

KLÖVERN

ESG Questionnaire



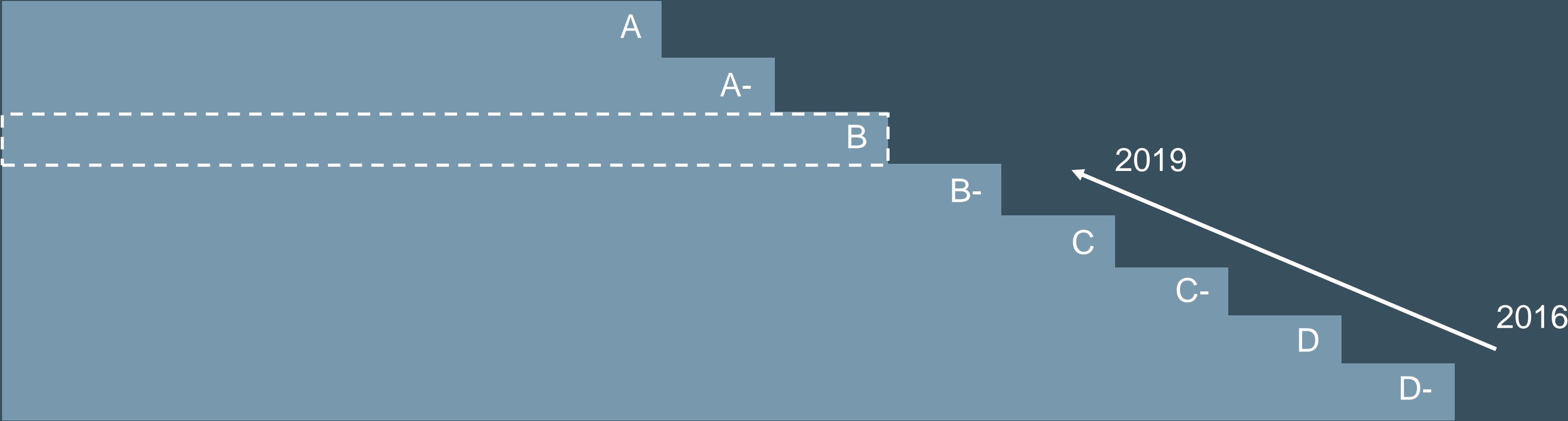
External communication

- ✓ Improved reporting of sustainability data to stakeholders
- ✓ New approach of sustainability reporting
- ✓ Updated web klovern.se

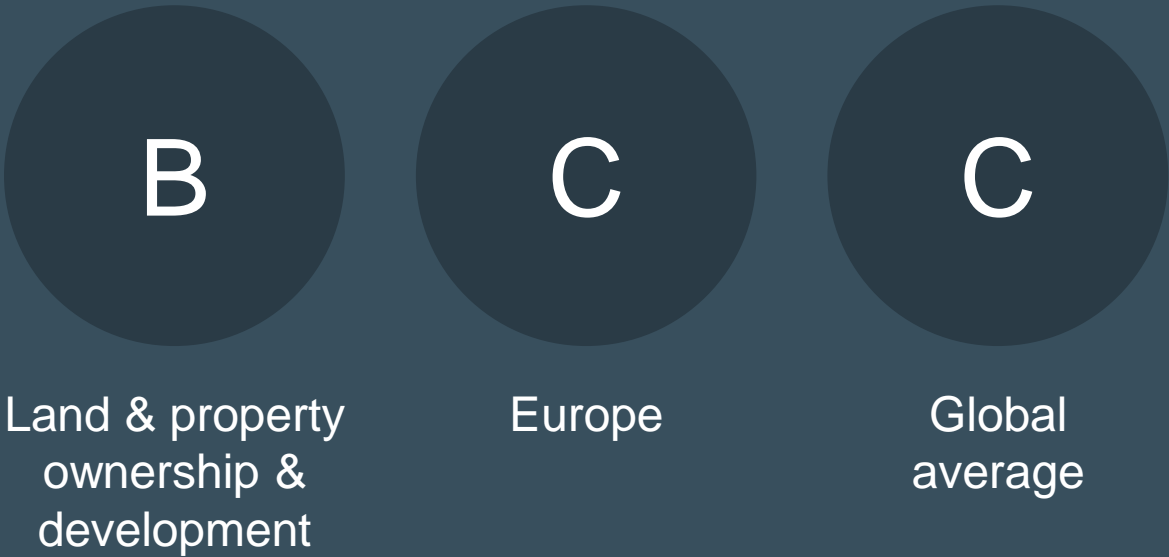


CDP
score
B

- ✓ Klöver received a B which is in the Management band
- ✓ This is higher than the European average of C
- ✓ Same as the Land & property ownership & development sector average of B



Average performance:



External reviews

Nordea ESG evaluation mars 2020

"Among the real estate companies Faberge, Castellum and Klöver rank best in our assessment, with potential net share price upside of 8-10%".

"Era miljömål har också imponerat på ESG Reearch-teamet, de noterar att ni är ett av endast två fastighetsbolag vars extrapolerade mål till 2030 skulle ta energiintensiteten av er hela portfölj under gränsen för EU Taxonomin (energiklass B i Sverige).."

Swedbank/Sustainalytics ESG evaluation sep 2019

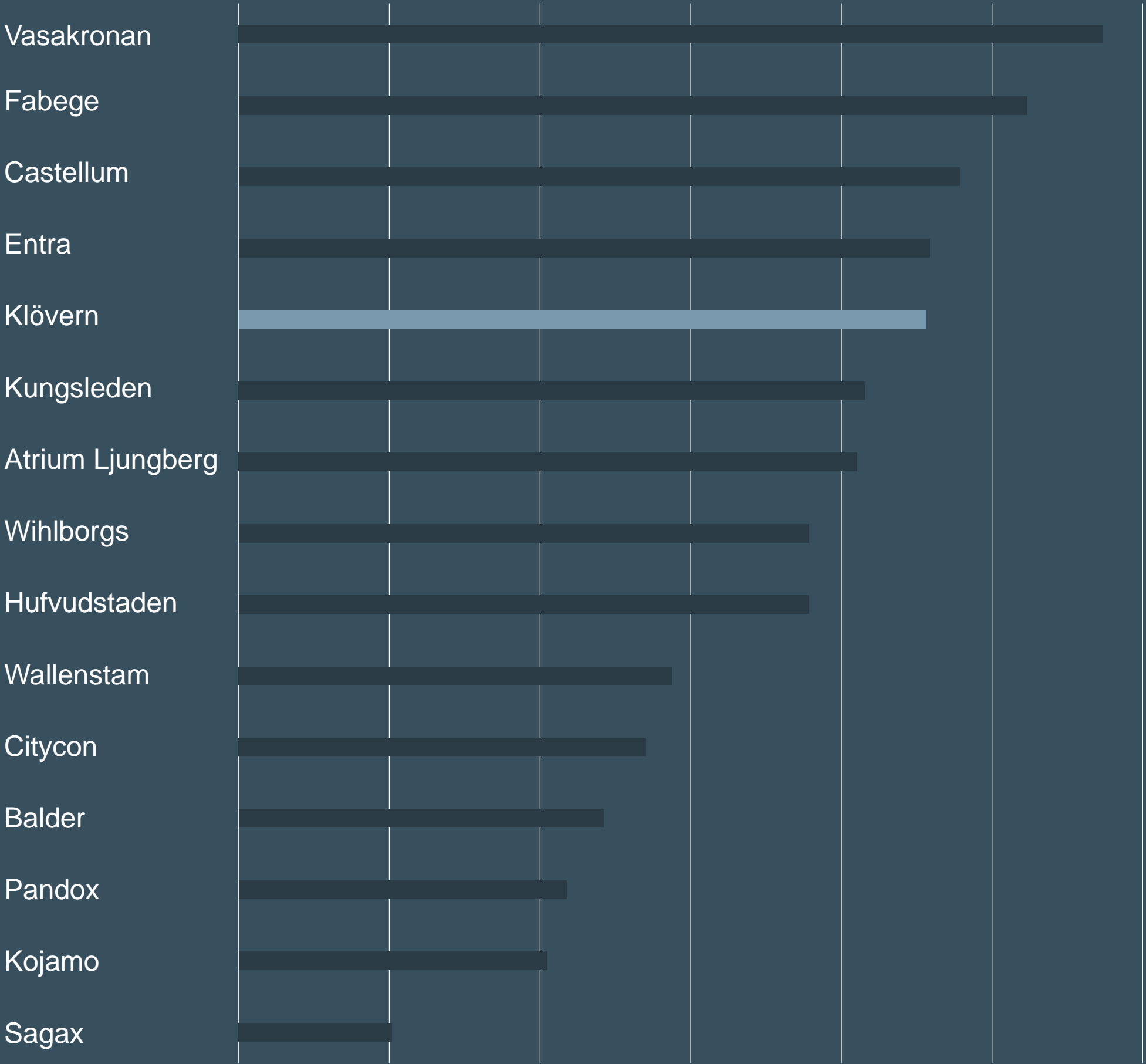
Main conclusions *"Klöver outperforms a many of its peers in the areas ESG Integration-Financials and Product Governance."*

Sustainable Brand Index B2B nov 2019



"I en av Nordens största varumärkesundersökningar med fokus på hållbarhet, Sustainable Brand Index B2B, har Klöver utsetts till Sveriges tredje mest hållbara fastighetsbolag, och #2 bland de börsnoterade fastighetsbolagen."

Composite environmental score¹⁾
(Scale based on normalised sub-scores)



General Industry

Major challenges

- The climate impact of buildings in a life cycle perspective is still one of the major challenges for the real-estate sector. Nearly 40 percent of the energy consumed by society is associated with buildings. Properties impact the environment throughout their life cycle, that is from project planning, construction and management to renovation and demolition. Another major challenge is the development of urban areas in a sustainable manner
1. Sustainable urban development, for example
 - Social value creation targeting society's major challenges
 - Pandemic influence on planning
 - Resilience and bio diversity
 2. Climate change mitigation. Reduce CO2 emissions in Scope 3, related to construction of new buildings and refurbishment and tenant customizations, and the customer context
 3. Market transition and customer behaviour

Comparison to industry peers

- Klöver consider itself to be above its peers when it comes to energy efficiency and long-term sustainability commitments

Signatory to UN Global Compact etc

- Klöver is a signatory to UN Global Compact
- Klöver has applied for Science Based Targets
- Klöver reports its emission to CDP (score B 2019)

Environment 1/2

Climate-related opportunities

- To Klöver sustainability is a prerequisite for successful business operations. Sustainability that is well integrated into the business model and the organization leads to good profitability in a long-term perspective through attractive properties, satisfied customers and committed personnel
- 1. Klöver believes technology is a facilitator towards a zero-carbon society. Technology is used in many ways in Klöver's business: to produce renewable energy, minimize energy use, chargers for electrical vehicles, etc.
- 2. Climate efficient buildings
- 3. Customer related products and services

Climate-related risks

1. Reputation: Lack of compliance or a reactive approach to climate change instead of a proactive approach could lead to financial losses as well as reputational losses. The brand name may be affected negatively if Klöver does not work in a proactive way to reduce the Company's impact on the climate
2. Market risks: Klöver evaluates the supply chain ongoing and our critical suppliers such as energy suppliers, creditors, building services and IT-providers
3. Physical risks: Buildings and areas become obsolete (acute and chronic risks)

Climate-related investments

- Klöver invests in environmentally certified buildings, technology, materials, surrounding environment (resilience) for example

Scarce resources

- Klöver does not rely on scarce resources, but we constantly oversee the use of resources to become more efficient and self-reliant

Environment 2/2

Transition-related risks

- We anticipate risks and opportunities related to the transition to a carbon-neutral society. Both risks and opportunities are valued. We believe we are well positioned to handle the risks and opportunities.
- Opportunities are mainly related to resource efficiency, developing and using new technologies, customer related products and services that could capture new market demands.

UN Sustainable development goals

- Klöver has long-term and ambitious goals for sustainability. Klöver's overarching goal is to ensure an attractive property portfolio, developed and managed with the minimum possible use of resources and the least possible environmental impact. All environmental goals are monitored and followed-up continuously. The results of our work is communicated yearly in the Annual and Sustainability report.
- Our focus from the perspective of making a positive environmental impact are:
 1. Mitigating climate change such as energy and resource efficiency, renewable energy, use of new and efficient technology: Goal 7, 12 and 13
 2. Sustainable urban development: Goal 11, 12 and 13

Social 1/2

History of accidents

- Klöver does not have a history of accidents
- Klöver has an extensive preventive work and our employees and entrepreneurs shall feel that they work in a secure and safe working environment. There is a clear working environment policy established in the company, which provides guidelines for the organization's work

Community engagement

- Klöver is engaged locally and nationally in different health-promotion activities and supports organisations with the aim to improve people's health

Waste management and Circular economy

- One of Klöver's environmental goals is to increase the share of waste which is recycled or reused and minimize the waste to landfill
- Sustainable refurbishment and tenant customizations are among the challenges from a resource perspective. We see great opportunities to contribute to resource efficiency and a circular economy by smart management of material flows and new business models.
- In the case of new constructions or total refurbishments, Klöver applies environmental certification systems which secures resource efficient buildings and a life-cycle perspective

Social 2/2

Sustainable purchasing

- The suppliers of goods and services shall comply with the same requirements for environmental consideration, social responsibility, business ethics and efficiency as Klöver makes on its own operations. The requirements are defined in the Code of Conduct for suppliers. All suppliers must sign the Code of Conduct
- We apply sustainability demands in the procurement processes
- Klöver has internal guidelines on how to make environmentally sound (or best option available) purchases

Sustainable supply chain

- During 2019, a method was developed for sustainability analysis of the supply chain and integrating it into the purchasing process. All suppliers have been risk classified based on industry-specific sustainability risks and a supplier's tool for self-rating has been introduced. Work with a sustainable supply chain is long-term and will be implemented over several years. This contains several steps from risk analysis to risk management and final follow-up of suppliers.

Governance 1/3

Training on anti-corruption

- All employees, the executive management and the board of directors undergoes the same continuous training on anti-corruption
- Klöver has an external whistle-blower function which can be reached from the website www.klovern.se and the internal web
- Klöver does not have any incidents reported on corruption. Klöver has an extensive preventive work focusing on business ethics, anti-corruption and values with its base in UN Global Compact. The Klöver Code of Conduct provides guidelines for the organization's work

Taxes

- Klöver reports tax expenses in the income statement in the form of current tax and deferred tax. In addition to tax on profit, real estate companies in Sweden pay property tax, value-added tax, stamp tax, advertising tax and energy tax

Board of Directors

- Three out of five board members are independent. Dependent relations are the following:
 - Rutger Arnhult and Eva Landén are dependent in relation to large owners and dependent in relation to the company and the Executive Management
 - Rutger Arnhult also owns shares through companies corresponding to 45.0 per cent of the votes in Corem Property Group Source (Corem's Year-end report for 2019)

Governance 2/3

Diversity

- As a diversity policy, the company has applied Rule 4.1 of the Swedish Code of Corporate Governance, "the Code", which entails that there shall be an even gender distribution in the board, and that the board otherwise, taking into consideration the company's operations, stage of development and other factors, shall be diverse and broad with regard to competencies, experience and background. These qualifications taken together shall contribute to the independence and critical calling into question of the Board. In the process of nominating directors, the Nominations Committee has applied Rule 4.1 of the Code
- Klöver has for a long time had an even gender distribution and will continue to comply with the guidelines of the Code on this point

Guidelines for remuneration

- The Board proposes, and the Annual General Meeting decides upon, the principles for remuneration and other terms of employment for the CEO and other senior executives. The ability to recruit and retain qualified senior executives is an important condition for Klöver's business strategy and sustainability agenda, both in the short and long term, to be successfully implemented in the company
- Variable cash benefits covered by the guidelines are intended to promote the company's business strategy and long-term interests, including its sustainability. Klöver shall offer market-based and competitive compensation that is in relation to responsibilities and powers. Furthermore, the remuneration should be based on factors such as the importance of the tasks, the competence, experience and performance of the employee. Remuneration shall consist of fixed salary, any variable remuneration, pension benefits and other benefits

Governance 3/3

Gender balance

- Gender balance in 2019, women/men:
 1. Board: 60/40
 2. Executive Management: 40/60
 3. Leadership: 50/50
 4. All employees: 43/57

Sustainability

- The Head of Sustainability is not part of the executive management at Klöver
- Head of Sustainability reports to the Head of Strategy and Research, who is part of the executive management

Policy and agreements

Klöver has the following policies and agreements in place:

- Union agreement
- Code of Conduct
- Anti-corruption policy