

ESG Questionnaire



BESQAB

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1.1. General industry

Please list the industry's three biggest sustainability related challenges

- Climate neutrality
- Increase resource efficiency
- Sustainable supply chain – a healthy construction industry

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

Regarding sustainability initiatives, Besqab considers itself as on par with most of its industry peers.

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?

No, Besqab is not a signatory of the UN Global Compact but supports the principles.

Besqab is part of the initiative Fossil-Free Sweden (Sw. "Färdplan 2045").

Besqab's overall sustainability goals:

- **Satisfied customers:** Besqab aims to achieve at least a third position in the industry's annual customer satisfaction index related to moving in (Sw. "Nkl Inflyttning") for apartments and family homes
- **Satisfied employees:** Employee surveys are conducted annually and the long-term target is to achieve results of 80 for Job Satisfaction and 88 for Loyalty
- **Nordic Swan Ecolabel:** Besqab has the ambition to label all homes starting project planning in 2021 and onwards according to the Nordic Swan Ecolabel
- **Green financing:** Besqab strives to have green-labelled financing for external project financing going forward, from building credits to residential loans
- **Trygg BRF:** The aim is that all tenant-owner associations are certified according to the quality label Trygg BRF, an industry initiative with requirements related to the entire construction process. Besqab is one of the initiators

1.2. Environment

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

- Increased environmental welfare in housing, verified by an independent third-party through an environmental certification based on the property's sustainability characteristics
- Broader investor-base for financing through "green financing"
- Sustainable material use: less material consumption leads to lower costs relating to materials and waste

Please list the firm's three primary risks related to climate change

- Elevated water levels/flooding
- Extreme weather conditions
- Material shortages

Does the firm anticipate any climate related investments?

- Investments in the ecolabelling of buildings according to the Nordic Swan Ecolabel or other certification schemes with equivalent level of energy performance
- Energy and climate optimizations and investments to decrease energy consumption, such as solar panels, heat pumps, sewage heat exchangers, improvements in ventilation systems, etc.

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 offering being negatively affected? If yes, is the firm well positioned to handle that risk?

Besqab adapts its operations to the development of legislation and strives to meet the changing demands from our customers and partners. The transition to more sustainable material and construction solutions is developing at a high pace, and Besqab is aware of the risk that the new solutions might not turn out as good as initially assumed as a consequence of limited testing and experience.

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?

Besqab wants to reduce the climate impact of buildings throughout the life cycle. The company aims to do so by designing all new projects with the goal of certifying them according to Nordic Swan Ecolabel. By following the Nordic Swan Ecolabel's requirements, we are contributing to 11 of the UN's 17 Sustainable Development Goals, with the greatest impact on goal number 12: Responsible Consumption and Production.

Projects that undergo the Nordic Swan Ecolabel-process are kept track of internally and are reported on in the annual sustainability report. The reporting includes buildings that have already received the Nordic Swan Ecolabel, for which the Nordic Swan Ecolabel also provides a public register of on its website.

1.3. Social

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

Besqab has no distinctive history of accidents. Statistics for accidents are continuously monitored within Besqab's committee for safety and are communicated within the organization to improve routines and processes. Preventive work is conducted systematically and continuously to ensure a safe work environment. Besqab has a work environment policy in place that is subject to annual review.

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

Besqab is a sponsor of Stockholms Stadsmission, a non-profit organization that works towards a more humane society through social care, work integration and education.

Circular economy: How are purchases and waste managed? Please list the firm's demands on its suppliers, if applicable.

We demand contractors to comply with the Nordic Swan Ecolabel's requirements and to sort according to our waste fractions at the construction site. To take care of our sorted waste for further recycling/reuse we use a waste contractor.

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?

Besqab and contractors hired by Besqab follow the Swedish Construction Federation's (Sw. "Byggföretagen's") code of conduct.

Besqab makes sure that the suppliers work according to Swedish tax legislation, and any potential debts with the Enforcement Authority (Sw. "Kronofogden") or the Swedish Tax Agency (Sw. "Skatteverket") are controlled for continuously throughout the project.

1.4. Governance

Do all staff members receive continuous training 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?

Staff members receive training on anti-corruption on an occasional/ad-hoc basis.

As of 2021 there is an external whistle-blower function in place for Besqab's operations. We also inform and encourage staff members and suppliers to use the industry's whistle-blower function "Fair Play Bygg".

Besqab has no ongoing or historical incidents involving corruption, cartels or any other unethical business conduct.

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, where Besqab has its business.

Are there independent members of the Board of Directors?

Yes. Sara Mindus, Andreas Philipson and Zdravko Markovski are independent in relation to the company and group management as well as to major shareholders in the company.

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

Besqab does not have any transactions of significance with related parties beyond the usual transactions between group companies and joint ventures.

On occasion related parties, such as members of the Board of Directors or Management team or their close relatives, have bought a home in one of Besqab's projects. All transactions are conducted at market prices.

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 is in line with industry peers. Variable remuneration is determined by indicators relating to Customer Satisfaction Index, growth (number of started housing units) and profitability (EBIT margin).

Please indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team.

- Board of Directors: 3 men and 2 women
- Management: 5 men and 3 women
- All employees: 71 men and 41 women

Is the Head of Sustainability a member of the management team? If not, who does that person report to?

No, but the Head of Sustainability, who also is Besqab's Technical Manager, is reporting to the Head of Project- and Production Management (Sw. "Projekt- och Produktionsstyrning"). Head of Sustainability is also part of the Green Finance Committee ("GFC").

The GFC manages the selection of assets eligible for "Green" financing (such as "Green" bonds). Members of the GFC consist of the CEO, CFO and Head of Sustainability/Technical Manager.

Policies or agreements in place?

- Code of conduct: Yes
- Code of conduct for suppliers: For contractors: Yes, through the Swedish Construction Federation's code of conduct For suppliers: No
- Diversity policy: Yes
- Anti-corruption policy: Yes