



31<sup>st</sup> of May 2022

## Sustainability-Linked Bond Framework



## List of Abbreviations

<b>CATV</b>	Cable Television
<b>CPE</b>	Customer Premises Equipment
<b>GB</b>	Gigabyte
<b>Gb/s</b>	Gigabyte per Second
<b>GPON</b>	Gigabit Passive Optical Network
<b>IFRS</b>	International Financial Reporting Standards
<b>ODM</b>	Original Design Manufacturer
<b>OS</b>	Operating System
<b>PON</b>	Passive Optical Network
<b>RGW</b>	Residential Gateway
<b>XGS-PON</b>	10 Gigabyte Passive Optical Network
<b>SDG</b>	Sustainable Development Goals
<b>RoHS</b>	Restriction of Hazardous Substances
<b>REACH</b>	Registration, Evaluation, Authorisation and Restriction of Chemicals
<b>JAC</b>	Joint Audit Cooperation
<b>SLB</b>	Sustainability-Linked Bond
<b>SLBF</b>	Sustainability-Linked Bond Framework
<b>SLBP</b>	Sustainability-Linked Bond Principles
<b>ICMA</b>	International Capital Markets Association
<b>KPI</b>	Key Performance Indicator
<b>SPT</b>	Sustainability Performance Target
<b>SBTI</b>	Science-Based Target Initiative
<b>SBT</b>	Science-Based Target

# Agenda

- 01 Inteno Group Summary**
- 02 Sustainability at Inteno**
- 03 Sustainability-Linked Bond Principles**

A satellite view of Earth at night, showing city lights and a network overlay of white lines and nodes. The text "Inteno Group Summary" is centered in white.

# Inteno Group Summary

# Inteno is the Market Leader in Ultra-Fast Fiber Connectivity Infrastructure and CPE Software Solutions

## Inteno Group

- Developer and provider of high-speed fiber CPE products, powered by leading open-source software platform for CPE, RGW and IoT devices
- Operational through the two subsidiaries, Genexis and IOPSYS. Genexis predominantly focuses on the products and solutions part of the business and IOPSYS on the hardware agnostic open-source operating system, IOWRT
- Inteno Group has more than 30 years of telecommunication market experience
- The market leading developer and provider of high-speed fiber CPE products with market shares ranging from 18-62% in the respective markets that the company actively operates in

## Longstanding Relationships with Blue Chip European Companies



Notes: FY21A revenue includes the acquisition of Seliro/Tilgin  
 1) Is not pro forma adjusted to include Genexis; 2) Includes acquisitions

## Inteno Corporate Overview

**1991**  
Established

**Stockholm**  
HQ

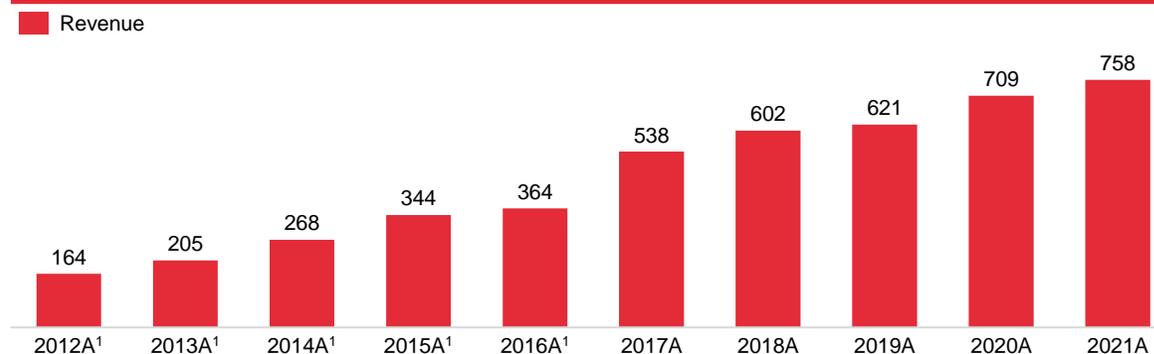
**212**  
FTEs

**76%**  
FY21 Revenue From  
Recurring Revenue

**19%**  
2012-2021 Revenue  
CAGR<sup>2</sup>

**SEK 190m**  
'18-'21 Platform  
Investment by Inteno

## Revenue Development Last 10 Years (SEKm)



# Inteno's Product Range Provides End-to-End Ultra-Fast Connectivity To The Internet Infrastructure

*Innovative connectivity products and solutions for the always Connected Home*

## A Complete End-to-End Set of Products Enabling the Connected Home



Full focus on Fiber-to-the-Home



Based on open standards & interoperability



Lowest Total Cost of Ownership



Designed for easy installation and integration



Developed in Europe with local support

1

### Fiber Termination

**Patented fiber connectivity**  
GPON, XGS-PON, Point-to-Point  
1 Gb/s & 10 Gb/s, CATV, voice

2

### Residential Gateways

**Fiber-speed, fully managed**  
WiFi-enabled Ethernet and Fiber  
gateways, based on IOPSYWRT

3

### In-Home WiFi

**WiFi made easy**  
EasyMesh<sup>1</sup> WiFi router extenders  
with EasyTouch pairing &  
IOPSYWRT

### Software and Device Management

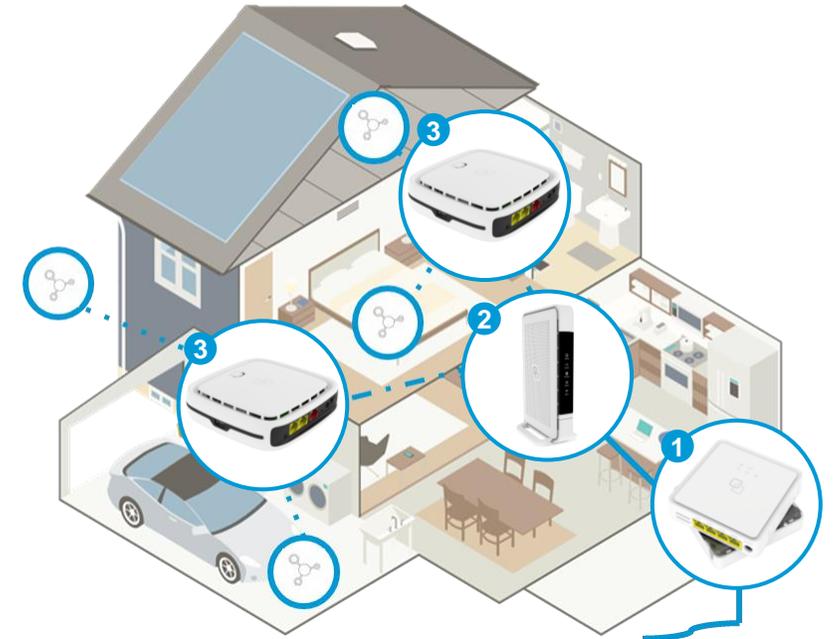
Standards-based OS software and Cloud  
management that operates, provisions and maintains

**IOWRT**

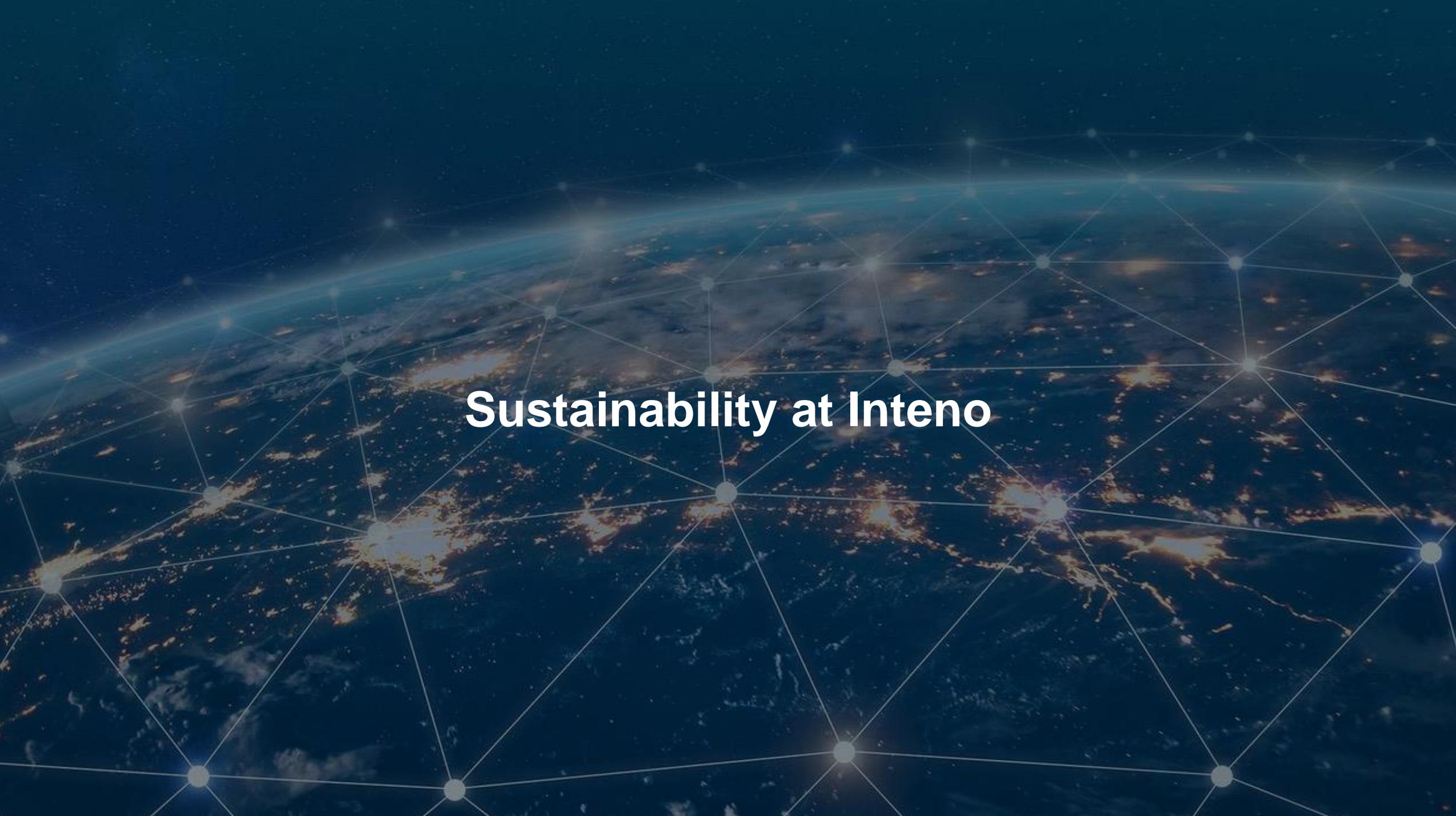
GenXOS

InterOS

CloudSight



Notes: 1) A standard certification program that defines multiple access point home and small office Wi-Fi networks

A satellite view of Earth at night, showing city lights and a network of glowing nodes and lines overlaid on the planet's surface. The text "Sustainability at Inteno" is centered in white.

# Sustainability at Inteno

## Sustainability at Inteno

Inteno's sustainability work has always been a core aspect of the business model and is highly integrated into the organisation. Our goal and vision is to remain a frontrunner in the industry, hence we must implement a sustainable approach to every decision within the organisation.

Both Genexis and Iopsys contribute to a society that is afflicted with overconsumption, by minimizing the need for change of products. All products are built to last and stay up to date through software maintenance and updates. In this way, Inteno is able to contribute to a more connected world with less requirements on transportation in the value chain.

Inteno acknowledges that overseas shipping is a contributor to GHG emissions, hence we are currently establishing a rigorous sustainability restructuring in order to map out where further emphasize is required to minimize negative climate impact. In addition, by maintaining long-term relations with partners, the group is able to have wide insight and control of sustainable processes in partnering production facilities.

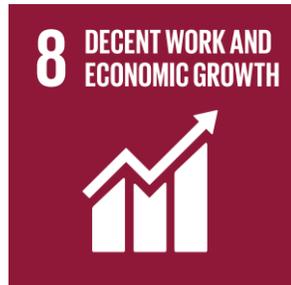
The group works with sustainability beyond climate footprint. We work actively to ensure the safety and well-being of all our employees by mandating all partners to comply with our Code of Conduct. In addition, all employees are treated accordingly with the highest ethical standards in our modern day society.



# UN Sustainable Development Goals

## In line with the sustainability approach that Inteno has, we have decided to primarily focus on four of the UN sustainable development goals (“SDGs”)

The group believes that these are the areas in which we can make the largest positive impact and thus contribute the most to a more sustainable future



Inteno actively work to promote a diversified work force in a safe and sustainable work environment. The workforce within the offices are of several nationalities, genders and age. In order to promote good health and well-being for all employees, Inteno regularly report and follow-up on work-related injuries and ill health.



Inteno is actively working toward reducing our overall negative climate impact. The group is taking measures to identify the most critical areas in where to improve in order to do our part in the global combat against climate change. This will be done by identifying Science Based Targets in relation to Scope 1-3 emissions, and increasing the amount of post-consumer recycled plastics (PCR) in our products.



Inteno's continuous development of software solutions and hardware products contribute to the goal of developing sustainable, resilient and inclusive infrastructure by providing innovative technological solutions at an affordable price. The company is involved with legislative decision makers and industry body's in order to guide in which direction highly advanced solutions can be implemented and standardized.



Inteno's innovative products ease and enable further development of sustainable communities by offering high-speed communication and connectivity within rural and urban cities. In addition, modern properties require robust systems that can undergo maintenance or updates without physical interference or change of hardware, which Inteno's products always strive to deliver.

# A Sustainable Supply Chain Process

**Material sourcing**  
Due to extensive relationships with the ODM's, Inteno has the capability of influencing where raw materials are sourced. Hence, the group has been able to increase the amount of recycled plastics within production



**Employees**  
All ODM's are required to comply with Inteno's Code of Conduct, hence they are required to treat all employees fairly and equally



**Waste management**  
All ODM's are ISO14001 Certified and handle waste in a responsible and sustainable way

**ODMs**



The 3 largest ODM's stand for ~90% of Inteno's total production. The group has collaborated with the ODM's for a combined period of ~30 years. Inteno maintains wide insight within the ODM's to ensure responsible and sustainable production. 2/3 of the largest ODM's have together with Inteno been rewarded with JAC's<sup>1</sup> sustainability and CSR certification. All ODM's are compliant with:

- **Inteno's Code of Conduct**
- **RoHS<sup>2</sup>** – ensures that no hazardous substances are used within plastics that contain electronic equipment
- **REACH<sup>3</sup>** – Ensures that relevant hazardous chemicals are banned from the production process



**Slow steamer**



Inteno's products that are produced overseas are, as far as possible transported by slow steamer shipping to the distribution centres in Europe, and sometimes directly to Inteno's customers



**Distribution centres**



Once at the distribution centres, all products are transferred to Inteno's different customers in bulk to limit the amount of transportations required



**End-user**



Inteno's products are designed to be upgradable by the customer, removing the need for specialised technician. A connected home requires less physical travel for socialising



**Inteno customers**



Through patented fiber termination technique, customers can reduce the installation time compared to market standards. Software updates lengthens the lifetime of products. All governing for reduced truck-rolls



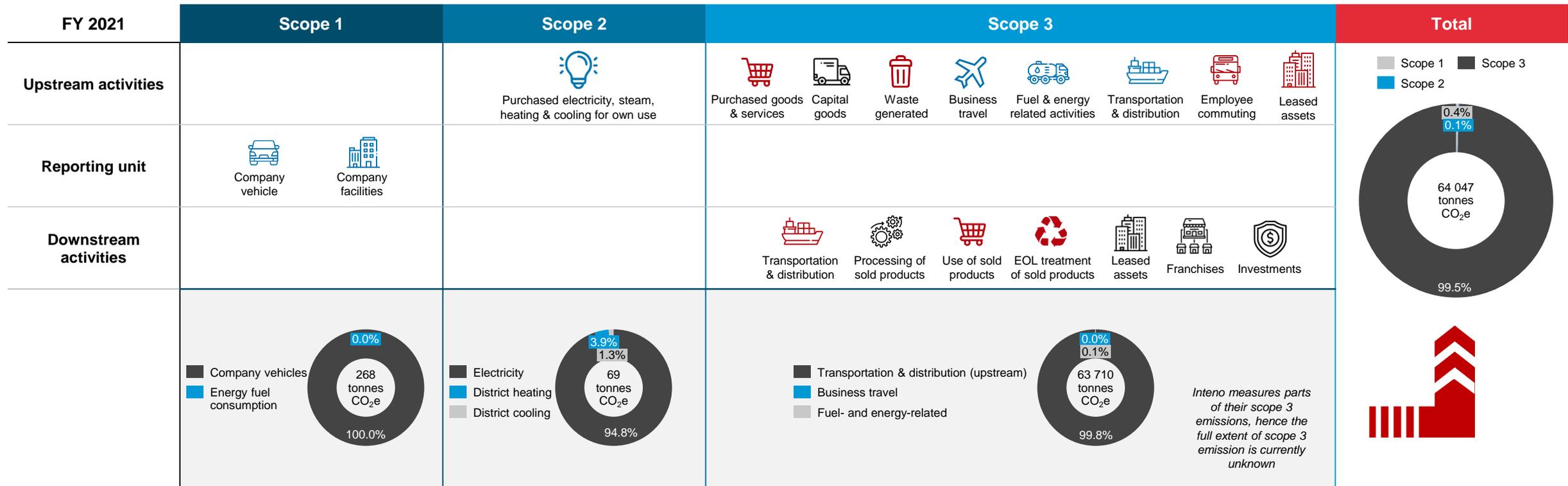
Notes: 1) Joint Audit Cooperation – a collective of 18 telecommunication companies, including Telia, Telenor, KPN, AT&T ; 2) Restriction of Hazardous Substances; 3) Registration, Evaluation, Authorisation and Restriction of Chemicals;

# Inteno's Climate Impact

Inteno is in the process of mapping out its environmental footprint both directly and indirectly. The group works together with a third-party sustainability advisory firm, Ethos Sustainability Solutions, in order to thoroughly and accurately identify Inteno's overall climate impact. The process will measure Inteno's climate impact in Scope 1, 2 and 3 emissions, measured in CO<sub>2</sub>e.

Scope 1 includes direct emissions from the Group's own and controlled sources. Scope 2 includes indirect emissions from purchased electricity, heating, and cooling consumed. Scope 3 covers other indirect emissions throughout the value chain.

Inteno is still in the process of reviewing and identifying the scope 3 activities. In the figure below the categories currently identified and accounted for are marked in **blue**, categories that are considered relevant but not yet reviewed are marked in **red**<sup>1</sup> and categories that have no connection to Inteno are marked in **black**.



Notes: 1) Due to the ongoing sustainability work with Ethos, red marked categories are still an estimate and not guaranteed to be reviewed/measured in the future





# **Sustainability-Linked Bond Principles**

# Sustainable Financing

Through the issuance of this bond, Inteno will establish its first Sustainability-Linked Bond (“SLB”). Inteno has chosen to establish this SLB Framework (“Framework”) to further integrate its key sustainability objectives with its financing activities.

The framework is aligned with the five key components of the Sustainability-Linked Bond principles (“SLBP”), established by the International Capital Markets Association (“ICMA”). The Sustainability-Linked Bond Principles are voluntary process guidelines that outline the best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the sustainability-linked bond market. The framework is aligned with the core components of the SLBP listed below and will enable Inteno to issue Sustainability-Linked Bonds.

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond Characteristics
4. Reporting
5. Verification

ISS ESG has provided a second party opinion confirming alignment of this Framework with the SLBP developed by the International Capital Market Association.

The selected SPTs and KPIs for any security issued under this Sustainability-Linked Bond Framework will remain throughout the tenor, regardless of any changes in Inteno’s ESG strategy or industry regulations.

	KPI 1	KPI 2
KPIs	Increase the use of recycled plastics in Inteno's products	Setting Science-Based Targets for scope 1-3 emissions approved by SBTi <sup>1</sup> for CO <sub>2</sub> e emission reduction in line with the 1.5-degree scenario
SPTs	SPT 1: 55% of total plastic materials <sup>2</sup> used in final products to consist of recycled plastics by 2026	<ol style="list-style-type: none"> <li>1. SBT to be validated by the Science Based Target Initiative (SBTi) in 2024</li> <li>2. This SPT will be aligned with the SBTi targets (as sub-targets) and will be announced when the SBTi targets are validated. The 2026 milestone targets are to be reached by 2026.</li> </ol>
Target observation date	FY 2026	FY 2024 FY 2026
Financial characteristics	Increased redemption price	
Reporting and post issuance verification	Annually in the sustainability report or in a separate sustainability progress report	

Notes: 1) Science Based Target Initiative; 2) Measured in metric tonnes

# Selection of Key Performance Indicators (KPIs)

## 1. Selection of KPIs

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Inteno aims to contribute to an overall positive impact on the climate. The group has worked proactively to implement sustainability into strategic decision but aim to take on further responsibility toward a sustainable world. Hence, the key is to implement sustainable targets that directly and indirectly are affected by Inteno and where they can reduce the negative impact to climate change the most, simultaneously as contributing to a better world. It has been important to implement KPIs that are in line with the strategy of Inteno, but also measurable on a consistent methodological basis and able to be benchmarked.

### **KPI 1: Increase the use of recycled plastics in Inteno's products**

In line with UN SDG 13 "Environment and Climate", Inteno wants to increase the use of recycled plastic materials within final products in order to minimize waste pollution and increase natural resources preservation. As a considerable consumer of plastics within our consumer products, Inteno has a responsibility to decrease the use of virgin plastics and replace it with post-consumer recycled plastic instead.

### **KPI 2: Setting Science-Based Targets for scope 1-3 emissions approved by SBTi for CO<sub>2</sub>e emission reduction in line with 1.5-degree scenario**

Inteno realise that it is the responsibility of all stakeholders to take action to reach the global agenda of the 1.5-degree scenario. Hence, the group aim to scientifically justify our actions by implementing science-based targets, approved by the Science Based Target Initiative and reaching the new targets by the maturity of the bond. By doing so, the groups climate efforts and ambitions are further validated and a step forward in reducing greenhouse gas emissions, and hence, the overall climate impact. Inteno acknowledges that the positive climate efforts stretches far beyond the bonds' maturity, hence, the Science-Based Targets will include long-term goals until 2030 and beyond.

# Calibration of Sustainability Performance Targets (SPTs)

## KPI 1: Increase the use of recycled plastics in Inteno's products

**SPT:** 55% of total plastic materials used in final products to consist of recycled plastics by 2026.

**Definition:** Recycled plastics in this KPI is defined as post-consumer recycled plastics (PCR), meaning that the materials are made from items that consumers have recycled. The amount of plastic within products will be measured in metric tonnes. The KPI targets are reached if Inteno can show that out of the total amount of plastics used within final products, 55% is recycled plastics.

**Rationale:** Approximately 90% of Inteno's consumer products contain plastic components. Due to this, Inteno is a large consumer of virgin plastics from fossil sources. By minimizing the proportion of virgin plastics in new products, Inteno can further commit to a circular economy that uses more sustainable resources. Due to the different characteristics of recycled plastics, both technical and aesthetic, Inteno's designers and engineers will have to work closely with our partners along the value chain in order to create a product that does not compromise the quality and high performance that the consumer demands.

**Timeline:** Inteno's final target of 55% recycled plastics will be measured on a linear basis from the baseline year (2021) until the target observation date, equalling to an annual increase of approximately 8% until the target is reached in 2026

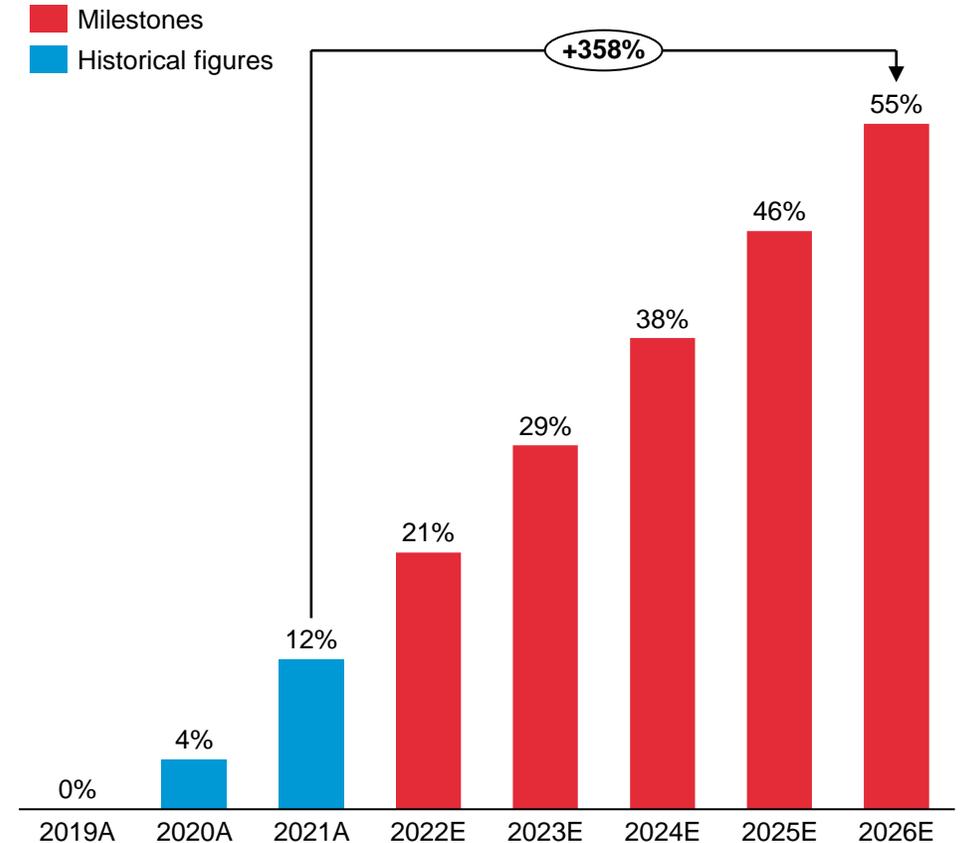
### Risks to achieving the targets:

- Price and availability of recycled plastics
- Customer acceptance of products containing recycled plastics
- Demand for products with recycled plastics
- Sub-suppliers' capabilities to manufacture products according to specifications with recycled plastics

### SDG alignment:



### Linear target trajectory & SPT Milestones



# Calibration of Sustainability Performance Targets (SPTs)

## KPI 2: Setting Science-Based Targets for scope 1-3 emissions approved by SBTi for CO<sub>2</sub>e emission reduction in line with the 1.5-degree scenario

**SPT 1:** SBT to be validated by the Science Based Target Initiative (SBTi) in 2024.

**SPT 2:** This SPT will be aligned with the SBTi targets (as sub-targets) and will be announced when the SBTi targets are validated. The 2026 milestone targets are to be reached by 2026.

**Definition:** Inteno will implement and validate two SBTs: SBT 1 will include a Scope 1 & 2 emission target; SBT 2 will include a scope 3 emission target. The SPTs are reached if a) the Inteno CO<sub>2</sub>e emission reduction targets are validated by SBTi and listed on the SBTi list of companies with validated targets (with 1.5C target classification) in 2024. b) if the set reduction target for 2026 are reached by 2026. The target date for the SPT connected to this KPI will be set for 2026, while the SBTs are expected to be set for later years. The 2026 target will be calculated as a linear extrapolation of the set SBT.

**Rationale:** By committing to targets that are validated by the SBTi, the sustainability efforts of the group are aligned with the Paris agreement goals developed by the UN. Inteno believes that all companies need to take action and responsibility to make the change that is required for the world to succeed in the 1.5 degrees Celsius target.

**Timeline:** Setting a science-based target is a five-step process:

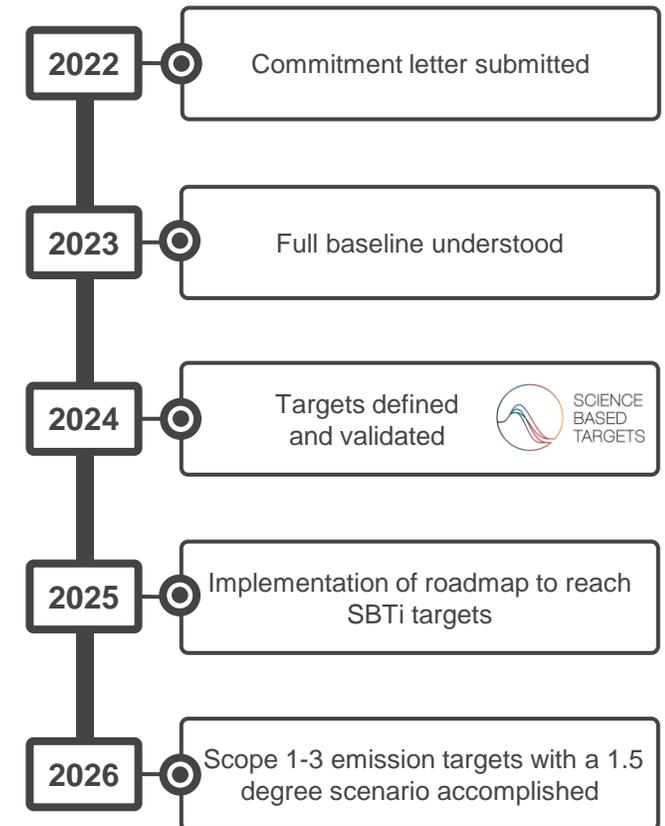
1. **Commit:** Submit a letter establishing your intent to set a science-based target
2. **Develop:** work on an emissions reduction target in line with the SBTi's criteria
3. **Submit:** present your target to the SBTi for official validation
4. **Communicate:** announce your target and inform your stakeholders
5. **Disclose:** report company-wide emissions and track target progress annually

**SDG alignment:**



**Risks to achieving the target:** Since Inteno does not control the full value chain (partners), this implies that partners may need to collaborate on certain matters in order to reach the identified targets. This is applicable towards scope 3 emissions. This is mitigated through having long and stable relationships with the partners, which gives the capability to have an impact on these partners. Some of Inteno's suppliers have historically been proactive in CSR matters which should create a good platform for involvement around lowering GHG emission.

### Projected target trajectory & SPT Milestones



# Bond Characteristics & Reporting

## 3. Bond Characteristics

The SLB contain the characteristics of conventional bonds, together with the provisions as stated below, that regulate the effect of not achieving the KPIs according to the SPT Trajectory.

In the event that Inteno should fail to provide due support of meeting the SPTs at the applicable Target Observation Date (as stated in the Bond Documentation), the financial characteristics of the SLB will automatically be amended to include an additional redemption premium (“Sustainability-Linked Redemption Premium”), which, at most, can amount to 0.50% of the nominal amount under the bonds (“Maximum Sustainability-Linked Redemption Premium”). The applicable Sustainability-Linked Redemption Premium would be equal to:

- a) The Maximum Sustainability-Linked Redemption Premium if none of the KPIs meet the trajected SPT on the Target Observation Date
- b) 50% of the Maximum Sustainability-Linked Redemption Premium if only one of the KPIs meet the trajected SPT on the Target Observation Date
- c) 0% of the Maximum Sustainability-Linked Redemption Premium if all KPIs meet the trajected SPT on the Target Observation Date

In the event that Inteno should exercise the Call Option of the bond, before the Final Redemption Date, the KPIs need to meet the relevant SPT milestone (“Sustainability Performance Target Milestone”) for that fiscal year to provide due support of meeting the SPT.

## 4. Reporting

In order to stay fully transparent toward current and potential future investors and other stakeholders, Inteno commits to regular impact reporting on the sustainability KPIs as long as it has an SLB outstanding. Impact reporting will be published on Inteno’s website on an annual basis. Inteno intends to report on quantitative impact indicators where feasible and relevant data is available. Reporting will include:

- A sustainability report (including CO<sub>2</sub> footprint calculations based on the GHG protocol);
- Up-to-date information on the performance of Inteno on each of the KPIs versus the SPTs;
- A verification report as explained under verification on the next page; and
- Any other relevant information enabling investors to monitor the progress of our performance relative to the SPT

# Verification & Second Party Opinion (SPO)

## 5. Verification

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To confirm the transparency and robustness of Inteno's Sustainability-Linked Bond Framework, Inteno will annually seek independent and external verification of our performance level against the SPTs for the stated KPIs by a qualified external verifier amid the duration of the bond. A verification report provided by the external verifier will be published on Inteno's website, together with the Sustainability-Linked Bond Progress Report.

## Second Party Opinion (SPO)

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Inteno has engaged the ESG analysis and advisory firm ISS ESG, based on the Voluntary Guidelines for External Reviews developed by the Green Social Bond Principles, an independent, ex-ante Second Opinion on Inteno's Sustainability-Linked Bond Framework. The Second Party Opinion report will be made publicly available on Inteno's website.

A night cityscape with a glowing blue network overlay. The network consists of numerous small blue dots connected by thin lines, forming a dense, interconnected web that arches over the city. The city lights are visible in the background, with various buildings and structures illuminated in different colors.

***Inteno***  
GROUP