



# NYFOSA

ESG QUESTIONNAIRE  
APRIL 2021

*Nyfosa does not report to the CDP but works in accordance with Carbon Law and endorses the declaration of Fossil Free Sweden, which is aiming to halve carbon emissions from the construction and civil engineering sector between 2020 and 2030, halving them again between 2030 and 2040 to finally become climate neutral in 2045. Nyfosa subscribes and is a signatory to Agenda 2030 and the Ten Principles of the UN Global Compacts. The company's efforts are to contribute to sustainable development, both locally and globally. The aim of the 2030 Agenda's 17 Global Sustainable Development Goals is to eradicate extreme poverty, reduce inequality and injustice, promote peace and justice and solve the climate crisis.*

## ENVIRONMENT

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

The return on investments in reducing energy consumption includes lower operating expenses, and also lower carbon emissions. Certification of a building enables green financing and provides a detailed documentation of the environmental performance of the building, during the time we own it and as part of a sales process. Furthermore, certifications strengthen the company's already strong standing as a long-term partner with tenants, owners, investors, employees and other stakeholders.

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

#### *Environmental impact*

The construction and property industry accounts for a significant share of society's total environmental impact. In addition, the industry contributes to emissions in other countries through the import of building and construction products. Nyfosa actively works to identify the areas in which the company can make the greatest difference. In 2019-2020 this included introducing green appendices to our contracts, certifying properties and mapping the prerequisites for implementing energy optimization projects in our properties.

#### *Climate issues*

The climate changes that have partly happened and that scientists predict will happen, entail the risk of a negative impact on properties. Extreme weather conditions, rising sea levels and temporary flooding are examples of risks related to climate change. Analyzing risks is part of the acquisition process for new properties. Nyfosa works continuously to make an inventory of its property portfolio and to take necessary measures. The company is monitoring developments in expertise to continuously keep this matter relevant and to update procedures and work methods as necessary.

#### *Cost for cooling*

As temperatures rise, due to the global warming, the cost for cooling the premises will increase. The energy consumption for cooling the premises will also lead to higher carbon emissions.

### 3. Does the firm anticipate any climate-related investments?

Nyfosa invests in environmentally certified buildings, technology, materials, surrounding environment (resilience) for example. It is anticipated that investments in energy optimization projects in the buildings will be a focus area for Nyfosa going forward.

### 4. 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?

Nyfosa does not rely on any scarce resources and has a high awareness of, and focus on, waste and material use and reuse. Nyfosa is in the process of establishing a monitoring and accounting system for energy and greenhouse gas emissions.

### 5. 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, is the firm well positioned to handle that risk?

Nyfosa assesses that the transition entails both risks and opportunities. As an opportunistic and cash flow-driven company that is flexible to the market, we believe we are well positioned to handle shifting market demands. Focusing on energy optimization is seen as an opportunity as return on investment is positive.

Negative effects might include increasing prices on building materials due to changed environmental regulations, increased price on carbon emissions resulting in higher transportation costs, and materials with a lower-carbon footprint (such as low-carbon concrete) may come at a higher price.

Nyfosa is well-positioned because of its strong focus on waste and material use and reuse.

**6. 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?**

Nyfosa has identified 12 global sustainability goals on which the operations have a direct or indirect influence and that will lead sustainability efforts forward. On the basis of these 12 goals, Nyfosa has decided to prioritize two goals where we believe we have particular opportunity to influence: Gender Equality and Climate Action. In the portfolio management we focus primarily on two actions, invest in the properties in order to decrease energy consumption and to receive a certification of BREEAM-in use Very Good or an equivalent level from a certification scheme. The second primary means is to increase the number of green rental contracts.

The most relevant UN Sustainable Development Goals for a positive environmental impact are: 6 Clean water and sanitation, 7 Affordable and clean energy, 11 Sustainable cities and communities, 12 Responsible consumption and production, 13 Climate action and 15 Life on land.

## SOCIAL

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

As an employer Nyfosa offers health-promoting benefits to personnel, including health checks and rehabilitation in connection with illness. All Nyfosa employees are covered by health insurance and the company has established a working environment policy, which provides guidelines for the organization's work. During 2020 one traffic related incident was reported.

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

Nyfosa is a sponsor of the Childhood Cancer Foundation in Sweden. Other community engagements include the Real Estate Club at the Royal Institute of Technology and local sports associations.

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

Please see no. 4 below.

**4. 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?**

One of Nyfosa's sustainability goals for 2021 is that a code of conduct for the company's suppliers should be adopted and to obtain the suppliers' confirmation of it. The code of conduct targets i.a. the suppliers' choice of materials, waste management and transport to and from the properties.

When the suppliers confirm Nyfosa's code of conduct, they also accept that Nyfosa, whenever called for, audit the supplier's fulfillment of the code.

## GOVERNANCE

**1. 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?**

Nyfosa has zero tolerance for all forms of discrimination and there are no reported incidents involving corruption, cartels or other unethical business conduct in the company. Anti-discrimination efforts are governed through Nyfosa's confidential whistle-blower function and Code of Conduct. In 2021, governance will be complemented with a Code of Conduct for Suppliers and the largest suppliers will be asked to confirm their compliance with it.

Employees of the in-house organization are urged to report all forms of perceived discrimination or signs of corruption behavior to their immediate superior, HR Manager or via the confidential whistleblower function. The whistleblower function, together with instructions, is published on the intranet and new employees get a short education of the function and sort of signals that he or she should react on.

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

Nyfosa is a Swedish company and therefore pays tax in Sweden.

In addition to tax on profit, real estate companies in Sweden pay property tax, value-added tax, stamp tax, advertising tax and energy tax.

**3. Are there independent members on the Board of Directors?**

One of the seven members on the Board of Directors is not independent to the company. All members are independent to the major shareholders.

**4. Please state if and to what extent, the company has transactions with related parties**

Nyfosa owns shares in the joint venture company Söderport, which is managed by AB Sagax, except for property management which is managed by Nyfosa. The company TPI, of which Söderport owns 78.4 percent, also purchases management services from Nyfosa. Property management fees between the companies are based on market terms.

**5. Is the remuneration of the CEO and other members of the management team in line with industry peers?**

Yes

**6. Which KPIs dictate the remuneration (particularly if sustainability and gender diversity are included)?**

The remuneration is based on the company's goals for the year, where sustainability goals are an important part.

According to the company's guidelines for remuneration, variable remuneration must reward goal-related results and improvements in simple and transparent constructions and be maximized. An outcome must be related to the fulfillment of the company's financial target and other measurable goals related to sustainability that support long-term shareholder value. Incorporated goals should mainly be shared by all senior executives, but may also to a lesser extent refer to individual performance. The measurement period for variable remuneration is, as a general rule, based on performance over a period of approximately twelve months.

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

In the longer term, Nyfosa is to achieve equality in the property management organization with at least 40 percent of women and men in each professional group.

%	Male	Female
BoD	57	43
Mgmt	40	60
Other	52	48
Total	52	48

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

The head of Sustainability and project development is not a member of the management team. He reports to the Head of Asset Management and to the Green Finance Committee, which comprise of members of the management.

**9. Please state whether the firm has the following policies or agreements in place:**

Union agreement	Code of conduct	Diversity policy	Anti-corruption policy
No	Yes	Yes	Yes