

# WALLENSTAM



## Green Financing Framework

December 2025

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# This is Wallenstam

Wallenstam is a construction and property management company that was founded in Gothenburg in 1944 by Lennart Wallenstam. In 1984, the company was listed on the stock exchange and today it is listed on the Large Cap segment of Nasdaq Stockholm. Hans Wallenstam was appointed CEO in 1991 and is the largest shareholder in the company.

Wallenstam is one of the few property companies that survived the property crisis in Sweden in the 1990s. Soon after the turn of the millennium, the company resumed its construction operations under its own management, which had been dormant since the mid-1970s. In the early 2000s, the company started an investment in renewable energy by constructing and owning its own wind turbines. This investment meant that Wallenstam, in 2013, became the first listed property company in Sweden to be self-sufficient in renewable electrical energy.

Wallenstam is both a construction company and a property management company, with extensive experience of urban development. We own and build residential properties in attractive growth areas, primarily in the Stockholm and Gothenburg regions and have an ambition to create districts where people want to live, work and stay in. Our commercial properties are concentrated towards inner city locations in Gothenburg and Stockholm.

Wallenstam primarily builds rental apartments for its own management. Through cost-efficient development and construction, successful letting and efficient management, we create value growth. Profits are reinvested and used to further develop the business. We want to contribute to a good standard of living for many people by producing housing and developing safe and lively city districts. The company believes it is important to have a variety of forms of housing in society, and we safeguard the rental apartment as a form of accommodation.

The work in Wallenstam is governed overall by policies and guidelines and by decision-making and authorization procedures. These governing documents are essential for clearly defining the company's standpoints and working methods for the entire organization. Wallenstam's Code of Conduct is based on the company's core values – respect, commitment and progress – and sums up the Group's expectations in relation to suppliers and partners. The goal is to have a sustainable and commercial commitment in everything we do.

# Sustainability at Wallenstam

Wallenstam wants to conduct responsible enterprise and contribute to a sustainable society, today and for future generations. We want to take long-term responsibility for the impact of our operations on society, people, the climate and the environment. By both developing and managing our properties, we can take long-term responsibility.

We believe that integrated sustainability work and social engagement go hand in hand with long-term profitability, therefore sustainability is a core part of our entire business. The sustainability work creates additional control, reduces risks and generates new transactions and solutions. These efforts also contribute to more engaged employees, more satisfied customers and security for investors.

The construction and property sector accounts for about 20 percent of the overall carbon footprint in Sweden. We want to take responsibility and contribute to the green transition; therefore, we have science-based climate targets that are aligned with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius.

In addition to aligning our operations with the Paris Agreement, Wallenstam has also chosen to prioritize five goals from the 2030 Agenda for Sustainable Development. These goals are connected to areas that constitute natural parts of our operations and are focused on the following goals:

- Goal 5 Gender equality,*
- Goal 7 Affordable and clean energy,*
- Goal 8 Decent work and economic growth,*
- Goal 11 Sustainable cities and communities and*
- Goal 13 Climate action*

The sustainability work covers all parts of the organization and is an integrated part of our business. The work is based on the company's sustainability policy and strategy, and on the climate targets validated by the Science Based Targets initiative. Wallenstam's policies and guidelines are updated annually and adopted by the Board of Directors and Group Management. Spot-checks are carried out on an ongoing basis by Wallenstam's compliance function to ensure conformity. The Sustainability Manager reports regular updates and results to Group Management and the Board of Directors. Our CEO has the ultimate responsibility for the sustainability work.

# Climate and Environment

## Wallenstam's climate targets 2023-2030

Wallenstam's scope 1 and 2 climate targets are adopted and validated by the climate action partnership The Science Based Targets initiative and mean that we shall reduce our emissions by 50 percent through 2030, with base year 2018. The outcome of these targets is reported in absolute values. In scope 3, a voluntary target has been defined, according to the Science Based Targets initiative's methodology, which means that we shall measure and reduce the emissions from our construction operations by 55 percent through 2030, with 2019 as the base year. Scope 3 is reported as an intensity value, based on the reporting year's new construction. The latest outcomes are presented in our Annual Report and on [www.wallenstam.se](http://www.wallenstam.se).

### SCOPE 1

#### Direct emissions

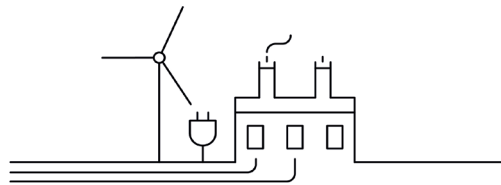
Combustion of fuel and  
refrigerant leakage



### SCOPE 2

#### Indirect emissions

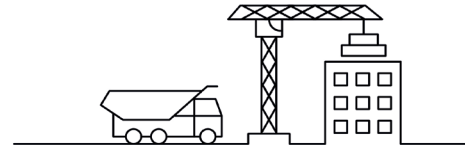
Purchased energy



### SCOPE 3

#### Other indirect emissions

Purchasing of  
construction materials



## Renewable energy

Wallenstam attaches great importance to limiting climate and environmental impacts in the production, operation and management of properties. By investing in our own energy production, we became the first property company in Sweden to achieve full self-sufficiency in renewable energy. Our 53 wind turbines, with a total installed output of 112 MW, generated enough clean power to cover the needs of both our operations and our tenants on a monthly basis. As a complement to our wind power, we are also installing solar cells in our properties where the right conditions exist.

## Energy efficiency improvements

Wallenstam is working continually on improving efficiency, both during new production and in the existing holdings. We are equipping many apartments with temperature sensors, modernizing district heating substations and carrying out optimization work such as adjustment of heating systems. Our focus on energy efficiency improvements and sustainable project development has resulted in a 25 percent reduction in the energy intensity of our property portfolio compared to the 2018 base year, decreasing from 110 kWh per square metre to 82 kWh per square metre in 2024. In comparison to external benchmarks for determining the top 15 percent most energy-efficient buildings in Sweden, our portfolio is well positioned.

## Environmental certification

Environmental certification offers Wallenstam and our tenants a wide range of benefits. Certified buildings attract and retain tenants by offering healthier indoor environments and improved comfort. They also support Wallenstam's ESG work and increase property value by appealing to sustainability-focused investors. Overall, certification delivers economic, environmental, and social advantages both for us and our tenants. Our aim is to increase the number of certified buildings in our portfolio.

## Concrete recycling and optimized material choice

To reduce our carbon footprint in our new production, climate calculations are performed in the planning stage in our projects. Based on these calculations, more climate-friendly material choices can be made. In addition, design optimizations can be carried out to reduce the quantity of material if possible.

## Recycling and circular economy

By streamlining the use of resources such as energy, water and construction materials, we can reduce our climate impact and also lower our costs. We strive to create flexible, optimized and sustainable premises and increase the proportion of lettings that do not require comprehensive renovations and adaptations of premises. We are doing this to reduce the use of resources and our climate impact, which also contributes to ensure a more efficient letting process.





*The Ädellövet project was reported in 2024 and had a climate impact of 236 CO<sub>2</sub>/GFA, representing a 31 percent reduction compared with the base year 2019. Some of the measures that contributed to this reduction include climate-improved concrete, insulation and floor screed. In addition, we have reduced our use of concrete by, for example, optimizing wall thicknesses. The property is located in Farsta, Stockholm, and comprises 172 apartments.*

## Tenants' waste

Wallenstam is working continually to improve the possibilities for sorting at source in our properties, including by supplementing environmental rooms with additional sorting units and providing clothing collection facilities.

## Biological diversity

To benefit biological diversity, we are carrying out a number of initiatives. For example, we are equipping properties with small bird nesting boxes, insect hotels, wood mould boxes and beehives. In addition, we are also building green walls and sedum roofs on properties where suitable.

## Climate risks

All buildings are exposed to a range of natural and man-made hazards that can damage our assets and significantly impact our tenants. Understanding these risks and implementing good management practices is essential to minimize their impact and ensure resilience. The physical risks facing assets are evolving due to the effects of climate change. Consequently, managing climate-related risks is a prioritized and ongoing effort for Wallenstam, both in new construction projects and in the management of existing properties.

Wallenstam has carried out climate risk assessments across its entire property portfolio on an area-wide basis, with enhanced evaluations for taxonomy-aligned properties.

During new construction, the possible consequences of a changing climate are considered and dealt with. In the properties that are located in vulnerable locations, increased volumes of rainfall are handled using pumps and check valves, among other ways. We ensure that roofs and hardened surfaces on the properties can handle large amounts of rainfall during a short period. In order to handle increased water flows, for example, collection reservoirs are built in the form of stone cisterns underground. Water protection equipment is also placed in properties in vulnerable locations.



*At Kaserntorget 6 in Gothenburg, a conscious effort has been made to create offices with a lower climate impact. In 2025, the property was certified in accordance with Miljöbyggnad iDrift 2.0 Guld.*

*The property has been tastefully renovated with reuse in focus. Existing material has been reused as much as possible, and layouts have been preserved. The follow-up showed a carbon footprint of only 30 percent of what a more traditional adaptation of premises would have entailed. In addition, a full 90 percent less waste was generated than in an average reconstruction project. The premises offer the customer a comprehensive solution, which means that no major reconstructions are required during any relocation. To promote biological diversity in the city, space on the property's biotope roof has been provided for insect hotels, bird nesting boxes, bird baths and growing greenery.*

## Mobility solutions and transports

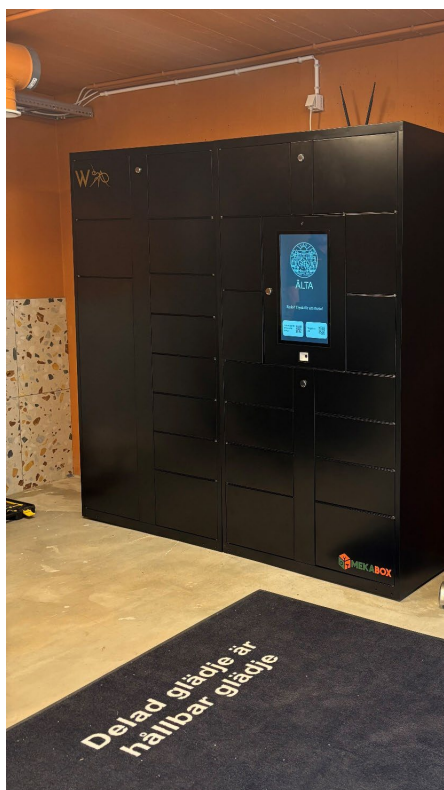
In order for our tenants to use practical and environmentally-friendly transport solutions, we are in some urban development projects offering various mobility solutions, for example access to a carpool, a bicycle pool with cargo and electric bikes and cycling studios, among other things. We are also installing recharging possibilities for electric vehicles both in new production and in certain existing properties.



Wallenstam's own carpool, which the employees can use for car-bound business trips, consists exclusively of electric cars. In addition, electric bikes are available for shorter business matters.



*In the urban development project Kallebäcks Terrasser, where Wallenstam has built around 2,000 rental apartments, tenants are offered a range of mobility solutions, including access to a carpool, a bicycle pool with cargo and electric bikes, and cycling studios.*



*In some of our urban development projects, we provide a digital locker service that makes it easy for tenants to share and rent practical items – such as a sewing machine, ladder or drill – directly from their mobile phone. This promotes convenience as well as a more sustainable way of living.*

## Social responsibility

Since the company was founded, Wallenstam has been keen to contribute to society, and collaborate with aid organizations. We want to fight social exclusion and create districts where everyone can feel safe and a sense of belonging. We believe that supporting youth activities in the local communities where we operate is a recipe for success. For this reason, we participate in many local projects, which focus in particular on helping young people to have an active leisure time.

Cooperation and support mainly occur through sponsorship and non-commercial collaborations, in other words, donations. Annually, Wallenstam donates one percent of income from property management to these non-commercial collaborations.

## Community Engagement: Work proactively to combat social exclusion and promote equal life chances

Wallenstam wants to take long-term social responsibility by creating equal districts and areas where everyone can feel included. We support vulnerable groups and individuals who find themselves on the margins of society. We collaborate with organizations, which strive to reduce social exclusion and help people enter the labour market. Moreover, we want to promote active leisure time for children and young people in the local communities where we operate, for example by providing premises for associations, creating meeting places and supporting various types of activities.

## Contribute to a positive development of society through urban development

The right to adequate housing is laid down in both the UN's Universal Declaration of Human Rights and in the Swedish constitution. We want to provide the market with more homes, primarily rental apartments. We aim to create safe and welcoming areas and properties where people want to live, work and stay in, now and in the future. By constructing rental apartments for our own management, we can take a long-term responsibility for our properties and their surrounding areas.

## Promote wellbeing, security and participation

We want to promote wellbeing, security and participation for people who live and work in our properties, for our employees and for our suppliers and contractors. We strive to ensure increased security and comfort for our tenants who live and work in our properties, and for those who visit our properties, both during daytime and in the evenings. We want to contribute to the individual's health and wellbeing, with the aim of creating good quality of life. We do this, among other ways by creating and developing attractive indoor environments as well as inviting outdoor areas with greenery and recreation spaces.

Security is a focus area for us at Wallenstam and we are working systematically with our *Secure properties* action plan. We are making a series of efforts in both the early stages when we design properties, and also in the day-to-day management of our residential buildings and commercial premises. Sometimes selective measures are also required to help improve security and safety. Some examples of the efforts we are making are security inventories, surveys and structured collaboration and dialogue with tenants, local police, social services, municipalities, partners and other property owners. We have also developed a model, inspired by Huskura's methodology, which we are actively working with to prevent domestic violence in our residential buildings.

## Business ethics and anti-corruption

There are risks in the construction and property sector, for instance related to the working environment, corruption, human rights, climate and the environment. The supply chains in our projects and in our management operations are sometimes long with the procurement of many organizations, products and services. Our Code of Conduct with pertaining guidelines is based on the company's core values – respect, commitment and progress – and clarifies what is expected from our employees and suppliers with regard to working conditions, sustainability issues, human rights and corruption/bribery. We conduct our business in accordance with laws and other regulations, and follow the UN Global Compact's ten principles. We apply responsible business methods, which are characterized by high moral standards and good business ethics.

Wallenstam's Ethics Council drives the company's central work with business ethics and anti-corruption. The council works proactively to minimize the risks internally and among our suppliers. It is also responsible for training and information regarding business ethics, anti-corruption and the Code of Conduct. This training is compulsory for all permanent employees. Wallenstam also has a whistleblower function, which is accessible via a link on Wallenstam's website and can be used both internally and externally.

## Responsible enterprise

We want to offer safe and secure housing and premises for tenants, as well as safe and secure workplaces for employees and suppliers. One active measure we have taken is to ensure that we only support those companies that conduct their business responsibly. This procedure means that Wallenstam with the help of an external provider, conducts background checks that examine the companies' finances and identify any links to criminality or work environment deficiencies. Collaboration is only initiated with those suppliers and commercial tenants that meet our requirements, with the aim of improving security for employees, suppliers and tenants.

## Employees

We believe in the connection between dedicated employees and our profitability. We are proud of the corporate culture that we have built and continue to nurture with great dedication and care in order to create a positive employee journey for all who work at Wallenstam.

Wallenstam is careful to offer a good working environment and market-based working conditions and benefits. We place great emphasis on the commitment and importance of managers for employee performance, and through ongoing managerial support and leadership development, we create the right conditions for effective leadership. To promote our employees' development and health, we work actively with training and offer different kinds of activities.

We work to ensure that all employees at Wallenstam have equal conditions in connection with recruitment, development and salary setting, and we strive for an organization where preventive measures are taken in connection with all grounds of discrimination.

## Economic Sustainability

### Wallenstam's value creation

Wallenstam builds, acquires, develops and manages properties and areas based on the needs of people and society, and according to the wishes and requirements of customers. We create value growth through construction, development, refinement and management with a high level of service and long-term sustainability. Profits are reinvested and used to further develop the business. The shareholders receive a share of the value growth through these reinvestments and through dividends.

### Risk management: Financial Resilience

Wallenstam's risk management is built on a solid foundation of attractive property holdings and a strong local presence, which ensures proximity to both the market and the banks. Good relationships with several lenders provide broad financing opportunities and flexibility in changing market conditions. We maintain a strong equity/assets ratio and place continuous focus on liquidity, supported by regularly updated forecasts designed to optimize cash management and safeguard financial stability.

The loan portfolio is deliberately diversified, with different forms of credit and lenders. This reduces dependency on individual sources of funding and helps mitigate refinancing risk. In addition, interest rate derivatives are actively used as a tool to diversify risk, protect the underlying portfolio, and create flexibility in managing fixed interest terms within the loan portfolio. Together, these measures ensure that Wallenstam can withstand market fluctuations while continuing to operate from a position of financial strength.

### Reporting standards

Wallenstam reports in accordance with the Swedish Annual Accounts Act, which includes sustainability reporting. We have reported on our sustainability efforts since 2006, and our reporting has been inspired by the Global Reporting Initiative (GRI) since 2010. In addition, Wallenstam participates in and reports to a number of sustainability ratings. We also support the UN Global Compact initiative.

## Sustainable financing

Since 2020, all bonds issued by Wallenstam are green, according to our green bond framework. Green bank loans from both Swedish banks and the European Investment Bank are used to finance properties that fulfil the banks' criteria for green loans.

## Rationale for Green Financing

This Green Finance Framework (the 'Framework') has been updated to reflect recent market developments and to continuously support and align with Wallenstam's sustainability strategy and long-term objectives. It replaces the previous version published in 2022. Wallenstam has worked together with Handelsbanken to develop this Framework.

Hans Wallenstam  
CEO

Susann Linde  
Vice CEO and CFO

Karin Mizgalski  
Head of Sustainability and  
Wind Power



# Green Financing Framework

## Green Terms

This Framework has been developed to align with the International Capital Market Association's ("ICMA") Green Bond Principles published in June 2025 and the Green Loan Principles administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA) Principles published in March 2025. The Framework enables Wallenstam to issue a range of green financing instruments, including bonds, loans, and commercial papers ("Green Debt Instruments").

This Green Financing Framework is structured according to ICMA's four core principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

To enhance transparency, Wallenstam follows the key recommendation of the International Capital Market Association (ICMA) by having the Framework reviewed by an independent external party. S&P Global Ratings has provided a second party opinion on this Framework.

### 1. Use of Proceeds

Wallenstam will allocate an amount equivalent to the net proceeds from its Green Debt Instruments to fully or partially finance or refinance Green Projects that contribute to the transition toward low-carbon, climate-resilient, and sustainable economies. The Green Projects may include the value of fixed assets (Assets), capital expenditures (CapEx) and/or operational expenditures (OpEx) and must comply with the categories and criteria below to qualify for financing or refinancing.

"New financing" refers to proceeds allocated to eligible Green Projects that are either ongoing or completed within the reporting year. Refinancing applies to proceeds allocated to eligible Green Projects completed prior to the reporting year. Fixed assets (Assets) and capital expenditures (CapEx) are eligible for refinancing without any look-back period, while operational expenditures (OpEx) may be refinanced with a look-back period of up to three years from the date of issuance.

Wallenstam operates exclusively within the Swedish market, the net proceeds will therefore be used solely to finance or refinance Green Projects located in Sweden.

Green Projects	Eligibility Criteria	Contribution to EU Objective and SDG:s
<b>Green buildings</b>	<p><b>New buildings</b> built after 31<sup>st</sup> of December 2020 fulfil, or will after completion fulfil the following criteria to be eligible:</p> <ul style="list-style-type: none"> <li>• A Primary Energy Demand (PED) that is at least 20% lower than the threshold set for new buildings, according to the applicable version of the Swedish National Board of Housing, Building and Planning's mandatory provisions and general recommendations (BBR) and</li> <li>• Environmental certification with a minimum level of Miljöbyggnad "Silver" or an equivalent environmental scheme and</li> <li>• The building has assessed in accordance with the national regulation on climate declarations for buildings with a threshold for embodied emissions<sup>1</sup> at 290 kg CO<sub>2</sub>e/.sq.m. GFA for multiple dwellings and 280 kg CO<sub>2</sub>e/.sq.m. GFA for office buildings and</li> <li>• The building has undergone a screening of material climate risks</li> </ul> <p><b>Renovation of an existing building</b></p> <ul style="list-style-type: none"> <li>• An overall reduction in PED of at least 30%<sup>2</sup> or meets the applicable requirements for major renovations and</li> <li>• Environmental certification with a minimum level of Miljöbyggnad "Silver", Miljöbyggnad Ombyggnad "Silver", Miljöbyggnad iDrift "Guld" or BREEAM In-Use "Very Good" or an equivalent environmental scheme and</li> </ul>	<p>Climate Change mitigation</p> <p>SDGs: 7, 11, 12,13</p>

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<sup>1</sup> These levels are consistent with the threshold values established under the Miljöbyggnad Nybyggnad 4.1 standard.

<sup>2</sup> The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

	<ul style="list-style-type: none"> <li>The building has undergone a screening of material climate risks</li> </ul> <p><b>Existing buildings</b> built before 31<sup>st</sup> December 2020 fulfil the following criteria to be eligible:</p> <ul style="list-style-type: none"> <li>An Energy Performance Certificate (EPC) demonstrating class A or are within top 15 %<sup>3</sup> of the of the national or regional building stock, expressed as Primary Energy and</li> <li>Environmental certification with a minimum level of Miljöbyggnad “Silver”, Miljöbyggnad Ombyggnad “Silver”, Miljöbyggnad iDrift “Guld” or BREEAM In-Use “Very Good” or an equivalent environmental scheme and</li> <li>The building has undergone a screening of material climate risks</li> </ul>	
<b>Renewable energy</b>	<p>Financing of investments in renewable energy production and supporting infrastructure such as:</p> <p><b>Wind power</b> Development, construction, operation, improvement, repair and maintenance of Wallenstam’s wind farms.</p> <p><b>Solar energy</b> On-site solar energy installations or stand-alone solar farms (photovoltaic, concentrated solar power and solar thermal heating), as well as related infrastructure investments.</p> <p><b>Emission-free geothermal energy</b></p> <p><b>Infrastructure investments</b> such as grid connections and electric substations either as stand-alone installations or on an existing property.</p>	<p>Climate change mitigation</p> <p>SDGs: 7, 11, 13</p>
<b>Clean transportation</b>	<p>Supportive infrastructure such as charging stations for all types of electric vehicles, bicycle garages, pedestrian walkways, bicycle lanes or other investments that support and emphasize the use of environmentally sound and low carbon solutions, as well as</p>	<p>Climate change mitigation</p> <p>SDGs: 11, 13</p>

<sup>3</sup> The top 15% PED applicable under this Framework will be updated continuously. Wallenstam will reference an external benchmark when determining the top 15% e.g. guidance by national governments or a specialist study.

	electric vehicles used in our operations, such as fully electric service vehicles.	
<b>Energy efficiency</b>	<p>Upgrades to the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint. This could include installations, heat pumps of geothermal heating/cooling, energy-efficient lighting, IT-technology (monitoring, efficiency management and remote operation), energy storage (including batteries, thermal energy storage), energy efficient windows or an upgraded ventilation system. Only directly associated expenditure (e.g. material, installation and labour) is eligible for financing. The company will ascertain the following:</p> <ul style="list-style-type: none"> <li>• High estimated energy savings in the targeted area (minimum 30%)</li> <li>• Minimize long term negative climate impact and potential rebound effects</li> <li>• Minimal negative climate impact from the technology used</li> </ul>	<p>Climate change mitigation</p> <p>SDGs: 7, 11, 13</p>
<b>Climate change adaptation</b>	Adaptation measures aimed at reducing the negative impacts of climate change on assets and supporting infrastructure. These measures enhance resilience against both acute and chronic climate-related hazards, including flooding, sea-level rise, wildfires, landslides, and other identified risks.	<p>Climate change adaptation</p> <p>SDGs: 7, 11,13</p>

## 2. Process for Project Evaluation and Selection

As part of Wallenstam's operations, potential Green Projects are identified and nominated to the Green Business Council (GBC). The GBC consists of members from the Finance Department, the Sustainability Department, and representatives from Senior Management and is responsible for evaluating and ensuring that nominated Green Projects align with the Green Terms set out in this Framework. The evaluation process includes reviewing each project's overall environmental impact, considering life cycle aspects, potential rebound effects, resilience factors, and assessing environmental and social risks. Green Projects will also be assessed to ensure compliance with applicable national laws and regulations, as well as Wallenstam's internal policies and guidelines. When necessary, the council may request additional information and consult with internal stakeholders; however, the mandate to make decisions rests with the GBC. A consensus decision by the GBC is required to approve Green Projects before any allocation of net proceeds and all decisions will be documented. In addition, the GBC is responsible and oversees reporting under the Framework, as described in the Reporting section.

## 3. Management of Proceeds

An amount equal to the net proceeds of any Green Debt Instruments will be managed using a portfolio approach and tracked through "the Green Register". To ensure transparency the Green Register will serve as a list of all Green Projects and will be maintained by Wallenstam's Finance Department. The Green Register will ensure that an amount equivalent to the net proceeds from issued Green Debt Instruments supports only eligible Green Projects as defined in this Framework. This list will also serve as a tool to determine whether there is current or expected capacity for additional Green Debt Instruments.

Net proceeds for an eligible Green Project will correspond to the investment made by Wallenstam, except for projects categorized under new and existing buildings, where allocation may be based on the building's market value. If a Green Project no longer meets the criteria, or if the underlying project is divested, the project will either be removed or an amount equal to the proceeds allocated will be re-credited to the Green Register. Proceeds may be reallocated to other Green Projects that meet the Green Terms during the term of any Green Debt Instruments, unless otherwise specified in the loan documentation.

The Finance Department is responsible for keeping a record of the purpose of any change in the Green Register and ensure that the combined proceeds directed towards a specific Green Project, by one or several sources of Green Debt Instruments does not exceed its value. If the Green Register has a positive balance, any unallocated proceeds may be invested in short-term, interest-bearing securities or temporarily maintained as cash or term deposits and in accordance with the exclusion criteria listed below.

### **Exclusion criteria**

For the avoidance of doubt, proceeds from Green Debt Instruments will not be allocated or linked to fossil 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.



## 4. Reporting

As long as any Green Debt Instruments issued under this Framework remain outstanding, Wallenstam will publish an annual report (the “Reporting”) detailing the allocation, environmental impact, and compliance with the Green Terms of the net proceeds. The Reporting will be prepared by Wallenstam’s Finance Department and can be accessed on the Wallenstam’s website. In cases where Green Debt Instruments other than bonds or commercial papers are outstanding, Wallenstam may choose to report directly and non-publicly to the relevant lenders, in accordance with the terms of those specific instruments.

### **Allocation report**

The allocation report will present the following information, based on data as of December 31 of the previous year:

1. The sum of outstanding Green Debt Instruments
2. A list and a brief description of Green Projects financed with net proceeds from Green Debt Instruments
3. The total amount of net proceeds allocated within each Green Project category and the geographical distribution of projects
4. The proportion of net proceeds allocated to new financing and refinancing of projects
5. If applicable, the amount of unallocated net proceeds

To ensure transparency, the allocation of short-term Green Debt Instruments, such as commercial papers, will be disclosed on a quarterly basis as part of the company’s financial reporting.

### **Impact report**

The Reporting will contain a disclosure of project level performance indicators. The reporting will strive to disclose the impact based on the Green Debt Instruments share of the total investment. For projects and assets that are not yet operational, Wallenstam will strive to provide estimates of future performance levels. Wallenstam will emphasize energy production/savings and greenhouse gas reductions as the most relevant performance metrics for most project. The metrics below are examples of indicators that can be used by Wallenstam in the forthcoming Reporting.

Green Projects	Indicators and Metrics
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>i. Environmental certification level and grade</li> <li>ii. Energy use (reduced or avoided) disclosed by absolute consumption (kWh) or intensity (kWh per square meter) per year</li> <li>iii. The annual energy use per square meter</li> <li>iv. The relative energy performance (%-improvement) compared with applicable national building code</li> <li>v. Energy Performance Certificate (EPC) and level</li> <li>vi. The percentage of renewable energy used compared to the total energy used</li> <li>vii. Carbon intensity and annual emissions</li> </ul>
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>i. For an investment in a stand-alone renewable energy project the energy production (MWh per year or kWh per year), installed capacity (MW or kW) and the estimated yearly reduction or avoidance of greenhouse gas emissions</li> <li>ii. For an installation of renewable energy in an asset, the percentage of the asset's total energy use supplied by the installation, the energy production (kWh per year), installed capacity (kW) and the estimated yearly greenhouse gas reduction or avoided</li> </ul>
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>i. Annual absolute (gross) greenhouse gas emissions in CO<sub>2</sub>e</li> <li>ii. Annual absolute (gross) greenhouse gas reductions in percentage</li> <li>iii. The number of installed charging stations for electric vehicles</li> <li>iv. The number of financed electric vehicles</li> <li>v. The number of bicycles that a bicycle garage can accommodate</li> </ul>
<b>Energy Efficiency</b>	<p>Each yearly report will include an example of an energy efficiency investment that has been financed with green net proceeds (if such a project has been financed). Given the number of project types that qualify under the category the KPI's will not be disclosed beforehand in the framework. Wallenstam will emphasize energy and carbon savings, where applicable, as relevant performance metrics.</p>
<b>Climate change adaptation</b>	<p>Given the broad range of eligible project types under this category, specific KPI's will not be disclosed in advance within the Framework. However, where applicable, Wallenstam will emphasize the rationale behind the investment and, when possible, provide a description of the expected impact of the individual green project.</p>

## **External Review**

### *Second party Opinion (pre-issuance)*

S&P Global Ratings, an independent second party opinion provider, has reviewed this Framework's credibility, and alignment with the Green Bond Principles and Green Loan Principles. The second party opinion can be found on Wallenstam's website.

### *External Verification (annual post issuance)*

The external auditor of Wallenstam, or a similar party appointed by Wallenstam with the relevant expertise and experience, will investigate and report whether the net proceeds have been allocated to the eligible Green Projects in line with what Wallenstam has communicated in the Reporting. The conclusions will be provided in a signed statement, which will be published on Wallenstam's website ([www.wallenstam.se/greenbonds](http://www.wallenstam.se/greenbonds)).

## **Dedicated website**

Wallenstam will provide a dedicated webpage for Green Bonds at its website ([www.wallenstam.se/greenbonds](http://www.wallenstam.se/greenbonds)) where the investors can find information regarding Wallenstam's Green Bonds, including:

- The Green Financing Framework
- The Second Opinion
- The Reporting
- The Annual Review

# Disclaimer

This document (the “Green Finance Framework” or “Framework”) contains information on Wallenstam (“Wallenstam”) and its potential use of financing with added environmental criteria (the “Green Terms”). Any financing that includes the Green Terms in its associated financing documentations, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as Green Financing (“Green Financing”). Other labels may apply to the specific type of financing, for instance Green Bond (“Green Bond”), Green Commercial Paper (“Green Commercial Paper”) or Green Loan (“Green Loan”). 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 for the specific type of Green Debt Instrument in the 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 regulations, standards or market practices such as the Green Bond Principles the EU Green Bond Standard and the EU Taxonomy.

Any Green Debt Instrument will be subject to the version of the Green Terms specified in the associated financing documentation. New Green Debt Instrument will include a reference to, or inclusion of, the most recently published Green Terms, which shall be publicly available in the Framework on Wallenstam’s website.