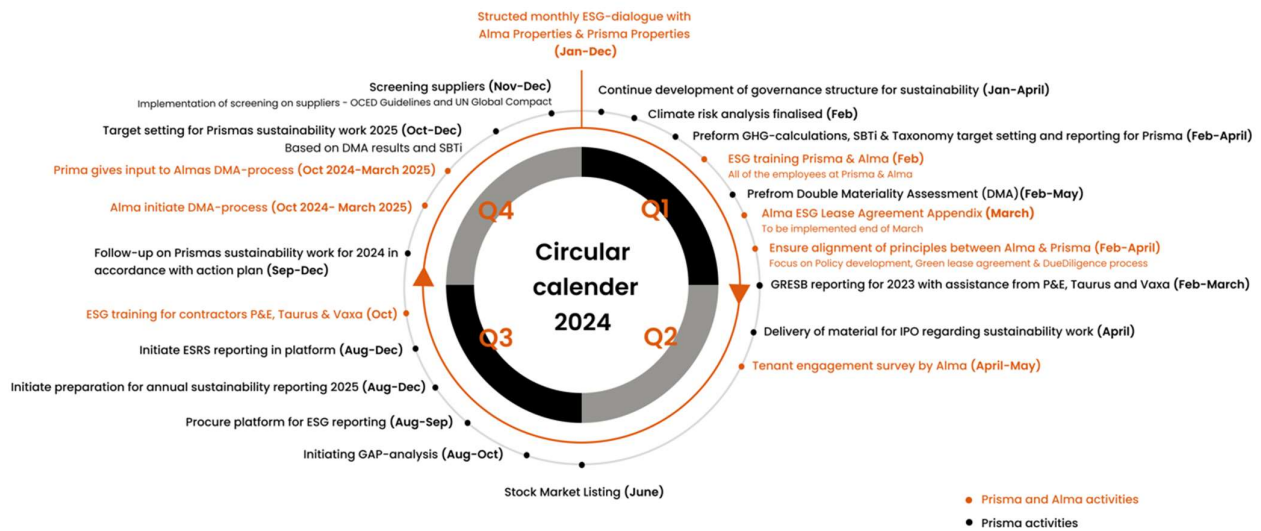
### 2.1 Current Situation

During the fiscal years 2023 to 2025, Prisma's sustainability work focuses on the goals and associated sub-goals outlined in the company's sustainability policy. In this work, the company's board and management strive to:

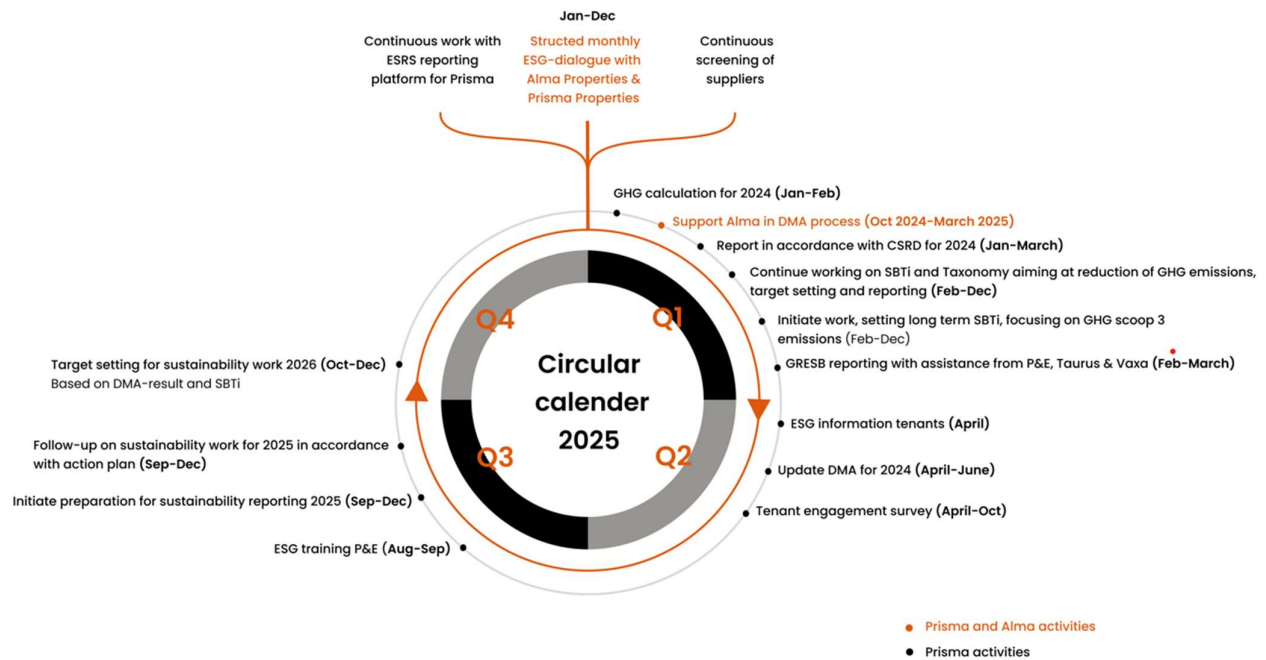
- Annually report the company's sustainability work in accordance with CSRD.
- Annual follow-up and revision of the company's sustainability goals and associated activities.
- Continuous collaboration with the company's owners, investors, partners, suppliers, tenants, and municipalities to achieve the company's sustainability goals.

The work is carried out in a cyclical process (see the annual cycle for 2024 and 2025 in Figures 2 and 3) linked to the company's annual governance and reporting cycle in the following steps:

1. Goal formulation
2. Decision on activities to achieve set goals
3. Follow-up of goals
4. Sustainability reporting
5. Knowledge feedback in collaboration with customers and suppliers
6. Decision on new goals or revision of goals



**Figure 2: Annual cycle for Prisma's sustainability work in 2024.**



**Figure 4: Annual cycle for Prisma’s sustainability work in 2025.**

### *Progress 2023*

In 2023, the foundation of Prisma sustainability work was further developed, aligned with additional and crucial information about our properties that was updated regarding both energy performance and the amount of renewable energy produced from installed solar panels, as well as the number of installed charging stations for electric vehicles.

Additionally, Prisma developed a stronger and robust action plan for our ongoing and long-term sustainability work. Based on this plan a climate risk analysis was initiated for Prisma's operations, aiming at enabling for future annual reporting in accordance with CSRD and the taxonomy<sup>6</sup> for the year 2024.

### *Progress 2024*

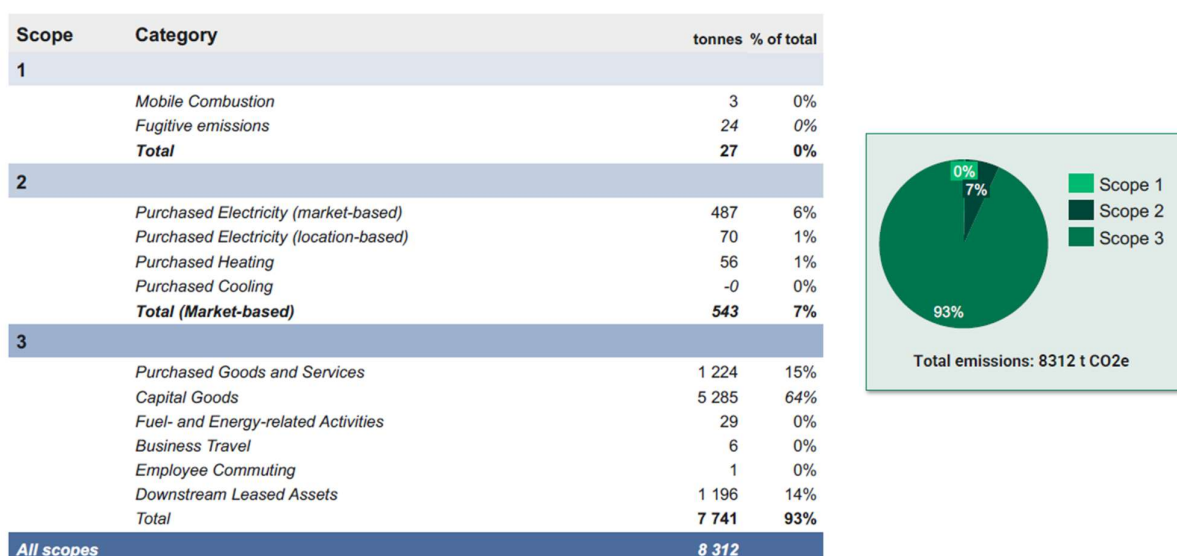
During spring of 2024, the initiated climate risk analysis was completed, where key insights conducted that Prisma can continue to be an attractive employer and landlord by taking an active part during the needed sustainability shift. This is achieved by:

- Contributing to the production of renewable energy
- Developing modular buildings made from high climate performance materials
- Maintaining and procuring market spaces that provide an alternative for customers to e-commerce actors.
- That the sustainability work during 2024 focuses on developing a sustainability policy, Due Diligence process, and the company's green annex in lease agreements.

<sup>6</sup> <https://www.fi.se/sv/hallbarhet/regler/taxonomi/>

- Prisma conducted their first climate report for the company's operations in 2023, developed in accordance with the GHG protocol<sup>7</sup>,
- Initiated the process of setting Science Based Targets<sup>8</sup> (SBTi),

Since the climate report for 2023 revealed that Prisma's largest greenhouse gas emissions can be traced to emissions in the company's value chain upstream and downstream (scope 3), see Figure 4. Prisma's forward-looking work to reduce our climate impact will focus on demanding good production and management practices from suppliers, as well as tenants' choice of energy. Furthermore, Prisma will explore the possibility to make use of recycled concrete in their production and the development of modular buildings to facilitate the reuse of building elements in new constructions.



**Figure 4: Prisma Properties GHG emissions for the fiscal year 2023 in accordance with the GHG protocol.**

In the spring of 2024, Prisma also initiated its work on reporting in accordance with CSRD and the taxonomy and conducting a double materiality analysis. The aim was to understand the company's impact and business opportunity from an ESG perspective and ensure the alignment of the company's forward-looking annual and sustainability reporting.

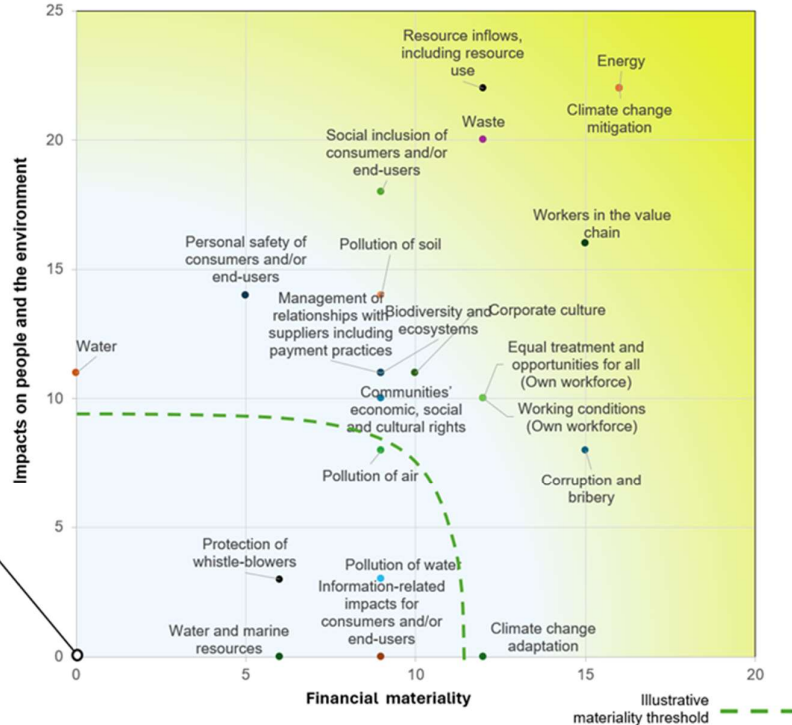
<sup>7</sup> <https://ghgprotocol.org/corporate-standard>

<sup>8</sup> <https://sciencebasedtargets.org>

## Final results matrix

- The matrix shows relative materiality of ERSR sustainability matters for Prisma Properties based on impact and financial materiality scores.
- You can see that energy use and associated GHG, as well as waste and resource use (building materials etc.) are the most material environmental topics for Prisma's managed facilities.
- Enabling affordable consumption alternatives for consumers (social inclusion of consumers) and ensuring fair working conditions of construction workers (workers in the value chain) are the most material social issues.

**OTHER NOT MATERIAL SUSTAINABILITY MATTERS**  
 Pollution of living organisms and food resources (E2)  
 Substances of (very high) concern (E2)  
 Microplastics (E2)  
 Resource outflows related to products and services (E5)  
 Other work-related rights (Own workforce) (S1)  
 Communities' civil and political rights (S3)  
 Rights of indigenous peoples (S3)  
 Political engagement (G1)  
 Animal welfare (G1)



2024-05-02

**Figure 5: Prisma Properties' relative materialities based on both impact and economic influence.**

Based on the double materiality analysis (DMA) conducted in spring of 2024, it determined that *energy use* with associated greenhouse gases and *waste* and *resource use* (building materials, etc.) are the most material environmental issues for Prisma's managed facilities (see Prisma's relative materialities based on both impact and economic influence in Figure 5).

Considering social sustainability, it emerged that enabling affordable consumption options for consumers (social integration of consumers) and ensuring *fair working conditions* for construction workers (workers in the value chain) are the most material social issues for Prisma Properties (see Prisma's relative materialities based on both impact and economic influence in figure 5).

Finally, Prisma continued to develop and improve its taxonomy reporting process to identify company activities that meet the taxonomy's criteria for upcoming taxonomy reporting. Prisma identified that 100 percent of its revenue, CapEx, and OpEx for 2023 were eligible for the activity of acquisition and ownership of buildings according to the EU Taxonomy. However, none of Prisma's revenue, CapEx, or OpEx for 2023 was fully taxonomy-aligned (see figures 6 and 7). This is because Prisma does not fully meet the EU taxonomy's minimum safeguards, particularly regarding OECD guidelines and the UN's guiding principles for business and human rights.

Furthermore, meeting the criteria for "do no significant harm" without additional investments is challenging. Several of Prisma's properties, however, meet the technical criteria for acquisition and ownership of buildings, contributing to climate change mitigation.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 11

Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.11 CE 3.1

The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective  
 NEL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of CapEx/Totals CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL - Taxonomy eligible activity for the relevant objective NEL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and NEL codes instead of EL and NEL and (b) for DNSH - Y/N codes

**Figure 6: Prisma Properties taxonomy report for 2023.**

**Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year N**

2023	2023		Substantial contribution criteria						DNSH criteria ( Does Not Significantly Harm)(h)							Proportion of Taxonomy aligned (A.1) or eligible (A.2.) CapEx, year	Category (enabling activity) (19)	Category (transitional activity) (20)
	Code (a) (2)	CapEx (3)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)			
Economic activities (1)		Million SEK	%	Y, N, NEL (b)(c)	Y, N, NEL (b)(c)	Y, N, NEL (b)(c)	Y, N, NEL (b)(c)	Y, N, NEL (b)(c)	Y, N, NEL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1 Environmental sustainable activities (Taxonomy-aligned)</b>																		
NA																		
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1))		0	0%															
Of which enabling		0	0%															
Of which transitional		0	0%															
<b>A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)</b>																		
Acquisition and ownership of buildings	CCM 7.7	411	100%	EL, NEL (f)	EL, NEL (f)	EL, NEL (f)	EL, NEL (f)	EL, NEL (f)	EL, NEL (f)									
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		411	100%															
<b>A. CapEx of Taxonomy eligible activities (A.1+A.2)</b>		411	100%															
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
CapEx of Taxonomy-non-eligible activities																		
<b>TOTAL</b>		411	100%															

**Figure 7: Information related to figure 6 regarding Prisma's taxonomy report for 2023.**



## 2.2 Forward-Looking Work

In Prisma's progressive work, a method for continuous review and monitoring of subcontractors from an ESG perspective are being developed. Furthermore, Prisma's Due Diligence process will be further developed to ensure that new acquisitions align with Prisma's sustainability ambitions. Linked to this, a clear process for continuous stakeholder dialogue regarding sustainability and mutual business benefits will be developed, as well as the work with tracking sustainability data with the support of a digital platform.

Since some of Prisma's properties do not meet the company's goal of having an energy performance of A-C, a comprehensive effort focused on energy efficiency measures is ongoing. This work will continue through 2024 and 2025.

Parallel to this, Prisma will continue working with innovative solutions to contribute to the development of charging infrastructure for electric vehicles and the development of buildings with reusable building elements.

Adjacent to Prisma's properties and marketplaces, an initiative is underway to offer fast charging, primarily aimed at electric cars but also some planned for fast charging of trucks. This will provide both positive sustainability effects and increased attractiveness for both consumers and tenants of Prisma. The plan is to install over 350 fast chargers around the Nordic region in the coming years, with each charger having a capacity of at least 150 to 300 kWh.

Prisma collaborates with the charging operator *Recharge* to establish public charging infrastructure along strategic routes to enable the electrification of heavy transport. The charging stations have also been designed with a technical solution that allows different types of vehicles to charge at the same location in a traffic-safe manner. This increases utilization and enables the electrification of other types of traffic beyond heavy transport. Several actors are involved in this project.

The charging operator Recharge, with over 10 years of experience in building and operating charging networks, enables Prisma, which owns a large number of properties and marketplaces across the country (including Rasta facilities where many heavy transports stop for food, rest, and overnight stays), to offer vehicle charging in connection with breaks for professional drivers. The combined expertise, resources, and experience of these parties provide good conditions for successful implementation and the project's future development.

## 3.0 Reporting

Since 2023, Prisma has reported in accordance with *Global Real Estate Sustainability Benchmark*<sup>9</sup> (GRESB) and intends to produce annual reports in accordance with CSRD starting in 2025. Prisma has developed a climate balance sheet for 2023, from which Science Based Targets will be set for the company. The data Prisma currently collects includes:

- Energy use of properties (kWh), where *Mestro*<sup>10</sup> is used for tracking
- Installed capacity of solar panels (kW)
- Climate balance sheet for 2023, including Scope 1, 2, and 3

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<sup>9</sup> <https://www.gresb.com/nl-en/>

<sup>10</sup> <https://mestro.com/sv/>

The data collection Prisma will develop further includes:

- Number of certified properties according to Miljöbyggnad Silver
- Number of installed green roofs
- Amount of produced renewable electricity (kWh)
- Number of installed charging stations
- Installed area (m<sup>2</sup>)
- Waste quantities from subcontractors, internal operations, and tenants
- Water consumption of tenants
- Monitoring requirements for subcontractors in line with the company's Code of Conduct
- Internal monitoring of the company's Code of Conduct
- Data points identified as significant in the double materiality analysis linked to the company's future Annual and Sustainability Reports in accordance with CSRD 2026.

### **3.1 Prisma and the EU Taxonomy**

Prisma's taxonomy reporting includes data collected and reviewed at various organizational levels. After a thorough assessment, it was determined that none of Prisma's revenue, CapEx, or OpEx for 2023 could be considered fully taxonomy aligned.

This conclusion was drawn based on the guidelines outlined in the "Final Report on Minimum Safeguards" by the Platform for Sustainable Finance (October 2022), which describes how companies can align with the EU's taxonomy minimum safeguards. Furthermore, it is noted that several of Prisma's properties are adapted to the technical screening criteria for 7.7 Acquisition and ownership of buildings, which significantly contributes to mitigating climate change.

To be considered aligned with the EU taxonomy regulation, a property must either be in the top 15 percent of the most energy-efficient buildings in its category or have an energy certificate with an A classification. The 2023 taxonomy assessment lays a solid foundation for Prisma to refine processes related to taxonomy requirements in the coming years. This is with a focus on the EU taxonomy's expectations, particularly regarding Due Diligence processes in line with OECD guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The taxonomy assessment for 2023 provides Prisma with a solid foundation to improve processes related to taxonomy requirements. In 2024, Prisma will strengthen its compliance with minimum safeguards and conduct more robust climate risk analyses to ensure future operations are taxonomy-aligned. In doing so Prisma will focus on strengthening compliance with minimum guarantees and conducting more robust climate risk analyses so that we, in the future has taxonomy-aligned activities linked to Prisma's properties.