

AB SAGAX

Sustainability policy

Adopted by the Board of AB Sagax on 8 May 2024

1. Introduction

Sagax's overriding objective is the long-term generation of the maximum possible risk-adjusted return to the company's owners. To achieve this goal the company operations are consistently conducted with a long-term perspective.

Sagax's long-term approach is illustrated by the inclusion in its management strategy to actively endeavour to maintain long leases, both when signing of new leases and in managing existing leases. The company's policy is to abstain from maximising rent levels at all points of time in favour of signing leases of a longer duration with solvent tenants. This reduces the risk of vacancies, while leading to lower costs for letting premises and adapting premises to tenant needs.

The development of the company is dependent on highly skilled and professional employees. For this reason, it is important that the company is an attractive employer that can attract and has the ability to retain highly skilled personnel in the long term.

Overall, the company's strategies are designed to ensure that Sagax's operations generate a long-term sustainable return and strong cash flows. Sagax's work with sustainability issues is a natural part of operations and helps to achieve the company's goals.

2. Sustainability definitions

Sagax uses internationally accepted sustainability definitions. Sustainable enterprise means that Sagax conducts operations that support sustainable development. In the UN report "Our Common Future," sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Sagax applies the UN Global Compact's ten principles regarding human rights, labor law, the environment and anti-corruption. Based on the Group's strategies, the company's impact on the outside world and stakeholders' expectations, Sagax has identified the following focus areas:

- Financial sustainability
- Business ethics
- Environmental and resource efficiency
- Professional and dedicated employees

Sagax reports its sustainability work in accordance with the guidelines for sustainability reporting prepared by the Global Reporting Initiative (GRI).

3. Commitments

Sagax is to actively drive development forward towards a sustainable society. Sagax regards the precautionary approach and society's requirements according to laws and regulations as minimum requirements and the company continuously strives for improvements to support sustainable development.

An analysis has been performed of the UN's 17 Sustainable Development Goals (SDGs) from Agenda 2030 to which Sagax's operations can contribute. It is assessed that the sustainability activities that can contribute to primarily achieving the targets in the following SDG:

- Good health and well-being (Goal 3)
- Affordable and clean energy (Goal 7)
- Decent work and economic growth (Goal 8)
- Sustainable cities and communities (Goal 11)
- Responsible consumption and production (Goal 12)
- Climate action (Goal 13).
- Peace, justice and strong institutions (Goal 16)

To succeed in its sustainability agenda, overall Sagax will:

- Continuously increase competence in sustainability through training and communication of sustainability issues.
- Regularly follow up, revise and improve sustainability efforts.

Current sustainability goals:

- Sagax is to reduce energy consumption in the property portfolio 2% per year until 2030 in comparable portfolios with energy consumption data for the last two years.
- Sagax is to reduce direct and indirect greenhouse gas emissions (Scopes 1 and 2) 42% by 2030 (base year 2022) and to measure and reduce other indirect emissions (Scope 3).
- Sagax's electricity agreements are to be green, as far as possible.
- Sagax is to strive to implement green leases for new lettings and renegotiation.
- Sagax is to increase the production of electricity from solar panels in the property portfolio to 15,000 MWh by 2025.
- Sagax is to increase the share of sustainability rated properties in the property portfolio to 30% of lettable area by 2025.
- Zero incidents of corruption.
- Sagax's main suppliers are to implement and comply with the Sagax Code of Conduct for Suppliers.
- Zero incidents of discrimination.
- Zero accidents related to employees, to tenants based on property owner responsibilities and to suppliers related to the properties.

- Sagax's return on equity, measured over a five-year period, should not fall below 15% per year.
- Profit from property management per Class A and B share should increase by a minimum of 15% per year.

4. Sagax Code of Conduct for Suppliers

Sagax's Code of Conduct for Suppliers sets the standard for ensuring that the working conditions at the companies that supply goods and services to Sagax are safe, that their employees are treated with respect and dignity, that the operations are conducted in an environmentally conscious manner and that a high ethical standard and loyalty is maintained in the business.

Sagax requires its suppliers to follow these requirements in both the suppliers' and sub-suppliers' organisations.

The Code of Conduct for Sagax suppliers states that suppliers are to:

- respect applicable laws and regulations, such as collective agreements and otherwise generally accepted industry standards as regards employee rights and pay.
- support equal rights and opportunities among their employees regardless of gender, ethnicity, expression of faith, disability, sexual orientation or age.
- ensure that the work environment for their employees is safe and healthy in accordance with applicable laws, regulations and collective agreements.
- fulfil applicable laws and regulation regarding the environment and, wherever possible, always exercise great caution as regards matters relating to, or that may relate to, the environment.
- to the greatest extent possible, take the initiative to promote the assumption of greater environmental responsibility and encourage the widespread use of eco-friendly technology to facilitate long-term, sustainable development.
- maintain the highest ethical standard in business and counteract all forms of corruption in their operations.

5. Roles and responsibilities

The policy encompasses all employees and all parts of Sagax's operations. All parts of operations outside Sweden are included where possible, with respect to local conditions.

The Board establishes this policy and annually assesses the policy's relevance and decides on any revisions.

The head of sustainability proposes updates, which are approved by the CEO.

The head of sustainability ensures that this policy is communicated, and that the organisation has sufficient information about the content and its meaning.

This document is an in-house translation of the Swedish policy. In the event of discrepancies, the Swedish original will supersede the translation.