

EMILSHUS

ESG Questionnaire
September 2022

General industry

<p>Please list the industry’s three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges</p>	<p>Climate impact caused by CO2 emissions from property management operations</p> <p>During 2021 Emilshus implemented a support system to be more efficient in optimising the management operations in properties where Emilshus is buying energy. Emilshus carries out energy surveys and develops action plans for the ten properties with the highest energy consumption, on an ongoing basis. Focus is on the areas where the company can achieve the largest impact on energy consumption. In 2021, energy consumption, directly purchased by Emilshus, amounted to 130.4 kWh/sqm.</p> <p>Emilshus is in the process of gradually phasing out fossil energy sources. This initiative includes annual visits with tenants to review operations, energy sources and other sustainability issues such as customer satisfaction and general wellbeing in the properties.</p> <p>Climate impact caused by CO2 emissions in project operations (new buildings, extensions and property conversions)</p> <p>Standards for contractors engaged for projects and other operations are according to Fastighetsägarna’s Code of Conduct for suppliers which include environmental policy standards. Emilshus also evaluates properties subject to major renovations and extensions to identify opportunities to certify the building, reduce energy consumption in line with the criteria in Emilshus’ green bond framework or achieve an energy consumption for new buildings which is 30% below the level required by the Swedish building regulation (BBR).</p> <p>Creating a sustainable property portfolio in a rapidly changing world</p> <p>A significant portion of Emilshus’ property portfolio consists of older properties. These properties differ from newly constructed properties which have been built according to current requirements regarding i.e. energy consumption. Emilshus is facing the challenge of major renovations in several properties whilst requirements regarding energy consumption and sustainability are being raised at a rapid pace. Digitalisation and technical development create new opportunities but in a high pace environment new technology tend to age faster.</p> <p>Emilshus needs to establish a realistic framework and timeline for the conversion of the property portfolio. It is not sustainable to demolish older buildings and replace with new builds that will generate high carbon dioxide emissions in the building process, neither is it sustainable to leave older buildings unutilised. The conversion of the older buildings needs to be integrated into the long-term maintenance strategy and decisions need to be based on a holistic perspective.</p>
<p>Does the company have a Science Based Target, report to the CDP or engage in any similar sustainability initiatives?</p>	<p>No.</p>
<p>Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?</p>	<p>No.</p>

Environmental

<p>Please list the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities</p>	<p>Climate changes in the form of i.e. severe storms, higher temperatures or increased ground water levels, that cause risks for increased costs in relation to claims settlements, water damage, increased cooling needs etc.</p>
<p>Does the firm anticipate any climate-related investments, and if so to what extent?</p>	<p>Investments to adapt Emilshus' properties to climate change is likely to increase over the longer term, although there is no current assessment of the scope of such investments. Emilshus has initiated a climate risk review of all existing properties which is to be translated into action plans that will be integrated into maintenance of properties and day- to-day operations.</p>
<p>Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?</p>	<p>Emilshus operates with a Purchasing Policy and employees who have purchasing responsibilities ensure that purchases are done in accordance with this policy. Tenants are urged to communicate similar demands to suppliers who carry out work on Emilshus' properties. Goods and services that take the environment into account and that meets the Environmental policy of Emilshus are selected. Before Emilshus purchases new goods, the possibility to recycle or reuse in existing installations is evaluated. Locally produced goods and services to minimise transportation and support the local business community are preferred.</p> <p>Emilshus actively works to decrease the amount of waste from the company's and its tenants' operations and has an aim to reuse or recycle waste when possible.</p> <p>Emilshus does not rely on scarce resources for its operations.</p>
<p>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, how has the firm positioned itself to handle that risk?</p>	<p>We see increased requirements regarding sustainability and energy issues both from our tenants and from society as a whole. This means we constantly have to evaluate our offering and our product to avoid negative long-term effects on the company. One of the measures we took in 2021 was to recruit a sustainability manager who works actively with ESG issues on a strategic level. In 2022 the company's main focus will be to implement processes and routines that have been established on an operational level.</p>
<p>Please disclose your Scope 1, 2 & 3 GHG emissions. If not available, do you have a time plan for when to start reporting?</p>	<p>Emilshus' initial sustainability report will be published in conjunction with the annual report for the year of 2022.</p>
<p>Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?</p>	<p>No.</p>
<p>Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?</p>	<ol style="list-style-type: none"> 1. Reducing the energy consumption in Emilshus' properties: <ul style="list-style-type: none"> • Affordable and clean energy (7). • Responsible consumption and production (12). • Climate action (13). 2. Replacing fossil fuel as an energy source in Emilshus' properties and in Emilshus' operations: <ul style="list-style-type: none"> • Good health and well-being (3). • Affordable and clean energy (7). • Sustainable cities and communities (11). • Climate Action (13). <p>Proportion of sales: n.a.</p>

Social

<p>Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?</p>	<p>No. Contractors are required to comply with current work environment legislation and report incidents and accidents to Emilshus.</p>
<p>If applicable, please state your targets for gender and cultural equality and indicate the relevant split of men/women at every level of the firm, particularly the Board of Directors and management team</p>	<p>Emilshus strives for an even gender-distribution within the entire organisation and welcome diversity in terms of ethnicity and origin in the organisation.</p> <p>Gender distribution per 2021-12-31:</p> <ul style="list-style-type: none"> • Board of Directors: Women 33%, Men 67% • Management: Women 40%, Men 60% • Other employees: Women 77%, Men 23%
<p>Does the company conduct any other community engagement activities aside from those directly connected to the business?</p>	<p>Sponsorship in accordance with Emilshus' sponsorship policy:</p> <ul style="list-style-type: none"> • Make a difference for the people who live and work in the area. Emilshus endeavors to be involved and contribute to making the area attractive to live in. • Creates pride among Emilshus' employees. • Sponsorships aim to strengthen Emilshus' local presence in the area. • Involves a variety of participants. • The sponsorship must follow Emilshus' values when it comes to ethics, morals and the environment. • Organises activities for both girls and boys / women and men • Contributes to children and youth activities. • The sponsorship business interaction to create new business contacts and strengthen the relationship with Emilshus' customers. • Emilshus is currently sponsoring Östers IF and Vetlanda Bandy. <p>In addition, Emilshus accepts trainees who study a relevant field for Emilshus' operations.</p>
<p>How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?</p>	<p>Contractors follow the property owner's code of conduct and are evaluated annually.</p>

Governance

<p>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?</p>	<ul style="list-style-type: none"> • The staff is informed about Emilshus' policies, including anti-corruption. • There is an external whistle-blower function. • There are no reported incidents and no historical incidents involving corruption.
<p>Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen</p>	<p>Sweden due to the company's operations being in Sweden.</p>
<p>How many independent members sits on the Board of Directors?</p>	<p>Four of the members on the Board of Directors are independent to the company. Three members are independent to the major shareholders.</p>
<p>Please state if and to what extent, the company has transactions with related parties?</p>	<p>Information on transactions with related parties can be found at: https://emilshus.com/sv/wp-content/uploads/sites/4/2022/03/Emilshus-A%CC%8Arsredovisning-2021-2.pdf</p>
<p>Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?</p>	<p>n.a.</p>
<p>Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken</p>	<p>Reporting to the Board takes place at Board meetings once a month. At present, reporting is not based on KPIs.</p>
<p>Have you signed a Union agreement?</p>	<p>Yes.</p>