

## SUSTAINABILITY POLICY

Balder acquires, develops and manages residential properties and commercial properties, and wishes to contribute to a sustainable society by being a long-term community builder and property owner.

This Sustainability Policy regulates the company's stance and actions when it comes to environmental, social and financial sustainability, and it complements the company's Code of Conduct.

### Environmental sustainability

Balder strives to continuously reduce the company's environmental and climate impact. By means of systematic, preventive work that is integrated into the business, the use of energy, water, materials, chemicals and fossil fuels shall be minimised. The company is subject to environmental legislation in many areas and has to observe the precautionary principle in both project development and ongoing property management.

Balder's overarching climate and environmental goals, which apply for the whole Group, are:

- To reduce the company's emissions from its own activities by 2030, using 2022 as a base year, and for the company to achieve net zero emissions throughout the business by 2045, in accordance with the Science Based Targets initiative.
- To phase out fossil fuels in the business and prioritise renewable sources for electricity, heating, work machines and transportation.
- To reduce energy use and increase the volume of renewable energy production.
- To strive to provide tenants with good conditions for environment-friendly, fossil-free transport options.
- To reduce environmentally harmful substances and use resource-efficient materials.
- To reduce waste volumes, increase the level of sorting and strive to achieve increased reuse of materials.
- All of the company's new internal production shall be certified as a minimum in accordance with the Miljöbyggnad Silver rating or equivalent.
- To increase the proportion of environmentally certified buildings in Balder's current property portfolio.
- To contribute actively to preserving and increasing biodiversity in property management and new production.

## **Social sustainability**

Social engagement is a natural element of Balder's work and a way of contributing to the sustainable development of society. For Balder, it is important to contribute to developing entire areas and city districts, and in doing so to create an enhanced sense of safety and well-being. The company shall therefore undertake various activities to promote this development. To succeed with this, it requires a high level of engagement among employees, but also that the company collaborates with other actors, both locally and regionally.

Balder's employees contribute to continuously developing the company. A precondition for this being possible is good working conditions that promote diversity, innovation and collaboration, while at the same time supporting the company's values.

For Balder to achieve the overarching objective of being an attractive employer and to continue to run and develop the business, it is a requirement that the company has the ability to recruit and retain employees with the right competence. Training and development are an important factor in retaining employees and creating internal engagement. Balder works continuously with internal training programmes and creates the conditions for employees to develop, be happy and feel a sense of engagement.

## **Financial sustainability**

Sustainable financing is a precondition for long-term financial stability and profitability. Balder shall be a long-term owner that creates growth through the acquisition, management and development of properties. With green financing, which is based on certified properties and ambitious goals for energy use, Balder's financial goals go hand in hand with the sustainability goals. Resource efficiency, business ethics and sound finances are conditions for Balder to be able to be a sustainable actor in the long term.

Balder financial goals:

- Equity/assets ratio: min. 40%
- Net debt to total assets: max. 50%
- Interest coverage ratio: min. 2.0 times
- Net debt/EBITDA shall not exceed 11 times over time
- Increase the proportion of green financing

## **Implementation and follow-up**

Balder's Sustainability Policy shall be reviewed every year and revised as required. Measures shall also be planned and implemented every year to realise the policy. It shall be possible to follow up on these measures and report them to the management team and the Board of Directors.

Policy adopted 10/02/2023

**The Board of Directors of Fastighets AB Balder**