



Patriam

Green Bond
Framework



Table of Contents

Background	3
Environmental Objectives	4
Use of Proceeds	5
Process of Project Evaluation and Selection	6
Management of Proceeds	7
Reporting	7

Background

About Patriam

Patriam is an unlisted real estate company that develops housing with focus on apartments. Driven by Patriam's ambition – to offer sustainable homes for modern and conscious people, we at Patriam strive to create socially, economically, and environmentally sustainable products for our customers and communities. This is a vital part of Patriam's philosophy, taking an overall responsibility to create durable and long-lasting homes that will remain in the future. Patriam was founded in 2015 and has since then finalized numerous projects in Stockholm and surroundings.

Sustainability

Patriam acknowledges the United Nations Sustainable Development Goals ("**UN SDG:s**") that demonstrates the need for action to fulfill the 2030 Agenda for Sustainable Development. The real estate sector is characterized by a long chain of processes involving crucial parts in the aspect of sustainability ranging from choice of materials to energy supply. Through verifying every integral part of the chain, Patriam's trajectory to completing a project is in alignment with the UN SDG:s.

Objective

Patriam has developed a sustainability program consisting of 14 key areas. These areas are closely coupled to, in Patriam's belief, the most important UN SDG:s, conceivable in the real estate sector. Patriam strives to be comprehensive and to further develop a 360* perspective in the aspect of sustainability in its projects and entire core business. Patriam has a strong belief that initiating Green Bonds is a path for doing so. In Sweden, the structure for sustainability has come a long way and organizations such as Sweden Green Building Council ("**SGBC**") and Svanen help clarify for investors and stakeholders whether a project can be classified as sustainable or not. After completion of Patriam Stocksund and Patriam Gärdet in 2018, SGBC certified both buildings with Gold making them, at the time, 2 out of 4 Gold Certified buildings in Stockholm.

Environmental Objectives

Green Bond Principles

Green Bond Principles (“**GBP**”) refers to a list of environmental benefits of the anticipated use of proceeds.

1. **Climate change mitigation:** Activities that contribute to stabilization of greenhouse gas concentration in the atmosphere by reducing or limiting the CO₂-eq emissions.
2. **Climate change adaption:** Processes of adjusting to current or expect climate change and its effects both incremental and transformational.
3. **Natural resource conservation:** Activities that contribute to a sustainable utilization of natural resources such as water use, preservation of green lands and forests.
4. **Biodiversity conservation:** Activities that contribute to preservation of species and ecosystem diversity in the terrestrial, marine and aquatic environment.
5. **Pollution prevention and control:** Activities that contribute to an environmental protection against pollution other than greenhouse gasses affecting water, air, soil, and not least human health.

Sustainability Program

For Patriam to work and integrate sustainability in business, Patriam has developed its own sustainability program. Patriam’s Sustainability program involves 14 focus areas coupled to our investing and operating activities that in a concrete way specifies how Patriam works with the UN SDGs daily.

Program alignment with the SDGs

The areas covered by this program primarily contributes to goal number:

- Energy use – 7, 11, 13
- Travel & transportation – 3, 11, 12, 13, 15
- Health & safety – 3, 5, 10
- Durable housing economy - 8
- Equality – 5, 10
- Zero tolerance corruption – 16
- Green areas & air quality – 3, 11, 15
- Sound material choices – 9, 11, 12, 13
- Consideration of local environment – 14, 15
- Sustainable supply chain – 9, 11, 12, 13
- Water consumption – 12
- Waste disposal – 14, 15
- Environmental technology – 9, 13
- Knowledge & communication - 13



Use of Proceeds

The net proceeds of Patriam’s issued Green Bonds will finance green activities coupled to “Eligible Assets and Projects”. “Eligible Assets and Projects” refers to a category of assets and projects that in accordance with the GBP contribute to environmental objectives such as: climate change mitigation/adaption, conservation of

biodiversity and natural resources as well as pollution control and prevention. In order to determine a project’s eligibility, Patriam follows a set framework consisting of predetermined real estate standards that aims to assess projects in terms of specific criteria shared with the Green Bond Principles.



Patriam Stocksund, Stockholm, Sweden. Environmental Building Gold, Sweden Green Building Council

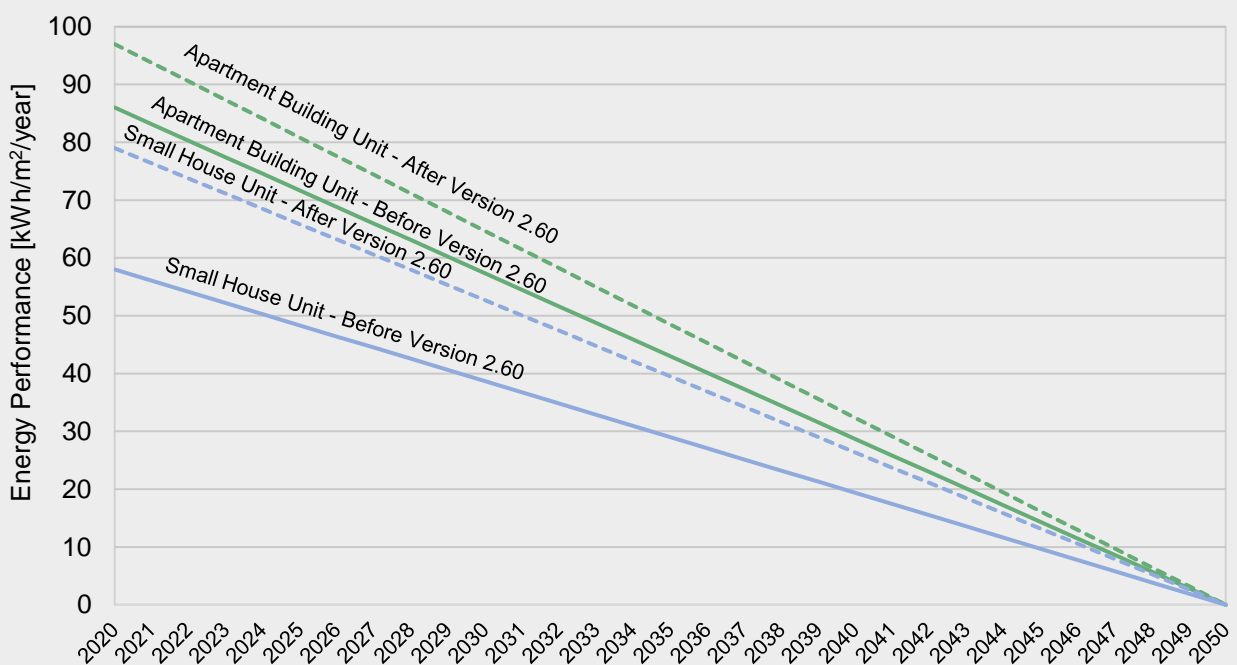
Process for project evaluation and selection

Projects and assets potentially eligible for Green Bond financing will be identified as Eligible Projects and Assets in Patriam’s ongoing operations. Eligible Projects and Assets will be evaluated, identified, and documented by the Sustainable Advisory Board (“**SAB**”) of Patriam. The SAB of Patriam will evaluate the identified projects and assets to ensure compliance with the Green Bond Principles and the latest version of the Climate Bonds Standard as written by the Climate Bonds Initiative. Such identified project or asset should be considered as an Eligible Project if:

1. For completed, new development and greenfield development property projects, refurbishment/conversion projects, a property project will be eligible

if there is sufficient evidence that the property is, or likely to meet upon completion, the energy performance standards stated in the “Residential Proxy – Sweden”, set by the Climate Bond Initiative. The Proxy Baselines is visualized below and is derived from a Zero Carbon Trajectory. In the case of the above standard cease to exist or is unavailable, an equivalent standard/certification will be applied.

2. Projects that are not related to development, but without doubt can be classified as sustainable, such as solar PV development and wind power development may also be financed with the issuance of green bonds.



Management of Proceeds

The net proceeds of any Green Bond financing will be earmarked and credited to a dedicated account managed by Patriam Group in order to facilitate the transparency of which activities that are financed by Green Bonds. Patriam will allocate net proceeds from green bond issuances to Eligible Assets and Projects, approved by the SAB of Patriam, from the dedicated green bond

proceeds account. Patriam guarantees that investment opportunities which business plans include with focus on fossil fuels, weapons, mining, gambling and such are excluded from any financing with the net proceeds of the green bond, managed by Patriam Group.

Reporting

In order to be fully transparent towards the investors and other stakeholders, Patriam will publish an annual Green Bond Report. The report will detail the following areas:

Allocation of funds and Eligible Projects

- Patriam will report on its allocation of net proceeds from bond issuances, including a list of the amount which each Eligible Projects has been allocated.

Balance

- Patriam will provide insight to the green account and detail how much of the green funding that has been allocated.

Impact

- Patriam will provide status updates regarding expected certifications and estimates of energy performance.



Patriam Gärdet, Stockholm, Sweden. Environmental Building Gold, Sweden Green Building Council