Diös

Green Financing Framework

Adapted to the EU Taxonomy and the proposed European Green Bond Standard

8 November, 2021

Important notice

This document (the "**Green Financing Framework**" or "**Framework**") contains information on Diös Fastigheter AB ("Diös") and its potential use of financing with added environmental criteria adhering to the proposed European Green Bond Standard. The Framework, directed at investors and third parties, provides additional non-binding information to the specific terms applicable in forthcoming financing, as detailed in the European Green Bond Factsheet ("**Factsheet**"). The Framework and Factsheet have been aligned with the EU Taxonomy Regulation and the supplemental Delegated Act on Climate Change Mitigation and Climate Change Adaptation, which at the time of publication had been adopted by the European Comission and the European Parliament but still awaited adoption by the European Council (The "**Taxonomy**" or the "**Climate Delegated Act**"), and structured according to the proposed European Green Bond Standard published by the European Comission ("**European Green Bond Standard**" or "**EUGBS**") in July 2021. Investors and third parties are strongly advised that until such time an accreditation of the Factsheet has taken place any financing under the terms laid out in the Factsheet will not qualify as a European Green Bond.

Financing that includes the Factsheet in its associated financing documentation, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as Green Financing ("**Green Financing**"). Other labels may apply to the specific type of financing, for instance Green Bond ("**Green Bond**"), Green Commercial Paper ("**Green Commercial Paper**") or Green Loan ("**Green Loan**"). If the Factsheet associated to any existing or future Green Financing is assessed as compliant with the European Green Bond Standard further labels could apply, such as European Green Bond ("**EUGB**"), European Green Loan ("**EUGL**") or European Green Commercial Paper ("**EGCP**"). The Factsheet referenced or included in any Green Financing documentation may be translated into other languages as required in the local jurisdiction and applicable regulations.

New Green Financing will include a reference to, or inclusion of, the most recently published Factsheet, which shall be publicly available in the Framework on Diös' website. As long as any Green Financing is outstanding, the associated version of the Factsheet shall remain publicly available. At the time of any new Green Financing the current Taxonomy requirements in force are used to determine the eligibility of assets and expenditure that are available for Green Financing, in addition to any further criteria specified by Diös in the Factsheet. Green Financing will be subject to the version of the Factsheet specified in the associated financing documentation and future changes to the Factsheet or relevant standards (for example, the Taxonomy or the European Green Bond Standard) will not apply to already outstanding Green Financing unless i) explicitly communicated by Diös and only if the intent of such changes were to align the Factsheet with the European Green Bond Standard, the Taxonomy or other relevant regulation with the purpose to fulfill the requirements of such legislation and achieve an accreditation of the Factsheet as a European Green Bond by an External Reviewer or ii) such changes are explicitly required by the relevant regulations (i.e. the Taxonomy or EUGBS).

Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework and Factsheet, and for making such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Factsheet would be applicable, for instance regarding the adherence to current and future regulation, standards or market practices such as the Green Bond Principles, the Green Loan Principles, the European Green Bond Standard and the Taxonomy. Furthermore, all parties are advised to review the applicable risk factors and terms specific for the type of Green Financing used, for instance in the relevant financing documentation, issuance prospectus or information memorandum. Investors and third parties are advised that the accreditation mechanism for External Reviewers under the European Green Bond Standard is not yet in place nor is the standard adopted, meaning that at the time of publishing this Framework and Factsheet it was not technically possible to issue accredited European Green Bonds. Diös might seek such accreditation by an External Reviewer at a later date with a party that is registered with the European Securities and Markets Authority, but until such time investors and third parties must make their own assessment regarding the adherence of any Green Financing to such standards and regulation.

Table of content

Background

Introduction

We consider climate change to be the most important challenge that society faces today and the most urgent of the UN Global Sustainable Development Goals. The climate crisis is not only about changing weather conditions, it is also about economic crises linked to dry areas, food production, rising seawater levels, refugees, etc. and it will affect and involve economic and social aspects locally in our cities, nationally as well as globally.

Through development and management of our properties, city blocks, districts and, by extension, our cities, we want to take responsibility in the communities where we operate. Urban development is about seeing the big picture and considering environmental, social, and economic sustainability. We are using the UN Global Sustainable Development Goals to guide us in our sustainability management.

As a real estate company, we have a large carbon footprint that we need to address through our activities and our tenants. Our long-term climate goal is to reach net zero emissions by 2045. To reach this target we need to lessen the environmental impact from material use, eliminate our indirect footprint from our energy use, develop offices, apartments, and other premises that are more flexible and in need of fewer renovations. Furthermore, we want to make it easy for our tenants and for people in our cities to make more sustainable choices. Making the city better for everyone encompasses all aspects of sustainability. Our activities should contribute to a more sustainable future. To succeed with this we need to cooperate with others.

About Diös

Diös was founded in 2005 with a clear focus on owning and developing properties in the northern part of Sweden. We were listed on Nasdaq Stockholm in 2006 and since inception the growth of the company has been mainly through acquisitions.

Diös is today one of Sweden's largest real estate companies and the market leader in 10 growth cities. As the largest property owner, we have a unique position to influence our own growth by taking leadership in issues concerning our cities and our own success.

We own both commercial and residential properties and in our position as a market leader in the cities we operate, we develop our properties, city blocks, neighborhoods and suburban areas, creating growth for our tenants, our shareholders and ourselves. Through our knowledge in offices, urban services, and residential, we offer our tenants the right premises in the right location, creating conditions for reduced vacancies, increased profitability, and more sustainable cities. We target to develop our cities and create sustainable long-term value for our tenants, ourselves, and our owners.

We live and work in our cities and have a personal commitment to our cities' growth and development. Collaboration breeds success and the people we work with need to feel confident that we are a reliable and long-term partner. Together with the local authority, the business community and other property owners, we work to increase the attractiveness of the city. We engage in cost-effective active property management, project development and transactions that generate increased revenue, capital growth and opportunities for new investments. This is a sustainable, long-term business model that creates value for all stakeholders.

Our core values are: Simple, Close and Active, and our promise to our tenants is that everything is possible.

Our Sustainability Strategy

We have divided our path towards more sustainable cities into four focus areas: Environment and climate, Thriving cities, Fair business practices and Committed employees. Each area has its material sustainability issues, challenges and goals.

Environment and climate

Today, 98 per cent of the energy we buy comes from fossil-free sources. To reach our goal of 100 per cent fossil-free energy to 2025, we need to cooperate with the energy suppliers and come up with joint solutions. For example, in Östersund we work together with the local energy supplier to optimize energy usage and reduce peak loads with new technologies, this will lessen the need for fossil fuels for our suppliers. We are continuously implementing energy efficiencies and optimising the use of power, we are also installing solar panels on our rooftops to add more renewable energy to the market. To reduce our energy consumption, we also need to cooperate with our tenants. We offer our tenants green lease agreements to raise awareness of sustainability issues and guide us to more conscious choices.

Improving and raising the efficiency of our properties is integral to our daily business, and by obtaining environmental certification for our properties we receive confirmation of the value of our efforts. Through environmental certification requirements in our new builds, we can set high standards, but this is also a tool for measuring the life cycle GWP of the building and taking actions to reduce its impact. Our goal is for all new production to be considered climate-neutral by 2030, this will require actions and framework to reduce the climate impact of the building during its whole lifetime.

The long-term ambition is for all properties to be environmentally certified, today (2020) the number of certified assets is 41, which represents 21 percent of our leasable area. For new residential properties, we use the Nordic Swan Ecolabel (Svanen) and for new construction of other building types we use BREEAM-SE, minimum level Very Good. For our existing commercial buildings, we continuously certify according to BREEAM In-Use and use the outcome to set relevant action plans.

Our greatest asset, and our greatest risk, is in the value of our property portfolio. It is therefore of the utmost importance that our offering is not only relevant right now but that it is also sustainable and future-proof. Our portfolio needs to have a low environmental impact and

consist of inspiring environments where people are happy and thrive. Climate change and the resulting extreme weather conditions increase the strain on our properties. Our properties are generally located in low risk areas considering climate changes, but ongoing investments in climate adaptation are made to improve the properties' characteristics and resilience to current and future weather effects. A specific focus to increase the resilince will be taken on those where the risks are considered to be higher. We carry out regular inspections and continuously assess what measures should be taken in response to increased global warming.

As part of our work to increase our knowledge transparency towards our stakeholders about the impact of climate change on our property portfolio, we will implement the recommendations from TCFD (Task Force on Climate-related Financial Disclosures) in our risk management.

Thriving cities

We want to make the shift to fossil free mobility and transport in our cities possible. We have a strategy to install charging stations widely in all our cities and have a 100% electrified fleet of service vehicles. The growth of the sharing economy is leading to increased vehicle utilisation rates and greater social inclusion by enabling services for people in the city that were previously linked to ownership. Accessibility is a key ingredient for a thriving city, which is why we at our latest housing project offers accessibility to carpool right outside the door and add more safe spaces for bicycle parking near our properties.

Making cities more environmentally friendly, climate-smart and green go hand in hand with increasing security. By developing shopping streets and meeting places, we influence the flow of people, which increases people's sense of security.

Fair business practices

All our business is done in accordance with applicable laws and regulations. Our entire business and all our business relationships are marked by honesty, independence, transparency, and good business practice. Maintaining a high level of trust is essential to our ability to run our business in an efficient and value-creating manner. Our Code of Conduct defines the minimum requirements for the legal and ethical conduct of our business, and how we should take responsibility for the environment, people, and society. The Code has been prepared based on the UN Global Compact's ten principles on human rights, labour, environment, and anti-corruption. To make it easy to report any suspected violations we have an external whistle blowing service at our website where reports can be made anonymously. Our business is aligned with all the minimum safeguards according to the EU Taxonomy.

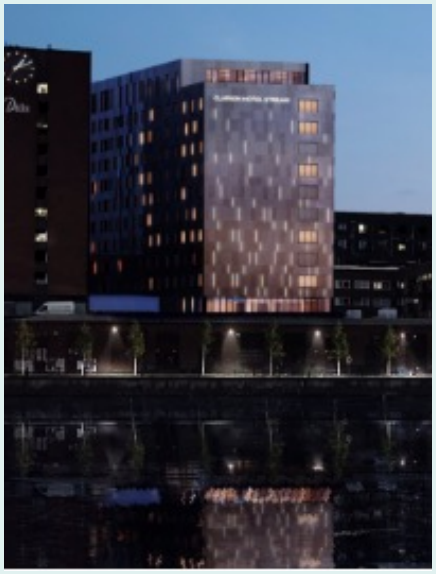
We always strive to ensure that our tenants are happy, and it is therefore of the utmost importance that our suppliers and partners live up to the standards that we and our customers expect. Today, we have around 2,000 suppliers, with construction services accounting for the largest purchases. We work actively to strengthen our purchasing process and reduce the number of contracts to simplify quality assurance and reduce risks. Our supplier Code of Conduct is based on the principles in the UN Global Compact and is attached to all supplier agreements, setting forth our expectations.

Committed employees

Our leadership is based on a clear personal responsibility to make decisions that take us
closer to fulfilling our shared goals. With a decentralised approach to decision-making where everyone feels secure, we get closer to the business and speed up our processes. Our employees feel more involved and can influence their work situation. Leadership is an important part of Diös' brand and corporate culture.

We offer training to employees through Diös Academy. Through a training council, we identify needs and coordinate training initiatives. Our training activities are intended to train bold, hand-on leaders, encourage an inquisitive attitude among employees and thereby enable them to identify new opportunities and business openings.

Examples



Magne 5, Umeå - New construction

In spring 2019 the construction started of a new hotel building of 14,500 sqm in central Umeå that will be opening in the summer 2022.

The hotel will consist of 270 hotel rooms, conference facilities, restaurant and a gym. The building will undergo a BREEAM-SE certification designed to level Very Good.

District heating and cooling will be used, and the energy performance is predicted to 69 kWh/sqm, which is approx. 30% better than the Swedish building regulations.

Norrmalm 1:24, Sundsvall - Existing building

The office building 'Metropol', located in the district Norrmalm om Sundsvall is home to about 80 companies, a restaurant, a gym and a pre-school.

The building has undergone a BREEAM In-Use certification 2019 and achieved rating Very Good.

A 1,000 sqm solar plant on the roof supplies the building with 10% of its electricity demand and a geothermal system installed in 2015 supplies the building with heating, cooling and hot water.

The energi performance of 64 kWh/sqm is almost 30% better than the Swedish building regulation.

Solar energy

Since 2018 we have installed solar cell plants on 14 different assets. 10 of them were producing electricity to the assets by the end of 2020 and four of them started producing during spring 2021.

The total area of solar panels is about 13,000 sqm and the total installed power is about 2,200 kWp. Our own produced solar electricity is expected to be about 1,800 MWh per year.

Diös will continue to install solar cells on assets where it is profitable and to increase the amount of renewable energy in the energy grid.

Path towards climate neutrality

Climate change is the defining crisis of our time and affects people and businesses all over the globe. The 2015 Paris Agreement on climate change calls for halting global warming "well below" two degrees Celsius and for the pursuit of limiting the increase even further to 1.5 degrees. To meet the agreement Sweden adopted a new climate policy framework in 2017 and adopted a long-term target to have zero net greenhouse gas emissions by 2045 at the latest.

The built environment has a significant impact on the changing climate we are experiencing, and the real estate sector is contributing to global warming mainly in terms of energy use and construction materials. For Diös, fighting climate change has the highest priority. Of the UN Global Sustainable Development Goals, we believe the climate issue to be the most urgent and the one where we see the greatest opportunity to make a difference. Our long-term goal of net zero emissions by 2045 contains both challenges, opportunities, and solutions that we are currently unaware of today.

On the path to reach net zero emissions, we have decided to reduce our absolute scope 1 and scope 2 GHG emissions by 50% until 2030, with 2018 as a base year. We will also measure and reduce our scope 3 emissions. These targets are approved by Science based targets initiative (SBTi). Actions to reduce Scope 1 and 2 emissions are related to energy usage in our buildings and refrigerants in our cooling systems. Scope 3 emissions are our big challenge, where advancements in construction techniques and material use will be required.

Improvement always starts with ourselves. We review our construction projects, adapt procedures in our property management and change our energy use, while at the same time addressing how we can influence decisions outside our own business. Together with our tenants and other business partners we test new technologies, save energy, invest in renewable energy capacity, and find other solutions that makes us decrease our footprint on climate, people and planet.

Sustainable Financing

We launched our first Green Financing Framework in September 2019, to bring more focus on the importance of sustainable cities going forward and how to finance the activities that increase sustainability in our cities. Our updated Framework is aligned to the Green Bond Principles and adapted to the EU Taxonomy and the proposed European Green Bond Standard. Once an accreditation mechanism is in place, this could allow our Green Financing to be assessed as compliant with such regulation.

Our Green Financing will support our sustainability and environmental targets by directly and indirectly financing the green and sustainable projects that are transitioning our business towards Climate Change Mitigation and Climate Change Adaptation. We will continue to monitor the development of Green Financing and strive to continually advance the Framework, Factsheet and the Green Terms. As such, the Green Financing Framework and Factsheet may be updated from time to time to reflect current market practices and regulatory requirements. When establishing the terms in this Framework we have sought to comply with the proposed European Green Bond Standard, the EU Taxonomy, the Green Bond Principles (June, 2021) and current market best practice.

We have worked with Handelsbanken to develop the Framework. Cicero has provided a second opinion on the Green Terms, which is publicly available on our website (www.diös.se).

Östersund, 8 of November 2021

Knut Rost
CEO Diös

Rolf Larsson
CFO Diös

Johanna Olofsson
Head of Sustaianbility Diös

Methodology

European Green Bonds

The European Commission proposed a joint European Green Bond Standard ("**EUGBS**") in July 2021. The EUGBS requires the issuer to follow the EU Taxonomy meaning that the latter will determine what can be financed by a European Green Bond. With this standard the European Commission aims at further developing the market for high quality Green Bonds and reducing the risk of greenwashing, as well as allowing for additional private capital to be aggregated towards environmentally sustainable investments. The EUGBS also aims to establish a single supervisory authority to manage registration an supervision of external reviewers in the Union.

EU Taxonomy

In the autumn of 2021, the Climate Delegated Act had been formally adopted by the European Commisssion and European Parliament but awaited adoption by the European Council no later than the 8th of December 2021. If adopted, the regulation will enter in to force 1 January 2022.

The Taxonomy Regulation (June, 2020) and associated legal frameworks contain six Environmental Objectives ("**Environmental Objectives**"). Any eligible activity must substantially contribute towards one or more of these objectives, while at the same time not significantly harming any other Environmental Objective. These objectives are fairly aligned with, but expand upon, the five objectives in the Green Bond Principles.

Furthermore, the Taxonomy defines sustainable economic activities through categorization, Technical Screening Criteria ("**TSC**"), including Do-No-Significant-Harm criteria ("**DNSH**") and Minimum Safeguards ("**Minimum Safeguards**"), with the purpose of facilitating capital aggregation for a green and sustainable transition. Together with the proposed Corporate Sustainability Reporting Directive, the updated benchmark regulation, the new Sustainable Finance Disclosure Regulation and the EU Green Deal, a new foundation for green and sustainable finance is being established within the European Union.

The Taxonomy covers three types of economic activities:

1. **Net-zero activities:** Activities that are already low carbon meaning that they are compatible with a 2050 net zero carbon economy.
2. **Transitional activities:** Activities that contribute to a transition to a zero net emissions economy in 2050 but are not currently operating at that level.
3. **Enabling activities:** Activities that enable those above.

Environmental Objectives

1. **Climate change mitigation:** Activities that contribute to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals.
2. **Climate change adaptation:** Activities that contribute to reducing the negative effects of the current and expected future climate or preventing an increase or shifting of negative effects of climate change on location and context specific economic activities or natural and built environments.
3. **Sustainable use and protection of water and marine resources: A**ctivities that contribute to the good status of waters by limiting water discharges, decontaminating drinking water, improving water efficiency and ensuring the sustainable use of marine ecosystems and the good status of marine waters.
4. **Circular economy and waste prevention and recycling:** Activities that contribute to the transition to a circular economy, aimed at minimising and correctly managing waste, hazardous substances and making the most of resources, focusing on areas like design, systems, sharing economy, product life extension and recycling.

5. **Pollution prevention and control:** Activities that contribute to a high level of environmental protection from pollutants other than greenhouse gasses affecting air, water or soil whilst minimizing negative impact on human health and the environment.
6. **Protection and restoration of biodiversity and ecosystems:** Activities that protect, conserve and enhance biodiversity and ecosystem services via nature conservation or sustainable land management, agricultural practices and forest management.

Technical Screening Criteria

The TSC shall determine the conditions under which a specific economic activity within the European Union qualifies as contributing substantially to an Environmental Objective, while not causing significant harm to one or more of those objectives (see DNSH). In the Taxonomy Regulation (June, 2020) the TSC are defined as being based on conclusive scientific evidence, taking a life cycle perspective and emphasizing quantitative thresholds whenever feasible.

Do no significant harm

In order to avoid that investments qualify as environmentally sustainable in cases where the economic activities benefitting from those investments cause harm to the environment to an extent that outweighs their contribution to an Environmental Objective, the EU Taxonomy also establishes Technical Screening Criteria that requires the economic activity to demonstrate that it "does no significant harm" ("DNSH") to the other Environmental Objectives. The EU Taxonomy therefore specifies the minimum requirements that need to be met to avoid significant harm, considering both the short- and long-term impact of a given economic activity.

Minimum Safeguards

For an economic activity to be considered environmentally sustainable, it must also comply with minimum safeguards. To be eligible under the EU Taxonomy the relevant activity must be aligned with the:

i. OECD Guidelines for Multinational Enterprises
ii. UN Guiding Principles on Business and Human Rights
iii. International Labor Organization's Fundamental Principles and Rights at Work (including the eight fundamental conventions of the ILO) and
iv. the International Bill of Human Rights.

Exclusions

Green Financing will not be allocated to activities that are not assessed as eligible according to the requirement of the proposed European Green Bond Standard, including an assessment of substantial contribution to an Environmental Objective, not causing significant harm to any other Environmental Objective and meeting Minimum Safeguards. Furthermore, the proceeds will not be allocated or linked to fossil based energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth metals or fossil fuels), gambling or tobacco.

Allocation of proceeds

An amount equal to the proceeds will be used to finance Green Assets in accordance with the Factsheet. The majority of the proceeds are expected to be allocated to existing projects and assets and the proportion allocated to new financing and refinancing will be disclosed in the annual reporting.

Alignment with the UN Sustainable Development Goals

Agenda 2030 and the Sustainable Development Goals ("SDG") were adopted by the United Nations General Assembly on 25 September 2015. There are 17 global goals with 169 defined underlying targets, aimed at achieving long-term sustainable economic, social and environmental development in order to eradicate extreme poverty, to reduce inequality and injustice in the world, and to fight climate change.

In order for the goals in agenda 2030 to become a reality, all parts of society need to contribute, Diös has the possibility to conduct business in ways that support the global goals. Diös prioritize the goals where we see that we have the best conditions to make a difference for people and planet. Diös has identified the following goals as being most important, and where Diös can contribute the most. For further information about how Diös works with the SDG's please visit our website.

How we work with the Sustainable Development Goals and Agenda 2030

3 Good health and well-being

Ensure healthy lives and promote well-being for all at all ages.
By using the Building Product Assessment and obtaining environmental certification for our new build and existing properties, we help to limit the amount of hazardous chemicals and building materials in our properties and avoid the risk of air, water and soil pollution.

5 Gender equality

Achieve gender equality and empower all women and girls.
We have an even gender distribution among managers and in senior management. Through regular performance reviews and clear guidelines, we can identify any irregularities. An anonymous whistleblowing service is available on our website.

6 Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all.
We continuously monitor water use in our properties and during the years 2017–2019 we implemented water saving measures in all residential apartments. In many municipalities, water and sewage charges are increasing, creating an added incentive to introduce such measures to ensure efficient water use and quickly detect leaks.

7 Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.
By demanding that all electricity provided by our electricity supplier comes with a certificate of origin and from renewable sources, we hope to be able to influence the transition from fossil fuels in electricity generation. We are installing solar panel installations on the roofs of our properties and have now installed a total capacity of over 2,000 kWp including ongoing projects.

8 Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
By working with schools, universities, and students, we want to help more young people gain a foothold in the labour market and build contact networks for the future. In 2020, we were named Student Favourite of the Year at the Östersund Business Gala for our work on internships and degree projects. To encourage entrepreneurship among young people, we have for several years been a partner of Junior Achievement Sweden's activities in all our cities.

11 Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.
We continue to offer tenants in all our cities access to charging stations for electric vehicles. An increased roll-out of charging stations in the cities is essential to enabling a transition to electric vehicles. In our new build project Söderbo in Östersund, we offer residential tenants access to a carpool. The use of carpools is increasing and is an example of changing behaviours in society.

12 Responsible consumption and production

Ensure sustainable consumption and production patterns.
We produce an annual sustainability report in accordance with the Swedish Annual Accounts Act and the recommendations of the GRI Standards, Core option. We also report to GRESB and in accordance with EPRA sBPR. Measuring and reporting our sustainability performance is becoming increasingly important as transparency and comparability requirements increase. For Diös, sustainability reporting is about showing both strengths and weaknesses as well as our ability to grow and develop.

13 Climate action

Take urgent action to combat climate change and its impact.
We work daily to optimise our energy use and reduce unnecessary energy consumption. We install solar panels and buy electricity from renewable sources to reduce emissions of greenhouse gases.
The next step is to adapt our property management activities to make our properties more climate-friendly based on new local conditions.

Green Terms

1. Use of Proceeds

An amount equivalent to the proceeds from Green Financing will exclusively be used by Diös to fully or partly finance or refinance investments and expenditures that promote the transition to low-carbon, climate resilient and sustainable economies. Such assets ("Eligible Green Assets" or "Green Assets" or "Green Projects") must directly comply, or within a period not exceeding five years be improved and transformed to fully comply (according to a Taxonomy-alignment plan), with the categories and criteria's below as well as the Exclusion criteria, Allocation criteria, TSC, DNSH and the Minimum Safeguards described in the Methodology section.

Both financing and refinancing of tangible and intangible fixed assets (e.g. goodwill and without age restriction) and direct non-capitalised operational expenditure incurred more recently than three years prior to any Green Financing which relate to R&D, education and training, renovation, maintenance and repair related to Green Assets that ensure the continued and effective functioning of such assets can qualify, at all times in compliance with, and as allowed, under the European Green Bond Standard. The combined allocated amount to a specific Green Asset, by one or several sources of financing with specified use of proceeds, may not exceed its value. The proceeds will be used exclusively to finance or refinance investments and expenditure in the Nordics.

At the time of any new Green Financing the current Taxonomy regulation in force, jointly with any further criteria specified by Diös in the Factsheet, are used to determine the eligibility of Green Assets. For outstanding Green Financing the terms in the Factsheet (including TSC) applicable at the moment the financing was created will be used when allocating or reallocating the proceeds of such financing to eligible Green Assets, as allowed under the proposed European Green Bond standard. An overview of the Taxonomy criteria applicable at the time of publication of this Framework is available in Appendix 1.

In the following section the Framework describes the green project categories, relevant project types, main Environmental Objective and NACE-codes that the potential Green Assets could be associated with, as required by the EUGBS.

Construction and Real Estate Activities

Substantial contribution to Environmental Objective:
Climate Change Mitigation
Potential NACE-Codes: See below. Other NACE-codes may apply and activities may not always have a relevant NACE-code.

Eligible Taxonomy categories	Taxonomy compliant	Additional criteria and information
7.1 Construction of new buildings Potential NACE-codes: F41.1, F41.2, F41.3	V	New buildings that have or will receive (i) a design stage certification or (ii) a post-construction certification of at least BREEAM-SE “Very Good” or Svanen and an energy use (PED) at least 20% lower than NZEB.
7.2 Renovation of existing buildings Potential NACE-codes: F41, F43	V	Renovated buildings that have or will receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of at least BREEAM-SE “Very good”, BREEAM In-Use “Very Good”, Miljöbyggnad Silver or Svanen.
7.3 Installation, maintenance, and repair of energy efficiency equipment Potential NACE-codes: F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	V	This category will mainly support our continuous energy improvements throughout our building portfolio, which will include all of the activities prescribed in the Taxonomy. Minimize long term negative climate impact, potential rebound effects and negative climate impact from the technology used.
7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) Potential NACE-codes: F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	V	This category will mainly support the installation of charging stations for electric vehicles.
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings Potential NACE-codes: F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	V	This category will mainly support building automation and control systems throughout our property portfolio.
7.6 Installation, maintenance, and repair of renewable energy technologies Potential NACE-codes: F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	V	This category will mainly support the installment of solar and wind energy, but may also include other Taxonomy eligible investments such as the installment of geothermal heating and cooling systems. Minimize long term negative climate impact, potential rebound effects and negative climate impact from the technology used.
7.7 Acquisition and ownership of buildings Potential NACE-codes: L68	V	Acquisition and ownership of buildings that have or will receive (i) a design stage certification, (ii) a post construction certification or (iii) an in-use certification of at least BREEAM-SE “Very good”, BREEAM In-Use “Very Good”, Miljöbyggnad Silver or Svanen and also achieve an energy performance equivalent or better then below and for own development at least 15% lower than the national building code (BBR) applicable for the specific building.

Cont. Construction and Real Estate Activities

Eligible Taxonomy categories	Taxonomy compliant	Additional criteria and information
Top 15% PED requirements: The criteria for acquisition and ownership of buildings requires that, other than for buildings that have received EPC A, the PED of any building assessed to be compliant with category 7.7 to be within the top 15% of the national or regional building stock while at least distinguishing between residential and other building types, but allowing for further segmentation. The top 15% PED applicable under this Framework will be updated continuously. If any official top 15% benchmarks are established such benchmarks will be used. (however, the PED will not exceed 90 kWh/sqm). The Reporting will disclose the source and energy performance thresholds per building type.		The initial top 15% that will be applicable under this Framework are: • Residential buildings: 85 kWh/sqm (PED) • Other building types: 85 kWh/sqm (PED) If the Taxonomy criteria regarding the qualification of acquisition and ownership of buildings are revised those changes will supersede the structure described here.

Energy

Substantial contribution to Environmental Objective:
Climate Change Mitigation
Potential NACE-Codes: See below. Other NACE-codes may apply and activities may not always have a relevant NACE-code.

Eligible Taxonomy categories	Taxonomy compliant	Additional criteria and information
4.1 Electricity generation using solar photovoltaic technology Potential NACE-codes: D35.11, F42.22	V	Stand-alone investments in solar power.
4.3 Electricity generation from wind power Potential NACE-codes: D35.11, F42.22	V	Stand-alone investments in on-shore wind power.

Transport

Substantial contribution to Environmental Objective:
Climate Change Mitigation
Potential NACE-Codes: See below. Other NACE-codes may apply and activities may not always have a relevant NACE-code.

Eligible Taxonomy categories	Taxonomy compliant	Additional criteria and information
6.5 Transport by motorbikes, passenger cars and light commercial vehicles Potential NACE-codes: H49.32, H49.39	V	This category will mainly support investments in fully electric vehicles for use in our operations whereby specific emmissions of CO_2e are zero. It may also include other Taxonomy eligible investments under this category.
6.13. Infrastructure for personal mobility, cycle logistics Potential NACE-codes: H49.32, H49.39	V	This category will mainly support facilities for personal mobility such as bicycle garages, but may also include other Taxonomy eligible investments under this category.

Climate change adaptation

Substantial contribution to Environmental Objective:
Climate Change Adaptation
Potential NACE-Codes: **S**ee below. Other NACE-codes may apply and activities may not always have a relevant NACE-code.

Eligible Taxonomy categories	Taxonomy compliant	Additional criteria and information
7.1 Construction of new buildings Potential NACE-codes: F41.1, F41.2, F43	V	Only capex and opex of climate adaptation measures can qualify.
7.2 Renovation of existing buildings Potential NACE-codes: F41, F43	V	Only capex and opex of climate adaptation measures can qualify.
7.7 Acquisition and ownership of buildings Potential NACE-codes: L68	V	Only capex and opex of climate adaptation measures can qualify.

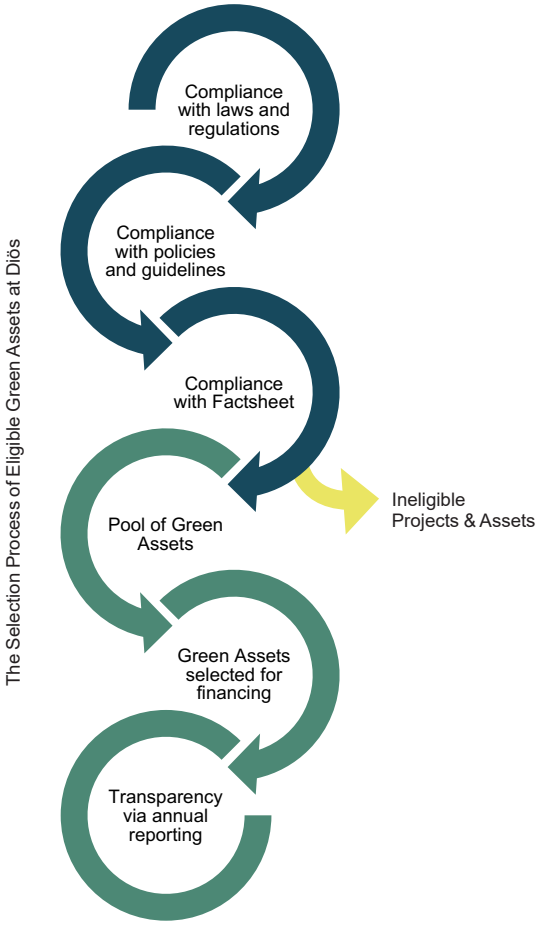
2. Process for Project Evaluation and Selection

Projects and assets potentially eligible for Green Financing will be identified as part of ongoing operations. Identified projects and assets will be evaluated by the Green Business Council ("**GBC**"), which is a subcommittee of Diös' investment council. The GBC was established in 2019 in connection with Diös' first Green Financing Framework and consists of members from the finance department and sustainability team.

The GBC will evaluate the identified projects and assets' compliance with the Factsheet. To this end it will evaluate their overall environmental impact and risk, which includes life cycle considerations, potential rebound effects, resilience to climate change and alignment with the Taxonomy and EUGBS. Projects and assets must also be assessed as compliant with applicable laws and regulations as well as policies and guidelines at Diös.

The GBC holds the sole mandate to approve projects and assets by unanimous decision and decisions will be documented. The GBC is also responsible for signing off on the forthcoming reporting, as detailed under the section Reporting and Transparency.

A list of all Green Assets will be kept by Diös' treasury department. If a project or asset ceases to meet the Green Terms, it will be removed from the list (and the funds will be recycled).



3. Management of Proceeds

An equivalent amount to the proceeds of any Green Financing, without deducting costs, will be credited to a dedicated account (the "**Green Account**") or otherwise tracked by Diös (the "**Green Portfolio**"). Deductions will be made from the Green Portfolio by an equivalent amount corresponding to the financing, refinancing, investment or expenditure of Eligible Green Assets or at repayment of any Green Financing.

If an Eligible Green Asset no longer qualifies or if the underlying project or asset is divested or lost, an amount equal to the funds allocated towards it will be re-credited to the Green Portfolio. Funds may be reallocated to other Green Assets during the term of any Green Financing (unless restricted by the terms in any loan documentation).

The treasury department will keep a record of the purpose of any change in the Green Portfolio and ensure that the combined funds directed towards a specific Green Asset, by one or several sources of Green Financing or other financing with specific use of proceeds, does not exceed its value. While the Green Portfolio has a positive balance the proceeds may be invested or utilised by the treasury in accordance with Diös sustainability policy and investment criteria. Such unallocated funds may for instance be invested in short-term interest bearing securities, such as Swedish treasury bills (and related entities) or Swedish municipal notes (including related entities) while adhering to the Factsheet exclusion criteria.

External Review

Diös adheres to the requirement in the proposed European Green Bond Standard regarding transparency and verification of proceeds allocation through a post-issuance review. For further information, see the "Annual Review" section under Reporting and Transparency.

4. Reporting and Transparency

In order to be fully transparent towards its stakeholders, Diös will publish an annual report in English on its website (www.diös.se) (the "Green Website" or "Website for Green Financing") that will contain information about the allocation of funds, adherence to the Green Terms and impact data for financed Green Assets (the "Allocation and Impact Report"). The Allocation and Impact Report will be published annually, together with the post-issuance review, within three months after the end of the financial year, until such time that no Green Financing is outstanding.

The Allocation and Impact Report will contain information about the Green Assets that have been financed with Green Financing, a summary of Diös Green Financing activities in the past year as well as information, including examples, of the financed Green Asset's adherence to the relevant criteria. The format of the Allocation and Impact Report is outlined below, however the future format is subject to change f.e. due to regulatory requirements or an updated Framework and Factsheet.

Allocation Disclosure

Allocation of proceeds from Green Financing will be provided at project level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which case the information will be provided at an aggregated level, with an explanation of why project-level information is not given.

- The reporting will disclose the countries where bond proceeds have been allocated and information will likely be categorised accordingly:
  - For Construction and Real Estate Activities: the Allocation and Impact Report will disclose the sum of allocated proceeds to each project or asset, the aggregate market value (or investment cost, as applicable) and the sum of other external debt financing such projects and assets (if applicable).
  - For Energy, Transport and Climate Change Adaptation: the Allocation and Impact Report will disclose the allocation of green proceeds to each category.
- Information about outstanding Green Financing (including the LEI-code of the borrower(s) and ISIN of any relevant financial instruments) and the Green Account balance (including any short term investments).
- The amount and percentage of Green Financing allocated to Green Assets:
  - financed after any new Green Financing and
  - financed before any new Green Financing.

- Specified type and sectors of projects, NACE codes (when applicable), to which Environmental Objective(s) the Green Assets have a substantial contribution and an indication of which of the Delegated Acts that were used to determine the TSC including their application dates.
- Compliance with Minimum Safeguards.
- All data shall be from the last of December in the previous year.

Impact Reporting & Metrics

The Allocation and Impact Report will contain a disclosure of asset level performance indicators. The report will strive to disclose the impact based on the financings share of the total investment. For financed Green Assets that are not yet operational, Diös will strive to provide estimates of future performance levels. The metrics below are examples of indicators that are likely to be used by Diös in the forthcoming Impact Report. Furthermore, Diös will specify the methodologies and main assumptions applied in the assessment of the environmental impacts.

Construction and Real Estate Activities

i. Energy performance/use
   a. For all buildings: the annual energy use per square meter Atemp (kWh/sqm/year)
   b. For all new buildings: the reduction in Primary Energy Demand (PED) compared to the requirement in the national implementation of NZEB
   c. For major renovations: the percentage reduction of Primary Energy Demand (PED)
   d. For acquisition and ownership of buildings that qualifies according to an Energy Performance Certificate (EPC): the level of the EPC
   e. For acquisition and ownership of buildings that qualifies according to the Taxonomy requirement on operational Primary Energy Demand (PED): confirm that the PED was within acceptable limits of the national or regional building stock at the time of a buildings inclusion in any Green Financing.

ii. Building certification and performance
   a. Type of certification
   b. Achieved level of certification
   c. For new buildings larger than 5,000 sqm: Airtightness and thermal integrity (verify that this has been done and also disclose observed deviations)

iii. Carbon emission savings/reductions
   a. Carbon intensity: grams per square meter Atemp
   b. Carbon savings: annual carbon emission reductions/savings (CO_2e tones)
   c. For new buildings larger than 5,000 sqm: LCA climate footprint (GWP)

iv. For Climate Change Adaptation projects/assets
   a. The precentage of total Climate Change Adaptation financing allocated to projects and assets per each of the four main climate related hazards defined in the EU Taxonomy.

Energy

i. Renewable energy generation: annual production (MWh)
ii. Carbon savings: annual carbon emission reductions/savings (CO_2e tones)

Transport

i. Bicycle facilities: number of facilities.
ii. The number of charging stations for electric vehicles installed.
iii. Zero tailpipe emission electric vehicles: the estimated carbon savings and the number of vehicles.

Carbon Footprint Calculation Methodology

To calculate GHG emission reductions, Diös uses the Green House Gas Protocol and reports on Scope 1, Scope 2 and Scope 3 emissions. For 2020 the numbers were 54 grams CO_2e per kWh for electricity, 41 grams CO_2e per kWh for district heating, with a combined CO_2e for delivered energy of 42 grams CO_2e per kWh (all values are location based emissions equivalents and includes Scope 2 and Scope 3 emissions per energy source).

To assure consistency the emission factor(s) used in Diös Green Bond reporting will equal the emission factor(s) used in the company's sustainability reporting and annual report (according to the method described above). It should be noted that this grid emission factor(s) Diös uses is considerably lower than what has been outlined in the "Nordic Public Sector Issuers: Position Paper on Green Bonds Allocation and Impact Reporting" (2020), which currently states 319 grams CO_2e per kWh.

External Review

The external auditor of Diös, or a similar party appointed by Diös with the relevant expertise and experience, will investigate and report whether the disbursed proceeds have been allocated to the Eligible Projects and Assets that Diös has communicated in the Reporting. Their conclusions will be provided in a signed statement, which will be published on Diös website (www.diös.se), no later than required by the proposed European Green Bond Standard.

Dedicated Website

Diös has a dedicated webpage for Green Financing on its website (www.diös.se) where investors can find information regarding Diös Green Financing, including:

- Details about outstanding Green Bonds and other market based Green Financing
- The Green Financing Framework
- Factsheet Pre-Issuance Review (Second Party Opinion)
- The Allocation and Impact Report
- Allocation Post-Issuance Review (Annual Review)
- Investor Presentations

Definitions

BBR means the Swedish national building regulation set up by the National Board of Housing, Building and Planning, determining the regulatory requirements and offering general advice regarding all stages of planning, construction and operations of real estate assets.

BREEAM Very Good, Excellent and Outstanding means the rating Very Good, Excellent and Outstanding within BREEAM, a grading scheme for the real estate sector developed by BRE Global, as well as local adaptations such as BREEAM-SE developed by the SGBC (Swedish Green Building Council) respectively, pursuant to their definition at the time of receipt of the relevant certification.

BREEAM IN-USE Very Good, Excellent and Outstanding means the rating Very Good, Excellent or Outstanding within BREEAM, a grading scheme for the real estate sector developed by BRE Global, pursuant to their definition at the time of receipt of the relevant certification.

European Green Bond Standard means the proposed voluntary standard (July 2021) that issuers can choose to follow when issuing green bonds. The standard requires the issuer to follow the EU Taxonomy meaning that the latter will determine what can be included in a European Green Bond, rather than the market.

EU Taxonomy the EU Taxonomy is a part of the EU Action plan on Sustainable Finance. It is a classification system that defines sustainable economic activities with the purpose of facilitating capital aggregation for a green and sustainable transition. To be aligned with the EU Taxonomy an activity must contribute substantially to at least one of the six defined environmental objectives and "do no significant harm" to the other five.

Miljöbyggnad Silver means the rating Silver and Gold within the Miljöbyggnad building certification scheme administered by the Sweden Green Building Council (SGBC), pursuant to its definition at the time of receipt of the relevant certification.

NZEB means the EU Nearly Zero Energy Buildings requirement, to be implemented in Sweden in the coming years.

Svanen means the environmental assessment and certification scheme of real estate assets developed and administered by the Nordic Swan Ecolabel, pursuant to its definition at the time of receipt of the relevant certification.

Taxonomy aligned economic activity means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852; whereby an economic activity shall qualify as environmentally sustainable where that economic activity complies with Technical Screening Criteria, does not Significantly harm any of the Environmental Objectives and is carried out in compliance with the minimum safeguards.

Taxonomy-alignment plan shall describe the actions and expenditures that are necessary for an economic activity to meet the taxonomy criteria within the specified period of time.

The Taxonomy Regulation (June, 2020) means EU Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Policy documents

Our up to date policies are published at our website and are available for download:

#	Name	Publicly available
1	Annual report 2020	Swedish, English
2	Anti-Corruption Policy	Swedish, English
3	Employee Code of conduct	Swedish, English
4	Environmental Policy	Swedish, English
5	Equal Opportunity and Anti-Discrimination Policy	Swedish, English
6	Health and Safety Policy	Swedish, English
7	Responsible Construction	Swedish, English
8	Supplier Code of Conduct	Swedish, English
9	Sustainability Policy	Swedish, English

Appendix 1:
Overview and summary of main Taxonomy Criteria at the time of publication

The table below summarizes and provides an indicative overview of the relevant Technical Screening criteria applicable at the time of publication of this Framework. External parties are advised that the regulatory requirements in effect at the time of any new Green Financing will be used to determine compliance.

Category	Technical Screening Criteria	Do No Significant Harm
Construction and real estate activities – Climate Change Mitigation		
7.1 New buildings	• NZEB -10% PED • Test for thermal integrity and air tightness • Life-cycle GWP value	2. Identify material physical climate risks 3. Water flow, temperature and pressure restrictions and Environmental Impact Assessment (EIA) requirements 4. At least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or material recovery 4. Building design supports circularity 5. Restrictions on hazardous materials 5. Reduction of noise, dust and pollutant emissions during construction/maintenance 6. An EIA or screening has been completed 6. Restrictions on the use of certain types of land
7.2 Renovation of buildings	Reduction of Primary Energy Demand (PED) of at least 30% over a three year period	2. Identify material physical climate risks 3. Water flow, temperature and pressure restrictions 4. At least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or material recovery 4. Building design supports circularity 5. Restrictions on hazardous materials 5. Reduction of noise, dust and pollutant emissions during construction/maintenance
7.3 Energy efficiency	• Prequalified measures such as added insulation, replacement of windows, energy efficient lightning and HVAC	2. Identify material physical climate risks 5. Restrictions on hazardous materials for the materials and components used
7.4 Electric vehicle infrastructure	• Individual measures to support electric vehicles	2. Identify material physical climate risks
7.5 Monitoring and remote management	• Individual measures to monitor and control energy use of buildings	2. Identify material physical climate risks
7.6 Renewable energy	• Individual renewable energy measures on-site	2. Identify material physical climate risks
7.7 Existing buildings	• EPC A or top 15% of the national or regional building stock (PED)	2. Identify material physical climate risks

cont. Appendix 1

Category	Technical Screening Criteria	Do No Significant Harm
Construction and real estate activities – Climate Change Mitigation		
4.1 Electricity generation using solar photovoltaic technology	• The activity generates electricity using solar PV technology.	2. Identify material physical climate risks 4. The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability, and that are easy to dismantle and refurbish 6. An EIA or screening has been completed
4.3 Electricity generation from wind power	• The activity generates electricity from wind power.	2. Identify material physical climate risks 4. The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability, and that are easy to dismantle and refurbish 6. An EIA or screening has been completed. Additional restrictions apply for biodiversity-sensitive areas and in case of offshore wind

Category	Technical Screening Criteria	Do No Significant Harm
Construction and real estate activities – Climate Change Mitigation		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	For vehicles of category M1 and N1: • Until 31 Dec 2025 emissions of CO2 lower than 50gCO2/km • From 1 Jan 2026 emissions of CO2 are zero For vehicles of category L emissions of CO2 are zero	2. Identify material physical climate risks 4. Vehicles (M1 and N1) are both reusable or recyclable to a minimum of 85% and reusable or recoverable to a minimum of 95% (by weight) 5. Vehicles comply with: the Euro 6 light-duty emission type-approval and the emissions thresholds in accordance with Directive 2009/33/EC
6.13. Infrastructure for personal mobility, cycle logistics	• The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics	2. Identify material physical climate risks 3. Sustainable use and protection of water and marine resources 4. At least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or material recovery 5. Reduction of noise, dust and pollutant emissions during construction/maintenance 6. An EIA or screening has been completed

cont. Appendix 1

Category	Technical Screening Criteria	Do No Significant Harm
Construction and real estate activities – Climate Change Adaptation		
7.1 New buildings	• The activity has implemented physical and non-physical solutions to reduce the most material and important physical climate risks • Material physical climate risks have been identified through a climate risk and vulnerability assessment	1. The bulding is not dedicated to axtraction, storage, transport or manufacture of fossil fuels 1. PED does not exceed the threshold set for NZEB 3. Water flow, temperature and pressure restrictions and Environment Impact Assessment (EIA) requirements 4. At least 70% (by weight) of non-hazardous construction and demolition waste is prepared for reuse, recycling or material recovery 4. Building design supports circularity 5. Restrictions on hazardous materials 5. Reduction of noise, dust, and pollutant emissions during construction/maintenance 6. An EIA or screening has been completed 6. Restrictions on the use of certain types of land
7.2 Renovation of buildings	• The activity has implemented physical and non-physical solutions to reduce the most material and important physical climate risks • Material physical climate risks have been identified through a climate risk and vulnerability assessment	1. The bulding is not dedicated to axtraction, storage, transport or manufacture of fossil fuels 3. Water flow, temperature and pressure restrictions and Environment Impact Assessment (EIA) requirements 4. At least 70% (by weight) of non-hazardous construction and demolition waste is prepared for reuse, recycling or material recovery 4. Building design supports circularity 5. Restrictions on hazardous materials
7.7 Existing buildings	• The activity has implemented physical and non-physical solutions to reduce the most material and important physical climate risks • Material physical climate risks have been identified through a climate risk and vulnerability assessment	1. The bulding is not dedicated to axtraction, storage, transport or manufacture of fossil fuels 1. Buildings built before 31 December 2020: at least EPC C or within 30% of the national building stock (PED) 1. Buildings built after 31 December 2020: PED does not exceed the threshold set for NZEB

European Green Bond Factsheet

1. General Information

Date of the publication: November 8, 2021
The Issuer: Diös Fastigheter AB.
LEI: 549300G3VF7LZQ9IW435.
Website: www.dios.se . Telephone: +46 770 33 22 00

Bonds: In accordance with Article 8.2 in the proposed European Green Bond Standard this Factsheet can be used for multiple bonds. The issuer will keep an updated list of all bonds adhering to this Factsheet on its website, where available including international securities identification numbers (ISIN).

External Reviewer: Cicero Shades of Green. Website: cicero.green . Adress: Gaustadalléen 21, 0349 OSLO. Mail: info@cicero.green

Additional information: Please note that additional non-binding information about the issuers green bond financing is available in the public Green Financing Framework, located on the issuers website.

2. Adhesion to the requirements of the European Green Bonds Regulation

The issuer voluntarily adheres to the requirements of the proposed European Green Bond Standard. Investors and third parties are advised that the accreditation mechanism for External Reviewers under the European Green Bond Standard is not yet in place nor is the standard adopted, meaning that at the time of publishing this Factsheet it was not technically possible to issue accredited European Green Bonds. Diös might seek such accreditation by an External Reviewer at a later date with a party that is registered with the European Securities and Markets Authority, but until such time investors and third parties must make their own assessment regarding the adherence of any Green Bond to such standards and regulation. Green Bonds will be subject to the version of the Factsheet specified in the associated financing documentation and future changes to the Factsheet or relevant standards (for example, the Taxonomy or the European Green Bond Standard) will not apply to already outstanding Green Bonds unless explicitly communicated by Diös and only if the intent of such changes were to align the Factsheet with the European Green Bond Standard, the Taxonomy Regulation or other relevant regulation with the purpose to fulfill the requirements of such legislation and achieve an accreditation of the Factsheet as a European Green Bond by an External Reviewer.

3. Environmental strategy and rationale

Our long-term goal is to achieve net zero emissions before 2045. The real estate sector has a large climate footprint, which grants us an opportunity through changed behavior. We are integrating life-cycle analysis into our property management which grants increased resource and energy efficiency, healthier material choices, lower greenhouse gas emissions and decreased risks. Our Green Bonds will contribute to the projects and assets that allow us to achieve our long-term and short-term target, by allowing us to raise financing for Taxonomy aligned purposes. The environmental objectives pursued by the green bonds issued in accordance with this factsheet are climate change mitigation and climate change adaptation, to finance and refinance such assets and expenditures that are aligned with our long-term target.

4. Intended allocation of bond proceeds

4.1 Estimated Time until full allocation of proceeds

The intention of the issuer is to allocate proceeds from any new green bond as soon as possible and typically within thirty business days from the receipt of proceeds. In the event of pre-financing the issuer estimates that the proceeds will be fully allocated within twelve months' time from the receipt of proceeds. If allocating proceeds to projects that are to be compliant through a Taxonomy-alignment plan the proceeds will be allocated within a period not exceeding five years.

4.2 Process for selecting green projects and estimated environmental impact

Project selection: Projects and assets will be evaluated by Diös' green business council to ensure compliance with this factsheet. It will evaluate their overall environmental

impact and risk, which includes life cycle considerations, potential rebound effects, resilience to climate change and alignment with the Taxonomy and EUGBS. Projects and assets must also be assessed as compliant with applicable laws and regulations as well as policies and guidelines at Diös. The council holds the sole mandate to approve projects and assets by unanimous decision and decisions will be documented. The council is also responsible for signing off on the forthcoming reporting.

Use of Proceeds: The applicable technical screening criteria are determined by Regulation (EU) 2020/852 article 10 climate change mitigation (CCM) and article 11 climate change adaptation (CCA). The eligible categories are specified below and may include additional voluntary criteria managed in the project selection.

CCM: 7. Construction and real estate activities

7.1 Construction of new buildings
- Additional criteria: have or target to achieve a building certification of at least BREEAM-SE "Very Good" or Svanen and an energy use (PED) at least 20% lower than NZEB.

7.2 Renovation of existing buildings
- Additional criteria: have or target to achieve a building certification of at least BREEAM-SE "Very Good", BREEAM In-Use "Very Good", Miljöbyggnad Silver or Svanen.

7.3 Installation, maintenance, and repair of energy efficiency equipment
- Additional criteria: minimize long term negative climate impact, potential rebound effects and negative climate impact from the technology used.

7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to 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
- Additional criteria: minimize long term negative climate impact, potential rebound effects and negative climate impact from the technology used.

7.7 Acquisition and ownership of buildings

- Additional criteria: have a building certification of at least BREEAM-SE "Very good", BREEAM In-Use "Very Good", Miljöbyggnad Silver or Svanen and also achieve an energy performance equivalent or better then below and for own develoment at least 15% lower than the national building code (BBR) applicable for the speceific building.
- The initial applicable top 15% are: Residential buildings: 85 kWh/sqm (PED) and other building types: 85 kWh/sqm. If any official top 15% benchmarks are established such benchmarks will be used instead (however, the PED will not exceed 90 kWh/sqm).

CCM: 4. Energy
4.1 Electricity generation using solar photovoltaic technology
4.3 Electricity generation from wind power

CCM: 6. Transport
6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- Additional criteria: Specific emissions of CO_2e are zero.

6.13 Infrastructure for personal mobility, cycle logistics

CCA: 7. Construction and real estate activities
7.1 Construction of new buildings
7.2 Renovation of existin buildings
7.7 Acquisition and ownership of buildings

Methodology and assumptions: In accordance with Article 8.2 in the proposed European Green Bond Standard this Factsheet can be used for multiple bonds. The annual allocation and impact report will detail, where available, the methodologies and main assumptions used to produce key impact metrics.

Environmental impact: In accordance with Article 8.2 in the proposed European Green Bond Standard this Factsheet can be used for multiple bonds. The environmental impact, where available, will be disclosed in the annual allocation and impact report.

4.3 Intended qualifying green projects

In accordance with Article 8.2 in the proposed European Green Bond Standard this Factsheet can be used for multiple bonds and information about specific projects cannot be disclosed in the factsheet. Item 4.2 discloses eligible categories and criteria and item 5 the ongoing reporting requirements. Intended qualifying projects will adhere to the following requirements:

Environmental objectives: See 4.2.
Type, sectors and NACE codes: See 4.2. NACE codes, if applicable, will be disclosed in the reporting.
Location: The Nordics.
Allocation to new/existing projects: Majority of proceeds are expected to be allocated to existing projects and assets. Proportions will be disclosed in the reporting.

Proportion of financing: Will be disclosed in the reporting.

Links to relevant public information: Public information about the issuers projects may be available at the issuers website (www.dios.se).

4.4 Unallocated proceeds

Temporary use of unallocated proceeds: The issuer will to the best of its ability ensure that the temporary use of unallocated proceeds will not harm the delivery of the environmental objectives. Unallocated proceeds may be invested in short-term interest bearing securities from entities that are not linked to fossil based energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction (such as rare-earth metals or fossil fuels), gambling or tobacco.

5. Information on reporting

Website for future reporting: Diös green bond website.

Allocation reporting: Allocation of proceeds from green bonds will be provided at project level, unless confidentiality agreements, competitive considerations, or a large number of underlying qualifying projects limit the amount of detail that can be made available, in which

case the information will be provided at an aggregated level, with an explanation of why project-level information is not given.

Allocation and Impact Reporting: Allocation and Impact reporting will be provided yearly until no Green Bonds are outstanding. The report will adhere to the requirements outlined in Annex II and III of the proposed European Green Bond Standard and may include additional voluntary data as outlined under item 6.

6. Other relevant information

Allocation and Impact Report: The metrics below are examples of indicators that are likely to be used by Diös in forthcoming Allocation and Impact Reports.

Construction and Real Estate Activities

i. Energy performance/use
   a. For all buildings: the annual energy use per square meter Atemp (kWh/sqm/year)
   b. For all new buildings: the reduction in Primary Energy Demand (PED) compared to the requirement in the national implementation of NZEB
   c. For major renovations: the percentage reduction of Primary Energy Demand (PED)
   d. For acquisition and ownership of buildings that qualifies according to an Energy Performance Certificate (EPC): the level of the EPC
   e. For acquisition and ownership of buildings that qualifies according to the Taxonomy requirement on operational Primary Energy Demand (PED): confirm that the PED was within acceptable limits of the national or regional building stock at the time of a buildings inclusion in any Green Financing and also disclose the source and value of the top 15% assessment/benchmark per building type.

ii. Building certification and performance
   a. Type of certification
   b. Achieved level of certification
   c. For new buildings larger than 5,000 sqm: Airtightness and thermal integrity (verify that this has been done and also disclose observed deviations)

iii. Carbon emission savings/reductions
   a. Carbon intensity: grams per square meter Atemp
   b. Carbon savings: annual carbon emission reductions/savings (CO_2e tones)
   c. For new buildings larger than 5,000 sqm: LCA climate footprint (GWP)

iv. Climate Change Adaptation projects/assets
   a. The percentage of total Climate Change Adaptation financing allocated to projects and assets per each of the four main climate related hazards defined in the EU Taxonomy

Energy

i. Renewable energy generation: annual production (MWh)
ii. Carbon savings: annual carbon emission reductions/savings (CO_2e tones)

Transport

i. Bicycle facilities: number of facilities.
ii. The number of charging stations for electric vehicles installed.
iii. Zero tailpipe emission electric vehicles: the estimated carbon savings and the number of vehicles.

Diös

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