# Fortinova Fastigheter AB

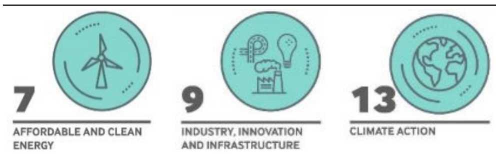
## Second-Party Opinion — Green Bond Framework

*Fortinova Fastigheter AB is a Swedish residential real estate company focused on acquiring, developing and long-term managing rental properties. The issuer has published a green bond framework, which includes the use of proceeds (UoP) categories of green buildings and energy efficiency. Transactions under the framework are aligned with the core pillars of the ICMA Green Bond Principles 2025 (GBP).*

Excellent ✓ | Good | Aligned | Not Aligned

| Pillar | Alignment | Key Drivers |
|---|---|---|
| Use of Proceeds | Excellent | • Sustainable Fitch views the UoP categories in the framework as aligned with the ICMA GBP.<br>• Both UoP categories have a positive environmental impact. The majority of the eligibility criteria align with the EU taxonomy substantial contribution criteria (SCC) for climate change mitigation. |
| Use of Proceeds – Other Information | Good | • The three-year lookback period applied to opex is aligned with standard market practice. Our assessment is supported by Fortinova's commitment to prohibit investments that breach the Paris-Aligned Benchmark (PAB) exclusion criteria. |
| Evaluation and Selection | Excellent | • The evaluation and selection process is clearly defined and involves sustainability personnel, which we view positively. The multi-layered internal control structure helps strengthen internal checks and balances throughout the process. |
| Management of Proceeds | Good | • Our assessment is supported by its commitment to monitor allocation and remove projects in the case of ineligibility.<br>• We consider the holding of unallocated proceeds as company liquidity as standard market practice. |
| Reporting and Transparency | Excellent | • The commitment to annually report on allocation and impact until full proceeds allocation aligns with the ICMA GBP.<br>• The aggregated approach to reporting reflects a level of granularity that aligns with general market practice. |

### Relevant UN Sustainable Development Goals




| | |
|---|---|
| **Framework Type** | Green |
| **Alignment** | ✓ Green Bond Principles 2025 (ICMA) |
| **Date assigned** | 10 September 2026 |

**SPO Methodology**

See Appendix B for definitions.

### Analysts

Daniel Collins
+44 20 3530 1277
daniel.collins@sustainablefitch.com

Stela Zarija
+34 93 323 8418
stela.zarija@sustainablefitch.com

### Media Contact

Tahmina Pinnington-Mannan
+44 20 3530 1128
tahmina.pinnington-mannan@thefitchgroup.com

## Use of Proceeds Summary – ICMA Categories

| | |
|---|---|
| **Green** | Green buildings<br>Energy efficiency<br>Renewable energy |

Source: Fortinova green bond framework (August 2026)

## Framework Highlights

We consider transactions under Fortinova's green bond framework to be aligned with the ICMA GBP.

Fortinova integrated sustainability throughout its business model. Its environmental initiatives are focused on energy efficiency, responsible material choices and climate-smart property management. It introduced a dedicated green bond framework to channel investments towards projects that demonstrate clear environmental benefits.

The framework outlines processes for project evaluation and selection, management of proceeds and reporting, in line with the four core components of the ICMA GBP. The framework comprises two UoP categories: green buildings and energy efficiency.

The green buildings UoP covers the renovation, acquisition and ownership of buildings that meet at least one of the framework's defined eligibility criteria, covering energy performance certificates (EPC) and primary energy demand (PED) performance. Projects are eligible under EU taxonomy activities 7.2 "renovation of existing buildings" and 7.7 "acquisition and ownership of buildings".

The energy efficiency UoP covers investments that achieve at least a 30% improvement in building energy efficiency, either at the whole-building level or individually through the specific improvement measure undertaken. Projects are eligible under EU taxonomy activities 7.3 "installation, maintenance and repair of energy efficiency equipment" and 7.6 "installation, maintenance and repair of renewable energy technologies". The framework defines multiple eligibility criteria that align with the relevant SCC for the eligible taxonomy activities.

Source: Sustainable Fitch, Fortinova green bond framework (August 2026)

## Entity Highlights

Fortinova is a residential real estate company headquartered in Varberg, Sweden. It is focused on acquiring, developing and long-term managing rental properties across the western coastal regions of Halland, Västra Götaland and Skaraborg.

It had a portfolio value of SEK5.4 billion (USD584.8 million) as of December 2025, centred on major Swedish cities including Gothenburg, Borås and Uddevalla. The portfolio primarily consists of residential properties, complemented by commercial and community buildings.

The real estate sector's environmental footprint is substantial. It significantly contributes to energy consumption, emissions, depletion of natural resources, waste production and alterations in land-use patterns. The European Commission reports buildings are responsible for around 40% of energy consumption and 36% of energy-related emissions in the EU.

Fortinova has set a long-term target to achieve net-zero emissions by 2050, supported by interim environmental targets centred on lowering climate impact, increasing energy efficiency and enhancing the overall quality of its property portfolio.

To support its sustainability agenda for 2026–2028, it has established five key environmental goals: cut Scope 1 emissions by 50% by 2030; reach an average energy consumption level of 90kWh/sqm/year for electricity and heating; deliver annual water savings of 2%; achieve annual energy savings of 2%; and ensure that no more than 5% of the property portfolio is rated F–G for energy performance.

Fortinova's emissions profile is primarily driven by district heating-related Scope 2 emissions, representing 57% of total emissions in 2025. Electricity consumption represents just 0.2% of total emissions, as all electricity is sourced from renewable energy. Its Scope 1 emissions fell by 7% to 70.3t$CO_2$e in 2025 compared to 2023 due to several measures, such as optimisation of heating and ventilation systems.

Portfolio energy consumption intensity and related emissions declined year on year over the past three reporting years for which data is available. Its emissions intensity fell to 2.83kg/sqm in 2025 from 3.52kg/sqm in 2022. Fortinova is also on track to achieve its 2030 energy intensity target of 78kWh/sqm, having reached 70kWh/sqm in 2025.

Its key focus areas for portfolio decarbonisation include energy optimisation, conversion to LED lighting, window replacements and solar panel installations across the property portfolio. In 2024, it expanded its Scope 3 emissions reporting beyond upstream emissions for fuel- and energy-related activities to measure emissions from tenant-generated waste and water consumption.

Fortinova linked its ambitions to the UN Sustainable Development Goals, identifying six as strategic ambitions: 5 (gender equality), 6 (clean water and sanitation), 8 (decent work and economic growth), 11 (sustainable cities and communities), 13 (climate action) and 15 (life on land).

Source: Sustainable Fitch, Fortinova green bond framework (August 2026), annual report 2025

| Use of Proceeds – Eligible Projects | Alignment: Excellent |
|---|---|
| **Company Material** | **Sustainable Fitch's View** |

**Green buildings**

*Company Material*

- This UoP can finance and/or refinance the renovation, acquisition and ownership of buildings.
- To be deemed eligible, one of the following criteria must apply to projects:
  - Buildings built after 31 December 2020 have or will have either an EPC level A or energy consumption at least 20% below the applicable national building regulation, demonstrated by an EPC.
  - Buildings built before 1 January 2021 have or will have either an EPC level A or energy consumption at least 20% below the applicable national building regulation, demonstrated by an EPC.
  - Buildings built before 1 January 2021 are within the top 15% of the national building stock in terms of PED, where top 15% is defined according to local regulation(s) or best practice when such regulation is not in place.
  - Major renovations result in PED savings of at least 30% compared to the pre-renovation level.

*Sustainable Fitch's View*

- This UoP has a positive environmental impact as it supports the decarbonisation of the building sector, a major contributor to global energy consumption and emissions. Achieving high performance standards is important to support progress towards net-zero emissions by 2050 given the long lifespan of real estate assets.
- The building and property sector accounts for almost 40% of energy consumption and 20% of emissions in Sweden, underlining the importance of improving energy performance across the country's real estate stock. This is particularly important for Fortinova as it pursues its interim energy and emissions reduction goals, as well as its wider ambition of achieving net zero by 2050.
- The taxonomy recognises building renovation, acquisition and ownership as contributing to climate change mitigation.
- Projects within this UoP are taxonomy eligible under activities 7.2 "renovation of existing buildings" and 7.7 "acquisition and ownership of buildings".
- The eligibility criteria for this UoP generally mirror the SCC for these activities; specifically, the criteria related to energy performance align with the SCC. Fortinova will rely on the widely used 2022 market study commissioned by Fastighetsägarna to assess whether its buildings fall within the top 15% of the national building stock for PED.
- We therefore view these criteria positively, as the EU taxonomy relies on a science-based framework to define sustainable activities that contribute to environmental objectives such as climate change mitigation.
- Projects under this UoP are aligned with the ICMA GBP category of green buildings.



**Energy efficiency**

*Company Material*

- This UoP can finance and/or refinance investment in buildings providing an improvement of energy efficiency by at least 30% either for the whole building or individually as a result of the undertaken improvement measure. This includes, but is not limited to:
  - performance improvement to the insulation, ventilation, light systems and windows; and
  - the installation of solar panels.

*Sustainable Fitch's View*

- This UoP has a positive environmental impact, as energy-efficiency projects can support building sector decarbonisation.
- Energy-efficiency improvements can provide several strategic and financial benefits for residential real estate companies. They can reduce energy consumption and associated operating costs, lower tenants' utility expenses and improve affordability, which may support tenant satisfaction and retention.
- Improvements to the building envelope, such as better insulation and upgraded windows, are particularly important in the Swedish residential market, where heating-related energy use accounts for a significant share of total building consumption.
- Energy-efficiency equipment installations, including insulation, ventilation, light systems and windows, are eligible under taxonomy activity 7.3 "installation, maintenance and repair of energy efficiency equipment".
- This activity must comprise measures that comply with minimum requirements for individual components and systems and, where applicable, be rated in the highest two populated classes of energy efficiency. Fortinova confirmed during engagement that this will apply to all energy-efficiency installation projects within this UoP.
- Solar panel installations have the dual benefit of reducing operational costs and limiting portfolio emissions. Sweden also has broader renewable energy-related incentives, including energy certificates for renewable electricity


| | |
|---|---|
| | producers and tax deductions for small-scale renewable generation and storage.<br>• Solar panel installation projects are eligible under activity 7.6 “installation, maintenance and repair of renewable energy technologies”. The taxonomy considers this activity to substantially contribute to climate change mitigation without needing to meet additional criteria.<br>• Projects under this UoP are aligned with the ICMA GBP categories of energy efficiency and renewable energy. |
| Source: Fortinova green bond framework (August 2026) | Source: Sustainable Fitch |

| Use of Proceeds – Other Information | Alignment: Good |
|---|---|
| **Company Material** | **Sustainable Fitch's View** |
| • An amount equal to the net proceeds of green finance instruments issued by Fortinova will be used to finance and/or refinance, in part or in full, assets and expenditures that have been evaluated and selected in line with the framework's eligibility criteria.<br>• Proceeds will be used to finance and/or refinance eligible assets with no specific age restriction and opex with up to a three-year lookback period before the issuance of any green finance instrument.<br>• Proceeds will not be used to finance and/or refinance investments that breach the PAB exclusion criteria. | • The framework does not commit to a pre-defined level of new financing for planned investments. However, Fortinova states that its allocation reporting will include a breakdown between the share of financing and refinancing.<br>• The market generally prefers new financing over refinancing, as it brings more environmental additionality by producing positive impacts from projects that have not been previously recognised.<br>• Additionality for fixed assets, such as properties, is demonstrated by the environmental benefits generated throughout the residual operational life. These projects are generally long-lived and clearly tied to measurable environmental outcomes.<br>• Fortinova will not apply a lookback period to asset refinancing, but a three-year lookback period will be applied to opex. We view one-year lookback periods as best practice among labelled bond issuers.<br>• The exclusionary criteria in the framework are legally defined by the EU and measure the performance of investment strategies against the Paris Agreement goals. Aligning exclusionary criteria with this benchmark provides assurance that proceeds will not be allocated to activities that conflict with Fortinova's sustainability objectives or PAB compliance. |
| Source: Fortinova green bond framework (August 2026) | Source: Sustainable Fitch |

| Evaluation and Selection | Alignment: Excellent |
|---|---|
| **Company Material** | **Sustainable Fitch's View** |
| • A green finance committee will manage the selection of eligible assets and expenditures under the framework on an annual basis.<br>• The committee comprises the chief financial officer, business control function and sustainability manager. Fortinova will ensure that the committee consistently includes sustainability expertise.<br>• Potential green assets and expenditures will be identified by the finance unit. The green finance committee, in consultation with relevant sustainability experts, will assess and verify the eligibility of each proposal against the eligibility criteria. | • The project evaluation and selection process is well defined and follows a structured and formal approach, in line with the ICMA GBP.<br>• We positively view that the green finance committee comprises multiple representatives from different business units and involves sustainability personnel. In our view, committees that bring together a broad range of business representatives and draw on the expertise of sustainability specialists establish strong checks and balances throughout the decision-making process.<br>• The separation of responsibilities between teams proposing eligible projects and those approving or rejecting them reflects a multi-layered control structure. We consider this approach to represent market best practice. A multi-layered structure strengthens internal scrutiny of project eligibility, helping ensure that proceeds are allocated in a way that supports positive environmental outcomes. |
| Source: Fortinova green bond framework (August 2026) | Source: Sustainable Fitch |

| Management of Proceeds | Alignment: Good |
|---|---|
| **Company Material** | **Sustainable Fitch's View** |
| • An amount equal to the net proceeds from green finance instruments will be tracked through a green finance register.<br>• If applicable, Fortinova will hold any unallocated proceeds temporarily in accordance with the company's normal liquidity management policy, while adhering to the framework exclusionary criteria.<br>• Items that do not meet the eligibility criteria outlined in the framework can be removed by the green finance committee. | • We view Fortinova's internal proceeds tracking approach as being in line with general market practice and the ICMA GBP.<br>• Market best practice is to segregate the funds from normal treasury accounts via a separate bank account. This prevents commingling of funds and provides assurance that funds will be used to bring about positive environmental impact throughout the instrument's term.<br>• Holding unallocated proceeds temporarily in cash or cash-equivalent instruments is in line with standard market practice. Temporarily investing the unallocated proceeds into a restricted pool of assets that have green characteristics allows the proceeds to align with the sustainability commitment throughout the bond or loan term and is the favoured approach for many investors.<br>• The ability to remove projects that no longer meet the framework's eligibility criteria helps ensure that the proceeds will continuously deliver a positive environmental impact. |
| Source: Fortinova green bond framework (August 2026) | Source: Sustainable Fitch |

| Reporting and Transparency | Alignment: Excellent |
|---|---|
| **Company Material** | **Sustainable Fitch's View** |
| • Fortinova intends to report annually on both the allocation of proceeds and the environmental impact of each green financing instrument issued under the framework until full allocation. Disclosures will be made publicly available on the company's website.<br>• The allocation report will include the following information.<br>– The total amount of green finance outstanding.<br>– The share of proceeds used for financing and refinancing, as well as the share of proceeds allocated to the categories defined in the framework.<br>– The share (if any) of unallocated proceeds.<br>– The allocation of proceeds to each eligible asset and expenditure category.<br>– The types (if any) of temporary unallocated proceed placements.<br>– Examples and case studies of the relevant eligible assets and expenditures.<br>• The impact report may include the following information, where available, on an aggregated basis: environmental impacts (such as energy savings, $CO_2$ savings/avoidance, energy efficiency of green assets) financed through green finance instruments, and other relevant environmental impacts.<br>• Fortinova will ensure an external post-issuance review on the allocation of net proceeds for any green finance instrument in a form of at least limited assurance. This post-issuance review will be made available on the company's website. | • Fortinova's commitment to annual reporting on the allocation and impact of any green finance instrument issued until the full allocation of proceeds aligns with the recommendations of the ICMA GBP.<br>• During engagement, Fortinova confirmed its commitment to update its reporting in the event of any material changes to allocated proceeds, providing increased transparency of allocation across the life of a given instrument.<br>• Fortinova will use a portfolio-based approach for allocation and impact reporting. Accordingly, we expect reporting to be provided at the UoP level, offering a degree of disclosure granularity that is consistent with broader market practice.<br>• We consider project-by-project reporting, segregated by individual instruments, as best practice for reporting. This supports transparency and enables investors to attribute impact to the specific projects financed.<br>• We positively view the issuer's selection of impact metrics. The sample metrics are clearly measurable and aligned with recognised international market standards, specifically the recommendations in the ICMA Handbook – Harmonised Framework for Impact Reporting (June 2024), which identifies energy savings and $CO_2$ emissions reductions as core indicators.<br>• Fortinova's commitment to obtain an assurance report from an external auditor on the allocation reporting is standard market practice. External verification of impact reporting would add credibility to the reported environmental metrics and enhance transparency for investors. |
| Source: Fortinova green bond framework (August 2026) | Source: Sustainable Fitch |

## Relevant UN Sustainable Development Goals

- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.
- **7.3:** By 2030, double the global rate of improvement in energy efficiency.


- **9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.


- **13.2:** Integrate climate change measures into national policies, strategies and planning.


Source: Sustainable Fitch, UN

## Appendix A: Principles and Guidelines

### Type of Instrument: Green

| Four Pillars | |
|---|---|
| 1) Use of Proceeds (UoP) | Yes |
| 2) Project Evaluation & Selection | Yes |
| 3) Management of Proceeds | Yes |
| 4) Reporting | Yes |

| Independent External Review Provider | |
|---|---|
| Second-party opinion | Yes |
| Verification | Yes |
| Certification | No |
| Scoring/Rating | No |
| Other | n.a. |

| 1) Use of Proceeds (UoP) | |
|---|---|
| Renewable energy | Yes |
| Energy efficiency | Yes |
| Pollution prevention and control | No |
| Environmentally sustainable management of living natural resources and land use | No |
| Terrestrial and aquatic biodiversity conservation | No |
| Clean transportation | No |
| Sustainable water and wastewater management | No |
| Climate change adaptation | No |
| Certified eco-efficient and/or circular economy adapted products, production technologies and processes | No |
| Green buildings | Yes |
| Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | No |
| Other | n.a. |

| 2) Project Evaluation and Selection | |
|---|---|
| **Evaluation and Selection** | |
| Credentials on the issuer's social and green objectives | Yes |
| Documented process to determine that projects fit within defined categories | Yes |
| Defined and transparent criteria for projects eligible for sustainability instrument proceeds | Yes |
| Documented process to identify and manage potential ESG risks associated with the project | Yes |
| Summary criteria for project evaluation and selection publicly available | Yes |
| Other | n.a. |

| Evaluation and Selection, Responsibility and Accountability | |
|---|---|
| Evaluation and selection criteria subject to external advice or verification | No |
| In-house assessment | Yes |
| Other | n.a. |

| 3) Management of Proceeds | |
|---|---|
| **Tracking of Proceeds** | |
| Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner | Yes |
| Disclosure of intended types of temporary investment instruments for unallocated proceeds | Yes |
| Other | n.a. |

## Type of Instrument: Green

| Additional Disclosure | |
|---|---|
| Allocations to future investments only | No |
| Allocations to both existing and future investments | Yes |
| Allocation to individual disbursements | No |
| Allocation to a portfolio of disbursements | Yes |
| Disclosure of portfolio balance of unallocated proceeds | Yes |
| Other | n.a. |

### 4) Reporting

| UoP Reporting | |
|---|---|
| Project-by-project | No |
| On a project portfolio basis | Yes |
| Linkage to individual instrument(s) | No |
| Other | n.a. |

| UoP Reporting/Information Reported | |
|---|---|
| Allocated amounts | Yes |
| Sustainability instrument-financed share of total investment | No |
| Other | n.a. |

| UoP Reporting/Frequency | |
|---|---|
| Annual | Yes |
| Semi-annual | No |
| Other | n.a. |

| Impact Reporting | |
|---|---|
| Project-by-project | No |
| On a project portfolio basis | Yes |
| Linkage to individual instrument(s) | No |
| Other | n.a. |

| Impact Reporting/Information Reported (exp. ex-post) | |
|---|---|
| GHG emissions/savings | Yes |
| Energy savings | Yes |
| Decrease in water use | No |
| Other ESG indicators | Energy efficiency of financed green assets |

| Impact Reporting/Frequency | |
|---|---|
| Annual | Yes |
| Semi-annual | No |
| Other | n.a. |

| Means of Disclosure | |
|---|---|
| Information published in financial report | No |
| Information published in ad hoc documents | Yes |
| Information published in sustainability report | No |
| Reporting reviewed | Yes |
| Other | n.a. |

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

## Appendix B: Definitions

| Term | Definition |
|---|---|
| **Debt types** | |
| Green | Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies. |
| Social | Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies. |
| Sustainability | Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies. |
| Sustainability-linked | Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan). |
| Conventional | Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective. |
| Other | Any other type of financing instrument or a combination of the above instruments. |
| | |
| **Standards** | |
| ICMA | International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds. |
| LMA, LSTA and APLMA | Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans. |
| EU Green Bond Standard | A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market". |

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

## SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.