

Investment AB Latour

Allocation and Impact Report 2024



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Background

Latour has been creating long-term values by developing sustainable operations since 1985. Sustainability is, and has always been, a central concern and is embedded in the four core values of Latour:

- Long-term perspective
- Businessmanship
- Trust & Accountability
- Development

Sustainability is fundamental to the existence as a successful long-term investment company and is integrated in the investment strategy. Latour has a set of clear investment criteria's, of which sustainable business with high ethical standards is one criterion, and sustainable products with high added value is another. When Latour is looking at new companies, the starting point is to only invest in sustainable companies. If a company should satisfy all the financial requirements but not the sustainability aspects, then it will be turned down.

Latour has its greatest impact by carefully choosing which companies to invest in and then being an active and responsible owner in those companies. Latour is always represented in the Board, and through the Board work, Latour places high expectations on and drives the sustainable development of the holdings, regardless of whether it is a wholly-owned company or a listed holding.



VISION

Latour's vision is to be a sustainable and attractive choice for long-term investors that want good returns. Latour creates added value in its holdings by being an active and steadfast owner that, with financial strength and solid industrial know-how, contributes to the sustainable development of the companies.



BUSINESS CONCEPT

Latour's main business concept is to invest in sustainable companies with proprietary products, strong growth potential supported by global megatrends and good future prospects. Its long-term ambition is to create international growth and added value in these holdings by means of active ownership.



CORE VALUES

- Long-term perspective
- Businessmanship
- Trust & Accountability
- Development

Governance is characterized by a delegated decision-making structure, with each holding having a unique corporate culture and its own strategic process. However, Latour's core values permeate all holdings.



A SUSTAINABLE STRATEGY

Sustainability is integrated in Latour's investment strategy. Long-term values are created by developing sustainable operations. Latour has its greatest impact by being an active and responsible owner. Through the work of Boards, Latour places high expectations on and drives the sustainable development of the holdings.

Methodology

Reporting principles

- This report is based on the guidelines provided by Latour's Green Financing Framework and the voluntary guidelines by ICMA, the Green Bond Principles (2021).
- This report contains information about the allocation of funds adherence to the Green Terms and impact data for financed Green Assets and activities.
- Allocation of proceeds from Green Financing is provided at activity level, unless the number of available details is limited, in which case the information is provided at an aggregated level, with an explanation.
- Reported data as per 31 December 2024.

Impact methodology

- Climate emission calculations are guided by the Greenhouse Gas Protocol. The emissions factors are retrieved from recognized sources and are continuously updated based on their availability.
- To assure consistency, the emission factor(s) used in Latour's Green Bond reporting will equal the emission factor(s) used in the company's sustainability reporting and annual report.

Sustainable Development Goals (SDG)

Through active board work, Latour is a driving force in, and has high expectations of, the sustainable development of its holdings. The SDGs that Latour focuses on are to a large extent met by the holdings found in the portfolio – Latour has a responsibility for what investments are made and how the active ownership drives the sustainable development further.

The proceeds from Latour's green bonds mainly targets the following Sustainable Development Goals:

- ▶ Goal 7: Affordable and Clean Energy
- ▶ Goal 9: Industry, Innovation and Infrastructure
- ▶ Goal 11: Sustainable cities and communities
- ▶ Goal 12: Responsible consumption and production
- ▶ Goal 13: Climate action



Green Financing Framework

As a sustainable investment company and an active owner in all holdings, Latour has a great opportunity to contribute to capital aggregation towards environmentally sustainable investments. To further strengthen this commitment Latour established a Green Financing Framework in 2022, fully aligned with the EU Taxonomy, structured according to the proposed European Green Bond Standard (2021) and based on the voluntary guidelines by ICMA, the Green Bond Principles (2021).

A second opinion of the framework was carried out by CICERO Shades of Green. They rated the framework “CICERO medium green”. CICERO Shades of Green second opinions are graded dark green, medium green or light green. Medium green is allocated to projects and solutions that represents steps towards the long-term vision but are not quite there yet. CICERO Shades of Green finds the governance procedures in Latour’s framework to be Excellent.

In June 2022, Latour issued its first two green bonds with a total value of SEK 700 m.

Use of proceeds

An amount equivalent to the proceeds from Green Financing will exclusively be used by Latour to fully or partly finance or refinance investments and expenditures that promote the transition to low-carbon, climate resilient and sustainable economies. Such assets must comply with the Technical Screening Criteria (“TSC”), the do no significant harm criteria (“DNSH”), and the Minimum Safeguards in accordance with the EU Taxonomy Regulation. The green activities eligible for financing under Latour’s Financing Framework currently include:

1. Manufacturing of Energy Efficient Products

The financing or refinancing of the manufacturing and/or assembling of products enabling energy efficient ventilation, cooling and space heating of buildings.



2. Energy Efficiency

The financing or refinancing of investment in products that generate energy efficient cooling and heating production for all climates through electric heat pumps.



3. Construction and real estate activities

The financing or refinancing of investment in Energy efficient equipment, Charging stations for electric vehicles and Renewable energy production.



For more information about the green activities, please see the Green Financing Framework available on latour.se.

Process for Project Evaluation and Selection

The Green Business Council (“GBC”) will evaluate the identified assets and activities compliance with the terms established in the Green Financing Framework. 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. Assets and activities must also be compliant with applicable laws and regulations, as well as policies and guidelines at Latour. The GBC holds the sole mandate to approve assets and activities by unanimous decision and the decisions will be documented.

The GBC consists of the following members:

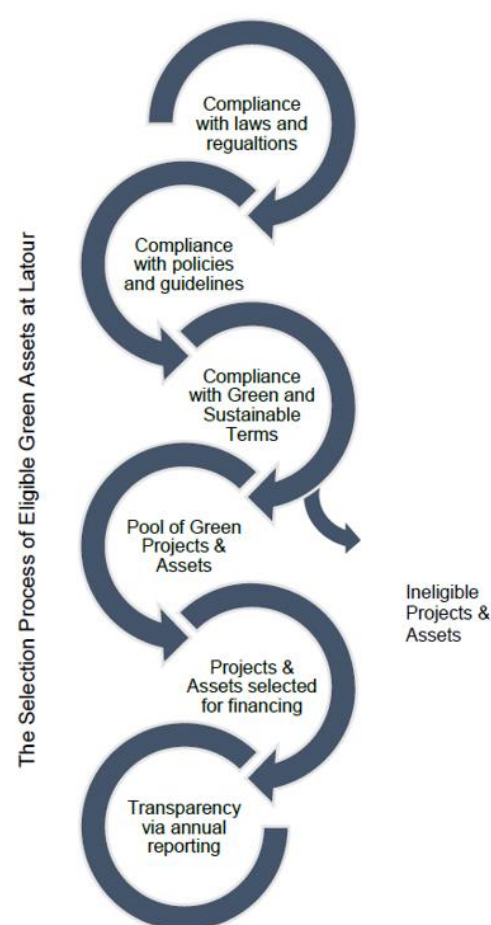
- CEO
- CFO
- Head of Sustainability

Management of Proceeds

An amount equal to the proceeds of any Green Financing, without deducting costs, will be tracked by Latour (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 asset or activity 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 Latour Finance Policy and investment criteria.



Allocation disclosure

In June 2022, Latour issued its first two green bonds with a total value of SEK 700 m. Bond 116 has a floating interest rate of three months STIBOR + a margin of 1.00 per cent annually and bond 117 has an annual fixed interest rate of 3.43 per cent. The net proceeds were allocated to the Green Asset: Swegon, Kvänum.

Latour's Green Bonds

Bond	Series Number 116	Series Number 117
Issuer	Investment AB Latour (publ)	Investment AB Latour (publ)
Allocated proceeds (tkr)	450 000	250 000
Issue date	2022-06-10	2022-06-10
Maturity date	2026-06-10	2026-06-10
Country	Sweden	Sweden
Green Asset	Swegon, Kvänum	Swegon, Kvänum
ISIN	SE0013883659	SE0013883667
LEI-code	5493006GFB LNB3Y0Y789	5493006GFB LNB3Y0Y789
Listing	Nasdaq OMX Stockholm	Nasdaq OMX Stockholm

Swegon is one of Latour's wholly-owned business areas and is a market leading supplier in the field of indoor environment. Swegon provides components and innovative system solutions that create a good indoor climate and contribute to significant energy savings in all types of buildings. Swegon is offering solutions for ventilation, heating, cooling and climate optimization, as well as connected services and expert technical support. A large part of Swegon's products and solutions are in accordance with the EU taxonomy and contribute to mitigating climate emissions, reducing the carbon footprint of the global impact associated with the building industry, and hence contribute to combatting climate change.



Green Asset: Swegon, Kvänum






Swegons largest production site is situated in Kvänum, Sweden. The site is 40.000 m² and has approximately 350 employees. The premises includes everything from R&D and test center to a well invested and highly automatized production facility as well as a large storage and shipping centre. With EUR 110 m in turnover and a production and delivery capacity of more than 9,000 units/year, the Kvänum site is at top range in the industry.

Swegon site Kvänum produces air handling units for the real estate business with focus towards commercial and residential buildings. The product portfolio aims towards achieving good indoor climate with the lowest possible life cycle cost by using energy efficient components and always including a highly effective energy recovering functionality. The product range is extremely energy-efficient, but the value is not only in energy savings from running the unit itself, but also recovery of the energy in the air flow.

The alignment process for the EU Taxonomy involves a comprehensive framework aimed at promoting sustainable economic activities for the describes asset. The alignment process for the asset Kvänum site begins with assessing activities against the criteria outlined in the taxonomy. These criteria cover a range of environmental objectives, focus for this site is within climate change mitigation and adaptation. Where the site contributes to production of products and systems within ventilation, heating and cooling. The manufactured volume meets, to a big extent, the outlined criteria's, especially within the framework of energy labeling, reaching grade A+ and A. The outlined energy labeling criteria's gives the opportunity to calculate saved energy between outlined classes compared to legislations that states minimum performance for used or recovered energy. The energy labeling scheme used is the Eurovent Certita Certification manual, a third party verified certification which is commonly used within the EU. The site has done a climate risk assessment according to the Taxonomy and do not oppose against any DNSH (do not significant harm) criteria.

Green Asset:	Swegon, Kvänum
Green Asset value (as per 31/12-2024)	SEK 712 m
Allocated amount to Green Asset:	SEK 700 m
Green Category:	(1) Manufacturing of Energy Efficient Products
EU Taxonomy environmental objective:	Delegated act on climate change mitigation and adaptation, December 2021
EU Taxonomy Category:	3.5 (i) and 3.5 (m)
EU Taxonomy Compliant:	Yes, aligned
Impact Indicators:	<p>(1) Total energy savings from delivered products/systems compared to legislated base level in user stage (MWh/year)</p> <p>(2) Total carbon emissions saved based on energy use from delivered products/systems compared to legislated base level in user stage (tCO₂/year)</p> <p>(3) Products sold are in the top two classes of energy efficiency according to the EU energy labelling scheme or similar energy efficiency schemes (No/year)</p>

Impact reporting

Green Asset	Swegon, Kvänum
(1) Total energy savings (MWh/year) ¹	36,383 MWh
(2) Total carbon emissions saved (tCO ₂ /year) ¹	2,367 tCO ₂ e
(3) Products sold are in the top two classes of energy efficiency (No/year) ²	5,723 units
SDG:s	    

¹ Based on ordered units.

² Based on invoiced units.

Auditor's Limited Assurance Report

To Investment AB Latour (publ), org.nr 556026-3237

Introduction

We have been engaged by the Board of Directors of Investment AB Latour ("Latour") to undertake a limited assurance engagement of selected information in Latour's Allocation and Impact Report 2024 ("Investor Report"), concerning the green bond issued in June 2022.

Assurance scope

The scope of our work was limited to assurance over the processes and systems for financing of eligible assets and allocating proceeds from the Green Bond to such assets, as described in the Investor Report (the "selected information"). The reporting criteria against which this information was assessed are relevant parts of Latour's framework for green bonds, the European Green Financing Framework, available on the Latour website. Our assurance does not extend to any other information in the Investor Report.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management responsible for evaluating and electing eligible assets, for the use and management of bond proceeds, and for preparing an Investor Report that is free of material misstatements, whether due to fraud or error, in accordance with the European Green Financing Framework.

Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained. We have conducted our review in accordance with ISAE 3000 (revised) *Assurance assignments other than audits and review of historical financial information* issued by IAASB.

A limited assurance engagement consists of making inquiries, primarily to persons responsible for the management of bond proceeds and the process for selection of eligible assets, and applying analytical and other limited assurance procedures, including inspection of documentation, and limited sample testing of the selected information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Ernst & Young AB applies International Standard on Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent in relation to Latour in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information disclosed in the Latour Investor Report has not been prepared, in all material respects, in accordance with the reporting criteria.

Gothenburg, March 4th 2025

Ernst & Young AB

Andreas Mast

Authorized Public Accountant

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