

# Green Bond Framework

May 2025

PATRIAM



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# About Patriam

Patriam Invest AB (or “Patriam” or the “Company”) is a residential development company focused on condominiums (*sw. bostadsrätter*) in Stockholm's most attractive locations. Patriam develops condominiums within existing and new zoning plans for residential areas.

The philosophy is to offer unique and sustainable homes for those who choose their homes thoughtfully. At Patriam, everything begins with the location when considering new developments. Customising the product for the site is a characteristic of Patriam. A vital part of Patriam’s philosophy is also to take 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 the surroundings. As of December 2024, the property portfolio amounted to SEK 860m, across 5 projects in Stockholm. The estimated value for the projects upon completion is SEK 2.3bn.



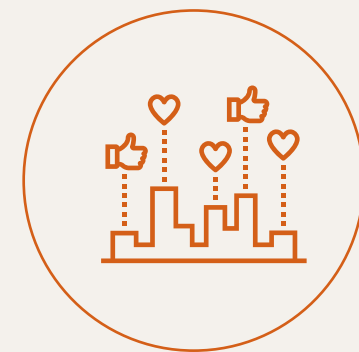


# Sustainability program

# Sustainability program

Patriam's sustainability work is centred around four sustainability focus areas, which are connected to Patriam's sustainability policy, UN's Sustainable Development Goals (UN SDGs) and strategic targets. Everything that Patriam does should work together to fulfil its vision "To create landmarks with timeless homes to live in and be touched by for a long time", while working and contributing to the UN SDGs.

Patriam's four sustainability focus areas are:



**To be a valued partner for investors and financial institutions.**

**To contribute to sustainable social development.**

**To be the market-leading residential developer with customer focus on the premium segment.**

**To be an ideal employer and a valued player that attracts the best talents.**

## Sustainable business

- ✓ Profitability and growth.
- ✓ Environmental certification of projects.
- ✓ Green financing.
- ✓ High business morale and a secure business.
- ✓ Projects in attractive locations.

## Sustainable social development

- ✓ Architecture that enriches.
- ✓ Combating climate change.
- ✓ Safety and security.
- ✓ Collaboration with suppliers and partners.

## Sustainable customer offering

- ✓ High customer satisfaction.
- ✓ Quality and long lifespan.
- ✓ Promote sustainable living.
- ✓ Homes that enrich people's well-being.
- ✓ Patriam Trygg Affär.

## Sustainable working life

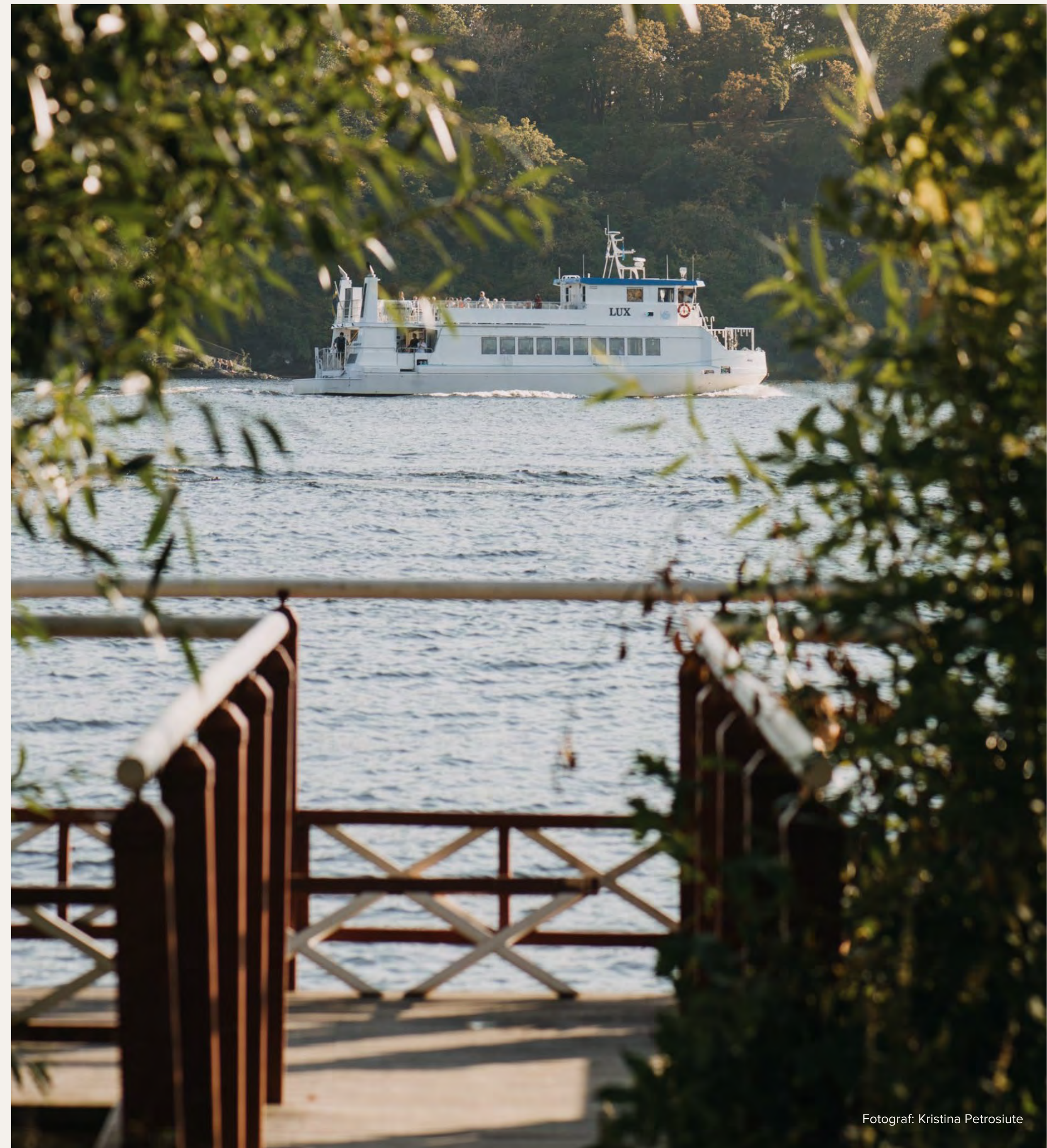
- ✓ Good health and well-being.
- ✓ Diversity and equality.
- ✓ Skills development.
- ✓ Knowledge and skills to promote sustainable development.



# UN Sustainability Development Goals (UN SDGs)

Patriam has identified 11 out of 17 UN SDGs where the Company can have the greatest impact:

- SDG 3: Good health and well-being
- SDG 5: Gender equality
- SDG 6: Clean water and sanitation
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 15: Life on land
- SDG 16: Peace, justice and strong institutions





# Environmental Sustainability

## Becoming climate positive

Patriam's target is to become *climate positive* by 2045. Selected measures:

- *Energy efficiency & GHG emissions* - in property development, there is great emphasis on the choice of systems, materials, indoor environment and climate impact. Patriam strives to use technologies and construction methods with a lower climate impact and reduce GHG emissions and energy use during production, in accordance with Nordic Swan Ecolabels' requirements.
- *Sustainability matrix* - Patriam produces a sustainability matrix for each project, which includes areas such as water and resource management, waste management, energy use, chemical use, green technologies, and biodiversity.
- *Environmental certifications* – strives to environmentally certify projects. For example, through Nordic Swan Ecolabelled properties, the buildings are reviewed from a lifecycle perspective - as of Dec 2024, 60% of completed projects were environmentally certified and 100% of the ongoing projects aim to be
- *Renewable energy* - promotes the production of renewable electricity - as of Dec 2024, 100% of ongoing projects had solar panels.
- *Clean transportation* - offering charging points for electric cars in projects, and using electric or hybrid company cars.





## Biodiversity

Patriam puts large emphasis on biodiversity in its operations, due to its focus on new construction. Selected measures:

- *Ecosystem services analyses* - carried out for land acquisitions to ensure that activities on land do not contribute to a loss of ecosystem services and biodiversity and, if so, how to compensate for it.
- *Land utilisation* - acquires ‘in-fill’ projects in good locations, which contributes to efficient land utilisation.
- *Renovation projects* - acquires attractive renovation, conversion and extension projects (sw. ROT-projekt) that are carefully refined and reused where possible.

## Climate risk assessment

Patriam considers climate risk assessment in projects, which is especially important due to a number of projects located close to water. The Company works proactively for a future changing climate. For example, Patriam designs green spaces, roofs and retention basins to locally manage stormwater. Other examples include adaptation of windows to improve daylight and reduce heat loads

## Water use

Patriam recognizes the importance of sustainable water use and strives to implement measures to reduce water use. For example, the Company creates conditions for residents to reduce water use, through installing low-flow taps and enabling self-monitoring among residents of hot water and the customer are billed for their actual consumption.





# Social Sustainability

Two of Patriam's four sustainability focus areas are *sustainable social development* – to contribute to sustainable social development, and *sustainable working life* – being an ideal employer and a valued player that attracts the best talents. *Safety and security*, and *good health and well-being* are part of these focus areas.

## Safety and security

Patriam strives to create homes that are safe, for example through active and open ground floors. Another measure is that Patriam offers a mobile application where residents can communicate with each other.

## Good health and well-being

Patriam promotes a safe and secure work environment with good working conditions for own employees and subcontractors with the vision of zero harm (0 workplace accidents). Training in work environment legislation is offered to employees. Other measures:

- Considers partners' and subcontractors' financial stability, business ethics and their work environment in procurement.
- Established a Code of Conduct for subcontractors and partners.
- Works actively to prevent ill health, both physical and mental, and promote activities that lead to good health, well-being and community among employees. For example, through a generous wellness allowance, health checks, fitness challenges and joint group training sessions under working hours.
- Established a crisis and protection committee.





# Governance

Patriam's *sustainability policy* is split into three areas: environmental, social and economic sustainability. By integrating these three dimensions, Patriam aims to create a balanced and sustainable business. The sustainability policy is closely connected to Patriam's four sustainability focus areas. Other guiding principles:

- Anti-corruption policy.
- Code of Conduct for subcontractors and partners – based on UN's Global Compact. As of Dec 2024, 100% of general contractors had signed the Code of Conduct.
- Internal Code of Conduct, incl. equity and diversity policy – based on UN's Global Compact. As of Dec 2024, 100% of employees had signed the Code of Conduct.





# Rationale for the Green Bond Framework



# Rationale for the Green Bond Framework

## Rationale for Green Bonds

Patriam has a strong belief that Green Bonds is a path for further developing a 360-degree perspective in the aspect of sustainability in its operations. One of its goals is also to offer investors investments in Green Bonds. Therefore, Patriam has developed this Green Bond Framework (“Framework”) to support its continued journey to achieve climate neutrality.

## Alignment with Market Principles

The Framework is aligned with the 2021 edition of *the International Capital Markets Association* (“ICMA”) *Green Bond Principles*<sup>1</sup> with June 2022 Appendix I and their four core components and key recommendations including:

- Use of Proceeds
- Process for Asset Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework further intends to take into account the most recent market practices, in particular the *EU Taxonomy* to the extent possible. This Framework is applicable for issuance of *Green Bonds* (including private placements). Further, this Framework is applicable to the parent company and its subsidiaries.

As the green bond market continues to evolve, Patriam will review this Framework from time to time, including its alignment to updated versions of the ICMA Green Bond Principles. Accordingly, Patriam may deem it appropriate at times to further update its Framework with the objective of keeping or improving the current levels of transparency and reporting disclosures. Any material revision of the Framework will be subject to a new Second Party Opinion. Swedbank has acted as Sustainability Coordinator to Patriam in the establishment of this Framework.





# Use of Proceeds



# Use of Proceeds

## Allocation of net proceeds

An amount equivalent to the net proceeds from Patriam’s Green Bonds shall be used to finance or re-finance, in whole or in part, a portfolio of projects and assets (“Green Assets”). Green Assets aim to support the transition towards a low-carbon future, as well as comply with Eligibility Criteria detailed in the table on the following pages.

Green Assets may include fixed assets, capital expenditures (“CapEx”) and/or operational expenditures (“OpEx”). Fixed assets will qualify at the current balance sheet value, which will be updated annually to reflect regular depreciation. CapEx will qualify for the amount of the initial expenditure, subject for annual depreciation in accordance with the expected useful life of the investment. OpEx has a requirement of maximum three-year look-back period prior to the issuance date of the Green Bond.

## EU Taxonomy and UN SDG mapping

The Eligibility Criteria consider, on a best effort basis, the EU Taxonomy’s technical screening criteria for substantial contribution to climate change mitigation.

Furthermore, a mapping against the UN SDGs as well as the Economic Activities and Environmental Objectives under the EU Taxonomy has been done, to the extent possible, on the following page.

## Financing and refinancing

Refinancing refers to Green Assets prior the reporting year. Financing refers to Green Assets during the reporting year.

## Exclusion criteria

The net proceeds of Patriam’s Green Bonds will not be used to finance *fossil fuel energy generation, nuclear energy generation, weapons, potentially environmentally harmful resource extraction (such as rare-earth elements), gambling or tobacco.*





# Green Buildings

**ICMA GBP category:** Green Buildings  
**UN SDGs:** 7 – Clean energy; 11 – Sustainable cities and communities  
**EU Environmental Objective:** Climate change mitigation

Eligibility Criteria  
**Construction of new buildings<sup>2</sup>**  
Eligible EU Taxonomy activity: *7.1. Construction of new buildings*

Buildings<sup>3</sup> which have or will have upon completion:

- Primary Energy Demand (PED) at least 10% lower<sup>4</sup> than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations<sup>5</sup>, or
- Minimum environmental certification of Miljöbyggnad Silver or Nordic Swan Ecolabel.

**Acquisition and ownership of buildings<sup>6</sup>**  
Eligible EU Taxonomy activity: *7.7. Acquisition and ownership of buildings*

- Buildings with Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15%<sup>7</sup> of the national or regional building stock, or
- Minimum environmental certification of Miljöbyggnad Silver or Nordic Swan Ecolabel.

**Major renovations<sup>8</sup>**  
Eligible EU Taxonomy activity: *7.2. Renovation of existing buildings*

Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation Building application filed after 31 December 2020.



<sup>2</sup>Building application filed after 31 December 2020.  
<sup>3</sup>Including acquisition of land and developing costs associated with land held for future development.  
<sup>4</sup>The energy performance is or will be certified using an Energy Performance Certificate (EPC).  
<sup>5</sup>In Sweden, thresholds set for NZEB is implemented through the Swedish National Board of Housing, Building and Planning's (sw. Boverket) national building standards (sw. Byggregler i.e. BBR). Most recent version BBR 29 at the time of publication of this Framework.  
<sup>6</sup>Building application filed before 31 December 2020.  
<sup>7</sup>The report by the Swedish Property Federation (sw. Fastighetsägarna), CIT Energy Management will be used for determining top 15%. Patriam can also seek guidance from other appropriate external benchmarks to determine the top 15% if such report is issued by a national government or industry specialist.  
<sup>8</sup>If the building post renovation fulfils criteria under “Acquisition and ownership of buildings” the market value of the building will qualify. If not, it will be limited to the renovation cost.



# Process for Asset evaluation and Selection



# Process for Asset evaluation and Selection

## The Green Bond Committee

Patriam has established a *Green Bond Committee* (the “GBC”) with responsibility for governing the evaluation and selection of the Green Assets. The GBC consists of members from the Finance and Sustainability teams. Other internal representatives with specific expertise may be invited when deemed necessary. The Committee will meet at least on an annual basis.

### Role of the GBC:

- Reviewing, selecting and validating Green Assets
  - Any GBC member or relevant department at Patriam may propose potential assets to be evaluated in line with the Eligibility Criteria as set out in the Framework.
  - The GBC confirms that proposed Green Assets are in line with the Eligibility Criteria as set out in the Framework. In addition, Patriam ensures that all Green Assets comply with the Company’s internal policies as well as official national environmental and social standards, and Swedish laws and regulations. These laws are monitored and enforced by the local authorities, among others, as part of obtaining the necessary permits for new construction projects.
  - After validation from the GBC, approved Green Assets will be inserted into Patriam’s internal tracking spreadsheet.
- On behalf of the GBC, the Finance team will annually review the list of approved Green Assets. If an asset no longer meets the Eligibility Criteria set forth in this Framework, the Green Asset will be removed from the internal tracking spreadsheet and replaced as soon as a substitute has been identified;
- Overseeing, approving and publishing the allocation and impact report;
- Govern the content of the Green Bond Framework and manage any future updates of this document to reflect relevant changes in best market practices.





# Management of Proceeds



# Management of Proceeds

## Tracking of net proceeds

Patriam's Finance team will manage the allocation of an amount equivalent to the net proceeds from Green Bonds to Green Assets on an aggregated basis (portfolio approach). To manage this process, Patriam will use an internal tracking spreadsheet, which will be reviewed at least annually by the Finance team.

## Allocation Period

Patriam will commit to, on a best-effort basis, allocate the net proceeds from the Green Bonds to Green Assets within 12 months from the issuance date of each Green Bond.

## Temporary holdings

Pending full allocation of an amount equal to the net proceeds of outstanding Green Bonds, the unallocated proceeds will be held in the liquidity reserves and managed as such and will exclude any investments in activities listed in under Exclusion Criteria in this Framework.





# Reporting



# Reporting

Patriam commits to annually publish an allocation and impact report, until full allocation or in the event of any material developments, as long as there are Green Bonds outstanding. The report will be published on its website at patriam.se.

## Allocation reporting

The allocation reporting will include the following information:

- The outstanding amount of Green Bonds;
- A list of the Green Assets financed/refinanced;
- Share of proceeds used for financing/refinancing;
- Share of unallocated proceeds (if any)

## Impact reporting

Patriam aims to report on quantitative impact indicators where reasonable and relevant data is available. The information may be provided on an aggregated portfolio basis because of confidentiality agreements, or numerous Green Assets limiting the amount of detail that can be made available. Examples of impact indicators include:

ICMA GBP category	Example of impact indicator
Green Buildings	<ul style="list-style-type: none"><li>• Estimated annual energy reduced/avoided below national building standards (new buildings) (kWh/sqm or %) or other relevant existing benchmark (existing buildings)</li><li>• Environmental certification incl. certification level, if any</li><li>• EPC class, if any</li></ul>





# External Review



# External Review

## Second Party Opinion (Pre-issuance)

Patriam has appointed Moody's to provide a Second Party Opinion on the Green Bond Framework, to confirm alignment with the ICMA 2021 Green Bond Principles. The Second Party Opinion is available on Patriam's website at [patriam.se](https://patriam.se).

## External Verification (Post-issuance)

Patriam will request on an annual basis, until full allocation or in the event of any material developments, an assurance report to verify whether an amount equal to the net proceeds from Green Bonds have been allocated to Green Assets, provided by an external review provider. The assurance report is available on Patriam's website at [patriam.se](https://patriam.se).





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