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Green Equity Framework
K2A Knaust & Andersson Fastigheter AB (publ)



Introduction

Update of the Green Equity Framework

K2A launched the world's first Green Equity Framework ("The Framework") in May 2020 as a natural part of the Company's green profile and ESG strategy. K2A's goal is that all capital/financing, including equity and debt, should be green. The Framework has now been updated to reflect best market practice.

Swedbank has acted as advisor to K2A in the establishment of this Framework. Further, CICERO Shades of Green has provided a company assessment to confirm K2A's alignment with a low-carbon and climate resilient future. The methodology for shading shares as green is based on a holistic company approach as described below.

Green equity requirements

- The requirements for Green equity include:
 - i. >50% of the Company's revenue derived from business activities considered as green
 - ii. >50% of operating expenditures and capital expenditures must be allocated to activities considered as green
 - iii. revenue derived from fossil fuel activities to be <5%
- The Company commits to *annual reporting* for the above-mentioned thresholds
- The Company needs to obtain an *assessment from an external reviewer* on annual basis confirming fulfilment of the above-mentioned thresholds

This Framework aims to function as a statement for K2A's Green equity. This Framework will apply to all shares, both outstanding and future share issuance, as long as a valid company assessment provided by the external reviewer is publicly available on the Company's homepage.

For more details on the company description please see K2A's annual report and chapter I in the Green Finance Framework, available on K2A's website.



Defining green revenue, CAPEX and OPEX

Revenue, operating expenditures (OPEX)¹, and capital expenditures (CAPEX) related to the below defined green buildings are identified as green:

- i) Buildings with Nordic Swan Ecolabel, Miljöbyggnad Silver or Passive house; or
- ii) Buildings with Miljöbyggnad iDrift Silver in combination with EPC C or better; or
- iii) Buildings with EPC of class A or B; or
- iv) Wooden buildings. Majority of wooden buildings are qualifying as green (number of additional indicators are evaluated such as energy intensity, available environmental certification etc.)

For specific percentages for Green revenue, OPEX and CAPEX, please see latest Company Assessment on K2A's homepage. As long as Green equity requirements are being fulfilled (see previous section on Green equity requirements) all of the company's outstanding shares can continue to be labelled as green.

EU Taxonomy

For more information on EU Taxonomy eligibility and alignment please see K2A's Green Finance Framework, 2021 Annual Report and CICERO's company assessment.

Reporting

K2A commits to regular reporting at least on an annual basis. The company will strive to report consistent with the EU Taxonomy's definitions of sustainable activities. The reporting will be published at the company's homepage and will include the below information for the total property portfolio:

- Share of revenue, CAPEX and OPEX related to green buildings according to the definitions available in Section "Defining green revenue, CAPEX and OPEX"
- Type of certification and degree of certification, energy performance per m² and/or estimated annual greenhouse gas emissions reduced or avoided for buildings (tCO₂e)

External review

CICERO Shades of Green has provided a company assessment to confirm K2A's alignment with a low-carbon and climate resilient future. The company assessment by CICERO Shades of Green is available on K2A's website, www.k2a.se together with this Framework.



¹ Information on OpEx is available in CICERO's company assessment



K2A Knaust & Andersson Fastigheter AB (publ)
Nybrogatan 59, 114 40 Stockholm, info@k2a.se, www.k2a.se,
Org.nr 556943-7600