



Rikshem

Green Bond Framework

April 2025

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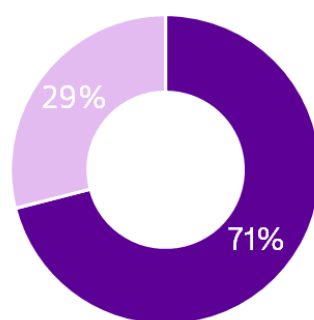
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About Rikshem

Rikshem is one of Sweden's largest real estate companies. Our business concept is to own, develop and manage residential properties and properties for public use sustainably and for the long term. Our owners, the Fourth Swedish National Pension Fund (AP4) and AMF Tjänstepension AB, significantly impacts how we operate. Their mission is to contribute to the financial security of pensioners in Sweden for many generations to come. We aim to deliver good returns to our owners, who also expect this to be done sustainably. When we do well, Sweden's pension capital grows. We make a difference in creating good living environments. Rikshem's sustainability efforts involve major community engagements, and we are convinced that we can make important contributions to society, while conducting business responsibly.

Our properties are in selected growth areas around Sweden, from Luleå in the North to Malmö in the South. Since our inception in 2010, we have primarily grown through wise investments and by building new homes and community properties. At the end of 2024, Rikshem's property portfolio consisted of 489 properties with a total lettable area of approximately 2,217,000 square meters and a portfolio value of 58.8 bn (incl Rikshem's shares in joint ventures).

Breakdown of fair value of investment properties (per cent)



- Residential leases
- Properties for public use

Sustainability at Rikshem

Rikshem sees a strong link between sustainability, commercial benefits, and long-term profitability. With the development of properties, we aim to contribute to good and safe environments and protect future generations by making sustainable choices. Sustainability is deeply rooted in Rikshem's operations. We strive to set an example in the area of sustainability and contribute to the UN's Sustainable Development Goals (the "SDGs"), both as a company and in collaboration with our stakeholders.

Materiality

During 2023 and 2024 Rikshem has been preparing for the national legislation linked to the Corporate Sustainability Reporting Directive, CSRD and conducted a double materiality assessment.

Today we work with ten material areas for sustainable development. The sustainability compass is Rikshem's framework for sustainability and clarifies the connections between Rikshem's goals, materiality areas and the UN's sustainability development goals. The compass aims to support our employees in integrating sustainability issues in a tangible way into their operations. A description of our work based on our most material areas can be found below.



Environment

Material areas: [Reduced climate emissions and Resource efficiency & environment](#).

Climate change is one of our time's biggest challenges. The real estate sector accounts for more than one fifth of Swedish greenhouse gas emissions¹ and therefore plays a crucial role in the transition to a sustainable society.

Our long-term target is to become climate neutral by 2045, and we aim to reduce our greenhouse gas (GHG) emissions across the entire value chain by 50 per cent by 2030, compared to emitted CO₂e in 2020. Our reduction targets are in line with industry and national roadmaps and align with the Paris Agreement's goal to keep global warming below 2 °C while pursuing efforts to limit the increase to 1.5 °C.

Rikshem's GHG reduction targets were validated by the Science Based Target Initiative (SBTi) in 2022. To achieve our ambitious targets, we, for example, convert oil heating systems to systems with lower carbon emissions, most commonly district heating or heat pumps, which has significantly reduced our emissions in Scope 1- today, our Scope 1 emissions are close to zero.

To address our emissions in Scope 2, we actively minimize energy bought for heating and electricity in our buildings. Energy efficiency, energy flexibility and energy sources in the existing stock, as well as energy measures such as exhaust air heat pumps, geothermal heat pumps instead of direct electrical heating, new ventilation systems, LED-lighting and PV panels, among others, have already impacted and reduced the energy use in kWh per square meter in our buildings. In parallel to this work, we promote and discuss solutions with our energy suppliers to reduce emissions in their energy production processes, driving change from the core. Collaboration is essential to reach our goal of climate-neutral operations by 2045.

¹ Växthusgaser - Boverket

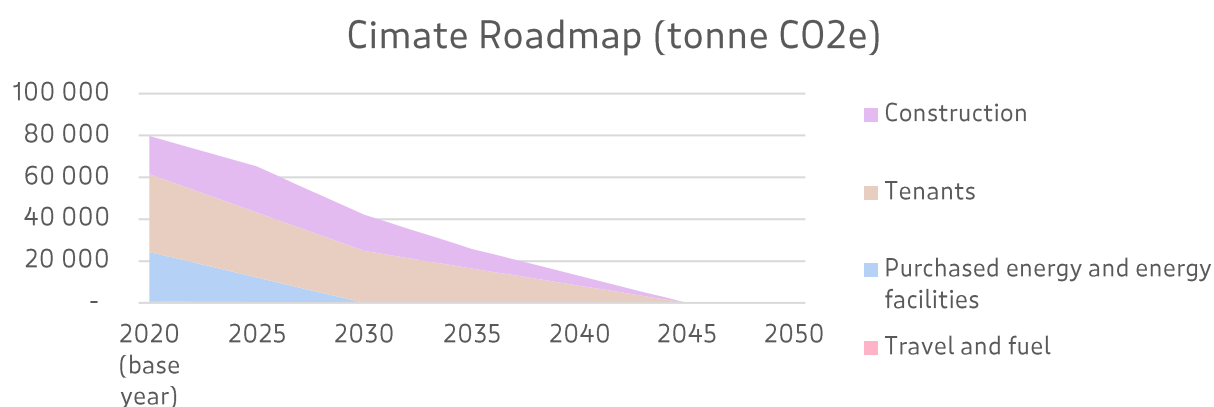


Figure 1. Rikshems climate roadmap

To address the overall work with energy efficiency in our like-to-like portfolio, Rikshem has set a long-term target for the energy use of 90,0 kWh/m² by 2030. This target serves as a sustainability performance target (SPT) within our Sustainable Linked Bond framework, dated 2024.

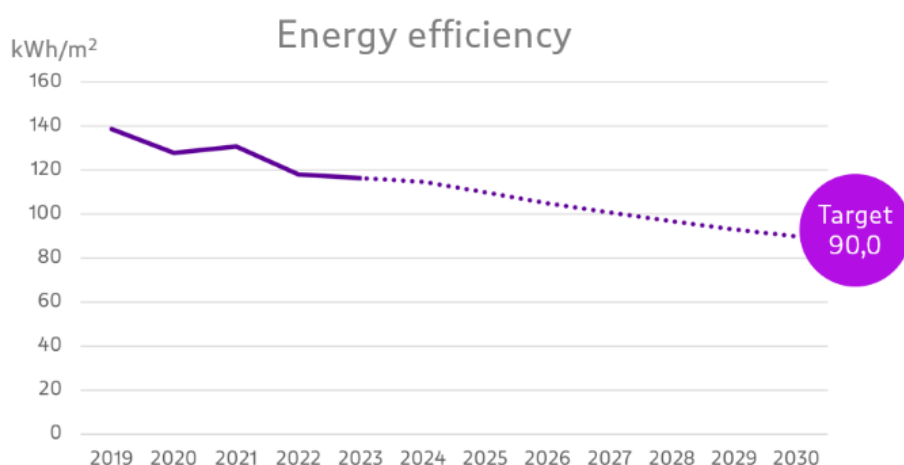


Figure 2 Long term energy efficiency target.

Rikshem's Scope 3 emissions derives mainly from construction of new buildings, renovation of existing buildings and our tenants' energy use. To reduce the emissions from our construction activities, Rikshem is a member of Sweden Green Building Council (SGBC). For new construction, we certify our properties according to Miljöbyggnad Silver. Miljöbyggnad currently contains embodied emissions per square meter and energy usage per square meter, along with 13 other sustainability key performance indicators (KPI:s). Achieving 100 per cent of completed new

building projects built to at least the Silver level certification is a designated SPT within Rikshems Sustainability-linked Bond Framework.

Rikshems Scope 3 emissions also contains our tenants' emissions from driving owned cars and non-recycled plastic ending up in the waste, among others. To reduce our emissions connected to our tenants, we work on infrastructure for charging electrical cars and mobility solutions for examples carpools and bicycle pools. To increase the plastic being recycled we are adjusting to the new legislation of "Fastighetsnära insamling av förpackningar" (a Swedish regulation to increase recycling of packaging) to make it easier for our tenants to recycle plastic packaging.

When choosing products and materials, Rikshem strives to choose sustainable products with low maintenance. We check, documents, and control the materials used in projects and gradually phase out substances that are harmful to the environment and to health. We participate in Byggvarubedömningen (a Swedish tool for Construction Product Assessments) and actively work to prevent construction waste. Any unavoidable construction waste is sorted according to the waste sorting guidelines from the Swedish Construction Federation.

We have also created a guide for the planning of outdoor environments in our neighborhoods. The guidelines include measures for everyday life such as the choice of flowering plants to increased biodiversity and the protection of animals' natural habitats.

Social

Within social sustainability, Rikshem collaborates with our employees, supply chain workers, and customers.

Employees

Material areas: [Equality & diversity and Sustainable working life](#).

Our success is reflected through our more than 300 employees where both job satisfaction and loyalty are important factors for recruiting and retaining staff.

Equality and diversity are essential to the way we work at Rikshem. We have a zero tolerance for discrimination in the workplace and actively work for gender equality.

To protect employees from exposure to dangers and risks to ensure a good working environment, Rikshem adheres to a working environment policy and procedures. The systems in place are aligned with laws and regulations concerning the working environment, such as the Swedish Working Environment Act and internal guidelines.

Workers in supply chain

Material areas: [Sustainable supply chains](#).

Rikshem is a major purchaser of capital goods and therefore has a great opportunity and responsibility to influence our suppliers of goods and services. We set relevant sustainability requirements in procurement and follow up the requirements with audits and controls. We set requirements and work actively with long-term sustainable supply chains from a business ethics and environmental perspective through our Supplier Code of Conduct, which our suppliers and partners must follow. The Supplier Code of Conduct reflects Rikshem's values. The products or services provided by suppliers are expected to be produced under conditions that are consistent with the principles in the UN Global Compact regarding human rights, labor, the environment, and anti-corruption.

In 2024 Rikshem included this work in the Sustainable-linked Bond Framework with the SPT to increase the share of expenditure towards sustainable, recurring and material suppliers, with respect to Rikshem's major purchases, that have signed the Supplier Code of Conduct as well as the completion of self-led reviews of all signatories to 100% by 2030, (base-year: 2022).

Customers

Material areas: [Safety & well-being](#), [Variety of choice](#), [Easy to live sustainably and Customer dialogue](#).

Rikshem actively works with neighborhood development to enhance safety and attractiveness. With local offices in our neighborhoods, we actively collaborate with municipalities, police, and other property owners to improve safety. We regularly assess neighborhoods safety and attractiveness through customers surveys, safety walks, and improvement measures. Unauthorized subletting and disturbances are addressed in cooperation with authorities and stakeholders. To increase the perceived feeling of safety for tenants' safety index score to 79,0% by 2030 is a SPT in Rikshems Sustainability-linked Bond Framework.

In neighborhoods where we have a larger cohesive property portfolio, we take greater responsibility for neighborhood development based on the conditions of the site and the surrounding area. When life changes for people, there should be local housing alternatives that match these new needs or dreams. Our goal is to provide not only housing but also community services and workplaces that boost daytime activities and foster vibrant neighborhoods.

Customer satisfaction is a cornerstone in our business – this regards their satisfaction with us, with our product and with our services. This is measured and

demonstrated through our service index for buildings and customer satisfaction index for Community Service Properties.

We want to make it easier for our tenants and customers to live more sustainably. By enabling tenants to sort waste, choose sustainable mobility solutions, e.g., through carpools, charging stations and attractive and safe bicycle parking, we help them lower their carbon footprint and thereby our own carbon footprint.

We aim to provide easily accessible, relevant, and clear information to customers and tenants and to provide service and feedback on issues that arise. Through well-being and safety walks, meetings, neighborhood days and newsletters we aim to give tenants increased influence over their living environment. Additionally, in-depth customer dialogues are held before any densification and renovation projects to ensure that our tenants feel included in the development process.

Governance

Material areas: [Sustainable business](#).

Rikshem manages sustainability work as an integral part of corporate governance. The ultimate responsibility lies with Rikshem's Board of Directors. Rikshem's CEO is responsible for the sustainability work and then delegates the work to the line operations. Rikshem's sustainability manager and the sustainability unit provide support and guidance to the business. Each quarter the Board follows up Rikshem's overall company goals, which include sustainability. High business ethics are of paramount importance to Rikshem and an essential part of responsible business conduct. Rikshem has formulated its approach in policies, guidelines and other governing documents that set out the path for the business and limit the risks of corruption.

EU Taxonomy

The EU Taxonomy for green investments is a common classification system for which economic activities are environmentally sustainable. In order for an activity to be considered sustainable under the Taxonomy Regulation, it must contribute significantly to at least one of the six established environmental goals, and not cause significant damage to any of the other goals, and must also be carried out in accordance with so-called minimum safeguards.

At present, Rikshem has no direct reporting requirement under the regulation. However, to better understand our environmental impact, conform to stakeholder expectations, and secure future green funding, we started to work on the implementation of reporting under the Regulation. Our largest economic activity is

linked to the Taxonomy's section 7.7 – Acquisition and ownership of buildings where technical screening criteria have been developed for the two climate-related goals: 1) Climate change mitigation and 2) Climate change adaptation. In 2023, we updated the mapping of the properties' primary energy demand figures linked to the first environmental target on climate change mitigation and based on the on the property owners' and industry joint assessment for what constitutes a top 15% building in the national building stock from an energy perspective. Additionally, work focused on the second objective by carrying out about 70 climate risk analyses at the property level. A review was also carried out on the basis of the minimum protective measures.

Green Bond Framework

Rikshem's rationale for green financing

As one of Sweden's largest private property owners, we have a great impact on people's homes and neighborhoods. Rikshem is committed to creating safe, healthy, and sustainable environments that supports communities today and for future generations.

With a long-term goal of becoming climate neutral by 2045- aligned with the industry roadmap and the Paris agreement, Rikshem works continuously to reduce its emissions both in its own operations and through its value chain. As an early adopter of green financing, having issued one of the first green bonds in 2014, Rikshem has continuously used financial tools to drive sustainable progress.

In 2024, the company established a Sustainability-linked Bond Framework to address both social and environmental sustainability. To align with current market standards and trends, and to continue contribute to Rikshem's long-term goal of climate neutrality, the Green Bond Framework has been updated. This Green Bond Framework has been developed together with Handelsbanken.

Green terms

Rikshem's Green Bond Framework ("the Framework") has been developed to align with the International Capital Market Associations ("ICMA") Green Bond Principles published in 2021, including 2022 years appendix. The Framework is structured around ICMA's key components, with the addition of their recommendation to appoint an external reviewer.

1. Use of Proceeds
2. Process for Project evaluation and selection
3. Management of proceeds
4. Reporting
5. External review

1. Use of proceeds

Rikshem will use an amount equivalent to the net proceeds from issued Green Bonds to fully or partly finance or refinance projects that support the transition to low-carbon, climate-resilient and sustainable economies ("Green Projects"). The Green Projects may have the value of fixed assets (Assets), capital expenditures (CapEx) and/or operational expenditures (OpEx) and must comply with the categories and criteria's below to be eligible for financing or refinancing.

New financing refers to funds allocated to eligible Green Projects that are either ongoing or completed within the reporting year, while refinancing pertains funds allocated to eligible Green Projects completed prior to the reporting year. Both Assets and CapEx qualify for refinancing with no specific look-back period, while OpEx qualify for refinancing with a maximum look-back period of three years from the time of issuance. The net proceeds will be used exclusively to finance or refinance Green Projects in the Nordic market.

Green project <i>(and applicable EU Taxonomy activities)</i>	Eligibility criteria	Contribution to SDGs and EU objectives
Green buildings <i>Applicable EU Taxonomy activities: 7.1, 7.2, 7.7</i>	<p>New buildings</p> <p><i>New buildings built after 31 of December 2020 must meet or will, upon completion, meet, all of the following criteria to be eligible:</i></p> <ul style="list-style-type: none"> • Achieve a primary energy demand (PED) of at least 15% lower than the threshold set for nearly zero-energy building (NZEB) requirements • Obtain one of the following environmental certifications BREEAM “Very good,” Miljöbyggnad “Silver”, the Nordic Swan Ecolabel, or better • Undergo a screening of material climate risks in accordance with the EU Taxonomy <p>Renovation of existing buildings²</p> <p><i>Renovation of existing buildings must meet all of the following criteria to be eligible</i></p>	<p>Climate change mitigation:</p> <p>SDGs: 6, 7, 9, 11, 12, 13, 14, 15, 17</p>

² A renovated building that fulfils the criteria for existing buildings in this Framework can be classified as an eligible Green Project as a whole. If the building, after a renovation, does not fulfil the criteria for an existing building in this Framework only the cost of the renovation measures can be financed. In order to be eligible for financing or refinancing, the renovation must have been completed within three years.

	<ul style="list-style-type: none"> The renovation leads to an overall reduction in primary energy demand (PED) of at least 30% or meets the applicable requirements for major renovations according to the Directive 2010/31/EU³. <p>Existing buildings</p> <p><i>Existing buildings built before 31 December 2020,⁴ must meet all specified criteria below to be eligible:</i></p> <ul style="list-style-type: none"> Have an energy performance certificate of class A or have a primary energy demand (PED) within the top 15 %⁵ of the national or regional building stock Have undergone a screening of material climate risks in accordance with the EU Taxonomy 	
<p>Clean transportation</p> <p><i>Applicable EU Taxonomy activities: 7.4</i></p>	Charging stations for all types of electric vehicles	<p>Climate change mitigation</p> <p>SDGs: 7,9,11,12,13</p>
Energy efficiency	Upgrades to the existing portfolio of buildings that leads to energy savings in the target area of a minimum 20%. Activity upgrades	<p>Climate change mitigation</p> <p>SDGs: 7,9, 13, 17</p>

³ According to the directive 2010/31/EU a 'major renovation' means the renovation of a building where: (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated; or (b) more than 25% of the surface of the building envelope undergoes renovation.

⁴ To determine whether a building was built before December 31, 2020, the date of submission of the building permit application is used.

⁵ Rikshem will reference an external benchmark when determining the top 15%. Such a benchmark could be e.g. guidance by national governments or a specialist study. The top 15% PED applicable under this Framework will be updated continuously.

<i>Applicable EU Taxonomy activities: 7.3, 7.5</i>	cover geothermal heating and cooling, energy-efficient lighting, IT-technology (monitoring, efficiency management and remote operation), energy efficient windows or an upgraded ventilation system. Only directly associated expenditure (e.g. material, installation, and labour) is eligible for financing.	
Renewable energy <i>Applicable EU Taxonomy activities: 7.6</i>	Geo-energy (ground and surface systems), On-site solar power installations, stand-alone solar farms, as well as related infrastructure investments for example grid connections, electric substations or networks	Climate change mitigation SDGs: 7,9,11,13, 17

2. Process for project evaluation and selection

Projects potentially eligible for Green Bond financing will be identified as part of the ongoing operations. Identified projects will be evaluated by the Green Business Council (“GBC”), which currently has the following members, Head of Sustainability, Group Treasurer, Head of Energy, Head of Projects and Head of Transactions.

The GBC will evaluate the nominated projects to ensure compliance with the Green Terms. It will review information about the projects and evaluate the overall environmental impact, which includes life cycle considerations, potential rebound effects, resilience and a screening of social and environmental risk. The projects must also be compliant with applicable national laws and regulations, as well as policies and guidelines at Rikshem. The Green Business Council can request additional information and consult with internal parties, but the mandate to make decisions is held by the group. A decision to allocate net proceeds will require a consensus decision by the GBC. Decisions made by the council will be documented.

An updated list of all Green Projects will be kept by Rikshem treasury department. The list will also be used as a tool to determine if there is a current or expected capacity for additional Green Bond financing.

3. Management of Proceeds

An amount equal to the net proceeds of any Green Bonds will be managed according to a portfolio approach and tracked and monitored through a Green Register. The Green Register will ensure that an amount equivalent to the net proceeds from issued green bonds only support eligible Green Projects. The combined allocated amount to a specific Green Project, by one or several sources of financing with specified use of proceeds, may not exceed its value. The net proceeds designated for an eligible Green Project will equal the investment made by Rikshem, apart from projects categorised under new building and existing buildings. For these specific projects, the allocation may correspond to the market value of the eligible Green Project⁶. Rikshem intends to allocate all the net proceeds as soon as possible, but no later than 24 months from the date of issuance.

If an eligible Green Project no longer qualifies or if the underlying project is divested or lost, an amount equal to the funds allocated towards it will be re-credited to the Green Register. Funds may also be reallocated to other Green Project during the term of any Green Bond, unless otherwise restricted in the loan documentation.

The treasury department will keep a record of the purpose of any change in the Green Register and ensure that the combined funds directed towards a specific Green Project, by one or several sources of green financing (such as Green Bonds and Green Loans) or other financing with specific use of proceeds, does not exceed its value.

Temporary holdings

While the Green Register has a positive balance, the net proceeds may be invested or utilized by the treasury in accordance with Rikshem's sustainability policy, investment criteria. Unallocated funds may for instance be invested in short-term interest-bearing securities, such as Swedish treasury bills (and related entities) or Swedish municipal notes (including related entities). For avoidance of doubt, temporary holdings will not be allocated towards fossil-based energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

⁶ As stated in Rikshem's balance sheet

4. Reporting

As long as there are bonds outstanding under the Framework Rikshem will publish an annual report (“the Reporting”) detailing the allocation and impact of the net proceeds and its adherence to the Green Terms. The Reporting will be prepared by Rikshem’s treasury department and can be accessed on the company’s website.

Allocation Report

The allocation report will include the following:

- Nominal amount of outstanding Green Bonds
- A list and a brief description of Green Project financed with net proceeds from issued Green Bonds
- Information on share of net proceeds used for the financing and refinancing of projects
- Information on the proportion of net proceeds allocated to each Green Project category as well as information on the geographical distribution of projects
- If applicable, the amount of unallocated proceeds
- The data shall be from last of December in the previous year

Impact Reporting

The impact reporting will contain a disclosure of project level performance indicators. The reporting will strive to disclose the impact based on the green financings share of the total investment. For financed projects that are not yet operational, Rikshem will strive to provide estimates of future performance levels. On best effort basis, Rikshem will align the impact reporting with ICMA’s Harmonised Framework for Impact Reporting and transparently report on the methodology used to calculate the green indicators. The impact report will, if applicable, contain following impact indicators.

Green Projects	Examples of Indicators
Green Buildings	<ul style="list-style-type: none">• Environmental Certification Level and grade• The annual energy use per square meter• Energy use reduced or avoided• Carbon intensity and annual emissions• Reduced or avoided tonnes of CO₂e emissions• The share of renewable energy used relative to total energy consumption

Clean Transportation	<ul style="list-style-type: none"> • Annual absolute (gross) greenhouse gas emissions in CO₂e • Annual absolute (gross) greenhouse gas savings in percentage • Number of charging stations for electric vehicles installed
Energy Efficiency	<ul style="list-style-type: none"> • Examples of energy efficiency projects financed with proceeds from Green Instruments. Rikshem will emphasize energy and carbon savings, where applicable, as relevant performance metrics.
Renewable energy	<ul style="list-style-type: none"> • Yearly production (GWh) • For an installation of renewable energy in a real estate asset the percent of the assets total energy use supplied by the installation will be disclosed • Prevented CO₂e emissions from production (tonnes)

5. External Review

Second Party Opinion (pre-issuance)

Morningstar Sustainalytics, an independent second party opinion, has reviewed the Framework, its credibility, and alignment with the ICMA Green Bond Principles.

External Verification (annual post issuance)

Rikshem's external auditor, or a similar independent external party appointed by the company with relevant experience and expertise, will provide an annual review confirming that an amount equal to the net proceeds have been allocated to the eligible Green Projects stipulated in this Framework.

Documentation

The Framework and the second party opinion will be publicly available on Rikshem's website, together with the post-issuance review and the Reporting, once published.

Disclaimer

This document (the “Green Bond Framework” or “Framework”) contains information about Rikshem (“Rikshem”) and its potential use of financing with added environmental criteria (the “Green Terms”). Any financing by Rikshem that includes the Green Terms in its associated financing documentation, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as a Green Bond (“Green Bond”). Depending on the language of the financing documentation the Green Terms in this Framework may be translated into other languages, as required or preferred in the local jurisdiction. Furthermore, all parties are advised to review the applicable risk factors in the relevant financing documentation. Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework and for making such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Green Terms would be applicable, for instance regarding the adherence to current and future regulation, standards or market practices such as the Green Bond Principles, the EU Green Bond Standard or The EU Taxonomy.

Any issuance of Green Bonds will be subject to the version of the Green Terms in the associated financing documentation. Any new issuance of Green Bonds will include a reference to, or inclusion of, the most recently published Green Terms, which shall be publicly available in the Framework on Rikshem’s website.