

MOBIMO

**Green Bond Framework  
2023**



**Mobimo has created this Green Bond Framework under which Green Bonds can be issued to finance or refinance eligible green projects.**

**This framework is designed to be in line with the International Capital Market Association (ICMA) Green Bond Principles.**

# 1. Overview

## 1.1 About Mobimo

Mobimo's business objective and strategy is to achieve attractive risk-adjusted returns primarily through the acquisition, development, construction, management and sale of real estate. With a broadly diversified portfolio that has a total value of approximately CHF 3.7 billion as at 31 December 2022, Mobimo Holding AG is one of the leading real estate companies in Switzerland and has been listed on the SIX Swiss Exchange since 2005.

The investment portfolio contains between 33% and 40% residential properties and the remainder commercial properties, both with a broadly diversified tenant mix. Furthermore, Mobimo has an attractive pipeline of development properties both for the company's own portfolio and for third parties. This area of activity includes the sale of condominiums as well as planning and implementation services for institutional and private investors. All properties in the portfolio are in first-class locations in the German- and French-speaking regions of Switzerland.

## 1.2 Integrated business model and sustainable goals

Mobimo's long-term strategy focuses on qualitative growth with a balanced mix of uses and active portfolio management as well as the sustainability of its activities. The core competencies of buying/selling, development and portfolio management in combination with the potential for long-term financing form a solid basis for the company's further development.

Besides further development, Mobimo's business model pursues sustainable goals. For Mobimo, sustainability means striking a balance between generating profits today and preserving and increasing value in the long term. Quality of life finds its expression in the design of living, residential and working space. In addition to economic aspects, Mobimo also takes environmental and social aspects into account in its activities. This results in added value for shareholders and users of Mobimo properties.

# Business model

## Inputs

## Value creation

### Financial capital

- › Solid capital base
- › Access to a wide range of funding sources
- › Transparent reporting

### Social capital

- › Solid expertise along the value chain
- › Comprehensive range of services
- › Good reputation and social acceptance

### Manufactured capital

- › Portfolio actively managed and continuously optimised
- › Far-sighted portfolio strategy
- › Investments in forward-looking locations

### Intellectual capital

- › Efficient processes and digitalisation
- › In-depth market knowledge and integral planning
- › Agile business model

### Human capital

- › Qualified and team-oriented employees
- › Promotion and further development of employees
- › Interdisciplinary cooperation

### Natural capital

- › Selection of sustainable locations
- › Use of renewable energies and more innovative forms of technology
- › Sustainable construction



## Impact

## Outputs

**Attractive returns**

**High level of customer satisfaction**

**Quality living and working spaces**

**Long-term value-creating properties**

**Committed employees**

**CO<sub>2</sub> cut as per reduction path**

## Contribution to SDGs

Mobimo’s business activities will contribute to five of the United Nations 17 Sustainable Development Goals (SDGs).



*SDG: Ensure healthy lives and promote well-being for all at all ages.*

**Mobimo:** Designs sustainable living and working spaces and fosters customer proximity through the company’s own management.



*SDG: Ensure access to affordable, reliable, sustainable and modern energy for all.*

**Mobimo:** Uses renewable energy and state-of-the-art forms of technology.



*SDG: Make cities and human settlements inclusive, safe, resilient and sustainable.*

**Mobimo:** Focuses on environmentally friendly construction and biodiversity when it develops buildings, sites and outdoor spaces.



*SDG: Ensure sustainable consumption and production patterns.*

**Mobimo:** Meets sustainability criteria in existing buildings and new developments throughout the entire value-creation cycle.



*SDG: Take urgent action to combat climate change and its impacts.*

**Mobimo:** Contributes to climate protection by reducing the consumption of resources and selecting highly accessible locations.

# 2. Our approach to sustainability

As a company with a long-term focus, Mobimo has incorporated sustainability criteria into its business activities for many years. The topic of sustainability is promoted at a strategic level, particularly by the Investment and Sustainability Committee of the Board of Directors. The operational implementation and management of the sustainability topics, goals and measurements are overseen by the Management Board together with the Head of Development (Chief Sustainability Officer) and led by the Head of Sustainability, who works closely with the Sustainability Team consisting of representatives of all business areas.

Mobimo strives to constantly review its sustainability efforts, monitor them for timeliness and improve them where necessary. The sustainability strategy, which is guided by national and international frameworks such as the Swiss government’s Energy Strategy 2050, the Paris Agreement and the Sustainable Development Goals (SDGs) of the United Nations, plays a key role in this regard. There are three dimensions to Mobimo’s sustainability strategy: the environment, society and governance.

## 2.1 Environment

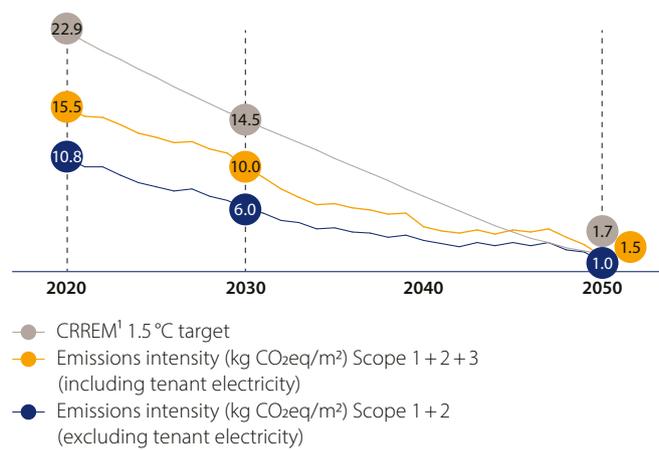
Mobimo considers the efficient use of resources in every aspect of its business activity. All development properties meet the criteria for sustainable buildings and extensive renovations are carried out on the investment portfolio every year to increase the energy efficiency of the buildings and reduce emissions. With the definition of a CO<sub>2</sub> reduction path and the constant implementation of the resulting measures, Mobimo is committed to the climate targets of the Paris Agreement and the Swiss government’s Climate Strategy 2050.

Other important activities in the area of environmental sustainability include the certification of buildings with project-specific sustainability labels (CHF 949 million of the portfolio is covered by sustainability certificates as at 31 December 2022), efforts in connection with the preservation and promotion of biodiversity and high-quality green spaces, the use of local and low-emission building materials, the installation of renewable energy and heating solutions including photovoltaic, and the promotion of e-mobility.

Furthermore, Mobimo’s CO<sub>2</sub> emissions are to be reduced by 2030 to 10 kg CO<sub>2</sub>eq/m<sup>2</sup> and by 2050 to 1.5 kg CO<sub>2</sub>eq/m<sup>2</sup> (both including tenant electricity, Scope 3). The decarbonization plans are climate science based and aligned with the 1.5-degree Celsius target set by CRREM and the Paris Agreement.

In addition to the acquisition of environmentally friendly properties, Mobimo will achieve this ambitious goal by renovating and optimising its existing properties, increasing its own electricity production using photovoltaics and transferring its own developments to the real estate portfolio. Furthermore, Mobimo is supporting e-mobility.

**CO<sub>2</sub> reduction path of the investment portfolio to 2050**  
kg CO<sub>2</sub>eq/m<sup>2</sup>



<sup>1</sup> The Carbon Risk Real Estate Monitor (CRREM) is an EU research project aimed at promoting energy efficiency and reducing carbon risks in the real estate sector.

## 2.2 Society

Mobimo is fully aware of its far-reaching social responsibility. The company is a reliable landlord and property seller, a professional business partner and an attractive employer. Its contribution to society includes realising high-quality residential, working and living spaces, working cooperatively with authorities, achieving high customer satisfaction, choosing suppliers with a common understanding of sustainability and promoting employee development as well as their wellbeing and safety.

By prudently implementing site developments and large-scale projects with the inclusion of all stakeholder interests, long-term added value is created for society.

## 2.3 Good corporate governance

Good corporate governance is indispensable for Mobimo. The company sees good corporate governance as being the responsible management and control of the company with a focus on sustainable value creation.

Mobimo understands responsible management to mean courteous dealings with customers, employees and suppliers, adherence to processes, adequate risk management and the inclusion of sustainability objectives in management remuneration. The independence of the Board of Directors, clearly defined competencies and recurring controls ensure that the supervisory duties are fulfilled. Responsible management and control systems aim to generate a sustainably attractive return for the shareholders.

# 3. Green Bond Framework

Mobimo has created this Green Bond Framework under which Green Bonds can be issued to finance or refinance eligible green projects.

Mobimo is pursuing the goal of strengthening its commitment to sustainability, with the Green Bond representing an important financing instrument to support these efforts in the future. The introduction of a Green Bond programme will accelerate the transition to sustainable real estate investments and lead to a more diversified investor base.

This framework is designed to be in line with the International Capital Market Association (ICMA) Green Bond Principles and as such incorporates the four core components as follows:

- › Use of Proceeds
- › Process for Project Evaluation and Selection
- › Management of Proceeds
- › Reporting

In addition, Mobimo will implement the key recommendation of the Green Bond Principles in terms of external reviews.

The Green Bond Principles (June 2021 with June 2022 Appendix 1) are voluntary process guidelines that are accepted as one of the main guidelines for the issuance of Green Bonds in the global capital markets.

## 3.1 Use of Proceeds

The proceeds of the Green Bond issuance will be used to finance or refinance, in whole or in part, new or existing sustainable projects or assets and operating expenditure with a clear and defined environmental benefit either for green label development projects or for the CO<sub>2</sub> reduction pathway (see section 2.1).

Mobimo has a portfolio of various projects and properties that can be allocated to the corresponding Green Bond categories. The effective allocation of the amounts to the eligible projects and properties is made at the time of issuance, with a large proportion being allocated to the Green buildings category.

Category	Description	Targeted SDGs
<b>Green buildings</b>	<p><b>Acquisition, construction or development</b></p> <p>Acquisition, construction or development of new or existing buildings and portfolios which meet recognized standards including the following:</p> <ul style="list-style-type: none"> <li>› MINERGIE</li> <li>› MINERGIE-(P)-ECO</li> <li>› MINERGIE Areal</li> <li>› SNBS Silver and above</li> <li>› SNBS Areal</li> <li>› DGNB Gold and above</li> <li>› DGNB Quartier</li> </ul>	 
<b>Energy efficiency (CO<sub>2</sub> emissions)</b>	<p><b>Transformation of the investment portfolio</b></p> <p>Transformation measures in the investment portfolio include:</p> <ul style="list-style-type: none"> <li>› Renovation of building shells and comprehensive energy renovations in line with the CO<sub>2</sub> reduction path (Energy efficiency) with a reduction potential to 70 kWh/m<sup>2</sup> EBF</li> <li>› Replacement of oil and gas heating systems with renewable energy and heating systems such as heat pumps or district heating (75% of renewable sources by 2030 and 95% by 2050 on total energy consumption (electricity, heating and cooling))</li> <li>› Energetic operational optimization of building services or systems, settings of timers or setpoints, measured value errors, standby mode, defective valves targeting a 12% reduction in energy or CO<sub>2</sub> intensity, applied to all properties with a heat consumption of &gt;100kWh/m<sup>2</sup></li> <li>› Certification of existing buildings and sites (50% of the portfolio (EBF energy reference area) certified by 2030 and 75% by 2050)</li> <li>› Object-specific conversion of existing building use (reducing grey energy and CO<sub>2</sub> footprint in accordance with the thresholds defined for MINERGIE-ECO and SNBS by maintaining the existing building structure)</li> </ul>	 
<b>Renewable energy and operational sustainability</b>	<p><b>Own electricity production and operational sustainability</b></p> <ul style="list-style-type: none"> <li>› Continuous expansion of photovoltaic systems (10,000 m<sup>2</sup> photovoltaic panels by 2030 and additionally 15,000 m<sup>2</sup> by 2050)</li> <li>› Investing in e-mobility (25% of all parking spaces have the infrastructure for e-mobility by 2030)</li> </ul>	

#### 3.2 Process for Project Evaluation and Selection

For the evaluation and selection of projects financed and/or refinanced through Green Bond proceeds, compliance with the Green Bond eligible asset categories and Mobimo's sustainability strategy is of crucial importance.

As early as 2021, the Board of Directors decided to expand the existing Investment Committee (IC) to include Sustainability (ISC), which will continue to report directly to the Board of Directors. The committee is responsible for defining and reviewing the sustainability strategy (including the CO<sub>2</sub> reduction path), monitoring acquisitions and disposals and the Green Bond Framework conditions in the form of overarching guidelines.

The Group's Executive Board, presently consisting of the CEO, CFO, Head of Portfolio and Transaction, Head of Property Management, Head of Realisation and Head of Development, is responsible for the evaluation and selection of appropriate projects. These members will also oversee the implementation of the allocation and selection process for the eligible projects.

This setup ensures that the implementation progress is regularly assessed by the Group's Executive Board and the need for potential adjustments is identified in a timely manner.

Mobimo will ensure that the defined sustainability strategy and criteria, which build the foundation for the evaluation and selection of eligible projects, are compliant with applicable environmental and social standards, local laws and regulations. Mobimo manages ESG-risks through an ongoing analysis of potential risks by classifying them according to the probability of occurrence and the timeframe for action. ESG-risks are an integral part of the internal risk management.

Mobimo reports annually on its sustainability performance in terms of the environmental, social and governance (ESG) aspects of its business. Its reporting is in line with the GRI (Global Reporting Initiative) and TCFD (Task Force on Climate-Related Financial Disclosures) framework.

#### 3.3 Management of Proceeds

Mobimo will exclusively allocate the net proceeds of the Green Bond issuance to an equal amount to eligible assets, selected based on the defined use of proceeds and the evaluation and selection process.

To ensure proceeds are allocated in accordance with the Green Bond Framework, Mobimo will track the receipt and use of proceeds to the extent feasible through an internal reporting system, ensuring all expenditures in the Green Bonds are appropriately identified. Mobimo will commit to achieving a level of allocation for the eligible Green Bond asset portfolio which matches or exceeds the balance of an amount equal to the net proceeds from its outstanding Green Bonds. In case of a temporary balance that remain unallocated, it will be managed following Mobimo's liquidity and cash management policies, which excludes investments in weapons, child labour and similar sectors.

There will be a reallocation of funds to other eligible assets in case a project or a property no longer meets the eligibility criteria or is sold. Principal and interest will be paid from a general account and will not be linked to the performance of the eligible Green Bond projects.

#### 3.4 Reporting

Mobimo will publish a Green Bond report annually containing up-to-date information on the use of proceeds until the amount has been fully allocated.

The report will include:

- › An overview of the allocated amounts for all eligible projects and assets including a brief description of the projects/assets.
- › The remaining amount of any unallocated proceeds.
- › A description of the qualitative and, where feasible, quantitative indicators (e.g. percentage of certified buildings, energy efficiency of the financed buildings (kWh/m<sup>2</sup> EBF) and share of renewable sources on total energy consumption) of the projects' environmental impact.

In case of confidentiality agreements or competitive considerations, or if a large number of underlying projects limit the amount of detail that can be made available, the information will be presented in generic terms or on an aggregated portfolio basis.

The Green Bond report will be reviewed and approved by the Group's Executive Board.

As mentioned above, Mobimo will additionally publish the sustainability report following the GRI (Global Reporting Initiative) framework on an annual basis. The sustainability report is published on the [Mobimo website](#).

#### 3.5 External Review

Mobimo has obtained an external review from an independent third party to secure alignment with national and international guidelines.

In addition, Mobimo will engage an independent external auditor or another third party to verify annually the evaluation and selection process for eligible projects and confirm that the allocation of the funds from the Green Bond proceeds are in accordance with the Mobimo Green Bond Framework.

# MOBIMO

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