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About Heimstaden Bostad

An Evergreen Platform of Friendly Homes

Heimstaden Bostad (hereinafter may be referred to as HEIBOS or the Company) is a leading European residential real estate company with an evergreen perspective and a mission to acquire, develop, and manage Friendly Homes. The company was founded in 2013 in Malmö, Sweden, by Heimstaden AB together with Alecta. Today, Heimstaden Bostad operates in in nine European countries.

Heimstaden Bostad's business model centres upon acquiring, developing, and managing residential real estate with the aim to optimise value creation for our owners while providing Friendly Homes to our tenants. With a fully integrated and scalable operating platform, Heimstaden Bostad's property portfolio is diversified across attractive European markets with growing economies and favourable demographics.

Guided by Scandinavian entrepreneurial values and strong governance, HEIBOS has a clear strategy to fulfil its mission of enriching and simplifying lives through Friendly Homes. Beyond providing homes, HEIBOS ensures sustainable, long-term returns for owners and meaningful contributions to society. This is facilitated by fostering a stimulating work environment and satisfying tenants.

As a major landlord, HEIBOS recognise its impact on people's lives and its responsibility to provide safe and inclusive homes. Heimstaden Bostad focuses on customer satisfaction by delivering efficient and high-quality service alongside well-maintained homes. Operating in regulated Northern European markets with strong protection of tenants' rights helps mitigate social and governance risks, reinforcing our commitment to responsible property management.

Beyond providing Friendly Homes, Heimstaden Bostad is dedicated to making sustainable and lasting contributions to society. This commitment is supported by fostering a stimulating work environment for our approximately 2,000 colleagues across nine markets and serving more than 300,000 tenants across our portfolio.



Our Sustainability Strategy

Heimstaden Bostad's business model is centred on owning and operating residential properties to provide Friendly Homes for tenants, while creating sustainable, long-term value for investors and society. Most activities relate to the letting, maintenance, and improvement of standing assets, ensuring comfort, safety, and quality across the portfolio. Sustainability is integrated throughout the value chain, from procurement and investment decisions to tenant engagement and community impact.

Climate Change Strategy

Climate change is a key priority in Heimstaden Bostad's climate strategy. The Company is progressing along a net zero pathway by reducing emissions and strengthening the climate resilience of its buildings through energy-efficiency upgrades, sustainable financing and targeted adaptation measures.

Heimstaden Bostad's climate targets are validated by the Science Based Targets initiative (SBTi) and aligned with the Paris Agreement's 1.5°C pathway. The plan sets out a clear route to reduce absolute Scope 1, 2 and 3 (Downstream Leased Assets) emissions by 42% by 2030 (from a 2020 baseline). The Company's climate strategy aims to achieve Net Zero emissions by 2050 at the latest, supporting portfolio decarbonisation and long-term resilience. Implementation integrates mitigation, adaptation and financing measures across all markets, combining energy efficiency, electrification, renewable energy expansion and climate adaptation. Progress is supported by climate scenario analysis in line with the Task Force on Climate-related Financial Disclosures (TCFD), and underpinned by embedded climate governance within Heimstaden Bostad's organisational structure.

Heimstaden Bostad also works across its value chain to accelerate decarbonisation, with the aim that suppliers representing 27% of spend for purchased goods and services will have approved Science Based Targets by 2027.

The plan prioritises the decarbonisation of high-intensity assets and focuses on practical, scalable measures tailored to local energy conditions and regulatory frameworks.

Key Decarbonisation Levers

- Lever 1: Energy Efficiency and Optimisation
- Lever 2: Electrification and Phase Out of Fossil Fuel Systems
- Lever 3: Renewable Energy Integration
- Lever 4: Dependency on External Energy Transition

Sustainable Financing

Align capital allocation with climate objectives through the Green Financing Framework. Investments are prioritised for EU Taxonomy aligned projects with the highest emission reduction potential and long-term value creation.

Climate Risk Management

Heimstaden Bostad's climate risk management approach is aligned with the TCFD recommendations and the European Sustainability Reporting Standards (ESRS). Climate related risks, opportunities, and impacts are assessed to understand potential effects on asset performance, portfolio resilience, and long-term business viability.

Heimstaden Bostad screens its activities and strategic plans for actual and potential future GHG emission sources through a structured process embedded in its policies, identifying both current emission sources such as fossil-fuel heating, district heating adoptions to renewable sources, building energy use and renovation works, as well as future emission risks arising from evolving energy systems and tenant consumption patterns in the climate roadmap. The climate risk and vulnerability assessment is applied at property level using an EU Taxonomy aligned methodology. The assessment uses multiple data source across all countries and relies on historical weather data and future climate scenarios.

EU Taxonomy

Taxonomy eligible activities are identified through a detailed review of the Climate Delegated Act (Regulation EU 2021/2139), the Complementary Climate Delegated Act (Regulation EU 2022/1214), the Environmental Delegated Act (Regulation EU 2023/2486), and the amendments to the Climate Delegated Act (Regulation EU 2023/2485).

To qualify as taxonomy aligned under Regulation EU 2020/852, an economic activity must:

- Make a substantial contribution to at least one environmental objective
- Cause no significant harm to the remaining objectives (DNSH principle)
- Comply with minimum safeguards on social and governance standards
- Fulfil the technical screening criteria (TSC)

Alignment has been assessed in accordance with Annex I of the Climate Delegated Act. Each eligible activity undergoes a detailed evaluation to confirm compliance with the TSC and DNSH requirements. Heimstaden Bostad maintains comprehensive governance processes addressing anti-corruption, fair competition, taxation, and human rights to ensure full adherence to the minimum safeguards. Investments related to assets or processes associated with economic activities that qualify as environmentally sustainable (are classified as Taxonomy aligned). Financial metrics such as Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx) are allocated to taxonomy aligned activities through a transparent linkage principle, ensuring that only activities fulfilling technical criteria are included.

Social Roadmap

Heimstaden Bostad's Social Roadmap outlines the Company's long-term commitment to strengthening social sustainability across its operations, focusing on employees, residents, and the wider society. As part of this strategy, the Company emphasises the importance of starting with its own organisation. Creating a safe, inclusive, and inspiring workplace is described as an essential foundation for achieving broader social impact. This involves developing trust-based leadership, offering opportunities for growth, and actively working to ensure equal opportunities for all employees.

The Social Roadmap also covers Heimstaden Bostad's work in creating safe, inclusive, and welcoming homes and neighbourhoods for its residents. One important building block is access to housing as a societal responsibility and aims to support individuals who experience greater barriers to the housing market. This includes initiatives such as inclusive housing contracts, which are designed to give people far from the traditional housing system a stable and secure home. These efforts reflect Heimstaden Bostad's ambition to contribute to well-being, social mobility, and reduced inequality across the communities in which it operates.

Beyond its residential portfolio, Heimstaden Bostad seeks to make a positive contribution to society as a whole. The roadmap outlines how the Company engages in partnerships and activities that extend beyond its day-to-day operations to address societal challenges, including segregation and socioeconomic differences. These ambitions are rooted in the Company's Scandinavian values and are integrated into its broader sustainability strategy, where societal contribution is one of the central strategic goals.

Green Financing Framework

Heimstaden Bostad rationale for Green Financing

Heimstaden Bostad is one of the leading residential real estate companies in Europe, with a long-term commitment to providing sustainable, affordable, and high-quality homes. As buildings account for a significant share of global greenhouse gas emissions and energy use, the real estate sector plays a crucial role in achieving national and European Climate targets.

The ongoing transition of the property sector requires large investments and Heimstaden Bostad engaged to continue investing to reduce its GHG emissions and increase the number of energy-efficient buildings and adapting to climate change. Our key decarbonisation levers will play a crucial role in our efforts of achieving our net zero ambitions, and will require determination, clear governance and significant investments going forward.

Heimstaden Bostad views green financing as a key instrument for directing capital toward decarbonisation efforts, including dedicated expenditures, and increasing the share of energy-efficient buildings, aligning its sustainability and funding strategy, and offering investors instruments that deliver environmental impact.

This Framework is specifically aimed at allowing for the issuance of Green Financing Instruments. If Heimstaden Bostad wishes to issue notes in accordance with the European Green Bonds Regulation (EU) 2023/2631, it will be done via the establishment of a European Green Bond Factsheet and ensuring that all relevant regulatory requirements are being met.

Heimstaden Bostad Green Financing Framework

This Green Financing Framework (hereinafter referred to as the “Framework”) is developed in alignment with ICMA Green Bond Principles 2025¹ and the LMA/APLAM/LSTA Green Loan Principles 2025², and replaces the previous green bond frameworks published in 2019 and updated in 2023.

¹ Green Bond Principles ICMA

² Green Loan Principles LSTA

The principles provide voluntary guidelines to support issuers in financing environmentally sound and sustainable projects, while providing transparency and insight into their estimated impact. In alignment with the GBP and GLP, the Framework consists of the following key components and recommended External Review section.

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

Sustainable Fitch will provide a Second Party Opinion (“SPO”) on this Green Financing Framework, which will be made publicly available at Heimstaden Bostad’s website. Heimstaden Bostad intends to continue providing a Green Financing Investor Report, at least until full allocation of the Green Financing Instruments proceeds. Any other pre or post issuance review, if available, be also made available on the same website.

Use of Proceeds

The aim of this Framework is to raise capital through green bonds, loans, commercial papers and Schuldschein (**Green Financing Instruments**). An amount equal to the net proceeds from the issuance of these Green Financing Instruments will exclusively be used to finance and/or refinance, in whole or in part, Eligible Green Projects, which meet the Eligibility Criteria set out in this Framework. Proceeds raised based on this Framework can be applied towards a portfolio of new or existing fixed assets, capital expenditures ('CapEx'), as well as operational expenditures ('OpEx') that extend the lifetime or increase the value of assets and which enable climate change mitigation and adaptation in the property sector (hereafter "Eligible Green Projects").

An amount equivalent to the net proceeds of the Green Financing Instruments will finance or refinance a portfolio of Eligible Green Projects. Financing is defined as the Eligible Green Projects financed in and after the reporting year when the Green Financing Instrument is issued or obtained. Refinancing is defined as financing prior to the reporting year of when the Green Financing Instrument is issued or obtained. The distribution between new financing and refinancing will be disclosed in the Green Financing Investor Report. Eligible Green Projects that are fixed assets shall qualify without a specific look-back period as long as such Eligible Green Projects provide clear and measurable environmental benefits and provided that they follow the Eligibility Criteria set out in this Framework. CapEx and OpEx shall only qualify with a maximum three-year look-back period from the time issuance year.

EU Taxonomy

For the purpose of this Framework, Heimstaden Bostad has taken the EU Taxonomy into consideration when defining the Eligibility Criteria. The applicable ICMA green eligible categories have been mapped to the relevant EU economic activities with the intent to contribute to the EU Objective of Climate Change Mitigation. On a best effort basis and to the extent possible, Heimstaden Bostad strives to align the Eligible Green Projects with the EU

Taxonomy, including Substantial Contribution Criteria, Do No Significant Harm and Minimum Social Safeguards. Heimstaden Bostad reports on EU Taxonomy alignment for its operations as a part of the Annual Governance and Sustainability Report.

Exclusions

Proceeds from Heimstaden Bostad's Green Finance Instruments will not be used to finance fossil fuel-based energy generation. All projects financed through this framework will in addition exclude any activities that fall under the EU Paris-Aligned Benchmark (PAB) prohibited categories. At the corporate level, Heimstaden Bostad complies with every PAB exclusion requirement.



Eligibility Criteria

Eligible Green Projects

(ICMA classification, EU Taxonomy economic activity, EU objective and SDGs)

Green buildings

Eligible EU Taxonomy categories:
7.1, 7.2, 7.3, 7.5, 7.6, 7.7

EU Substantial Contribution:
Climate change mitigation:

UN SDGs Target 7.3 and 11.1

Eligible Green Projects

New buildings

- Buildings built from 1st January 2021, designed to achieve a net primary energy demand that is at least 10% lower than the threshold required by the Nearly Zero-energy Buildings ('NZEB') in the local market or
- Buildings built from 1st January 2021 that comply with or will comply with the requirements specified in the internationally recognized certification BREEAM with a minimum certification level of Excellent, Miljöbyggnad with a minimum certification level of Gold, DGNB with a minimum certification level of Gold or an equivalent scheme.

Existing buildings

- Existing buildings (for buildings built before 1st January 2021) with dedicated energy management systems in place, proven by meeting one of the following criteria:
 - Buildings with an Energy Performance Certificate (EPC) with energy class A (or better) or
 - Buildings belonging to the top 15 per cent of the national building stock expressed as primary energy demand (PED) defined by national governments or through e. g. a specialist study³.

Major renovations

- Renovation of existing buildings that lead to an overall reduction in primary energy demand per square meter and year (kWh/m²/year) by at least 30% compared to the pre-investment decision or, the building renovation complies with the applicable requirements for major renovations⁴.

Energy efficiency measures

- Direct costs (e. g. material, installation and labour costs) for installing energy efficient technologies such as heat pumps, smart control systems, new windows, improved thermal insulation, energy efficient lighting, ventilation systems, replacement with efficient pumps, optimisation on heating systems or costs for enabling renewable energy sources.

³ In line with EU Taxonomy guidance, the applied benchmark methodology combines national and international references to ensure a consistent, evidence-based approach. Where available, national governmental definitions of the top 15% threshold based on Primary Energy Demand (PED) are used. In the absence of national data, country-specific benchmarks are applied. All references rely on statistical analyses identifying top 15% cut-off values from representative building samples.

⁴ As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

Project Evaluation and Selection Process

Heimstaden Bostad has established a clear decision-making process to determine the eligibility of the nominated Eligible Green Projects, in accordance with the description of the Eligibility Criteria mentioned in the Use of Proceeds section of the Framework.

Eligible Green Projects will be selected by a dedicated Green Finance Working Group (hereinafter referred as to the 'Working Group') set up within Heimstaden Bostad. The Working Group is formed by members of the Group Treasury, Group Asset Management and Group Sustainability.

The Working Group is responsible for:

1. Reviewing the content of Heimstaden Bostad's Green Financing Framework and updating it to reflect changes in corporate strategy, technology, market practice, or regulatory developments on a best effort basis and where relevant.
2. Obtaining the Second Party Opinion (SPO) and any other relevant external item related to the Green Financing Instruments.
3. Evaluating and defining the Eligible Green Project Portfolio in line with the Eligibility Criteria as set out in the Framework.
4. Excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and replacing them, on a best effort basis and where relevant.
5. Overseeing the allocation of the proceeds from Green Financing Instruments to the Eligible Green Project Portfolio to monitor that the value of the Eligible Green Project Portfolio at least equals the value of outstanding Green Financing Instruments over time.
6. Overseeing, approving and publishing the post issuance reporting, including any external review or assurance statements if available. Heimstaden Bostad may rely on external consultants and their data sources, in addition to its own assessment.

7. Monitoring internal processes to identify mitigants to known material risks of negative social and/or environmental impacts associated with the Eligible Green Project Portfolio. Such mitigants may include explicit and relevant trade-off analysis undertaken and monitoring required where the issue assesses the potential risks to be meaningful. All Eligible Green Projects complies with applicable laws and regulations including physical climate risk and vulnerability assessments if required by the regulation, as well as policies and guidelines set by Heimstaden Bostad. Examples of relevant guidelines are Heimstaden Bostad's Code of Conduct and Sustainability strategy, addressing risks associated with working conditions, health and safety and climate change mitigation and adaptation.
8. Liaising with the relevant business finance segments and other stakeholders as above.

The Working Group will meet at least on a biannual basis.

The Eligible Green Projects will be approved by the Green Finance Committee, based on the proposal of the Working Group, at least on an annual basis.



Management of Proceeds

Tracking of net proceeds

The net proceeds from Green Financing Instruments will be tracked and monitored via an internal tracking system. Heimstaden Bostad will manage such proceeds in accordance with a portfolio approach. It is Heimstaden Bostad's intention to maintain an aggregated amount of assets in the Eligible Green Project Portfolio that is at least equal to the aggregated net proceeds of all Green Financing Instruments outstanding.

Heimstaden Bostad may dispose of buildings that were financed via Green Financing Instruments. When this occurs, Heimstaden Bostad will on a best-effort basis substitute any Eligible Green Projects that are no longer eligible, or which have been disposed of, as soon as is reasonably practicable with an appropriate Eligible Green Project and as long as necessary to ensure full allocation of its outstanding Green Financing Instruments.

Temporary holdings

Pending full allocation, unallocated net proceeds from Green Financing Instruments may temporarily be placed in the liquidity reserve and may be used for cash management purposes and/or may be invested in short term investment instruments related to sustainable activities and/or activities that meet the set of exclusions, such as fossil fuel generation, and are managed accordingly by Heimstaden Bostad. Heimstaden Bostad strives to reach full allocation within 24 months of issuance.

Reporting

To enable the monitoring of performance and provide insight into prioritised areas, Heimstaden Bostad intends, annually and at least until full allocation of the Green Financing Instruments, to provide investors with a report that describes the allocation of proceeds and the climate-related impact of the Eligible Green Projects. The report will be made available on Heimstaden Bostad's website together with this Framework. In the case Heimstaden Bostad would have other Green Financing Instruments than bonds outstanding, the Company may choose to report, in relation to these other financial instruments, directly and non-publicly, to the lenders or counterparts.

Allocation reporting

The allocation reporting may include the following information:

1. The total outstanding amount of Green Financing Instruments issued, presented per type of Green Financing Instrument.
2. The balance of the Eligible Green Projects in the Eligible Green Project Portfolio (including any temporary investments and Green Financing Instrument repayments).
3. The total proportion of net proceeds from Green Financing Instruments used to finance new Eligible Green Projects and the proportion of net proceeds from Green Financing Instruments used to refinance Eligible Green Projects.
4. Location of the Eligible Green Projects, at least at country level.
5. The proportion of the Eligible Green Project Portfolio that is EU Taxonomy aligned and contributing to which EU Environmental Objective, on a best effort basis.

Impact reporting

The impact reporting aims to disclose the climate-related impact⁵ of the Eligible Green Projects financed under this Framework. To the extent possible, Heimstaden Bostad intends to report on the environmental impact in aggregate for the entire portfolio and may provide further information at sub-category (or economic activity level) where relevant.

⁵ The impact assessment is provided with the reservation that not all related data can be covered and that estimations and/or calculations therefore will be on a best effort basis.

When preparing the annual Green Financing Investor Report, the company aims to take guidance from ICMA's Harmonised Framework for Impact Reporting Handbook 2025.

Examples of possible impact indicators could include:

- Estimated annual energy consumption avoided, compared to the national reference or other relevant baseline (MWh)
- Estimated annual GHG emissions avoided (tonnes of CO₂e emissions)
- Installed renewable energy capacity (kWp) as well as estimated annual renewable energy generation (MWh)

Other environmental indicators:

- Number of projects and floor space of Green Buildings meeting the eligibility criteria (m²)
- Portfolio composition (new, existing, refurbishments, etc.)
- Environmental certifications type and level

External Review

Pre-issuance review

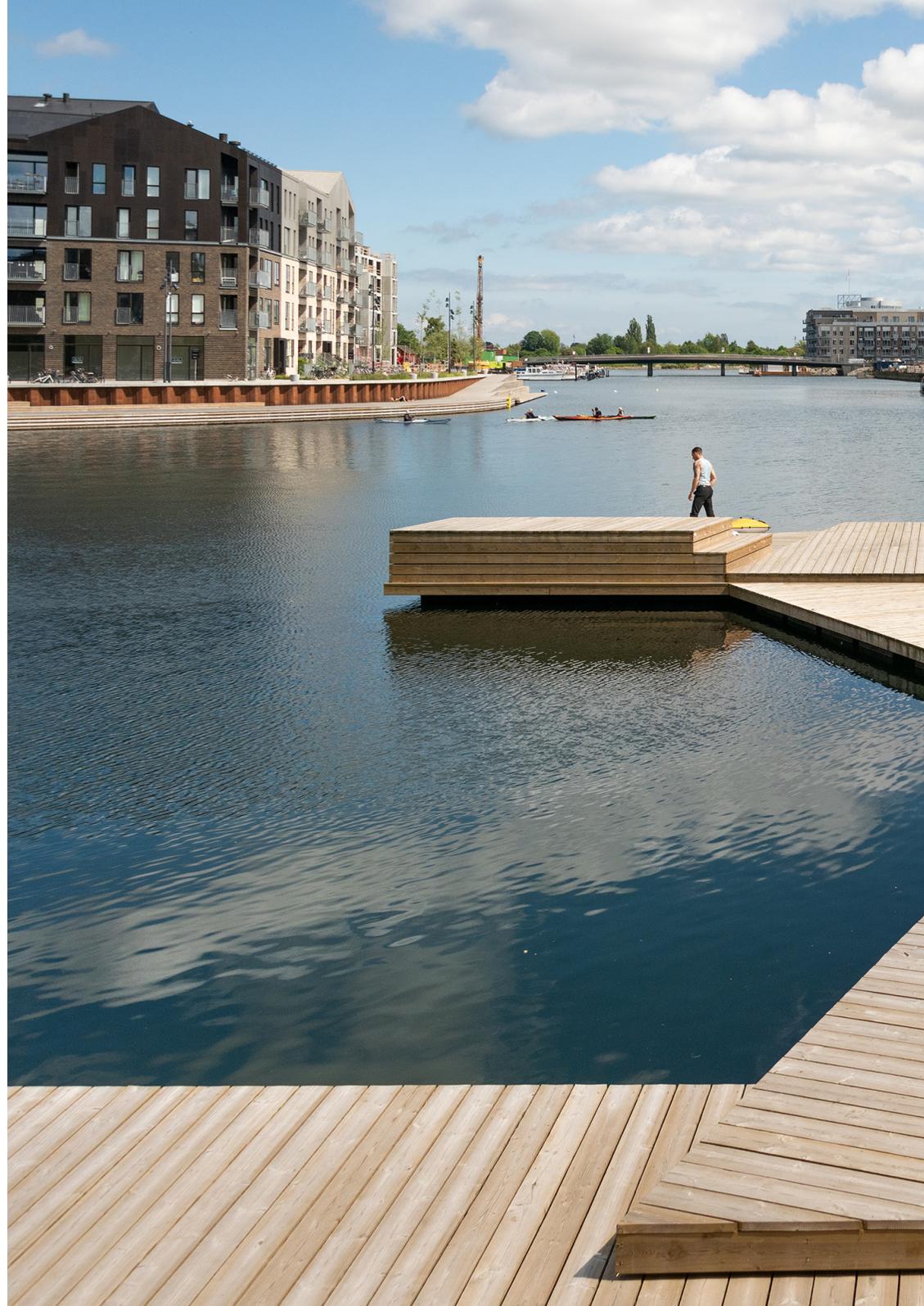
Sustainable Fitch will provide a SPO to this Framework, verifying its credibility and alignment with the ICMA and LMA Principles.

Post-issuance review

Heimstaden Bostad may appoint an external independent party to provide, on an annual basis, and at least until full allocation, a review confirming that an amount equal to the net proceeds has been allocated to the portfolio of Eligible Green Projects.

Publicly available documents

The Framework and the SPO will be made publicly available on Heimstaden Bostad's website, together with the reporting and external reviews, if any.



Heimstaden BOSTAD

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