

AB SAGAX

Sustainability policy

Adopted by the Board of AB Sagax on May 8, 2025

1. Introduction

Sagax's overarching goal is to generate the highest possible risk-adjusted long-term return for its shareholders. To achieve this, the company's operations are consistently conducted with a long-term perspective.

Sagax's long-term approach is reflected in its asset management strategy, which includes actively building durable customer relationships and a limited scope of property trading. The company opts to forgo maximizing rent at all times if longer-term leases with creditworthy tenants can be secured. This results in reduced vacancy risk and lower leasing and fit-out costs.

The company's development depends on capable and professional employees. Therefore, it is essential that Sagax is an attractive employer capable of both attracting and retaining competent staff over time

Overall, the company's strategies are designed for Sagax to generate sustainable long-term returns and strong cash flows. Sustainability efforts are a natural part of the business and contribute to achieving the company's objectives.

2. Definition of Sustainability

Sagax adopts the definition of sustainability as set out in the UN report *Our Common Future*, in which 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 adheres to the UN Global Compact's ten principles, covering human rights, labor rights, environment, and anti-corruption.

Sagax reports on its sustainability work according to the Global Reporting Initiative (GRI) framework. Based on Sagax's materiality analysis, the most significant impacts, risks, and opportunities relate to four sustainability topics:

- Climate change
- Own employees
- Workers in the value chain
- Business conduct

3. Commitment

Sagax aims to help drive progress toward a sustainable society. The company considers the precautionary principle and legal and regulatory requirements as minimum standards and continuously seeks to improve and promote sustainable development.

Sagax has reviewed which of the UN's 17 Sustainable Development Goals (SDGs) under Agenda 2030 the company can impact through its sustainability efforts. The focus is primarily on the following targets:

- 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 achieve successful sustainability outcomes, Sagax will:

- Continuously build sustainability competence via training and communication.
- Regularly monitor, report, and enhance sustainability practices.

4. Sustainability Targets

- Sagax is to reduce energy consumption in the property portfolio 2% per year until 2030 in comparable portfolios with energy data for the past two years.
- Sagax is to reduce direct and indirect GHG 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 in new lettings and renegotiations.
- Sagax is to increase the production of electricity from solar panels to 15,000 MWh by 2025 and to consider installing solar panels in all new construction projects.
- Sagax is to increase the share of environmentally certified properties to 30% of lettable area by 2025. All new buildings and large-scale remodelling must be environmentally certified under Miljöbyggnad Silver at a minimum, Very Good according to BREEAM, LEED Gold, or equivalent.
- Sagax is to have zero incidents of corruption.
- Sagax's main suppliers are to implement and comply with Sagax's Code of Conduct for Suppliers.
- Sagax is to have zero accidents among its employees and zero fatalities among its employees and suppliers who are working at Sagax's properties.
- Sagax is to have zero incidents of discrimination.

- Return on equity, measured over a five-year period, shall exceed 15%.
- Profit from property management per Class A and B share shall increase by a minimum of 15% per year.

5. Business Ethics

Sagax's operations must be conducted with sound business ethics and respect for people, human rights, and the environment. The purpose is also to meet stakeholder expectations. Sound business ethics means that Sagax and its employees follow the company's values, applicable laws, regulations, internal policies, and guidelines.

5.1. Conflicts of Interest and Secondary Activities

Sagax is committed to avoiding situations that may create conflicts of interest. Employees must act in Sagax's interest and avoid conflicts of interest. A conflict may arise when an employee's personal interests conflict, or risk conflicting, with Sagax's interests. Suspected conflicts must be reported immediately to the appropriate Sagax manager.

No employee may conduct or be involved in activities that compete with Sagax or that may negatively affect their work or create a conflict of interest. In cases of doubt, employees should consult their immediate manager.

5.2. Fair Competition

Sagax complies with rules governing fair competition and anti-competitive practices. This means price-fixing, cartels, and abuse of market dominance are not tolerated.

Sagax aims to act honestly and fairly in interactions with counterparties such as suppliers and other external parties. Supplier procurement is primarily conducted via competitive processes.

For insider-related matters, see Sagax's Insider Policy.

5.3. Bribery and Corruption

Sagax has zero tolerance for bribery and corruption. Besides being unethical, such actions may harm Sagax's brand and market reputation. No employee may accept gifts or undue benefits that could be perceived as influencing business decisions or constituting bribery. For further information, see Sagax's Anti-Corruption Policy.

5.4. Money Laundering

Sagax opposes all forms of money laundering. Transactions must comply with applicable anti-money laundering laws. A key preventive measure is thorough knowledge of the parties with whom Sagax conducts business.

5.5. Data Protection

Sagax shall maintain information security, personal data protection, and IT security as required by data protection laws. Any data breaches or losses must be reported immediately to the responsible manager. For more details, see Sagax's IT & Information Security Policy.

5.6. Tax

Sagax aims to act commercially regarding tax costs, while adhering to a precautionary principle and long-term responsibility. Sagax handles taxes in accordance with applicable laws and regulations.

5.7. Transparent and Confidential Communication

Sagax strives to be open, professional, and transparent in communication. Responsible information handling is essential to maintaining stakeholder trust. Confidential information must be handled responsibly and shared only when necessary. Such information must be protected and not shared with unauthorized parties.

5.8. Contact with Authorities

When interacting with legislators and public authorities, Sagax employees must act respectfully, clearly, and honestly.

6. Human Rights and Working Conditions

Sagax respects human rights as defined by UN conventions. It commits not to cause or contribute to human rights violations through its operations. Sagax conducts its business in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Child labor is strictly prohibited. Applicable minimum age laws must be followed. Sagax respects employees' rights to freedom of association and union membership. All work must be voluntary; no forced labor is permitted.

For further information, see Sagax's Occupational health and safety Policy and Supplier Code of Conduct.

7. Grievance mechanism and Whistleblowing

If a Sagax employee or an external party affected by the company's operations becomes aware of a potential or actual violation of Sagax's ethical standards, internal requirements, or legal/regulatory obligations, it should be reported.

The preferred first step is to contact the immediate responsible manager at Sagax for further handling of the matter. Sagax also provides a whistleblowing channel on its website, which allows for anonymous reporting. For details, see Sagax's whistleblowing guidelines.

Reports made in good faith will not result in retaliation. All complaints will be handled objectively and impartially in line with Sagax's values.

Sagax's complaint process is based on transparency and effective measures that are proportionate to the complaints raised. The company continually improves its processes to enable appropriate remediation if it identifies that it has caused or contributed to adverse impacts, in order to maintain stakeholder trust.

8. Scope and Responsibility for the policy

This policy applies to all employees and encompasses all aspects of Sagax's operations.

The Board of Directors is responsible for establishing the policy and conducting an annual review to assess its continued relevance, making revisions as necessary.

The Chief Executive Officer (CEO) is responsible for ensuring that the policy is effectively communicated to all employees and that the organization is adequately informed about its content and implications.
