



ARWIDSRO

**Green
Finance
Framework
June 2026**

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This is Arwidsro

Arwidsro Fastighets AB (“the Company” or “Arwidsro”) is a growing real estate company founded in 1979. Arwidsro builds, manages, and develops properties in stable markets with positive population growth, primarily in southern and central Sweden. The Company focuses on defensive retail properties anchored by grocery stores, residential properties, and community properties. The Company’s vision of creating enduring living environments is based on a long-term investment horizon, a segment focus, and active management, where sustainability and social responsibility are central components.

As of 31 December 2025, the value of the property portfolio amounted to SEK 5.4bn, whereof the majority relates to grocery-anchored retail. Properties are geographically distributed but strategically concentrated in 26 municipalities, primarily in central and southern Sweden.

Sustainability strategy

Arwidsro takes a holistic approach to enable a sustainable transition of the real estate sector. The Company’s properties are a part of society and people’s everyday life which means Arwidsro has an important responsibility as property owner to help drive the transition to a sustainable society. Thus, the Company strives to take responsibility for everything from energy efficiency to dialogues and collaborations with stakeholders to accelerate the transition. However, these are complex issues that require long-term efforts but at the same time need swift and targeted actions to get the work started. As a community

property owner, Arwidsro wants its sustainability initiatives to contribute to a sustainable everyday life for the people who work, visit and live in the Company’s properties.

Arwidsro’s sustainability strategy guides its long-term efforts to manage and develop sustainable places – places where people thrive and take responsibility. The strategy is based on three pillars that clarify Arwidsro’s priorities and how the Company creates value for people, the environment, and society over time:

Our three pillars of sustainability

Future-proof living environments	Partnerships	Responsible business
<p>The Company creates properties that stand the test of time — for people, businesses, and the climate. With Arwidsro’s sustainability goals and climate roadmap, the Company steers towards lower emissions, smarter use of energy and water, and reduced waste. Through climate risk analyses, enhanced resilience, and investments in green spaces, biodiversity, and environmental certifications, Arwidsro builds safe, sustainable environments for the future.</p>	<p>Sustainable change is best achieved through collaboration. That is why Arwidsro strives to work closely with municipalities, tenants, and other partners, so that the Company’s properties and projects contribute to a healthy and sustainable daily life. Arwidsro develops goals and action plans for health, safety, and local collaboration that strengthens community spirit, and the Company drives innovation projects that advances the industry.</p>	<p>Responsible business is Arwidsro’s guiding principle in every decision. Through high ethical standards, transparency, and zero tolerance for corruption and discrimination, the Company strengthens trust among customers, employees, and society. With a focus on leadership, well-being, inclusion, and culture, Arwidsro is building a secure organization where its values are evident in everyday life – and where sustainable financing supports the Company’s business.</p>

Environmental responsibility

Climate change mitigation

The majority of Arwidsro's environmental impact arises from the construction, operation, and management of its properties. The Company therefore actively works to mitigate climate change, for example through climate impact assessments, material choices, and energy efficiency investments. As a very large share of emissions fall under Scope 3, Arwidsro must work together with partners - tenants, management companies, consultants, construction contractors, and others to reduce emissions.

Selected targets:

- By 2030, reduce Scope 1 - 2 GHG emissions by 50% compared to 2022 (validated by Science Based Targets initiative ("SBT"))
- By 2050, reduce Scope 1 - 3 GHG emissions by 90% compared to 2022 (validated by Science Based Targets initiative ("SBT"))
- By 2030, reduce average energy use by 5% annually compared to the previous year

Climate change adaptation

Arwidsro has conducted climate risk analysis for 100% of its properties, in line with the requirements of the EU Taxonomy. Where risks have been identified, Arwidsro conducts in-depth analyses to examine and clarify the relevance and scope of potential risks in greater detail, to assess if a vulnerability risk remains or not. For properties where a risk of both exposure and vulnerability has been identified, proposals for preventive measures need to be identified and, in some cases, implemented to meet the requirements of the EU Taxonomy.

Biodiversity

As a real estate company, Arwidsro can promote biodiversity in its retail spaces, residential areas, and community properties. Examples of measures include green spaces, rooftop gardens, and pollinator-friendly plantings. Arwidsro uses a green space factor (i.e. the property's green area) as a parameter to consider in real estate transactions and in the management of existing properties.

Resource efficiency and circularity

Arwidsro strives to reduce resource consumption and waste while increasing reuse and recycling, for example through requirements in projects and operations, as well as through collaboration with tenants and contractors. The Company also measures resource usage and works to reduce and optimize consumption of waste and water.

Social responsibility

Value chain

Arwidsro aims to ensure good working conditions, responsible business relationships, and sustainable practices in collaboration with partners. Through clear requirements, follow-up, and dialogue, Arwidsro strives to contribute to positive social conditions throughout the value chain.

Value chain

Upstream



Own business



Downstream



Employees

Arwidsro strives to be a responsible employer that offers good working conditions, an equitable and healthy work environment, and opportunities for professional development and involvement in the Company's culture.

Community engagement

Arwidsro plays a key role in the development of local communities through the way the Company designs, manages, and develops its properties, which impacts people's daily lives, safety, accessibility, and the local business community. Arwidsro's engagement with the local community is currently more need-based, depending on whether the Company identifies an opportunity or a challenge. For example, Arwidsro has collaborated through presence and dialogue in relation to challenges in the local community.

Selected targets:

- 100% of new suppliers in new construction projects undergo detailed background check to for example ensure compliance with laws and Code of Conduct
- Zero workplace accidents/injuries
- By 2030, 100% of commercial areas, community properties, and residential areas to achieve a documented high safety index
- All trading venues have or have had at least one local community engagement initiative (local partnerships with municipalities, organizations, schools, etc.)

Governance

Arwidsro operates with a long-term perspective in close collaboration with tenants, suppliers, municipalities, and other partners. Responsible governance and good business practices are therefore crucial to ensuring trust, transparency, and sustainable business relationships throughout its value chain. The Company's work in this area aims to prevent misconduct, ensure compliance, and contribute to the stable and responsible development of its business. Arwidsro has zero-tolerance towards corruption and discrimination and acts transparently and decisively in cases of suspicion.

Arwidsro's Sustainability Policy outlines its commitment to integrating sustainability into everything the Company does and taking responsibility for the impact of its operations. The Environmental Policy clarifies that environmental considerations are central to Arwidsro's daily work and how they relate to various focus areas. The Company also has two documents that clarify environmental impact assessments in the due diligence process for the acquisition of new and existing properties.

Selected sustainability-related policies and guidelines

- Anti-Corruption Policy
- Code of Conduct
- Environmental Policy
- Environmental Impact Assessment guidelines in due diligence
- Employee Guide
- Equal Treatment Policy
- Sustainability Policy
- Work Environment Policy

Governance of the sustainability work

- The Board of Directors are ultimately responsible for the sustainability work
- The Sustainability Manager, who is also a member of the management team, leads day-to-day operations and reports regularly to the CEO and the Board of Directors

Selected memberships and reporting standards

- UN Global Compact
- Science-Based Targets initiative (SBTi)

Core components of the Green Finance Framework

The 2026 Framework update

Rationale for the Framework update

Arwidsro established its inaugural green bond framework in 2020, with the most recent version in 2023. Since then, both regulations and market standards have evolved. The 2026 edition of the Green Finance Framework (“Framework”) reflects these developments by incorporating updated eligibility criteria for green eligible projects. Key updates include:

- New eligibility criteria that address embodied carbon value, applicable to new buildings
- New eligibility criteria for screening of material physical climate risks, applicable to all buildings including major renovations
- Updated additional eligibility criteria that address areas such as circularity, biodiversity and safety, applicable to new and existing buildings
- Streamlining categories to Green Buildings to reflect future allocation

Alignment with market principles

Arwidsro has established this Framework under which it can issue/arrange green finance instruments (“Green Finance Instruments”), which may include but are not limited to, bonds under various formats including public or private placements, hybrid bonds, loans, revolving credit facilities, and commercial papers.

This Framework has been developed in accordance with the 2025 edition of *Green Bond Principles* (“GBP”)¹, administered by ICMA and the 2025 edition of the *Green Loan Principles* (GLP)² administered by the LMA/APLMA/LSTA. Its structure follows the four core components and includes key recommendations.

The four core components:



Key recommendation:



Arwidsro will review this Framework from time to time, including its alignment to updated versions of the principles by ICMA and LMA/APLMA/LSTA. Where appropriate, Arwidsro may update the Framework to maintain or enhance transparency and reporting standards. Any material revisions will be subject to a new Second Party Opinion.

Swedbank has acted as Sustainability Coordinator to Arwidsro in the development of this Framework.

Use of proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from Arwidsro's Green Financing Instruments will be allocated to finance or re-finance, in whole or in part, a portfolio of green and energy efficient buildings ("Green Eligible Projects"). Green Eligible Projects may include fixed assets ("Fixed Assets") and operational expenditures ("OpEx"). Fixed Assets are eligible at value reported on the balance sheet at every given point in time (either market value or carrying value). OpEx reported in the income statement is also subject to a three-year look-back period. In addition, a forward-looking period of up to 24 months post the issuance/arrangement date of the Green Financing Instrument is applicable.

EU Taxonomy and UN SDG mapping

The Framework aims to reflect current market practices, particularly the EU Taxonomy Delegated Act on Climate Change. Hence, the eligible Green Project category has been mapped to applicable EU Environmental Objectives as well as the UN Sustainable Development Goals ("SDGs"). Eligibility Criteria consider, on a best effort basis, the technical screening criteria set out in the EU Taxonomy Delegated Act on Climate Change as at the time of this Framework publication.

Financing and refinancing

New financing refers to Green Eligible Projects financed during or after the reporting year. Refinancing refers to Green Eligible Projects finalised prior to the reporting year.

Exclusion criteria

Proceeds from Arwidsro's Green Financing Instruments will not be used to finance investments related to fossil fuel energy generation, nuclear energy generation, the weapons and defense industries, potentially environmentally negative resource extraction, gambling or tobacco.



Green buildings

Eligibility Criteria

New buildings³

Eligible EU Taxonomy activity: 7.1. Construction of new buildings

New buildings⁴ which have or will have upon completion the following:

- Primary Energy Demand (“PED”) at least 20% lower⁵ than the threshold set for Nearly Zero-Energy Building (“NZEB”) according to national building regulations⁶ and
- Minimum environmental certification of Miljöbyggnad Silver or Miljöbyggnad iDrift Silver, or an equivalent scheme
- For buildings larger than 5000 sq.m., upon completion, the building has undergone testing for air-tightness and thermal integrity

Additional criteria for all new buildings:

- The lifecycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and allow a maximum amount of embodied carbon of 275 kg CO₂e/sq.m. GFA⁷ for residential buildings and 300 kg CO₂e/sq.m. GFA⁸ for other buildings and
- Undergone a screening for material physical climate risks. If needed, climate adaptation solutions have been implemented to reduce most important physical climate risks



ICMA GBP category: Green Buildings

EU Environmental Objective: Climate change mitigation

Existing buildings⁹

Eligible EU Taxonomy activity: 7.7. Acquisition and ownership of buildings

Existing buildings that have:

- Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15%¹⁰ of the national or regional building stock and
- Minimum environmental certification of Miljöbyggnad Silver or Miljöbyggnad iDrift Silver, or an equivalent scheme

Additional criteria for all existing buildings:

- Undergone a screening for material physical climate risks. If needed, climate adaptation solutions have been implemented to reduce most important physical climate risks

³ Building application filed after 31 December 2020.

⁴ May cover land held for development and its development costs, and development costs related to buildings under construction that will, once completed, fulfil the Eligibility Criteria for the category.

⁵ The energy performance is or will be certified using an Energy Performance Certificate (“EPC”).

⁶ In Sweden, NZEB thresholds are implemented through the applicable energy performance requirements in the Swedish Building Regulations (BBR).

⁷ Applicable to lifecycle stages A1-A5.

⁸ Applicable to lifecycle stages A1-A5.

⁹ Building application filed before 31 December 2020.

¹⁰ The top 15% PED applicable under this Framework will be updated continuously. The Company will reference an external benchmark when determining the top 15%. Such a benchmark could be e.g. guidance by national governments or a specialist study.

Additional Eligibility Criteria for new and existing buildings

In addition to fulfilling the above Eligibility Criteria for new and existing buildings, Arwidsro will also fulfil a minimum of four of the following criteria:

- Installation of rooftop solar power
- Green roof and/or carbon sinks
- The building incorporates circular economy principles through reuse, resource efficiency, adaptable design and responsible material management
- Infrastructure for sustainable transportation i.e., close proximity to public transportation, charging stations for electric vehicles, pedestrian walkways and/or bicycle lanes
- Testing of innovative technology on how to reduce water usage and/or waste-water recovery
- Measures to protect, enhance and/or restore biodiversity and ecological value
- Enhance perceived and actual safety and security for visitors, tenants, the surrounding community and on the construction site
- Promote social inclusion, accessibility and community well-being for visitors, tenants and the surrounding neighbourhood

Major renovations ¹¹

Eligible EU Taxonomy activity: 7.2. Renovation of existing buildings

Renovations of existing buildings that have:

- Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation, or
- Complies with the applicable minimum energy requirements of the national building regulation for major renovations

Additional criteria for all renovations:

- Undergone a screening for material physical climate risks. If needed, climate adaptation solutions have been implemented to reduce most important physical climate risks

Building energy efficiency

Eligible EU Taxonomy activity: 7.3. Installation, maintenance and repair of energy efficiency equipment; 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings, 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings; 7.6 Installation, maintenance and repair of renewable energy technologies

Installation, maintenance and repair of:

- Energy efficient equipment such as addition of insulation to the building, energy efficient windows, doors, light sources, heating, ventilation and air-conditioning (“HVAC”), water heating systems including equipment related to district heating services
- Instruments and devices for measuring, regulation and controlling energy performance of buildings such as smart thermostat systems and sensing equipment, building automation and control systems, building energy management systems, lighting control systems, smart meters for electricity, heat, cool, façade and roofing elements with a solar shading or solar control function
- Charging stations for electric vehicles, bicycle garages, pedestrian walkways, bicycle lanes
- Renewable energy technologies, such as solar power and heat pumps

¹¹ If the building post renovation fulfils criteria under “Existing buildings” the market value of the building will qualify. If not, it will be limited to the renovation cost.

Process for project evaluation and selection

The Green Finance Committee

Arwidsro's *Green Finance Committee* (the "Committee") is responsible for overseeing the evaluation and selection of Green Eligible Projects. The Committee consists of the Chairman, CEO, Head of Sustainability, and the Head of Transactions. All decisions are made in consensus, and that applies to the selection process. The Committee will meet at least annually.

Evaluation and Selection process:

Any Committee member or relevant Arwidsro department may propose potential Green Eligible Projects for evaluation in accordance with the Eligibility Criteria outlined in this Framework. The Company will continuously exercise its professional judgment, discretion and sustainability expertise when identifying the Green Eligible Projects

The Committee verifies that proposed projects meet the Eligibility Criteria as well as exclude projects that no longer comply with the Eligibility Criteria or have been sold or otherwise divested, in such case, when required, replacing them

Arwidsro also ensures that all projects comply with internal policies, as well as applicable laws and regulations. These requirements are monitored and enforced by the local authorities, particularly in connection with permits for new construction projects. Further, the Committee will also monitor internal processes to identify environmental and/or social risks associated with the Green Eligible Projects

Once validated by the Committee, approved projects are recorded in Arwidsro's internal tracking spreadsheet. The decisions made by the Committee will be documented and filed

Additional responsibilities of the Committee:

Overseeing, approving, and publishing allocation and impact reports

Reviewing and approving future updates of the Framework

Updating external documentation, including the Second Party Opinion ("SPO") and related materials from external consultants and auditors in connection with material Framework updates



Management of proceeds

Tracking of net proceeds

An amount equivalent to the net proceeds from Arwidsro's Green Financing Instruments will be tracked by using the internal tracking spreadsheet. All Green Financing Instruments issued/arranged by the Company are managed on a portfolio level, meaning proceeds are not directly linked to specific pre-determined Green Eligible Projects.

The internal tracking spreadsheet is reviewed regularly (at least annually) by the Finance Department, on behalf of the Committee, to ensure that the volume of Green Eligible Projects remains sufficient.

Green Eligible Projects may be added to or removed from the tracking spreadsheet as needed. If a project no longer meets the Eligibility Criteria outlined in this Framework, it will be removed and replaced as soon as reasonably practicable.

Allocation period

Arwidsro will commit to, on a best-effort basis, allocate the net proceeds from the Green Financing Instruments to Green Eligible Projects within 12 months from the issuance/arrangement date of each Green Financing Instrument.

Temporary holdings

Pending full allocation, proceeds not yet allocated towards Green Eligible Projects will be placed in the liquidity reserve or any other treasury business and managed accordingly by Arwidsro. For the avoidance of doubt, temporary holdings will comply with the exclusion criteria of this Framework.

Reporting

Arwidsro will publish an annual allocation and impact report until full allocation of proceeds, or in the event of any material developments. The report will be published on Arwidsro's website.

In the case Arwidsro 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 counterparties.

Allocation reporting

The allocation reporting will include the following information:

- The outstanding amount of Green Finance Instruments
- Distribution of new financing and refinancing
- The breakdown of Green Eligible Projects by sub-category
- A summary of financed/refinanced Green Eligible Projects, subject to confidentiality constraints
- Share of unallocated proceeds (if any)
- On a best best-effort basis, information on EU Taxonomy alignment (%) of the underlying Green Eligible Projects financed by Green Financing Instruments

Impact reporting

The impact report will aim to disclose the estimated and, where feasible, actual environmental impact of the financed Green Eligible Projects. The methodology used to derive impact indicators will be outlined in the report, and data may be presented in aggregated form.

ICMA GBP category	Example of impact indicator
Green Buildings	<ul style="list-style-type: none">• Estimated annual greenhouse gas emissions reduced or avoided per sqm (CO2 kg/sq.m.)• Amount of energy saved per sqm (kWh/sq.m.)• EPC class, if any• Environmental certification incl. certification level, if any• Information on average primary energy demand (if available)

External review

Second Party Opinion (Pre-Issuance)

This Framework has been reviewed by S&P Global, to confirm alignment with principles by ICMA and LMA/ALP-MA/LSTA. The Second Party Opinion is available on Arwidsro's website.

External verification (Post-Issuance)

Arwidsro's allocation reporting will be subject to external verification by an independent third party, such as an auditor. The purpose of this verification is to confirm that an amount equal to the net proceeds from Arwidsro's Green Finance Instruments has been allocated to Green Eligible Projects in accordance with the Framework.

Verification will be conducted annually until full allocation, or in the event of any material developments. The verification report will be published on Arwidsro's website.

