KLÖVERN

ESG Questionnaire

General industry

Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges:

Challenge 1: Climate change mitigation mainly related to construction of new buildings but also related to property management, i.e. energy usage and refurbishments of residential/commercial premises.

Challenge 2: Climate change adaptation and risks related to physical climate risks such as heavy rainfalls, flooding and high temperatures.

Challenge 3: In recent years, work-related crime and human rights violations have steadily increased in the construction sector. Undeclared work has increased rapidly over the past decade mainly due to free movement within the EU, a prolonged economic boom from earlier and increased use of subcontractors.

Process:

Double materiality analysis performed in line with CSRD/ESRS.

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Preliminary assessments have been conducted. New construction and residential development projects are aligned with the EU Taxonomy to a great extent. This is also the focus of Klövern's Green Finance Framework. Klövern's portfolio currently include project properties with commercial premises that are not aligned with the EU Taxonomy. These properties are aimed for future conversion into residentials and will be aligned with EU taxonomy when developed.

Environment

List the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities:

Risk 1: Increased costs of and availability of materials and resources needed to reduce the carbon footprint in line with science.

Risk 2: Increased costs and availability of renewable energy due to increased energy consumption and lack of renewable sources.

Risk 3: Loss of biodiversity and/or affected ecosystems due to climate change that we depend on for resources and materials.

Climate-related opportunities:

Sustainable urban development, circular economy and renewable energy production and self-sufficient energy systems.

Does the firm anticipate any climate-related investments, and if so, to what extent?

Klövern consistently invests in climate-related investments such as renewable energy, energy efficiency technologies, low carbon materials, charging stations for electrical vehicles, etc.

Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?

Klövern does not rely on any scarce resources. We have a strategy that allow us to work with all low carbon construction materials and practices mitigating the overall risk of scarcity. In project development Klövern applies targets for resource efficiency and waste.

Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

Klövern anticipates some risks and opportunities in the transition to a carbon-neutral society. We assess the opportunities to exceed the risks. The identified opportunities are the basis for our business strategy.

The slow down on the regulatory side, both EU and national legislation, is creating market concerns and risk for decrease in capital to innovations and new technologies which may affect the industries overall contribution to climate mitigation when facing increased costs and scarcity of sustainable materials.

We have a strategy that allow us to work with all low carbon construction materials and practices mitigating the overall risk of scarcity.

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?.

Klövern has a target to achieve net zero property management in residential units until 2030. The net zero definitions follow the SBTi definition.

Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainability Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Mean 1: Dedication to mitigate CO2 in new construction.

UN SDG: 13

Mean 2: Develop all new builds with a sustainability program targeting social sustainability, energy efficiency and BREEAM Excellent.

UN SDG: 7, 11, 12

Proportion of sales directly linked to selected UN SDGs:

100%.

Social

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

Klövern does not have a history of accidents and has methodical preventive work to make sure employees and entrepreneurs work in a safe environment. This is also specified in Klövern's policy on work environment, guidelines for health and safety and Klövern's Supplier Code of Conduct.

If applicable, please state your targets for gender and cultural equality and indicate the relative split of women/men at every level of the firm, particularly the Board of Directors and management team.

In 2024, Klövern had a goal targeting gender balance in management positions. The outcome 2024 was:

Total employees W/M, %: 50/50

Management team W/M, %: 50/50

Board of Directors W/M, %: 0/100

Does the company conduct any other community engagement activities aside from those directly connected to the business?

Currently on a small scale.

How often does the firm conduct audits of its suppliers and how often do you discover incidents not compliant with your code of conduct?

All suppliers and suppliers' suppliers are investigated, verified and followed up regarding compliance with legislation, financial situation and Board of Directors, and to ensure that the supplier has engaged in collective bargaining agreements or operates in accordance with collective bargaining agreement-like forms to ensure conditions for the employees.

Klövern conducts on regular basis audits on construction sites and related contractors. Incidents have occurred and actions have been carried out accordingly.

Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Mean 1: Create positive social change in society through the way we work as a residential developer offering qualities to residents, the neighbourhood and the local community.

UN SDG: 11, 12

Mean 2: Minimise negative social impact by contributing to a sustainable construction industry by secure health and safety and combatting work-related and economic crime. For example, Klövern has signed the contract annex to the Banking Sector's Sustainable Construction Industry Initiative regarding residential projects under construction. The initiative is a collaboration aimed at promoting sustainability in the construction industry. Klövern is also in the process with our contractor´s to tighten the requirements further regarding health and safety and human rights violations.

UN SDG: 3, 8

Proportion of sales directly linked to selected UN SDGs:

100%.

Governance

Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

All staff will receive continuing education on anti-corruption.

Klövern has an external whistle-blower function.

There is no history of incidents involving corruption and no ongoing reports.

Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen:

Sweden.

How many independent members sits on the Board of Directors?

There are no independent Board members in relation to the company's major shareholders.

One Board member is not independent in relation to the company and the company management.

Please state if and to what extent, the company has transactions with related parties:

Board member Patrik Essehorn is a partner in Walthon Advokater AB, which regularly provides legal advice to Klövern.

Which KPIs dictate the renumeration to management (are sustainability and diversity goals included)?

Sustainability related targets are an integral part of Klövern's business targets, and as such, also part of targets which affect renumeration. In 2024, CO2 threshold target, gender balance in management and sustainability training programme for employees was the primary KPIs included.

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

On annual basis Klövern has started to report ESG performance in accordance with ESRS (the European Sustainability Reporting Standards). In 2024, a double materiality analysis was conducted identifying material impacts, risks and opportunities. The DMA was performed by the Management team and approved by the Board of Directors. In the annual report Klövern reports on ESRS General disclosures, Environmental disclosures E1, E4, E5 (climate change, biodiversity and ecosystems, resource use and circular economy), Social disclosures S1, S2, S3 (own workforce, workers in the value chain, affected communities) and Governance disclosures G1 (business conduct).

On quarterly basis Klövern reports to senior management/ Board of Directors on the following KPIs:

- CO2: kg/sqm building permit
- CO2: kg/sqm new construction
- CO2: kg/sqm,year energy in property management
- EPC A-B, % sqm of tot
- Sustainable financing, % sqm (Q4 2025)
- BREEAM Excellent, % of tot
- Social sustainability NKI (Q4 2025)
- Innovation projects predesign stage, % of tot
- Sustainable supply chain, number of unannounced visits to construction sites (Q4 2025)

Have you signed a Union agreement:

All employees are white-collar workers covered by employment contracts with conditions adhering to the same levels as the industry's collective agreements.

Principle Adverse Impacts (numeric answers):

Please see PAI table from the 2024 Annual Report and below:

- Revenue (SEK million): 221
- Greenhouse gas emissions (tonnes);
- Scope 1: 37,8
- Scope 2: 295,9
- Scope 3: 507,3
- Share of non-renewable energy consumption: 33%
- Share of non-renewable energy production: 0%
- Energy consumption in GWh: 18,4
- Tonnes of emissions to water: 0
- Tonnes of hazardous waste and radioactive waste generated: 0
- Unadjusted gender pay gap: Not reported
- Board gender diversity: W/M %, 0/100

Principle Adverse Impacts (yes/no answers):

- Fossil fuel operations: No
- Sites/operations located in or near to biodiversity sensitive areas where activities negatively affect those areas: No
- Science based target: Ongoing
- Reports to CDP: No
- UN Global Compact Signatory: Yes
- Involved in the manufacture or selling of controversial weapons: No
- Whistle blower policy: Yes
- Supplier code of conduct: Yes