

KLÖVERN



Green Bond Framework

August 2025

Klövern's first self-developed flagship project is Träklippan in Nacka. Träklippan consist of 100 new apartments that have a negative carbon footprint over their lifecycle. The total climate impact of Träklippan will be only one-fourth of the Swedish National Board of Housing, Building and Planning's (sw. Boverket) proposed limit values. The proposed limit value by Boverket amounts to 375 kg CO₂e/m² GFA .



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Klövern at a glance

Klövern AB (“Klövern” or the “Company”) develops, sells and manages residential buildings. Klöver's business model is designed to create the highest possible value growth through transactions, residential development, sales, and long-term management of residential buildings. Klöver aims to be an inspiring force in residential development on the Swedish market. Through expansive development growth of its building portfolio and a strong sustainability profile, Klöver wants to become one of Sweden's leading residential players and drive the industry forward. When Klöver develops a residential area, a holistic and long-term sustainable approach is applied to ensure attractive buildings and homes that meet modern needs.

The business strategy is based on five prioritized areas with respective underlying strategies, one of which is *Innovative Sustainability*. It is the only strategy that consistently appears in all prioritized areas and is therefore the strategy that should permeate Klöver's entire business and operations. Through this approach, the Company aims to achieve its long-term desired position – as one of Sweden's leading building and development companies that leads the way for sustainable development.

As of 30th of June 2025, the portfolio consists of 561 rental apartments under management, about 1 540 apartments under production and building rights for 18,000 residential units. The portfolio is characterized by central locations and concentrated primarily in the Stockholm area, Uppsala, Västerås, Gothenburg, Linköping and Nyköping. The greatest demand and market for new residential buildings is in Stockholm. Klöver's portfolio of around 11,200 residential units in Stockholm is located near workplaces, higher education institutions, the city centre and cultural activities. More than 90 percent of the portfolio's residential units are less than 30 minutes by public transport from the city centre of Stockholm. In addition, Klöver has development properties covering 133,000 square metres, with commercial net operating income, that are planned for conversion into residential areas and buildings.

Sustainable development

Klövern's vision of sustainable homes for the future is a holistic concept that requires living environments to be ecologically, socially and economically sustainable. As a company, residential developer and partner, Klöver aims to drive the real estate sector to a low-carbon future and create positive social impact through its actions and lead the way towards sustainable development.

Klövern's long-term, overarching sustainability goals include:

- Achieve net-zero CO2 emissions in Klöver-managed residential buildings and reduce CO2 emissions in new construction by 20 percent annually until 2030 compared to base year 2024¹.
- Become the best workplace in the real estate sector with a robust organisation and committed employees, to create the best conditions for achieving Klöver's growth journey.
- Create positive social impact through the way Klöver operates as a company, residential developer and business partner.

Sustainable development is an integral part of the business as a whole and is further embodied in Klöver's sustainability strategy. This is implemented operationally in project development and property management via company goals and business plan, governing processes, working practices and external framework such as environmental certification schemes.

¹Reference value for 2024, 290 kg CO2/sqm GFA, LCA stages A1–A5 which covers building material, transportation and waste in construction production and calculated in accordance with the Swedish national regulation on climate declarations for buildings (2021:787).

Sustainability strategy

To achieve its climate and sustainability goals, Klöver operates on the basis of five core strategies:

- **Klövern's 90/10 principle:** It means that 90 percent of Klöver's projects should be 10 percent more sustainable than the industry standard, and 10 percent of the projects should be 90 percent more sustainable, innovations or innovative projects. The 90/10 principle is a mindset and a point of departure from where all project development starts.
- **Consistent environmental and climate thinking:** Klöver certifies all new construction with BREEAM Excellent as a starting point. The Company requires a well-thought-out final product with high energy efficiency, material efficiency, and modern technology that creates climate and environmental benefits.
- **Long-term partnerships:** Through long-term collaborations with construction contractors and other stakeholders, and with a clear vision, the Company will drive development towards reduced climate impact and sustainable development. Klöver believes in sharing knowledge and experiences with its partners and other stakeholders.
- **Quality and care.** Klöver builds homes that offer quality to residents, the neighbourhood and the local community. All projects develop a sustainability program that describes the social and environmental sustainability which will be achieved during the project.
- **A culture that leads the way.** Klöver is convinced that a corporate culture that allows individuals and partnerships to grow creates a solid foundation for achieving the company's vision.



CLIMATE CHANGE

Klövern aims to reduce its negative climate and environmental impact across the entire business. The greatest opportunity for influence lies within its own operations, in the construction of new residential buildings and the management of properties. This is also reflected in Klöver's most material sustainability issues: climate change, energy use, biodiversity, and material use and circularity.

Klövern recognises the risks associated with climate change and is aware that reducing greenhouse gas emissions and switching to fossil-free energy sources are crucial to the global climate transition. Over the next few years, a large portion of Klöver's building rights portfolio will be developed. Property development will constitute the largest share of the company's climate footprint. Operational emissions are limited compared to emissions related to new construction. This means that the focus will be the reduction of embodied CO₂-emissions in the coming years. Klöver's 90/10 principle, environmental certifications, energy efficiency, and long-term partnerships are key components of Klöver's strategy to drive the Company and industry towards reduced climate impact.

In 2025, Klöver has started the process of aligning and verifying its overall climate goals in line with SBTi (Science Based Targets initiative). This will guide the company further in its aim to drive the industry to a low-carbon future.

Climate change mitigation - new construction and own management

Klövern's overall climate goal is to achieve *net-zero in-use operational CO₂ emissions (energy related) in residential buildings and reduce CO₂ emissions in new construction by 20 percent annually until 2030 compared to base year 2024*.

The climate goal for new construction is measured on the portfolio's area weighted average and for the year in which the projects submit their building permit applications. In 2024, this meant setting a maximum limit for all new construction projects at *290 kg CO₂ per square meter gross floor area GFA²*. The limit refers to lifecycle stages A1-A5, which includes building materials, transportation, and waste in construction production. The long-term goal for new construction is to have an average value of a *maximum of 75 kg CO₂ per square meter GFA²* embedded CO₂ by 2030. This is an ambitious target that requires consistent environmental and climate considerations throughout the organisation.

In property management, the focus is on *energy efficiency* and ensuring a *transition to renewable energy* including increased self-production of renewable energy. This is done by optimising energy use and investing in solar panels, as well as excluding fossil fuel-based district heating in residential properties. All purchased electricity is renewable.

Climate change adaptation

Material physical climate risks and vulnerability analysis are conducted for all eligible assets. In project development the analysis is performed in an early development stage to ensure that recommended adaptation solutions will be applied.

²Embodied carbon covering LCA stages A1-A5 is calculated in accordance with the Swedish national regulation on climate declarations for buildings (2021:787).



Environmental certification schemes & sustainability program

All new construction projects developed by Klöver are environmentally certified with *BREEAM-SE level Excellent*. The projects are evaluated in several areas such as climate change mitigation and adaptation, energy efficiency, water use, material use, healthy and non-toxic materials, waste, health and well-being, sustainable transportation, and the project's ecological values in the outdoor environment. Klöver has developed a standardized certification plan for all projects to ensure BREEAM level Excellent, alignment with the EU taxonomy and Klöver sustainability goals. This means that all projects must consider predefined areas/indicators. Klöver also requires that all new construction achieves at least energy class B and that solar panels are installed.

Acquired construction projects must achieve at least energy class B but may be developed with other environmental certifications systems than BREEAM.

In addition, in every new construction project, a *sustainability program* is developed at an early stage that specifies the goals to be achieved in terms of social and environmental sustainability. By working with BREEAM and a sustainability program, each project is designed to achieve the lowest possible climate impact, the highest possible energy efficiency, and local climate adaptation.

Innovation

Klöver's 90/10 principle means that one out of every ten projects should be an innovative flagship project that over time will lead to scalability, profitability, and new standards for the industry. The focus of the flagship projects is to reduce climate impact. This includes, for example, working with sustainable materials and construction methods, circularity and reuse, smart energy systems, innovative technology, and digitization. Klöver's first self-developed flagship project is *Träklippan* in Nacka. Träklippan consist of 100 new apartments that have a negative carbon footprint over their lifecycle. The total climate impact of Träklippan will be only one-fourth of the Swedish National Board of Housing, Building and Planning's (sw. Boverket) proposed limit values. The proposed limit value by Boverket amounts to 375 kg CO₂e/m² GFA³.

Collaborations

Besides long-term collaborations with construction contractors Klöver is a member of various cooperation forums that promote sustainable development. These include HS30 (Sustainable Stockholm 2030) and Klimatarena Stockholm. Klöver has also signed up to the construction sector's Roadmap for Fossil-Free Competitiveness.

³The maximum amount of embodied carbon is calculated in accordance with the revised and upcoming Swedish national regulation on climate declarations for buildings (estimated to come into force 2026), where the limit value applies to the maximum climate impact for modules A1-A5 in kg CO₂e/m² GFA.

BIODIVERSITY

In terms of new construction projects, Klöver's operations are governed by detailed plans, laws, and regulations. Species protection is incorporated into Swedish law, for example, before detailed plans are adopted and building permits are obtained, an *environmental impact assessment* (Sw. miljökonskvensbeskrivning) is conducted.

Furthermore, Klöver's measures to promote biodiversity are implemented in new construction projects. The measures are site-specific and developed through systematic work within the framework of BREEAM-SE. In all projects, a nature value inventory is conducted by a trained ecologist, which forms the basis for an action plan integrated into planning and implementation.

CIRCULAR ECONOMY

Klöver's most significant contribution to a circular economy is the transformation of commercial buildings into residentials. The Company has currently 3 conversion projects in its portfolio, one of which is Kista Square Garden in Stockholm. The project consists of developing Ericsson's former 56,000 square meter office building into nearly 900 apartments.

In all construction projects Klöver strives to reduce hazardous substances and use resource efficient materials. Thus, focus areas include material efficiency, waste management, and deconstruction and demolition. To meet Klöver's targets and to achieve BREEAM-SE Excellent certification, requirements apply regarding recycling and waste management. In new construction, there are project-specific targets for waste, focusing on sorting rates and the amount of waste generated per square meter. Through the use of BREEAM, requirements are set to address responsible sourcing of construction material, the phasing out of hazardous substances, and reducing the building's climate impact through material efficiency.

SOCIAL IMPACT

Social responsibility reflects Klöver's ambition to ensure that operations are conducted in a responsible manner in relation to society and its stakeholders. This includes creating conditions for better quality of life, safer neighborhoods, a more diverse range of services or adding new residential options through the development of new projects and neighborhoods. Furthermore, it means ensuring a good work environment and, as a company, contribute to positive social development from a broader perspective through cooperation with the industry and with the neighboring community.

Social value creation

As with work with the environment, measurability is essential for assessing the social impact in communities over time. Klöver aims to develop social impact metrics and key performance indicators to ensure that its efforts lead to positive societal change. For new construction projects, Klöver uses a model for *social value creation* to add value across four areas: i) design and natural values, ii) security and well-being, iii) inclusion and community, and iv) people's health and quality of life, with various measurable sub-areas.



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Respect for human rights

A critical element of social responsibility is to engage in and contribute to a sustainable construction industry and, in every way, to combat work-related and economic crime. In recent years, work-related crime and human rights violations have steadily increased in the construction sector. As a starting point, Klöver 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. It requires compliance by all construction companies involved in a contract to which the requirements apply. Besides this Klöver requires that all contractors sign the Code of Conduct for suppliers and encourages an open culture where employees and contractors feel safe to report risks and incidents.



Governance

The sustainability work is integrated into every aspect of the Company's operations. This is based on applicable laws, regulations, international frameworks and internal policies and goals, as described in the *Sustainability policy* and the *Code of Conduct*. The aim is to ensure that the sustainability work contributes to achievement of the *UN Sustainable Development Goals (SDGs)* and the *Paris Agreement* and complies with the *UN Global Compact* and the *UN Guiding Principles on Business and Human Rights*.

Governance structure

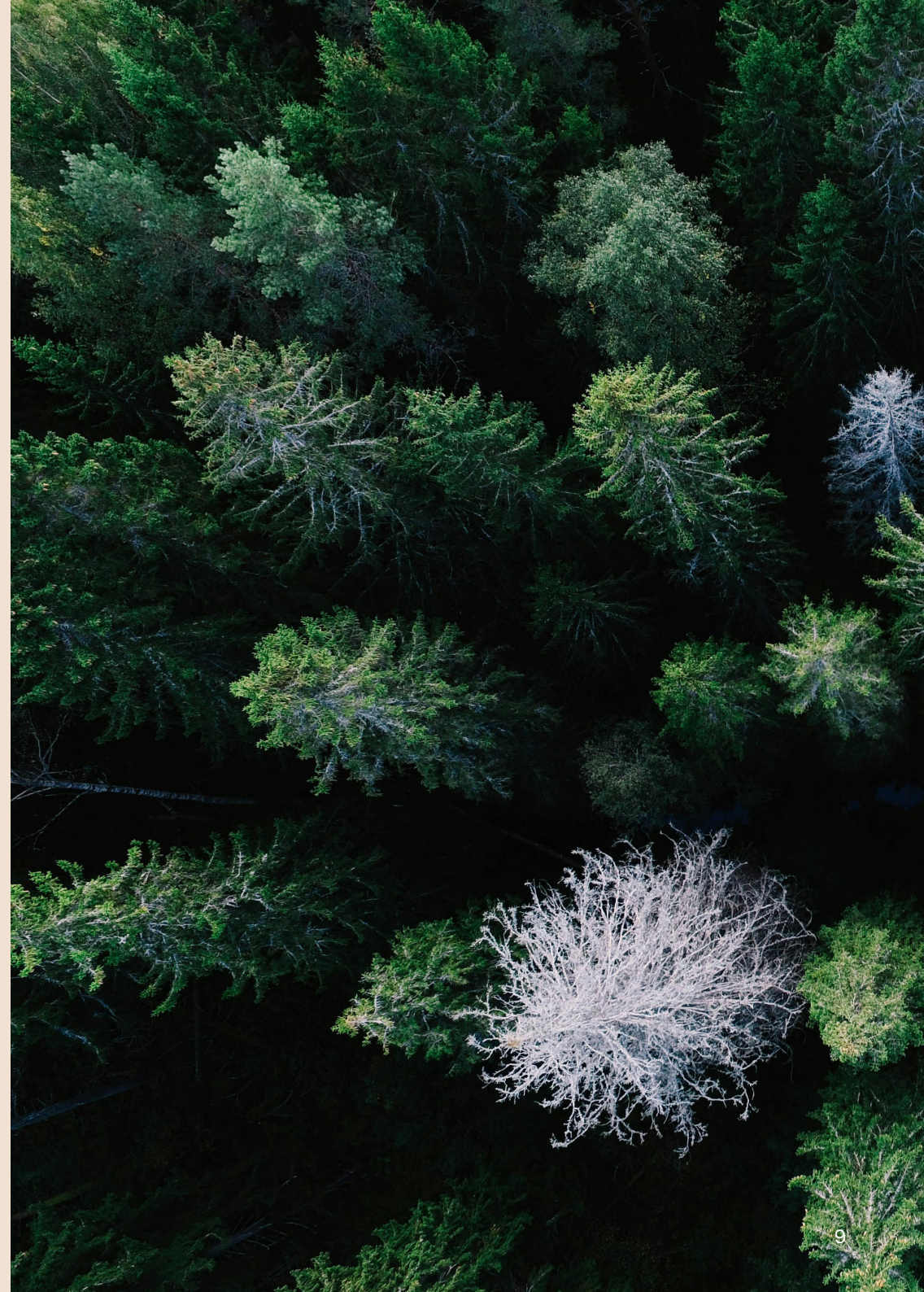
The Board of Directors exercises a supervisory role and sets the framework for sustainability work through policy, business strategy and long-term goals. The sustainability work is based on the Company's strategy and long-term goals, as well as its three-year business plan, which is revised annually by Management and subject to approval by the Board of Directors. The focus is on the prioritised sustainability areas identified in Klövern's Double Materiality Assessment (DMA). The CEO bears overall responsibility for the strategy and

business plan and has delegated responsibility for driving and developing sustainability work to the Head of Sustainability, who is a member of the Company's management team. The management team decides, and is responsible for, the annual operational goals, as well as for implementing and monitoring them. The management team is responsible for annually reviewing the DMA after discussion and for ensuring that strategic direction and operational goals are in line with the materiality analysis.

The Head of Sustainability leads the strategic and operational work, and reports to Management and the Board. The Head of Sustainability is also responsible for compiling sustainability data and producing the annual sustainability report and other sustainability communication. At operational level, each business manager, supported by the sustainability function, is responsible for integrating sustainability issues and ensuring that goals are achieved.

Policies and tools:

- Financial policy
- Investment policy
- Conflict management policy
- Crisis management policy
- Health and safety policy
- Personal data processing policy
- Information policy
- Sustainability policy and Code of Conduct
- Corporate governance policy
- Risk policy
- Valuation policy
- IT and information security
- Whistleblower function



Rationale for the Green Bond Framework

Rationale for Green Bond issuance

By the establishment of this *Green Bond Framework* (“Framework”) Klöver aims to raise funds through Green Bond issuance to support green and energy efficient buildings to further speed up Klöver’s efforts to achieve its climate goals by 2030.

Alignment with Market Principles

The Framework is aligned with the 2025 edition of ICMA *Green Bond Principles*⁴ and their four core components including key recommendations:

- Use of Proceeds
- Process for Project evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework further intends to consider the most recent market practices, in particular the *EU Taxonomy* to the extent possible.

This Framework is applicable for issuance of *Green Bonds* (including private placements).

Further, this Framework is applicable to the parent company and its subsidiaries.

As the Green Bond market continues to evolve, Klöver will review this Framework from time to time, including its alignment to updated versions of the ICMA Green Bond Principles. Accordingly, Klöver may deem it appropriate at times to further update its Framework with the objective of keeping or improving the current levels of transparency and reporting disclosures. Any material revision of the Framework will be subject to a new Second Party Opinion.

Swedbank has acted as Sustainability Coordinator to Klöver in the establishment of this Framework.

⁴ICMA Green Bond Principles (2025)

Use of Proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from Klöver's Green Bonds shall be used to finance or re-finance, in whole or in part, a portfolio of projects and assets ("Green Project"). Green Projects aim to promote the transition to a low-carbon future, as well as comply with Eligibility Criteria detailed in the table on the following pages.

Green Projects may include fixed assets, capital expenditures ("CapEx") and operational expenditures ("OpEx"). Fixed assets will qualify at the current balance sheet value, which will be updated annually to reflect regular depreciation. Capex available in the cashflow statement is subject to a three-year look-back period. OpEx available in the income statement is also subject to a three-year look-back period. In addition, a forward-looking period of up to 24 months post the issuance date of the Green Bond is applicable.

EU Taxonomy and UN SDG mapping

The Eligibility Criteria consider, on a best effort basis, the EU Taxonomy's technical screening criteria for substantial contribution to climate change mitigation.

Furthermore, a mapping to relevant UN SDGs, as well as EU Taxonomy activities and Environmental Objectives has been done, to the extent possible, on the following page.

Financing and refinancing

Refinancing refers to Green Projects occurring prior to the reporting year. Financing refers to Green Projects occurring during the reporting year.

Exclusion criteria

The net proceeds of Klöver's Green Bonds will not be used to finance investments linked to fossil fuel energy generation, nuclear energy generation, weapons, potentially environmentally harmful resource extraction (such as rare-earth elements), gambling or tobacco.

Furthermore, Klöver's Green Bonds respects the EU Paris Aligned Benchmark (PAB) exclusions as of the time of this Framework publication.



Eddahuset is Klöver's first completed residential building in Uppsala, offering space-efficient one- and two-room apartments, many with balconies. The property is certified according to Miljöbyggnad Silver. Completed and fully leased during the second quarter 2025.



Doktoranden consists of two newly completed buildings in Sundbyberg, with a total of 93 rental apartments. The property is certified with Svanen. Completed, fully leased, and occupied during the second quarter 2025.

GREEN BUILDINGS

ICMA GBP category: Green Buildings

UN SDGs: 7 – Clean energy; 11 – Sustainable cities and communities

EU Environmental Objective: Climate change mitigation

ELIGIBILITY CRITERIA

Construction of new buildings⁵

Eligible EU Taxonomy activity: *7.1. Construction of new buildings*

Buildings⁶ which have or will have upon completion:

- Primary Energy Demand (PED) at least 20 percent lower⁷ than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations⁸ or
- Minimum environmental certification of at least:
 - BREEAM-SE Excellent
 - Miljöbyggnad Silver
 - Nordic Swan Ecolabel⁹
- Additional criteria for all buildings
 - Undergoes a material physical climate risk assessment
 - Undergoes testing for air-tightness and thermal integrity
 - The lifecycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and allow a maximum amount of embodied carbon of 290 kg CO₂e/m² GFA¹⁰ in the building phase.

Acquisition and ownership of buildings¹¹

Eligible EU Taxonomy activity: *7.7. Acquisition and ownership of buildings*

- Buildings with Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15%¹² of the national or regional building stock,
- Additional criteria for all buildings, the building undergoes a material physical climate risk assessment

Major renovations¹³

Eligible EU Taxonomy activity: *7.2. Renovation of existing buildings*

- Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation, and
- Additional criteria for all buildings, the building undergoes a material physical climate risk assessment

⁵Building application filed after 31 December 2020.

⁶May cover land held for development and its development costs, and development costs related to buildings under construction incl. transformation of commercial to residential buildings that will, once completed, fulfil the Eligibility Criteria for the category.

⁷The energy performance is or will be certified using an Energy Performance Certificate (EPC).

⁸In Sweden, thresholds set for NZEB is implemented through the BBR29 requirements

⁹Minimum PED 20% lower than the threshold set for NZEB.

¹⁰The maximum amount of embodied carbon covering LCA stages A1-A5 is calculated in accordance with the Swedish national regulation on climate declarations for buildings (2021:787).

¹¹Building application filed before 31 December 2020.

¹²The top 15% PED applicable under this Framework will be updated continuously. Klövern will reference an external benchmark when determining the top 15%. Such a benchmark could be e.g. guidance by national governments or a specialist study.

¹³If the building post renovation fulfils criteria under “Acquisition and ownership of buildings” the market value of the building will qualify. If not, it will be limited to the renovation cost.

Process for Project Evaluation and Selection

The Green Bond Committee

Klövern has established a *Green Bond Committee* (“Committee”) for governing the evaluation and selection of Green Projects. The Committee consist of members from the Finance and Sustainability teams. Other internal representatives with specific expertise may be invited when deemed necessary, but the mandate to make decisions is held by the Committee. The Committee will meet at least on an annual basis.

Role of the GBC:

- Reviewing, selecting and validating Green Projects
 - Any GBC member or relevant department at Klöver can propose potential projects to be evaluated in line with the Eligibility Criteria as set out in the Framework
 - The GBC confirms that proposed Green Projects are in line with the Eligibility Criteria as set out in the Framework. In addition, Klöver ensures that all Green Projects comply with the Company’s internal policies and guidelines as well as official national environmental and social standards and Swedish laws and regulations. These laws are monitored and enforced by the local authorities, among others, as part of obtaining the necessary permits for new construction projects.
 - After validation from the GBC, approved Green Projects will be inserted into Klöver’s internal tracking spreadsheet
- Overseeing, approving and publishing the allocation and impact report
- Govern the content of the Green Bond Framework and manage any future updates of this document to reflect relevant changes in best market practices.

Klövern has developed a standardized certification plan for all projects to ensure BREEAM level Excellent, alignment with the EU taxonomy and Klöver sustainability goals.



Management of Proceeds

Tracking of net proceeds

Klövern's Finance in collaboration with the Sustainability team will manage the allocation of an amount equivalent to the net proceeds from Green Bonds to Green Projects on an aggregated basis (portfolio approach). To manage and track this process, Klövern will use the internal tracking spreadsheet, which will be reviewed at least annually by the Finance in collaboration with the Sustainability team. If a Green Project is sold, completed, disposed or for other reasons no longer meets the Eligibility Criteria set forth in this Framework, the Green Project will be removed from the internal tracking spreadsheet and, if relevant, replaced as soon as a substitute has been identified.

Allocation period

Klövern will commit to, on a best-effort basis, allocate the net proceeds from the Green Bonds to Green Projects within 12 months from the issuance date of each Green Bond.

Temporary holdings

Pending full allocation of an amount equal to the net proceeds of outstanding Green Bonds, the unallocated proceeds will be held in the liquidity reserves and managed as such and will exclude any investments in activities listed under Exclusion Criteria in this Framework.



Reporting

Klövern will annually publish an allocation and impact report, until full allocation or in the event of any material developments. The report will be published on its website at klovern.se

Allocation reporting

The allocation reporting will include the following information:

- The outstanding amount of Green Bonds
- A list of the Green Projects financed/refinanced, subject to confidentiality agreements
- Share of proceeds used for financing/refinancing
- Share of unallocated proceeds (if any)

Impact reporting

Klövern aims to report on quantitative impact indicators where reasonable and relevant data is available. The information may be provided on an aggregated portfolio basis because of confidentiality agreements, or numerous projects limiting the amount of detail that can be made available. Examples of impact indicators include:

ICMA GBP category	Example of impact indicator
Green Buildings	• Annual calculated energy use avoided compared to the relevant building code¹⁴ or pre-investment situation (kWh/m2) • Annual GHG emissions reduced/avoided (tCO2e) • EPC class, if any • Environmental certification incl. certification level, if any

¹⁴Relevant building code refers to the national building code which was valid at the time the building was built.

External Review

Second Party Opinion (Pre-issuance)

Klövern has appointed S&P Global to provide a Second Party Opinion on this Framework, to confirm alignment with the ICMA 2021 Green Bond Principles. The Second Party Opinion is available on Klöver's website at klovern.se.

External Verification (Post-issuance)

Klövern will request on an annual basis, until full allocation or in the event of any material developments, an assurance report to verify whether an amount equal to the net proceeds from Green Bonds have been allocated to Green Projects, provided by an external review provider. The assurance report is available on Klöver's website at klovern.se.

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