

Green Finance Framework

K2A Knaust & Andersson Fastigheter AB (publ)

May 2026





Contents

About K2A	3
K2A’s sustainability approach.....	3
Environmental sustainability	4
Social sustainability.....	5
Governance	5
The 2026 Framework update	7
Rationale for the Framework update	7
Alignment with market principles	7
Use of Proceeds.....	8
Process for Asset Evaluation and Selection.....	12
Management of Proceeds	13
Reporting.....	14
External Review	15
Second Party Opinion (Pre-Issuance).....	15
External verification (Post-Issuance).....	15

About K2A

K2A Knaust & Andersson Fastigheter AB (publ) (“K2A” or the “Company”) is a Swedish real estate company, focusing on the long-term management of its own rental properties. The business concept is to own, develop, and manage rental housing and community properties in Stockholm, the Mälardalen region, and selected university towns in Sweden. K2A's primary target group is small households of one or two people – a segment that accounts for approximately 70% of all households in Sweden - by offering well-planned, space-efficient rental homes in attractive locations.

As of 31 Dec 2025, the fully consolidated property and project portfolio comprised 5,395 residential units, of which 2,034 units under management and 3,361 units in ongoing projects. The portfolio consists of rental apartments (57%), student housing (40%) and community service properties (3%), with a total property value of approximately SEK 6.1 billion.

K2A's sustainability approach

K2A's sustainability strategy is built on the conviction that long-term profitability and sustainability are mutually reinforcing. The Company builds for the future, with environmental responsibility, transparency, and financial stability as its foundation. K2A works strategically with green financing, clear ESG reporting, and long-term partnerships. Through resource- and cost-efficient operations, active risk management, and a systematic approach to sustainability, the Company generates stable cash flows, low vacancy risk, and long-term value – for both shareholders and society.

K2A works with a long-term perspective to ensure that anyone investing in the Company - whether through equity or debt - can be confident that capital is directed to a business with consistently high sustainability performance.

K2A's work for sustainable development is based on the United Nations' 17 Sustainable Development Goals (“SDGs”). Based on stakeholder dialogue and a materiality analysis, K2A has defined three sustainability targets to guide strategy and capital allocation across the value chain.

- Climate-positive value chain by 2030. K2A's objective is to achieve climate positivity across Scopes 1–3 by 2030, building on an integrated timber-based business model and SBTi-aligned ambition, and the Company also has **validated targets by Science Based Targets initiative (“SBTi”)** for the most ambitious scenario of 1.5°C.
- 100% of managed properties environmentally certified. The portfolio under management will be fully covered by recognized environmental certifications, reflecting standardized, verifiable performance.
- Global leadership among listed residential real estate companies. K2A targets top-tier sustainability performance compared with peers globally – an ambition evaluated through the Global Real Estate Benchmark, GRESB.

Environmental sustainability

With a business model in which sustainability is fully integrated and a product portfolio based on low-carbon timber, the Company is focused on streamlining processes to reduce its climate impact. Key activities to lower greenhouse gas (“GHG”) emissions and increase positive impact include:

- **Continuing to use timber as a material in new construction** – since inception, K2A has built homes using locally sourced timber, a renewable and climate-efficient building material that stores carbon throughout its lifetime. The combination of timber construction and an efficient industrialized production process is K2A's largest single contribution to sustainable development.
- **Enhancing the climate-efficient construction process** – K2A's buildings are designed to have low embodied emissions and low operational energy demand. All new buildings are certified under the Nordic Swan Ecolabel or equivalent schemes, covering requirements for sustainable living environments, responsible materials, energy performance, and life-cycle impact.
- **Energy optimising existing properties** – K2A works continuously with smart control, operational optimization and monitoring of energy use.
- **Investing further in renewable energy close to properties** – investments are made across the property portfolio, covering solar panels and energy storage. For heating, K2A signs green district heating agreements in municipalities that offer green district heating. The Company also has agreements for fossil-free property electricity.
- **Transitioning to fossil-free transport across the value chain** – K2A aims for transportation between factory and construction sites to run on biodiesel (HVO) and for construction machinery and factory equipment to operate on electricity.
- **Advancing circularity in K2A's buildings** – K2A strives to ensure resource efficiency in materials, water, and energy use, and materials, as well as responsible waste management. By selecting high-quality, climate-efficient materials and designing buildings to be demountable, movable, and reusable, the Company extends the lifetime and adaptability of its assets.
- **Collaborating with key players to accelerate industry transformation** – K2A engages actively throughout organisations such as the UN Global Compact, Sweden Green Building Council, SBTi and Hållbart Stockholm (HS30) to contribute to sector-wide progress.

In addition to the above, other selected focus areas are:

- **Climate adaptation** – K2A assesses and manages future risks and opportunities linked to climate change at both company and property level. As of December 31, 2025, 100% of the Company's student housing and residential properties under management, have undergone climate-risk screening. K2A's modular buildings can also be demounted and relocated, for example if an area becomes exposed to risk of flooding.
- **Water** - K2A reduces water consumption through low-flow fixtures and connected metering that enables continuous monitoring. K2A also applies stormwater management solutions to handle heavy rainfall, and reduce the risk of climate- and weather-related water damage in buildings.

- **Biodiversity** - K2A supports local biodiversity and ecosystem services in new construction. Modular construction with volume elements that are assembled on site has significantly less impact on the local environment compared to traditional construction methods. Trees and vegetation can often be preserved, even in close proximity to buildings. Additional measures include installing insect boxes, creating green roofs, and designing green courtyards with plants that bloom throughout the season.

Social sustainability

Community engagement

K2A is committed to social responsibility, within the Company, in its neighbourhoods and throughout the value chain. By contributing to the development of attractive, sustainable, safe, and vibrant residential areas, K2A promotes quality of life and safety for residents and others who spend time in its environments.

A key focus is the design of the spaces between buildings, such as playgrounds or shared outdoor areas and meeting places. Customer satisfaction is monitored continuously through an external measurement tool, enabling structured follow-up and targeted improvements in the residential environment.

To offer young people a way into their professional life, K2A regularly accepts interns, several of whom have transitioned into permanent roles at the Company.

For students, K2A has introduced a priority program in the queuing system, enabling those who have lived in K2A properties during their studies to move into other rental apartments within the Company's portfolio. The priority supports young adults in Sweden, who often face challenges entering the housing market. In selected student properties, the Company offers shared common areas as well as community-building activities, such as gaming nights and barbecues.

Workplace and suppliers

K2A strives to be an inclusive workplace where individual differences are valued and respected. K2A has a zero-tolerance policy toward discrimination and offensive treatment, as stated in its Equality policy and Code of Conduct. The same expectations apply to suppliers and subcontractors, who are required to uphold principles of diversity, equal treatment and responsible business practices.

Governance

The governance of sustainability-related measures, reporting, and risk management is an integral part of the Company's overall governance. Responsibilities are across organisation and systematic work – including climate analysis and stakeholder dialogue, – helps future-proof the Company by reducing risks and identifying opportunities related to sustainability.

The Sustainability policy and Code of Conduct for suppliers and employees are central guiding documents. The Sustainability policy sets the overarching direction, while the Code of Conduct establishes expectations regarding ethical behaviour, business integrity and respect for human rights. The Code of Conduct is based on the principles of the UN Global Compact and ISO 26000. Compliance is supported by mandatory training for employees and supplier requirements.

Governance structure:

- Board of Directors – approves the sustainability policy, strategy and targets; and oversees risks, including climate-related risks.
- Sustainability Committee – supports the Board by monitoring sustainability objectives and progress.
- Chief Sustainability Officer – responsible for implementing goals, measures and reporting related to sustainability.
- Chief Executive Officer – holds overall responsibility for the sustainability work, risk management and actions related to sustainability.
- Management team – follows up on the sustainability outcomes, including climate-related goals, risks, and opportunities. Sustainability work is reported at monthly meetings, and the sustainability performance is reported quarterly.
- Business development department – integrates sustainability goals into processes, such as sustainability analysis in evaluations of buildable land.
- Project department – integrates sustainability goals into processes that govern project work (design and production), including environmental certification.
- Property management department – responsible for CO₂ reductions plans, procurement; and sustainability efforts linked to property management, including energy optimization and customer dialogues.

Selected governing documents related to sustainability:

- Laws and regulations - Environmental Code (sw. Miljöbalken), and the EU Taxonomy.
- External initiatives – UN Global Compact, Agenda 2030, Global Reporting Initiative (GRI), Task force on Climate-related Financial Disclosures (TCFD), Science Based Target initiative (SBTi), and Global Real Estate Sustainability Benchmark (GRESB).
- Internal policies – Articles of Association, Code of Conduct, Equality Policy, Work Environment Policy, Financial Policy, and Sustainability Policy.
- Financing-linked frameworks: Green Finance Framework and Green Equity Framework.



The 2026 Framework update

Rationale for the Framework update

K2A established its inaugural Green Finance Framework (“Framework”) in 2020, with the most recent version in 2023. Since then, both regulations and market standards have evolved. The 2026 edition of the Framework reflects these developments by incorporating updated eligibility criteria for green eligible assets. Key changes include:

- New eligibility criteria for screening of material physical climate risks, applicable to all buildings including major renovations
- New eligibility criteria that address climate impact, applicable to new buildings
- The former category “Energy Efficiency” has been merged with “Green Buildings”

Alignment with market principles

K2A 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, and bank loans.

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

The four core components:

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

Key recommendation:

- External Review

K2A 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, K2A 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 K2A in the development of this Framework.

¹ [Green Bond Principles](#)

² [Green Loan Principles](#)

Use of Proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from K2A'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, owned by K2A or any of its subsidiaries³ ("Green Eligible Assets").

Green Eligible Assets may include fixed assets, capital expenditures ("CapEx") and operational expenditures ("OpEx"). Fixed assets qualify at their current balance sheet value, updated annually. CapEx reported in the cashflow statement is subject to a three-year look-back period. 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 Asset categories have 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 Assets financed during or after the reporting year. Refinancing refers to Green Eligible Assets finalised prior to the reporting year.

Exclusion criteria

Proceeds from K2A's Green Financing Instruments will not be used to finance investments related to fossil fuel energy generation, nuclear energy generation, weapons, potentially environmentally negative resource extraction (such as rare-earth elements), gambling or tobacco.

Furthermore, K2A's Green Financing Instruments adhere to the EU Paris Aligned Benchmark ("PAB") exclusions as of the date of this Framework's publication.

³ In the case of joint ownership (associates and joint ventures), K2A will only finance its share of the asset.

Green Buildings

ICMA GBP category: Green Buildings

UN SDG:



EU Environmental Objective: Climate change mitigation

New buildings⁴

Eligible EU Taxonomy activity: *7.1. Construction of new buildings*

Eligibility Criteria

Buildings⁵ which have or will have upon completion:

- Primary Energy Demand (“PED”) at least 10% lower⁶ than the threshold set for Nearly Zero-Energy Building (“NZEB”) according to national building regulations⁷,
or
- Buildings that either have or will receive minimum environmental certification of Nordic Swan Ecolabel or Miljöbyggnad Silver or Passive house

Additional criteria for all new buildings:

- Undergone a screening for material physical climate risks
- Is constructed with timber as the primary material⁸ or has a climate impact meeting the criteria of Miljöbyggnad Silver or equivalent scheme

Additional criteria for all new buildings larger than 5000 m²:

- For buildings larger than 5000 m²., upon or after completion, the building has undergone testing for air-tightness and thermal integrity⁹

⁴ Building application filed after 31 December 2020.

⁵ 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.

⁶ The energy performance is or will be certified using an Energy Performance Certificate (“EPC”).

⁷ In Sweden, thresholds set for NZEB is implemented through the BBR29 requirements.

⁸ For timber-frame buildings, LCA studies show that timber-frame buildings tend to result in lower primary energy and GHG emission compared to other materials including concrete and steel. Wooden materials also store carbon during their lifetime.

⁹ As an alternative, the building has or will receive minimum environmental certification of Nordic Swan Ecolabel or Miljöbyggnad Silver or Passive house or has had robust and traceable quality control processes in place during the construction process.

Existing buildings¹⁰

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

Eligibility Criteria

- Buildings with Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15%¹¹ of the national or regional building stock, or
- Buildings that either have or will receive minimum environmental certification of Nordic Swan Ecolabel or Miljöbyggnad Silver or Passive house. Buildings with Miljöbyggnad iDrift Silver are eligible if the building has a PED within the top 15% of the national or regional building stock, in addition to certification

Additional criteria for all existing buildings:

- Undergone a screening for material physical climate risks

Major renovations¹²

Eligible EU Taxonomy activity: 7.2. Renovation of existing buildings

Eligibility Criteria

- 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

¹⁰ Building application filed before 31 December 2020.

¹¹ 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.

¹² 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.

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, on-site, such as solar photovoltaic systems

Process for Asset Evaluation and Selection

The Green Finance Committee

K2A's *Green Finance Committee* (the "Committee") is responsible for overseeing the evaluation and selection of Green Eligible Assets. The Committee comprises the CEO, CFO and Chief Sustainability Officer. Additional internal experts may be invited as needed. The Committee will meet at least annually.

Evaluation and Selection process:

- Any Committee member or relevant K2A department may propose potential Green Eligible Assets for evaluation in accordance with the Eligibility Criteria outlined in this Framework
- The Committee verifies that proposed assets meet the Eligibility Criteria as well as exclude assets that no longer comply with the Eligibility Criteria or have been sold or otherwise divested, in such case, when required, replacing them
- K2A also ensures that all assets comply with internal policies, national environmental and applicable laws and regulations. These requirements are monitored and enforced by the local authorities, particularly in connection with permits for new construction projects
- Once validated by the Committee, approved assets are recorded in K2A'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 K2A'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 Assets.

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

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

Allocation period

K2A will commit to, on a best-effort basis, allocate the net proceeds from the Green Financing Instruments to Green Eligible Assets within 12 months from the issuance/arrangement date of each Green Financing Instrument.

Temporary holdings

Pending full allocation, proceeds not yet allocated towards Eligible Assets will be placed on the Company's ordinary bank account.



Reporting

K2A 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 its website.

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 Assets by sub-category
- A summary of financed/refinanced Green Eligible Assets, subject to confidentiality constraints
- Share of unallocated proceeds (if any)

Impact reporting

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

Examples of impact indicators include:

ICMA GBP category	Example of impact indicator
Green Buildings	<ul style="list-style-type: none"> • Annual calculated energy use avoided compared to the relevant building code¹³ or pre-investment situation (kWh/m²) • Annual GHG emissions reduced or avoided (tCO₂e) • Carbon stored in building material (tCO₂e) • EPC class, if any • Environmental certification incl. certification level, if any

¹³ Relevant building code refers to the national building code which was valid at the time the building was built.

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/ALPMA/LSTA. The Second Party Opinion is available on K2A's website.

External verification (Post-Issuance)

K2A'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 K2A's Green Finance Instruments has been allocated to Green Eligible Assets in accordance with the Framework.

Verification will be conducted annually until full allocation is achieved, or in the event of any material developments. The verification report will be published on K2A's website.

