
Triol Bostadskreditfond

SFDR website fund disclosure

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Introduction

This disclosure is made pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (“**SFDR**”), as supplemented by the Delegated Regulation (EU) 2022/1288 with regard to regulatory technical standards. This disclosure is made in respect of Triol Bostadskreditfond AB, Reg. No. 559449-0061 (the “**Fund**”), an internally managed alternative investment fund.

1. Summary

- (a) **No sustainable investment objective:** The Fund promotes environmental or social characteristics, but does not have sustainable investments as its objective.
- (b) **Environmental or social characteristics of the financial product:** The Fund’s overall sustainability aim is to promote sustainable housing developments in Sweden by providing credits for housing projects which are considered to positively affect society, the economy and the environment. The Fund promotes the following environmental and social characteristics: (i) sustainable construction; (ii) green loans; and (iii) accessibility and inclusion.
- (c) **Investment strategy:** The Fund is a debt fund whose investment strategy is to offer various types of short to medium-term secured loan solutions to property developers. The Fund will invest in loans to Swedish property developers. The loans provided by the Fund consist mainly of construction loans within the following categories: (i) focus on residential development; and (ii) short-term, secured financing.

Under the Sustainability Policy (as defined below), the Fund shall strive towards attaining the promoted characteristics by taking the following elements into account when selecting investments: (i) sustainable construction; (ii) green loans; (iii) accessibility and inclusion; (iv) responsible lending; and (v) risk management.

Good governance, in particular with respect to sound management structures, employee relations, remuneration and tax compliance, of the Fund’s borrowers, is first assessed during the Fund’s due diligence and credit assessment (as part of the Fund’s responsible lending criteria under the Sustainability Policy) and thereafter reviewed periodically. Furthermore, the Fund will also assess whether the borrowers have policies in place related to e.g., work environment such as a code of conduct. Regular checks and follow-ups are carried out throughout the project’s lifecycle to assess adherence to governance principles, regulatory compliance, and workplace safety and sustainability commitments.

- (d) **Proportion of investments:** At least ninety per cent. (90%) of the Fund’s loans are expected to be aligned with one or several of the environmental and/or social characteristics promoted by the Fund (*#1 Aligned with E/S characteristics*). The remainder may at any time be invested in liquidity investments (i.e., investments kept

for liquidity and/or hedging purposes such as cash, cash equivalents, and/or hedging instruments) (#2 *Other*). There are no minimum environmental or social safeguards in relation to such liquidity investments.

The Fund does not commit to invest in any *sustainable investments* within the meaning of the SFDR or in any *environmentally sustainable investments* pursuant to the EU Taxonomy (Taxonomy-aligned investments). Accordingly, the minimum share of sustainable investments and Taxonomy-aligned investments is 0%.

- (e) **Monitoring of environmental or social characteristics:** The attainment of the Fund's promoted environmental or social characteristics are monitored via the Fund's sustainability indicators. The Fund continuously seeks to monitor investments made through periodic reports (monthly during the construction phase) and key performance indicators. Since certifications, energy performance declarations, and similar assessments are typically granted after project completion, the initial ESG assessment is updated continuously. The sustainability indicators used to measure the attainment of the promoted environmental and social characteristics include (but are not limited to) (i) percentage of financed projects with solar panels or other renewable energy sources; (ii) percentage of projects financed with energy class A or B; (iii) percentage of financed housing classified as "social housing" (such as affordable housing and housing adapted for the elderly and persons with disabilities); and (iv) climate and flooding risks.
- (f) **Methodologies:** The Fund will employ various methodologies to measure how the environmental characteristics promoted by the Fund are met, e.g. document reviews, external verifications, desktop surveys, ongoing monitoring and post-completion verifications.
- (g) **Data sources and processing:** The Fund monitors investments through various data sources, e.g. dialogues with borrowers, desktop surveys, external opinions, monthly reports from borrowers and on-site visits. Data quality is ensured by comparing borrowers' reports, third-party certificates and observations from construction consultants. In the event of discrepancies, additional documentation or on-site verifications will be requested. The data is recorded and processed in the Fund's internal ESG analysis model, which is integrated into the Fund's credit process. Data is processed through a combination of manual recording and system support.
- (h) **Limitations to methodologies and data:** The limitations to methodologies and data will primarily depend on the data (and the quality thereof) received from borrowers. For example, if the borrowers are unsuccessful in providing the requested data or the periodic reports or the data is otherwise insufficient, this could potentially affect the Fund's ability to monitor the attainment of the promoted environmental or social characteristics.
- (i) **Due diligence:** The Fund's ESG due diligence process consists of (i) a pre-study, (ii) the due diligence and (iii) monitoring.
- (j) **Engagement policies:** The Fund does not currently have any engagement policy as the Fund does not invest in shares traded on a regulated market.
- (k) **Designated reference benchmark:** No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

2. No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have sustainable investments as its objective.

3. Environmental or social characteristics of the financial product

The Fund's overall sustainability aim is to promote sustainable housing developments in Sweden by providing credits for housing projects which are considered to positively affect society, the economy and the environment. The Fund has adopted a sustainability policy (the "**Sustainability Policy**") outlining the Fund's promotion of the following environmental characteristics:

- **Sustainable construction:** The Fund prioritises the financing of projects that use environmentally friendly construction materials and methods, and follow energy efficiency and emission reduction guidelines. Special focus is given to housing projects that follow clear energy efficiency guidelines and actively work to minimise emissions during construction and operation.
- **Green loans:** The Fund prioritises the financing of projects that aim to reduce energy consumption and carbon emissions, such as passive houses or buildings with certain environmental certifications.

Furthermore, the Fund will promote the following social characteristics:

- **Accessibility and inclusion:** The Fund supports projects that provide housing that can be used by all, including affordable housing and housing adapted for the elderly and persons with disabilities.

4. Investment strategy

General

The Fund is a debt fund whose investment strategy is to offer various types of short to medium-term secured loan solutions to property developers. The Fund will invest in loans to Swedish property developers. The loans provided by the Fund consist mainly of construction loans within the following categories:

- **Focus on Residential Development:** The Fund primarily targets rental apartments and condominiums and may also invest in certain forms of supported and social housing, including LSS housing and senior living.
- **Short-Term, Secured Financing:** The Fund focuses on short-term financing solutions that provide flexibility for real estate developers.

Environmental and social characteristics

Under the Sustainability Policy, the Fund shall strive towards attaining the environmental and social characteristics promoted by the Fund by taking the following elements into account when selecting investments:

- **Sustainable construction:** The Fund prioritises the financing of projects that use environmentally friendly construction materials and methods, and follow energy efficiency and emission reduction guidelines.

- **Green loans:** The Fund prioritises the financing of projects that aim to reduce energy consumption and carbon emissions, such as passive houses or buildings with certain environmental certifications.
- **Accessibility and inclusion:** The Fund supports projects that provide housing that can be used by all, including affordable housing and housing adapted for the elderly and persons with disabilities.
- **Responsible lending:** The Fund applies strict credit assessment criteria to ensure that financed products are financially sustainable and can deliver long-term returns without jeopardising environmental and social values.
- **Risk management:** The Fund works proactively to identify and manage sustainability-related risks, including climate-related financial risks, to protect both the investors and the communities in which the Fund operates.

The Fund targets Swedish real estate companies that develop newly built residential properties with a focus on sustainability. During the Fund's initial review of potential investments, the Fund seeks to ensure that the project is aligned with the Fund's promoted characteristics by assessing the project based on the Fund's proprietary criteria for sustainable construction, energy efficiency, and climate adaptation.

As part of the investment selection process, the Fund also evaluates projects based on market demand, prioritising affordable housing and other essential property types, such as housing for seniors and individuals with additional support needs. Furthermore, governance factors are integrated in the Fund's credit assessment process, ensuring that projects meet high standards of transparency, compliance, and risk management.

Good governance

Good governance, in particular with respect to sound management structures, employee relations, remuneration and tax compliance, of the Fund's borrowers, is first assessed during the Fund's due diligence and credit assessment (as part of the Fund's responsible lending criteria under the Sustainability Policy) and thereafter reviewed periodically. Furthermore, the Fund will also assess whether the borrowers have policies in place related to e.g., work environment such as a code of conduct.

For each project, a comprehensive governance assessment is conducted to ensure that the right competencies are in place and that the project is led by a stable and experienced entity. The Fund reviews the corporate governance and management structure of the borrower, evaluating its track record, financial stability, and regulatory compliance.

Governance is an integral part of the Fund's due diligence process, credit assessment, and credit monitoring. To support this, the Fund utilises both its internal ESG model and external monitoring tools to track and evaluate the involved companies. Additionally, on-site visits by building consultants are conducted to verify permits, workplace conditions, and overall compliance with governance and safety standards.

Regular checks and follow-ups are carried out throughout the project's lifecycle to assess adherence to governance principles, regulatory compliance, and workplace safety and sustainability commitments.

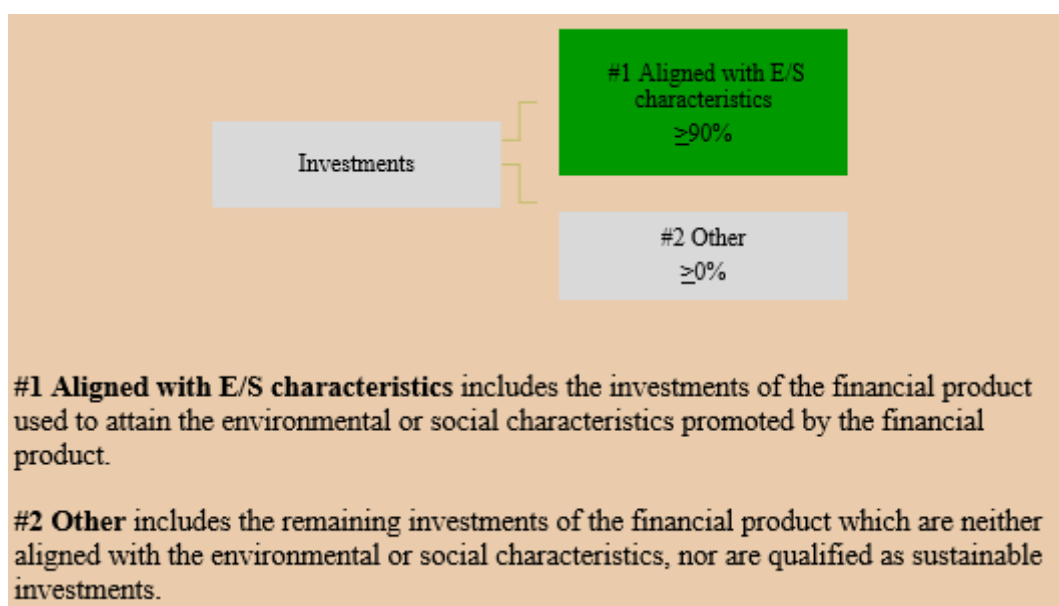
5. Proportion of investments

At least ninety per cent. (90%) of the Fund's loans are expected to be aligned with one or several of the environmental and/or social characteristics promoted by the Fund (*#1 Aligned with E/S characteristics*). The remainder may at any time be invested in liquidity investments (i.e., investments kept for liquidity and/or hedging purposes such as cash, cash equivalents, and/or hedging instruments) (*#2 Other*). There are no minimum environmental or social safeguards in relation to such liquidity investments.

The Fund will ultimately determine whether the loans are aligned with the promoted characteristics at the end of the investment period. However, the Fund will also, in connection with the granting of loans under the investment period, assess potential investments' alignment with the promoted characteristics in accordance with the Sustainability Policy and the due diligence process (as further described below).

The Fund will not make any indirect investments through other funds or derivatives. The Fund will thus only have direct exposures in its investee companies.

The Fund does not commit to invest in any *sustainable investments* within the meaning of the SFDR or in any *environmentally sustainable investments* pursuant to the EU Taxonomy (Taxonomy-aligned investments). Accordingly, the minimum share of sustainable investments and Taxonomy-aligned investments is 0%. Furthermore, the minimum share of investments in transitional and enabling activities is 0%.



6. Monitoring of environmental or social characteristics

The attainment of the Fund's promoted environmental or social characteristics are monitored via the Fund's sustainability indicators. The Fund continuously seeks to monitor investments made through periodic reports (monthly during the construction phase) and key performance indicators. Since certifications, energy performance declarations, and similar assessments are typically granted after project completion, the initial ESG assessment is updated continuously.

The sustainability indicators used to measure the attainment of the promoted environmental and social characteristics are:

- Percentage of financed projects with solar panels or other renewable energy sources;
- Percentage of projects financed with energy class A or B;
- Percentage of financed housing classified as “social housing” (such as affordable housing and housing adapted for the elderly and persons with disabilities); and
- climate and flooding risks.

7. Methodologies

The Fund will employ various methodologies to measure how the environmental characteristics promoted by the Fund are met. In particular, the Fund employs the following methodologies to measure each of the promoted characteristics:

- **Sustainable construction:** The Fund considers the following aspects for the ‘sustainable construction’ characteristic:
 - projected energy class A or B;
 - planned environmental certification;
 - waste management and recycling plan; and
 - low climate and land risk.

The above is measured continuously through ESG checklists, monthly reports and on-site visits. The assessment of whether a project qualifies as ‘sustainable construction’ is carried out using the Fund’s ESG analysis model, which is integrated into the credit process. The model combines both qualitative and quantitative methods and is based on documented facts, verifiable targets and external opinions, such as:

- *Document review:* Energy calculations, technical descriptions, building permits and environmental plans are analysed to ensure that the project meets energy requirements and planned environmental commitments.
- *ESG analysis:* The project is scored on the basis of the Fund’s ESG parameters, which include energy class, environmental certification, waste management, choice of materials and climate risks, and weighted together to create an overarching ESG profile (low, medium, high).
- *External verification:* Construction consultants, valuers and technical specialists review the project’s environmental performance, control plans and construction documents.
- *Desktop surveys:* Public sources are used to verify the environmental conditions and risks of the site (e.g. the map of environmentally polluted areas, the Swedish Civil Contingencies Agency’s flood map, the National Board of Housing, Building and Planning and Statistics Sweden).
- *Dialogues with the borrowers:* The Fund engages in dialogues with the project organisation on sustainability objectives, certification ambition and working environment.

- *Ongoing monitoring*: During the construction phase, the implementation of planned measures is verified through construction consultants' ESG checklists, monthly reports and on-site visits.

The results of the above measures are documented in the Fund's ESG analysis and used to measure the satisfaction of the Fund's sustainability indicators and for portfolio monitoring.

- **Green loans**: The Fund considers the following aspects for the 'green loan' characteristic:
 - whether energy calculation shows at least 10-20% lower energy consumption than the National Board of Housing, Building and Planning's building regulations ("**BBR**");
 - expected or measured energy class A or B;
 - contemplated installation of renewable energy (e.g. solar panels, geothermal heating, etc.); and
 - verified energy performance certificate (EPC) after completion.

The assessment of whether an investment qualifies as a green loan is made through the Fund's ESG analysis model. The process combines technical review, data validation and external verification to ensure that the project achieves measurable environmental improvements compared to current building codes, such as:

- *Document review*: Energy calculations, technical descriptions and building permit documentation are analysed to ensure that projected energy consumption is at least 10-20% below the BBR.
- *ESG analysis*: The project is scored according to the Fund's internal environmental indicators (energy performance, renewable energy, etc.).
- *External opinions*: Technical consultants, energy specialists and construction consultants review calculations and installation plans to verify that energy targets and environmental requirements are realistic and achievable.
- *Post-completion verification*: EPCs, environmental certifications and follow-up reports are used to confirm that the calculated energy savings have been achieved.
- *Data sources*: The Fund utilises both project data provided by the borrowers, external consultant reports and third-party tools (e.g. MSCI, UC, the National Board of Housing, Building and Planning and Statistics Sweden) to validate energy performance and climate impact data.
- *Ongoing monitoring*: During the construction phase, the implementation of planned measures is verified through construction consultants' ESG checklists and monthly reports.

The results of the above measures are documented in the Fund's ESG analysis and followed up during the Fund's portfolio review, where indicators such as energy

savings against BBR, proportion of projects with renewable energy and proportion of loans classified as 'green loans' are reported.

- **Accessibility and inclusion:** The assessment covers the project's contribution to social sustainability, including access to housing for different groups in society. The project is assessed against the following criteria:
 - *Affordable housing:* The project's rents or sales prices are compared to established benchmarks in the Fund's ESG analysis model. A project is considered affordable if the rent is below approximately SEK 2,500/m²/year or if the price level is below the Fund's regional benchmarks (i.e. below SEK 60,000/m² in metropolitan areas for tenant-owned apartments and below SEK 45,000/m² in other regions). The assessment is made initially during the credit process based on the borrower's business plan and project budget, and is subsequently verified by monitoring actual pricing at completion.
 - *Accessibility customisation:* Review of drawings and building permits to ensure that the project complies with the BBR on accessibility and usability for people with reduced mobility or orientation.
 - *Specific target groups:* Assessment of whether the project includes housing adapted for the elderly, students or people with special needs.

The review is based on drawings, building permits, project description and financial calculations. Compliance is monitored on an ongoing basis through monthly reports and verified during on-site visits by external construction consultants.

8. Data sources and processing

Data sources used to attain each of the environmental or social characteristics

The Fund monitors investments through various data sources, including the following means of information:

- Pre-investment:
 - data from the borrowers, including ESG questionnaires, energy calculations, environmental certification plans, building permits and technical descriptions;
 - desktop surveys of publicly available data (e.g. zoning plans, environmental permits, land risks and energy requirements from the National Board of Housing, Building and Planning, Statistics Sweden and the County Administrative Board);
 - dialogues with the borrower's project organisation to assess governance, health and safety, risk management and the borrower's internal sustainability policies;
 - external opinions from construction consultants, valuers and technical specialists reviewing the technical, environmental and social conditions of the project;
 - risk and market data from third-party sources and tools such as MSCI and UC to assess the financial and ESG risk profile of the borrowers.

- Post-investment:
 - monthly reports from borrowers which include data on construction progress, energy performance, environmental requirements and labour conditions;
 - on-site visits by construction consultants as well as ESG checklists;
 - verified project data such as energy declarations, environmental certification certificates and monitoring reports;
 - continuous monitoring of key performance indicators, including percentage of financed projects with solar panels or other renewable energy sources, percentage of projects financed with energy class A or B, percentage of financed housing classified as “social housing” (such as affordable housing and housing adapted for the elderly and persons with disabilities), and climate and flooding risks.

Measures taken to ensure data quality

Data quality is ensured by comparing borrowers’ reports, third-party certificates and observations from construction consultants.

Sampling and plausibility checks are performed by the Manager. In the event of discrepancies, additional documentation or on-site verification will be requested from the borrowers.

How data are processed

As described above, data is collected on an ongoing basis from several sources, mainly through monthly reports and documentation from borrowers, as well as through construction consultants’ reporting and on-site visits. The information collected includes energy calculations, environmental certification status, construction progress, health and safety and waste management.

The data is recorded and processed in the Fund’s internal ESG analysis model, which is integrated into the Fund’s credit process. Data is processed through a combination of manual recording and system support. The results of the ESG analysis are used to:

- support credit decisions;
- monitor the sustainability performance of projects over time; and
- compile aggregated sustainability indicators for reporting under the SFDR.

Construction consultants’ reports and external opinions are stored digitally and reviewed by the Fund before data is validated and integrated into ongoing reporting. ESG is monitored monthly in portfolio reviews that are approved by the credit committee and shared with the board of directors of the Fund.

Proportion of data that are estimated

Parts of the Fund’s sustainability data is based on estimates. The main limitations of the Fund’s methodology and data collection are linked to the early stage of the project and the quality and availability of information from the borrower.

In the credit process, the ESG analysis is largely based on the planned project design, technical calculations and the borrower's sustainability objectives. As projects are often in an early phase, some data and assumptions may change as construction progresses, meaning that the actual outcome may differ from the initial assessment.

Data quality can also vary between projects, due to, among other things, differences in certification standards, energy rating systems and reporting procedures. These factors may temporarily affect the Fund's ability to measure and compare sustainability performance at the portfolio level.

9. Limitations to methodologies and data

The limitations to methodologies and data will primarily depend on the data (and the quality thereof) received from borrowers. For example, if the borrowers are unsuccessful in providing the requested data or the periodic reports or the data is otherwise insufficient, this could potentially affect the Fund's ability to monitor the attainment of the promoted environmental or social characteristics. In the credit process, the ESG analysis is largely based on the planned project design, technical calculations and the borrower's sustainability objectives. As projects are often in an early phase, some data and assumptions may change as construction progresses, meaning that the actual outcome may differ from the initial assessment.

Data quality can also vary between projects, due to, among other things, differences in certification standards, energy rating systems and reporting procedures. These factors may temporarily affect the Fund's ability to measure and compare sustainability performance at the portfolio level.

However, the Fund typically includes information undertakings relating to the promoted environmental and social characteristics in the loan agreements with borrowers, which should mitigate the limitations, as the borrowers are contractually obliged to provide the required information.

10. Due diligence

The Fund's ESG due diligence process consists of (i) a pre-study, (ii) the due diligence and (iii) monitoring.

Pre-study

During the pre-study, the Fund conducts an initial assessment of whether the potential investment satisfies the Fund's environmental, social and governance criteria (i.e., whether the project is aligned with the Fund's promoted characteristics) and excludes potential investments which are considered to have a significant negative environmental or social impact. The pre-study consists of:

- desktop surveys of publicly available data (e.g. zoning plans, environmental permits, and climate and land risks from the National Board of Housing, Building and Planning, Statistics Sweden and the County Administrative Board's map services);
- review of project documentation such as building permits, technical descriptions and energy calculations;
- ESG analysis of the project's planned energy performance, environmental impact and social profile; and

- dialogues with the borrowers on the project design, governance, working environment and sustainability objectives.

Due diligence

Following the pre-study, the Fund analyses the potential investment's climate impact, energy efficiency, social inclusion, and governance structures in further detail and attempts to identify any environmental, social or governance risks (including mitigation measures if any such risks are found). The information gathered from the pre-study and the due diligence is later integrated into the Fund's overall investment evaluation, where each investment is assigned a risk level (low, medium or high) according to the Fund's internal model. The Fund utilises both its internal ESG analysis model and external consultants during the due diligence phase, including:

- ESG analysis with scoring of environmental, social and governance parameters;
- technical and environmental reviews by external construction consultants, valuers and specialists, including on-site visits;
- dialogue with the borrower's project organisation and senior management to assess skills, governance structure and internal controls;
- financial and ESG risk analysis using third-party tools such as MSCI and UC, to identify any governance gaps, legal risks or incidents; and
- documentation of identified risks and proposed actions or conditions linked to the credit decision.

Investment decisions are then made based on the overall investment valuation and the risk level.

Monitoring

The Fund continuously monitors investments made through periodic reports (monthly during the construction phase), key performance indicators and annual portfolio reviews. Since certifications, energy performance declarations, and similar assessments are typically granted after project completion, the initial ESG assessment is updated continuously.

11. Engagement policies

The Fund does not currently have any engagement policy as the Fund does not invest in shares traded on a regulated market.

12. Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

13. Update history

Version	Date	Note
1	2026-02-10	
