

Green Financing Framework presentation

Investment AB Latour

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Agenda

- Introduction to Latour
- Sustainability strategy
- Green Financing Framework
- Summary
- Q&A
- Appendix

The long-term investment company

Founded in **1985** by the Douglas family who still are the largest shareholder

> **63 %** of the holdings has been part of the Latour Group more than 20 years

Acts as **active** principal owner in all holdings

Market cap SEK **193** billion

Net asset value SEK **119** billion

Total return the last 10 years more than **1 600 %**

Aggregate value of the industrial operation SEK **49** billion

Aggregate value of the investment portfolio SEK **79** billion

Low management cost less than **0.1** percent of managed market value

Three business lines



What we look for in a company



What we look for in a company



DEMOGRAPHIC GROWTH AND
URBANISATION



SUSTAINABILITY

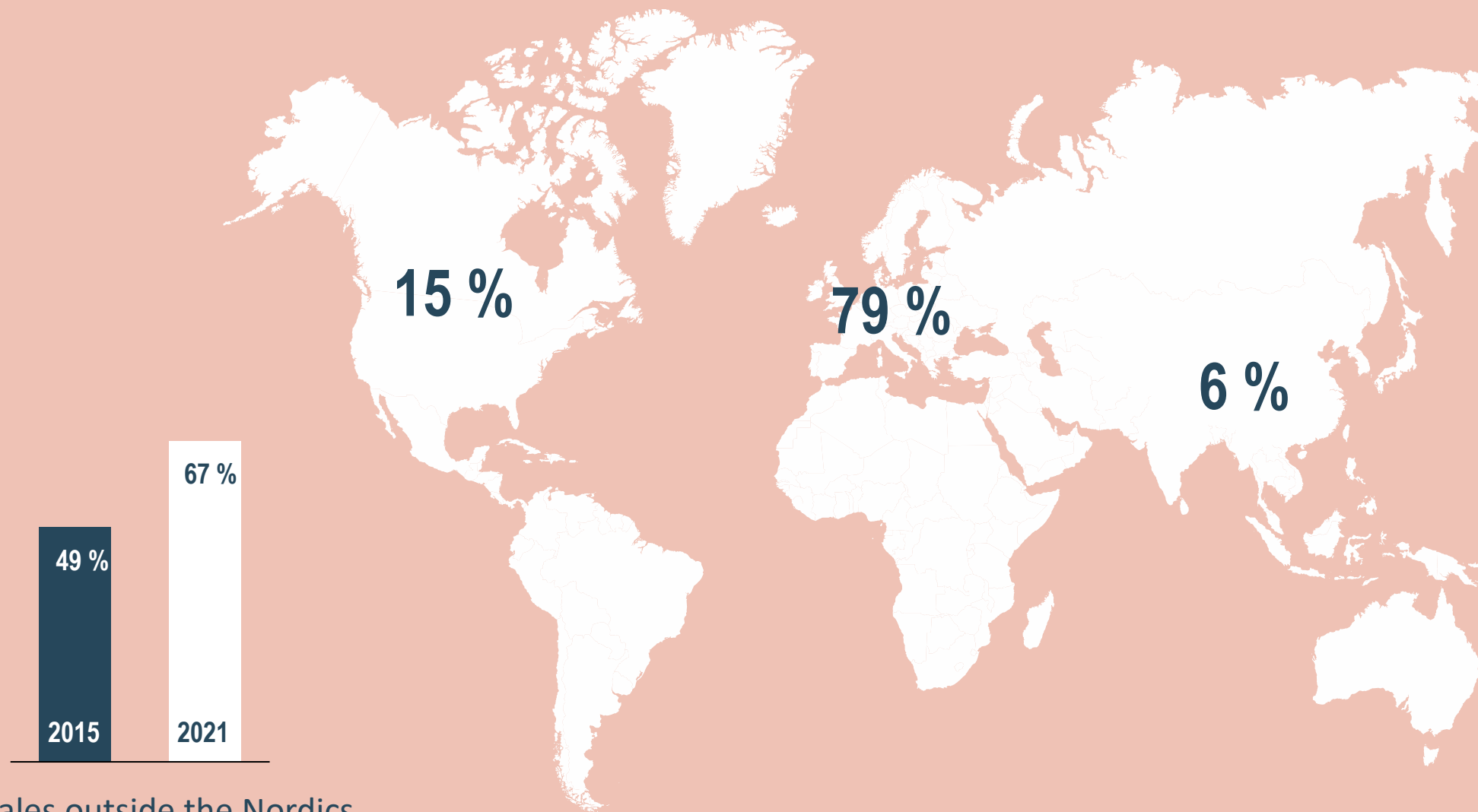


GLOBALISATION



DIGITALISATION

Wholly-owned operations



Net sales outside the Nordics

31 March, 2022

Financial targets

Annual growth

$>10\%$

Operating margin

$>10\%$

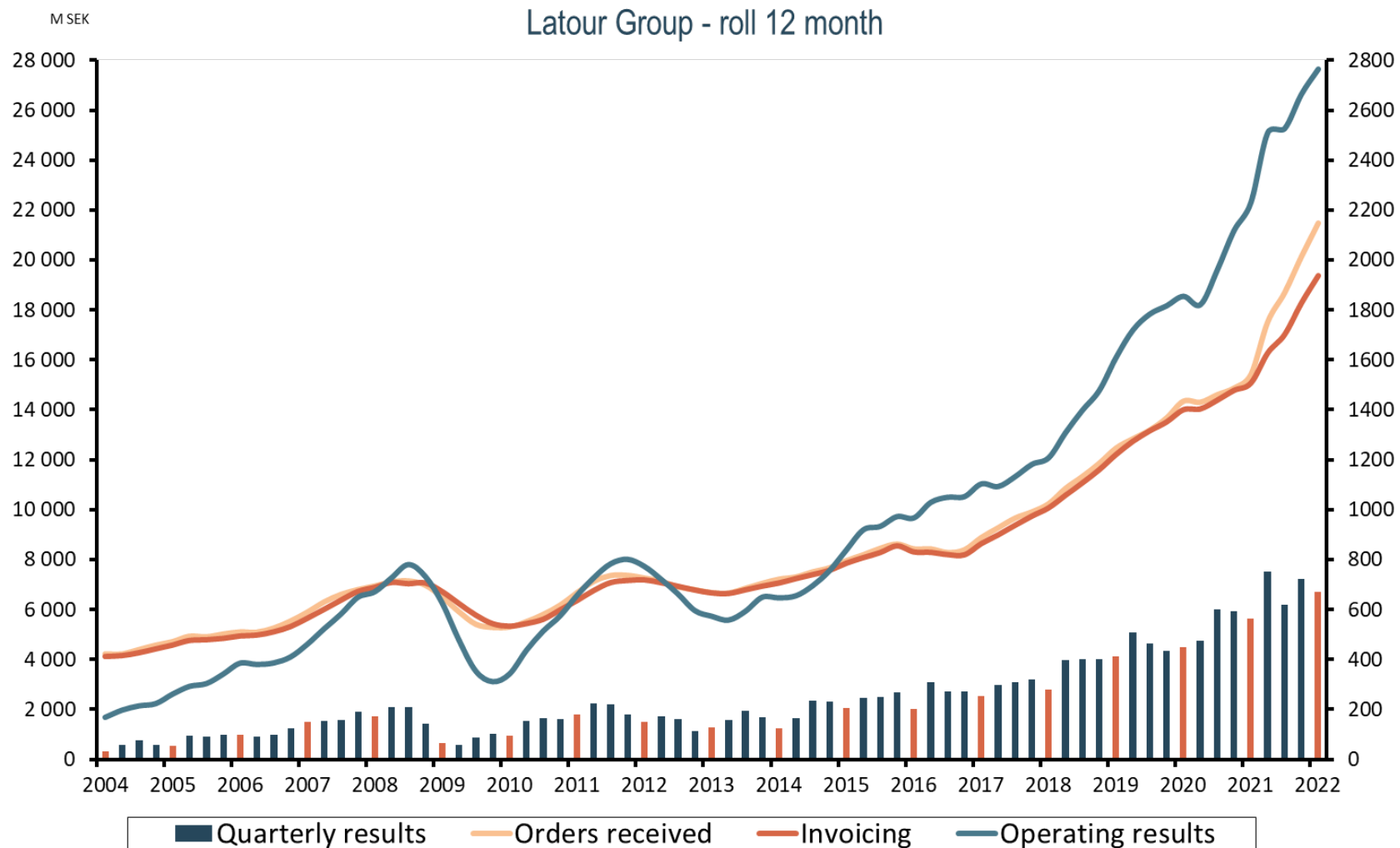
Return on operating capital

$15 - 20\%$

Internal loan limitation:

2.5 x EBITDA (3 years rolling average) +
10 per cent of investment portfolio at market value

Long term profitable development



Green Financing Framework presentation

Sustainability Strategy

Sustainability strategy

Sustainability in focus

Reflected in our core values

Integrated in all parts of Latour

A responsible and long-term principal owner



Minimum requirements along with high expectations



Creating networks and investing in sustainability drives the development



Sustainability strategy

Latour Future Solutions adds value



Green financing to further strengthen our sustainability focus

Latour Green Financing Framework:

- In accordance with
 - EU taxonomy
 - European Green Bond Standard (proposed)
- Rated by Cicero Shades of Green
 - "Medium Green" framework
 - "Excellent" governance and reporting



°CICERO
Shades of
Green

The background of the slide is a photograph of a woman with long blonde hair in a braid, seen from the side, looking towards a young girl. The girl has blonde hair in a bun and is smiling. The scene is set indoors with soft lighting.

Feel good
inside

Latour – Green bonds presentation

The background of the slide is a photograph of a young boy sitting in a wicker armchair. He is wearing large, white over-ear headphones and is holding an open book, looking down at it with a smile. He is wearing a blue denim shirt. The chair has a patterned cushion. The background is slightly blurred, showing a window with light coming through.

Our purpose in the world

We enable healthy and comfortable indoor environments for people to be at their best, today and tomorrow.

Why it matters

Time spent indoors

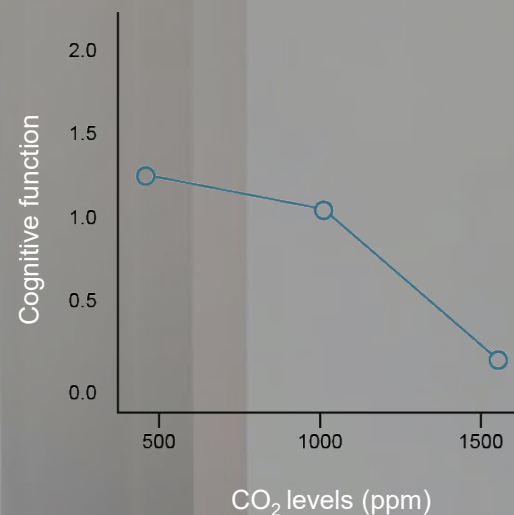
~90%

Employees satisfied with their work environment are:

16% More productive

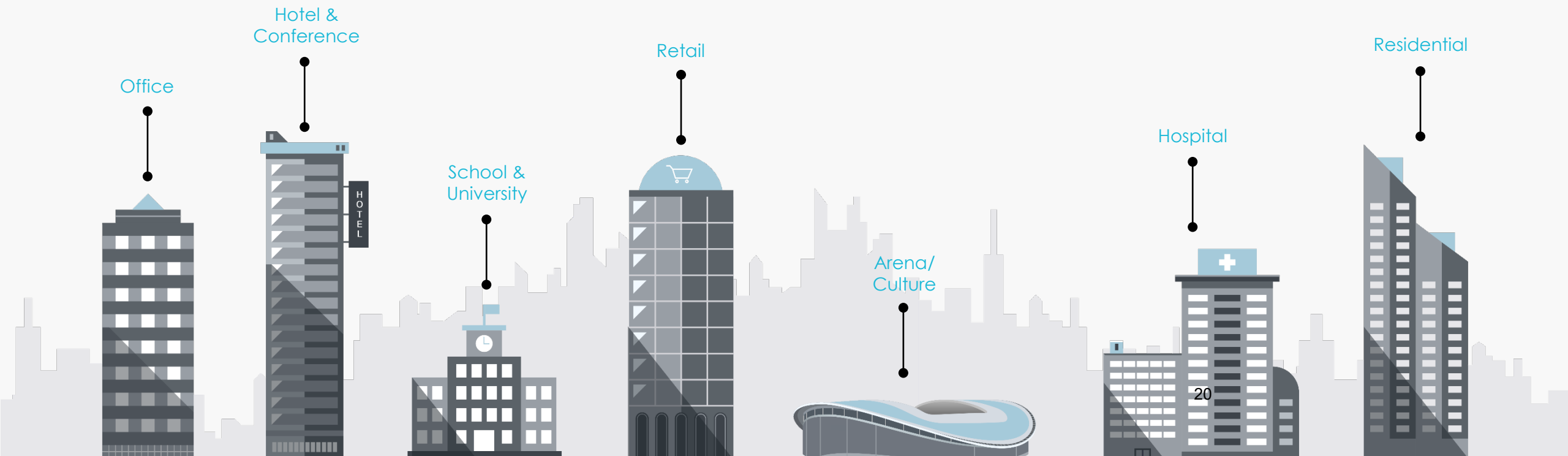
18% More likely to stay

Strategic thinking



Wherever people spend their time

Products for all kinds of applications



It's not just what's inside that counts

How we minimise environmental impact

- Efficient **products**
- Easy access to **information**
- Continuous monitoring of **legislation**
- Responsible use of **resources** and **materials**



Swegon operation Kvännum

Welcome to Kvänum

40.000 m²

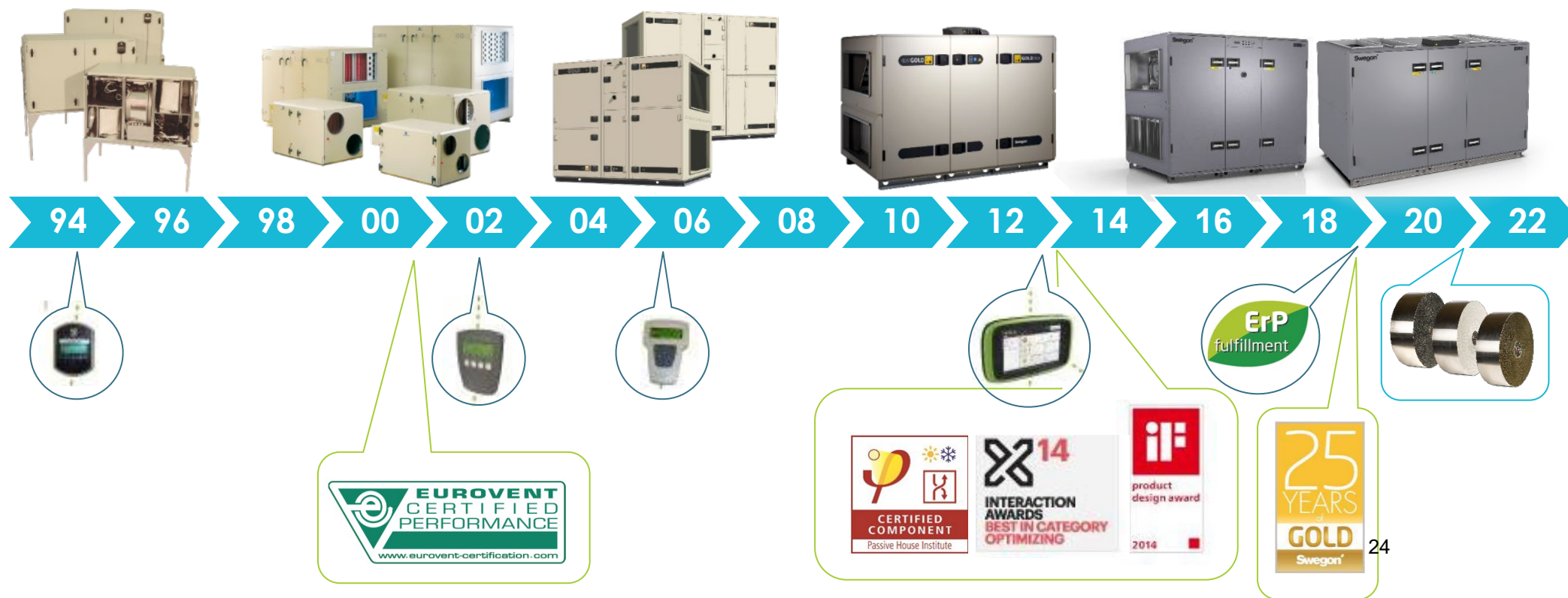
350 employees

110 million Euro turnover

9000 products/year (GOLD)

Constant development

GOLD Ventilation + Control



World-class energy efficiency



A decorative graphic in the bottom-left corner consisting of several overlapping, semi-circular segments in a variety of colors including orange, yellow, green, teal, blue, and purple, creating a fan-like or sunburst effect.

Feel good **inside**

Green Financing Framework presentation

Green Financing Framework

Green financing framework in accordance with the EU taxonomy and the proposed European Green Bond Standard

Strict selection criteria – compliant with:

- The selected categories and criterias in the framework
- The exclusion criteria
- The Technical Screening Criteria (TSC)
- The do no significant harm criteria (DNSH)
- The Minimum Safeguards

Use of proceeds

1. Manufacturing of Energy Efficient Products



2. Energy Efficiency



3. Construction and Real Estate Activities



Process for Project Evaluation & Selection, Management of Proceeds, Reporting & Transparency

- ❖ Projects identified on local level
- ❖ Evaluated by Green Business Council (GBC)
 - ❖ CEO
 - ❖ CFO
 - ❖ Head of Sustainability
- ❖ Green Portfolio kept and updated by treasury department

REPORTING

- Dedicated Website for Green Financing
- Annual Allocation & Impact Report
- External review by our auditors

Second Party opinion by Cicero

"Latour demonstrates a seriousness about sustainability, with sustainability requirements a 'deal-breaker' for potential investments. Its commitment to sustainability is supported by material targets for its wholly owned holdings, for example annual five percent decreases in energy consumption and direct (Scope 1 and 2) emissions in relation to net sales."

- **CICERO**



°CICERO
Shades of
Green

SHADES OF GREEN

Based on our review, we rate Latour's green financing framework **CICERO Medium Green.**

Included in the overall shading is an assessment of the governance structure of the green financing framework. CICERO Shades of Green finds the governance procedures in Latour's framework to be **Excellent.**



GREEN BOND AND LOAN PRINCIPLES

Based on this review, this framework is found to be aligned with the principles.

Green Financing Framework

Summary

Green Financing Framework – rated Medium Green (Cicero)

in accordance with the proposed European Green Bond Standard and the EU taxonomy,

High quality and sustainable companies

with high and stable profitability and high diversity through its diversified customer portfolio

Long-term commitment

with more than 30 years of excellent value creation based on our consistent development strategy

Solid financial position

with low leverage, A rating (Fitch)

Strong cash generation

through well established dividend policies in our listed holdings and through cash flow generated in our wholly-owned operations

Strong track record

Value creation, profits, cash-flow and share price

