



TAGEHUS

Green Finance Framework

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Tagehus Holding AB

Tagehus Holding AB (“Tagehus” or the “Group”) is a family-owned investment company with a significant presence in the Swedish real estate industry and a long-term ownership perspective. Tagehus traces its roots back to the construction company founded by Tage Ljungberg in Stockholm in 1946. The main strategy is to create long-term growth and value enhancement through developing, constructing and owning real estate.

Business areas

Listed core holdings



Within this business segment, Tagehus puts emphasis on being an active owner, particularly with regards to the core and long-term holdings in Atrium Ljungberg, John Mattson, and K2A. Tagehus' CEO, Johan Ljungberg serves as the Chairman of the Board of Atrium Ljungberg, vice Chairman and Board member of John Mattson and Board member of K2A. All three core holdings have ambitious sustainability agendas which Tagehus supports and encourages. The portfolio may also include other listed holdings that will vary over time, as of December 31, 2023, the portfolio also includes SAGAX and Arlandastad Group.

Properties



The Properties segment is dedicated to owning and managing residential and hotel properties, as well as engaging in property development projects. This includes rental housing and hotels in locations such as Åre, Enköping, and Stockholm, along with acquiring stakes in companies that own sites for future housing developments. Additionally, the segment engages in large-scale land development projects through partial ownership, aiming to generate a significant number of new development rights over time.

Health and wellness



The Health and Wellness segment includes the wholly owned subsidiaries Tagebad and Medley.

Tagebad invests in the development, ownership and management of public swimming and wellness facilities, currently consisting of Tyresö Aquarena, Järfällabadet and the group's investment in Hemtag, a joint venture with Hemsö.

Medley is one of Sweden's leading players in the swimming and wellness industry, starting operations in 2001. Today, Medley operates more than 30 swimming and training facilities across 16 municipalities, including Tyresö Aquarena and Järfällabadet owned by Tagebad.

Credentia



Credentia is a construction and real estate group that develops and builds homes and community facilities, such as schools, fire stations, and recreational centers, with the aim of contributing to a high-quality society where people thrive. Credentia operates in Roslagen and northern Greater Stockholm, with headquarters in central Norrtälje and an office in Sollentuna. The subsidiary Roslagens Byggnadsentreprenad builds modern and affordable single- and multi-family homes.

Other investments



Tagehus primarily focuses on real estate-related investments, but the company also holds a variety of other ventures. Beyond its property ownership and operation of two hotels, Grow Hotel in Solna (55% ownership) and Park Astoria in Enköping (49% ownership), Tagehus also has investments across several other industries. Please see annual report for most updated information on current holdings.

Longrun Capital



Longrun Capital is a venture capital firm investing in seed stage Nordic companies, backing founders with game-changing technologies aimed at mitigating climate change. The investment philosophy is industry agnostic, with four focus areas; energy solutions, advanced materials, building and construction, and key enabling technologies. In addition to climate impact, Longrun look for founders who share their values about diversity with the view that diverse companies with inclusive cultures perform better, and diversity is best implemented from start.

Longrun was founded in 2021, with the mission to have a positive impact on the climate. The operations however started already in 2018, when the co-founder Johan Frenckner began investing in early-stage companies with focus on digitalization. These investments are included in Longrun's Digitalization portfolio, which was closed for new investments in 2021.

Sustainability across the Tagehus Group

Tagehus integrates sustainability into its business strategy across all subsidiaries, focusing on environmental concerns, employee well-being, and community engagement. The company is committed to operating with honesty, loyalty, reliability, and care for individuals throughout the Group.

Tagehus' active ownership strategy for key listed holdings such as Atrium Ljungberg, John Mattson, and K2A emphasizes sustainability as a priority, ensuring that these companies continue to work successfully toward relevant sustainability goals.

By strategically embedding sustainability across the Group, Tagehus ensures its business models reflect responsible practices in both social and environmental sustainability.



Environmental sustainability

Tagehus places a strong emphasis on reducing its environmental footprint, reflected through energy efficiency programs, sustainable building certifications, and investments in renewable energy and clean tech solutions.



'EKOBAD' NEW PATENTED SOLUTION FOR PUBLIC SWIMMING FACILITIES

The concept, developed by Tagehus, is designed to reduce life-cycle emissions compared to conventional facilities, focusing on more wood and less concrete in construction, lower energy use during use phase, integrated solar panels, as well as heat from district heating and heat recovery systems.



ENERGY EFFICIENCY INITIATIVES

Tagehus has implemented energy-saving measures such as installing LED lighting, upgrading to energy-efficient elevators, and monitoring energy consumption trends through an energy controller. The efforts to reduce energy use per square meter and per guest night (within the hotel business) reflect the Group's ongoing commitment to sustainable resource management.



RENEWABLE ENERGY ADOPTION

Solar panel installations at Tyresö and upcoming projects in Järfälla highlight Tagehus' proactive approach to using renewable energy. This has led to a significant reduction in reliance on purchased electricity.



SUSTAINABLE CONSTRUCTION PRACTICES

Credentia's use of Swedish environmental certifications such as Miljöbyggnad and Svanen for green building projects ensures that construction activities meet high environmental standards, focusing on energy efficiency, water conservation, and reduced environmental impact.



COST EFFICIENCY THROUGH SUSTAINABILITY

Tagehus achieves cost reductions and improved operational efficiency through sustainability initiatives. The energy efficiency programs in hotels and residential properties reduce operational costs while decreasing environmental impact, creating a balance between economic gain and environmental responsibility.

Social sustainability

Tagehus is dedicated to creating a positive societal impact through its operations and investments. The company focuses on enhancing the well-being of both its employees and the communities in which it operate.



EMPLOYEE WELL-BEING AND FAIR WORKING CONDITIONS

Tagehus is committed to fostering a healthy and supportive workplace culture across its subsidiaries. This aligns with the Group's principles of honesty, loyalty, reliability, and care for individuals, ensuring that employees work in fair, safe, and rewarding conditions. Through Credentia's BKMA certification, workplace safety and employee welfare are prioritized in construction projects.



COMMUNITY ENGAGEMENT

Medley's commitment to public health is evident in its provision of accessible fitness and wellness opportunities to communities. This initiative underscores Tagehus' role as a social actor, promoting physical activity and enhancing the overall well-being of local populations.



DIVERSITY AND INCLUSION

Longrun Capital, a part of Tagehus' portfolio, actively works towards increasing diversity in leadership roles within its portfolio companies, aiming for a more inclusive environment in terms of gender and ethnicity. This strategy supports equal opportunity and empowerment.



RESPONSIBLE HOUSING

Most of Credentia's projects are marked with the Trygg BRF mark which further ensures consumer protection through sustainable construction.

Tagehus and Green Finance

This Green Finance Framework (the “Framework”) is aligned with the 2021 ICMA Green Bond Principles and the 2023 LMA Green Loan Principles (“ICMA/LMA Principles”) and enables the issuance of Green Bonds and Green Loans (“Green Finance Instruments”). The Framework defines the assets and projects that can be financed by Green Finance Instruments (“Green Projects”), and it also outlines the process for evaluating, selecting, tracking and reporting on such investments.

In line with the ICMA/LMA Principles and best market practice, this Framework includes the following segments:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting
- External review

Use of proceeds

An amount equal to net proceeds from Green Finance Instruments issued under this Green Finance Framework will be used to finance capital and operating expenditures related to assets and projects that meet the below listed Green Project criteria, as well as investments in companies that derive at least 90% of their revenues from such Green Projects.

Net proceeds from Green Finance Instruments may be allocated to the financing of new Green Projects, as well as for refinancing purposes. New Green Projects are defined as ongoing projects or investments made within the reporting year, while refinancing represents projects and investments completed earlier. Refinancing of capital expenditures and equity investments are applicable without lookback period. For operational expenditures, a lookback period of 24 months applies.

Exclusions

For the avoidance of doubt, Green Finance Instruments will not be used to finance investments related to fossil energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction, gambling, or tobacco.

ICMA GBP category	Green Project criteria
Green buildings	<p>Construction, development, renovation, acquisition and maintenance of buildings, including sports and swimming facilities, meeting, or expected to meet upon completion, the following criteria.</p> <p>Buildings built after 31 December 2020</p> <ul style="list-style-type: none"> • Primary Energy Demand (PED) at least 20% lower than the nearly zero-energy building (NZEB) threshold, as defined by local standards, or • At least one of the following certifications (design-stage or post-construction): <ul style="list-style-type: none"> • Miljöbyggnad Silver or Gold, • Nordic Swan Ecolabel, • BREEAM Excellent, • LEED Gold, or • Meeting equal or higher requirements via other certification schemes or contractual agreements. • For buildings larger than 5,000 square meters, upon completion, the building is expected to undergo testing for air-tightness and thermal integrity, and calculation of its life-cycle Global Warming Potential (GWP). As an alternative, where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. • For existing buildings, an analysis of material climate-related risks has been performed or will be performed within 12 months of inclusion in the Green Project portfolio. For ongoing or new construction, an analysis will be performed by project completion. • Measures are implemented in new construction projects to reduce embodied emissions related to materials and construction, based on project life-cycle assessments. <p>Buildings built before 31 December 2020</p> <ul style="list-style-type: none"> • Energy Performance Certificate (EPC) of A or within the top 15% of the national building stock in terms of Primary Energy Demand (PED), as defined by local standards, or • At least one of the following certifications (design-stage or post-construction): <ul style="list-style-type: none"> • Miljöbyggnad Silver or Gold, • Nordic Swan Ecolabel, • BREEAM Very Good with a minimum score of 70% in the energy category, • LEED Gold, or • meeting equal or higher requirements via other certification schemes or contractual agreements. • An analysis of material climate-related risks has been performed or will be performed within 12 months of inclusion in the Green Project portfolio. <p>Renovation of buildings</p> <ul style="list-style-type: none"> • Major renovations resulting in, or upon completion expected to result in, a reduction of Primary Energy Demand of at least 30%. • An analysis of material climate-related risks will be performed within 12 months of inclusion in the Green Project portfolio.

Green Project categories

ICMA GBP category	Green Project criteria
Energy efficiency	<p>Individual measures aimed at reducing energy consumption or increasing energy efficiency in buildings and non-fossil energy systems, targeting at least 30 percent improvement, or 30 percent better performance, compared to conventional methods, including:</p> <ul style="list-style-type: none"> • Energy efficiency equipment associated with insulation, windows, doors, façade, lighting, heating, cooling and ventilation. • Systems, instruments and devices for measuring, analyzing and controlling energy performance of buildings, such as zoned and smart thermostats, sensing equipment, light control systems and smart meters.
Circular and eco-efficient products	<p>Design, development, production, installation and repair of circular and/or eco-efficient products, production technologies and processes, targeting at least 20 percent lower CO₂ emissions compare to conventional methods, including Tagehus’ investments via Longrun Capital:</p> <ul style="list-style-type: none"> • Ekolution: Production of energy-efficient, bio-based and renewable hemp fiber insulation • GreenIron: Recycling of waste and residues from the metals and mining sector, aimed at reducing the need for new virgin raw materials
Renewable Energy	<p>Construction, development, acquisition, installation, maintenance and repair or renewable energy technologies, including:</p> <ul style="list-style-type: none"> • Solar PV systems, including rooftop solar panels • Wind turbines • Energy storage, such as batteries
Sustainable water and wastewater management	<p>Individual measures aimed at reducing water consumption or increasing water use efficiency, targeting at least 20 percent improvement, or 20 percent better performance compared to conventional methods, including systems for:</p> <ul style="list-style-type: none"> • Controlled water consumption in buildings and industry • Collection, recovery and treatment of wastewater, including heat recovery <p>In addition to the general exclusion criteria of this framework, this category also excludes activities in inherent carbon intensive sectors such as manufacturing of steel, cement, aluminum and glass, as well as mining and industrial-scale livestock farming.</p>
Clean transportation	<p>Construction, development, acquisition, installation, maintenance and repair of infrastructure for zero tailpipe emission transport, including:</p> <ul style="list-style-type: none"> • Charging stations for electric vehicles.

Process for project evaluation and selection

Tagehus' Investment Committee will be responsible for the evaluation and selection of Green Projects. The Investment Committee consists of the CEO, CFO and COO in Tagehus, and other representatives with relevant expertise within the Group may from time to time be invited when deemed relevant.

All decisions will be made in consensus, and to ensure traceability, all decisions made by the committee will be documented and filed. A register of all identified Green Projects will be kept by the Finance Department, and the CFO is responsible for keeping the register up to date on a quarterly basis.

As part of overall risk management procedures, social and environmental risks are taken into consideration where relevant and material. For new real estate development projects, Tagehus primarily works with partners and contractors with reliable track record and where work environment, health and safety, and climate considerations are integrated in their service offering.

The Investment Committee holds the right to exclude any Green Project already funded by Green Finance Instruments and is also in charge of potential future oversight and updates of this Framework.

Management of proceeds

An amount equal to the net proceeds from issued Green Finance Instruments will be earmarked for financing and refinancing of Green Projects as defined in this Framework. Tagehus' aim is to fully allocate an amount equal to the net proceeds from a Green Finance Instrument towards Green Projects within two years from its issue date.

As new Green Projects are initiated, and existing projects may be sold, the portfolio of Green Projects will be dynamic over time. After reaching full allocation, Tagehus aims to ensure that the aggregate amount invested in Green Projects is equal to or exceeds the aggregate volume of outstanding Green Finance Instruments.

If a Green Project already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, Tagehus will strive to replace such project by another qualifying Green Project as soon as practically possible.

The Finance Department is responsible for managing allocation of proceeds and keeping track of allocated amounts towards the eligible Green Project portfolio. In the event of unallocated proceeds from Green Finance Instruments, these are managed by Tagehus according to its general liquidity policy, and may include cash or short-term money market funds, with applicable exclusions as listed in this Framework.

Reporting

Transparency is a key element of green finance. For as long as there are Green Finance Instruments outstanding, Tagehus will report to investors and other stakeholders on an annual basis to provide relevant information on the developments of the Green Projects across the Group. The information and metrics detailed on the right will be included in an annual Green Finance Report, published on Tagehus' website.

External review

To confirm the transparency of this Green Finance Framework and its alignment with the ICMA Green Bond Principles and the LMA Green Loan Principles, Tagehus has obtained a pre-issuance Second Party Opinion from Sustainalytics. The Second Party Opinion will be made available on Tagehus' website.

An independent auditor appointed by Tagehus will on an annual basis provide a limited assurance report confirming the amount of proceeds from issued Green Finance Instruments that have been allocated to Green Projects.

Allocation metrics

- The nominal amount of Green Finance Instruments outstanding, divided into Green Bonds and Green Loans
- The amount of net proceeds awaiting allocation (if any)
- Amounts allocated to each of the Green Project categories
- The share of new financing versus refinancing
- Examples of Green Projects funded by Green Finance Instruments

Impact metrics

Tagehus aims to disclose the environmental impact of the Green Projects financed under this Framework. Impact will where possible be measured, otherwise estimated. Reporting will, to some extent, be aggregated and depending on data availability, calculations will be made on a best intention basis. Methods and assumptions used in calculations will be disclosed. Metrics may, where applicable and relevant, include the following:

Green Buildings

- Annual energy usage for own properties (kWh/sqm/year)
- Estimated annual GHG emissions in the construction phase and/or for own management of properties (tCO₂e)
- Type of certification including level, if any (e.g. Miljöbyggnad Silver, Nordic Swan Ecolabel, etc.)
- Estimated, or confirmed, reduction in Primary Energy Demand (PED) after renovations

Energy efficiency

- Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
- Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent
- Circular and eco-efficient products
- Metric(s) showing CO₂ and/or energy performance versus conventional product

Renewable Energy

- Additional capacity of renewable energy facilities constructed in MW
- Annual energy generation in MWh

Sustainable water and wastewater management

- Metric(s) showing CO₂ and/or energy/water consumption performance versus conventional product or previous solution or amount of water treated

Clean Transportation

- Number of electric vehicle charging stations installed



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