

# WÄSTBYGG ESG QUESTIONNAIRE

NOVEMBER 2021



Tuvebo in Gothenburg

**WÄSTBYGG**

# ESG Questionnaire

## 1.1. GENERAL INDUSTRY

Please list the industry's three biggest sustainability related challenges.

1. To reduce climate impact and become climate neutral;
2. Proactive understanding and adapting to climate change risks and opportunities; and
3. Foster and promote social responsibility.

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

We are above our peers.

For a long period of time, we have published sustainability reports, reported our climate footprint, developed and implemented a tool to lower our climate impact in the production phase, as well as implemented tools to increase social sustainability and a sharing economy. For several years now, Wästbygg has annually set aside funds for sustainable development.

Wästbygg further collaborates with other parties to drive sustainable development. Wästbygg has participated as a "follower" and calculated the climate impact of a project according to LFM30's methodology. This extends beyond future legal requirements. Wästbygg has also carried out a collaborative project to optimize the production process for construction with cross laminated timber (CLT).

Wästbygg was the first company to issue a combined Green Finance Framework covering green equity and green debt, as well as one of the first companies to obtain Nasdaq Green Equity Designation. Wästbygg has high ambitions and employs a strategy that has received the governance score of "excellent" in the Company Assessment and Second Opinion performed by Cicero Shades of Green.

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, Wästbygg is not a signatory of the UN Global Compact but supports the principles. Wästbygg is part of the initiative Fossil-Free Sweden (Sw. "Färdplan 2045") and LFM30 – A Climate Neutral Building Construction Industry in Malmö by 2030 (Sw. "Lokal färdplan för en klimatneutral bygg- och anläggningssektor i Malmö 2030").

## 1.2. ENVIRONMENT

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

- Wästbygg certifies all self-developed buildings according to the Nordic Swan Ecolabel (Sw. "Svanen"), Miljöbyggnad Silver or an equivalent environmental certification.
- By collaborating with other parties, Wästbygg contributes to improvement of different processes and to develop methods to reduce climate impact. This is instrumental to increase knowledge about the environment and to create new opportunities.
- Wästbygg has been a pioneer and developed a tool to reduce the climate impact during the production phase.

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

1. Business- and reputational risk if the implementation of actions related to mitigation of climate change risks is not sufficiently proactive;
2. Market development, in particular related to legal regulations, leading to increased costs and/or increased investments due to climate change; and
3. Ensure sustainability expertise in the organisation at all times.

Does the firm anticipate any climate related investments?

Yes, among others Wästbygg has made investments in a collaborative project to optimize the production process for construction with cross laminated timber (CLT).

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?

Wästbygg relies on the supply of a variety of building materials in its operations. To mitigate the risk of those resources becoming even more scarce in the future, Wästbygg works to develop its waste management by, among others, measuring the level of waste sorting for each project. Wästbygg is currently working on establishing a customized recycling strategy.

**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?**

Wästbygg sees plenty of opportunities stemming from revised business models, extended collaborations, digitalization and other new technologies which will induce more resource efficient construction and operation of buildings and premises. As Wästbygg is well prepared, the transition to a carbon neutral society will provide Wästbygg with a competitive advantage across all segments where Wästbygg operates – both as property developers (land allocations), constructors and property managers.

It is Wästbygg's belief that customers and tenants will continue to request green, low-carbon buildings, built without hazardous construction materials. Wästbygg certifies all self-developed buildings according to the Nordic Swan Ecolabel (Sw. "Svanen"), Miljöbyggnad Silver or equivalent, which are environmental certification schemes that takes this into consideration. Foremost, Wästbygg sees risks relating to a need for continuous proactive action with regards to stricter regulations and a more sustainable market practice in the future. By ensuring internal competence through education, collaboration with other actors with the same objectives, as well as by using other effective tools, we reduce such risks. Wästbygg evaluates all its projects based on how green they are, and converts this into economic terms.

**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?**

Wästbygg has a target of being fossil-free by 2030 with regards to electricity, heat, waste and transport. There is an action plan in place for how such target is to be achieved and certain KPIs are measured and followed up upon. A detailed description of how the company measures and monitors all parts of its sustainability work is communicated in the sustainability report. Further, on a quarterly basis Wästbygg reports its green portions of revenues, costs, investments, and order stock in accordance with the Green Finance Framework.

The eight UN Sustainable Development Goals that Wästbygg contributes to the most are:

- 3: Good health and well-being
- 5: Gender equality
- 7: Affordable and clean energy
- 8: Decent work and economic growth
- 10: Reduced inequalities
- 11: Sustainable cities and communities
- 12: Responsible consumption and production
- 13: Climate action

### 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?**

A safe and secure work environment at the construction site and at the office is constantly on Wästbygg's agenda. Incidents and accidents are reported and appear in the sustainability report. Historically, nudging has been used to increase the frequency of incident reporting, which increases risk awareness and in many cases leads to prevention of accidents.

Wästbygg has a work environment programme (Sw. "Arbetsmiljöprogram") and a policy for job satisfaction, work safety and health which describes Wästbygg's activities and seeks to create a good and safe work environment. The policy also describes our routines, for instance, that the work environment is reviewed on a regular basis, and in case of changes in the organisation or when introducing new techniques, a risk review is performed.

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

Wästbygg takes social responsibility and has collaborated with various organizations to achieve increased inclusion in the society as a whole. Wästbygg is currently cooperating with the Swedish NGO "Giving People", which works to mitigate the financial vulnerability for families and child poverty in Sweden.

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

Wästbygg's long-term target is to minimize the amount of waste and to create a circular process where more recycled materials are used. Wästbygg's target is for 90 % of all waste to be sorted.

With regards to purchases of materials, Wästbygg has internal expertise related to climate calculations and has prepared for future legal requirements in the area.

Wästbygg's tool "a climate-smart construction site" (Sw. "klimat-smart byggarbetsplats") places demands on waste management towards contractors and suppliers.

**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?**

Wästbygg's Code of Conduct also applies to its contractors and suppliers. Wästbygg carries out audits of the contractors' and suppliers' compliance on a regular basis and continuously works to enhance the contractors' and suppliers' awareness and concern with regards to environmental, social and governance matters.

## 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?**

When employed, all new employees of Wästbygg receives a briefing of all applicable policies including Wästbygg's Code of Conduct. During such introduction all employees are also provided with information concerning Wästbygg's sustainability work alongside information on anti-corruption.

Should any employee experience the occurrence of corruption, bribery, or the like where someone in an unacceptable way exploits its position to its advantage, there is a whistle blower function available internally as well as for external parties. The whistle blower function can also be used for major safety deficiencies in a workplace, serious environmental crimes and serious forms of discrimination and harassment. Reporting can be made anonymously, and the whistle blower function is handled by an external legal advisor. Further investigations and handling of reported cases is under the responsibility of the Ethics Counsel.

Wästbygg has not had any, nor has any, current incidents involving corruption, cartels or any other unethical business conduct. Further information concerning whistle blower reporting follows from the company's annual report and the external whistle blower function is available on Wästbygg's website: <https://wastbygg.whistleblower.se/>

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

Wästbygg Gruppen AB (publ) is a public limited liability company formed in Sweden and with its headquarters in Gothenburg. Wästbygg Gruppen AB (publ) has its tax residence in Sweden, however some of the group companies are liable to pay taxes in other Nordic countries due to their respective place of business.

**Are there independent members of the Board of Directors?**

Yes, Lennart Ekelund, Cecilia Marlow, Joacim Sjöberg and Christina Källenfors are all independent in relation to Wästbygg and the 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?**

Wästbygg's largest owner is M2 Holding AB. M2 is owned and controlled by Rutger Arnhult, who is also a board member of this company. The M2 Group has significant direct and indirect ownership interests in Corem Property Group AB. Rutger Arnhult is a board member of Corem Property Group. Corem Property Group are part of the group of related companies but are not group companies connected with Wästbygg. Wästbygg carries out

contracting activities in competition for Corem Property Group and M2. As of the balance sheet date, there were no financial liabilities to M2 compared to SEK 24 million including accrued interest as per December 31, 2019. Neither were there any accounts receivable to related parties compared to SEK 30 million as per December 31, 2019.

Wästbygg's transactions with related parties are specified in the annual reports and quarterly reports.

**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 company's remuneration guidelines enable senior executives to be offered a competitive total remuneration in line with market practice. According to the remuneration guidelines, remuneration to senior executives may consist of the following components: fixed salary, short-term incentive / variable cash remuneration (STI), long-term incentive (LTI), pension benefits and other benefits.

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

Split by the 30 September 2021:

- **All employees:** 92 women 241 men (28 percent women).
- **Leading positions:** 16 women and 36 men (31 percent women).
- **Management team:** 4 women 8 men (33 percent women).
- **Board of Directors:** 2 women and 3 men (40 percent women).

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

Yes, Head of Sustainability and Deputy Head of Sustainability (also Head of IR) are both members of the management team.

**Policies or agreements in place?**

- Code of conduct:  
**Yes.**
- Code of conduct for suppliers:  
**Yes, the Code of Conduct also applies to contractors and suppliers.**
- Diversity policy:  
**Yes (Likabehandlingspolicy).**
- Anti-corruption policy:  
**Yes, anti-corruption is part of Wästbygg's ethics policy and Code of Conduct.**

# **WÄSTBYGG**

Wästbygg Gruppen AB (publ) • Sofierogatan 3B • 412 51 Göteborg • Sweden  
Company registration number 556878-5538  
Phone +46 31 733 23 00  
[www.wastbygg.se](http://www.wastbygg.se) • [info@wastbygg.se](mailto:info@wastbygg.se)  
Registered Office: Gothenburg