

GENOVA

Genova Property Group

ESG Q&A

Genova Property Group AB (publ) ("**Genova**" or the "**Company**") announced on 22 February 2021 that it is investigating the possibility to issue new subordinated perpetual floating rate callable green capital securities in the amount up to SEK 700m, under a framework of SEK 1.250m, subject to market conditions. This document aims at addressing the questions put forward by Carnegie Fonder and Spiltan Fonder in the document labelled "Investors demanding sustainability and transparency of all HY bond issuers", distributed during the summer of 2020.

Section 1: General Industry

- **Please list the industry's three biggest sustainability-related challenges**

1. Climate footprint reduction in construction
2. Sustainable urban development
3. Improving energy efficiency in buildings

- **How does the firm compare to industry peers regarding sustainability initiatives? Above, on par, or below?**

Genova consider itself to be on par with industry peers as sustainability is a key issue for us and we work pro-actively to fulfil our responsibilities as a property owner and urban developer. For example, wood is our building material of choice, we aim of obtaining a Green building certification¹ for all newly constructed buildings and we offer our tenants Green rental agreements.

- **Is the Company a signatory of the UN Global Compact or Science Based Targets, report to the CDP or engage in any other relevant sustainability initiatives?**

The Company is a signatory of the UN Global Compact.

Section 2: Environment

- **Please list, if any, the firm's climate-related opportunities**

We believe being a Company with a clear sustainability focus and a proven track-record of sustainable construction make us a credible partner when it comes to sustainability which creates clear business opportunities. Further we believe we will see a larger demand for sustainable housing going forward which could enable us to share the costs of sustainability investments with our tenants.

- **Please list the firm's three primary risks related to climate change (NB: listed in no particular order)**

- Extreme weather conditions, such as torrential rain, storms and significant fluctuations in temperature, due to climate change could possibly damage individual buildings
- Increasing energy expenditures
- Increased costs due to new regulations and compliance requirements
- A warmer and more humid climate also increases the risk of damage by damp on wood constructions.

- **Does the firm anticipate any climate-related investments?**

Genova continuously makes long-term investments in order to reduce its investment properties' environmental footprint.

¹ Residential units: At least SGBC Silver level certification or the Nordic Swan Ecolabel. Non-residential units: compliance with BREEAM International New Construction standard

GENOVA

- **Does the firm rely on any scarce resources for its operations? If so, what efforts are made to mitigate the risk of those resources becoming even more scarce in the future, e.g. recycling, reusing, substitutes or improved resource efficiency?**
No.
- **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, is the firm well positioned to handle that risk?**
We foresee an increasing demand of sustainable housing going forward and do not identify any transition-related risks.
- **Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact (if applicable, please list the corresponding most relevant UN Sustainable Development Goals). How are they tracked and communicated?**
 1. Wood is Genova's building material of choice. By building in wood we reduce our carbon footprint and thereby our greenhouse gas emissions. Wood is a renewable and resource-efficient material that stores and delays CO₂ emissions. Newly constructed residential units are always built with the aim of obtaining at least SGBC Silver level certification or the Nordic Swan Ecolabel, and compliance with BREEAM International New Construction standard for non-residential properties.
 2. Offer Green rental agreements that include action plans with clear measures that can help to improve the environment.

Section 3: Social

- **Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?**
There is no history of accidents.
- **Does the Company conduct any other community engagement activities aside from those directly connected to the business?**
Genova supports "Maskrosbarn", an organisation that helps children and young people whose parents are mentally unstable or suffer from an addiction.
- **Circular economy: How are purchases and waste managed? Please list the firm's demands on its suppliers, if applicable**
Genova's goal is to reuse as much of its waste as possible. In addition, it coordinates the waste collection with its supplier in order to minimise transportation. Genova will in the future form framework agreements regarding waste management where the supplier will deliver statistics for all projects in order for Genova to more actively manage and decrease its waste. Even more important, when we demolish a building, we sort and recycle as much as possible.
- **Are there any goals, policies, or codes of conduct applicable to the firm's suppliers? How often does the firm conduct audits of its suppliers?**
Genova applies the Real Estate Industry's (Sv: Fastighetsbranschens) code of conduct also for its suppliers. The code is based on the ten principles of UN Global Compact. A structure for the conduction of audits of the firm's suppliers is currently being developed.

GENOVA

Section 4: 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?**
How to act professional and ethical in the contact with suppliers and contractors is described in Genova's staff handbook. A whistle-blowing function was implemented during 2019. There are no ongoing or historical incidents.
- **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.
- **Are there independent members on the Board of Directors?**
Mikael Borg, Jan Björk, Knut Ramel, Erika Olsén and Maria Rankka are all independent members on the Board of Directors. Micael Bile and Andreas Eneskjöld are independent in relation to the Company and its management but not independent in relation to the Company's major shareholders.
- **Please state if and to what extent, the Company has transactions with related parties**
Please see Annual report for 2019.
- **Is the remuneration of the CEO and other members of the management team in line with industry peers? Which KPIs dictate the remuneration (particularly if sustainability and gender diversity are included)?**
The remuneration of the CEO and other members of the management team is line with industry peers.
- **Please indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team**
Genova: 50%/50% (men/women)
Management group: 67%/33% (men/women)
Board of Directors: 71%/29% (men/women)
- **Is the Head of Sustainability a member of the management team? If not, who does that person report to?**
Genova's CEO is strategically responsible for the Group's sustainability performance and development, while the business units are operationally responsible for ensuring compliance with the environmental and sustainability strategies. U & We & ZeroMission have interviewed and trained key employees in how we can reduce our environmental impact in our daily work.