

Corem ESG-questionnaire

General industry

1. The industry's three biggest sustainability-related challenges according to Corem and briefly describe the process for identifying these challenges.

Corem's process for identifying sustainability-related challenges is the yearly stakeholder dialogue and internal materiality analysis.

The climate impact on life cycle basis for buildings is still one of the major challenges for the sector. Properties impact the environment throughout their life cycle, that is from project planning, construction and management to renovation and demolition. Nearly 30 percent of the energy consumed by society and 20 percent of GHG emissions is associated with buildings (Sweden). Another major challenge is the development of buildings and urban areas in a holistic sustainable manner, finding the balance between market trends, the social, economic, and ecologic perspective.

Major challenges:

1. Climate change mitigation related to CO₂-emissions in scope 3. In effect reduction of CO₂ emissions related to construction of new buildings and refurbishment and tenant customizations, and the customer context.
2. Sustainable urban development in a long-term perspective for example,
 - a. Social value creation
 - b. Pandemic influence on planning and market trends
 - c. Eco-services such as resilience, biodiversity, and attractive environments
3. Sustainable supply chain, subcontractors, and social DD.

2. Does Corem have Science Based Targets, reports to the CDP or engages in any other relevant sustainability initiatives?

1. Science Based Targets: Yes, applied for.
2. CDP: Yes, since 2016 (Klöver).
3. UN Global Compact signatory.
4. Vinnova funded initiatives:
 - a. CCBUILD, circular building methods incl. market, legal and environmental aspects, and
 - b. EcoComp, development of ecological compensation and carbon offset market based on eco-forestry and eco-landscaping to enhance carbon uptake in Swedish forests and restore biodiversity.

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3. Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Corem has conducted a preliminary assessment of its taxonomy alignment. The result will be presented in the sustainability report of 2021. The preliminary outcome is that approximately 25 percent of the real estate portfolio is aligned 2021 and 50 percent will be aligned 2025 following Corem's sustainability strategy and targets.

Environment

4. List Corem's three primary risks related to climate change and list, if any, Corem's climate-related opportunities:

One of Corem's outlined strategic directions is to be a leading company in sustainability. This include working in a pro-active manner to transform the property portfolio towards green and resilient assets and reduce its over-all carbon footprint.

Primary risks

1. Acute physical: Abrupt disruptive climate-related impacts such as impact from extreme weather.
2. Systematic physical: Increased energy demand (primarily cooling) due to a warmer climate.
3. Transition: Access to affordable and clean energy due to regulatory or market changes.

Opportunities

1. Investments in clean energy production.
2. Continuously develop energy-efficient and environmental certified buildings.
3. Favourable financing for green assets.

5. Does Corem have climate-related investments?

Yes, Corem invests in clean energy production (and storage), energy efficient technologies and energy management systems, AI applications for reduction of energy and AI company (Myrspöven), accelerating investments in environmental certified buildings, sustainable customer services such as shared services and electric cars and carpools.

6. Circular economy: How are purchases and waste managed?

In general, the suppliers of goods and services shall comply with the same requirements for environmental consideration, social responsibility, business ethics and efficiency as Corem has on its own operations. The requirements are defined in the Code of Conduct for suppliers. All suppliers must sign the Code of Conduct. Corem apply sustainability demands in its procurement processes.

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Corem has internal guidelines on waste management and recommendations for environmentally sound purchases or best option available.

In project purchases waste and reuse of materials is defined in Corem's Environmental guidelines for projects. The aim is to minimize waste and maximize circular material flows.

Sustainable refurbishment and tenant customizations are among the real estate industry's major challenges. Corem recognises great opportunities to contribute to resource efficiency and a circular economy by reuse of materials and new business models. Corem has currently implemented circular material flows and business models in three tenant customization projects and is a partner to CCBuild/IVL Svenska Miljöinstitutet's cross-industry project on increased reuse when customizing premises.

In the case of new construction or total refurbishment of buildings, Corem uses environmental certification systems (Miljöbyggnad, Breeam or Leed) that secures energy efficient buildings and resource efficient processes.

7. Does Corem rely on any scarce resources for its operations?

No, Corem does not rely on scarce resources, but we constantly oversee the use of resources to become more efficient and self-reliant.

8. Transition-related risks: Does Corem 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 Corem well positioned to handle that risk?

Yes, we anticipate transitions risks and opportunities. We believe the opportunities to exceed the risks.

For example, we anticipate higher cost for energy in the future due to market regulations or increased demand for fossil free energy, which will affect the business with higher operating costs.

We believe we are well suited to handle the risk as one of the real estate companies with lowest energy demand per sq. m. and a well-established energy policy.

9. Disclose Scope 1, 2 & 3 GHG emissions. If not available, do you have a time plan for when to start reporting?

Yes, we disclose scope 1, 2 and 3 in Corem's yearly sustainability report.

10. Have you set a target to become climate neutral? If so, how have you defined carbon neutrality?

Yes, Corem has set a target to be climate neutral by 2035 regarding the full value chain.

11. List Corem's primary means of making a positive environmental impact or minimising negative environmental impact. List the corresponding UN SDGs. What proportion of sales can be directly linked to selected UN SDGs?

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Environmental impact

1. Target to reach climate neutral business. SDG 13
2. Reduction of energy demand. SDG 7
3. Use of fossil free energy. SDG 7, 13
4. Invest in local based renewable energy production and innovations. SDG 7, 12, 13
5. Environmental and health/well-being certification of buildings. SDG 11, 12
6. LCA-perspective on new buildings and the use of circular building methods and materials when refurbishing/tenant customization. SDG 12
7. Sustainable urban development. SDG 11, 17

Sales from green assets, green tenant leases, and sustainable project development all contribute to the SDG:s.

Social

12. Does Corem have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

Corem does not have a history of severe accidents.

Corem has an extensive preventive work, and our employees and entrepreneurs shall work in a secure and safe environment.

Corem has a policy on working environment, guidelines for health and safety and an established organisation with responsibility for Corem's health and safety work.

13. If applicable, state Corem's 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.

Corem has a long tradition of even gender distribution. Corem and Klöver were both on the green list of Albright's yearly diversity report of listed companies in Sweden.

Gender split in percent:

- In total (sustainability report 2020 incl. Klöver): f/m 43/57
- In general management (sustainability report 2020 incl. Klöver): f/m 41/59
- Management team: f/m 50/50
- Board of Directors: f/m 40/60

14. Does Corem conduct any community engagement activities aside from those directly connected to the business?

Corem supports non-governmental organisations with financial contributions every year. In 2021 the organisations were Stadsmissionen and BRIS. Further the company sponsors initiatives promoting good health for both children and adults, for example Lidingöloppet, padel events and Corem Open. Besides this there are several local social initiatives where Corem is established.

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15. How often does Corem conduct audits of its suppliers? How often do you discover incidents not compliant with your code of conduct?

Corem is currently preparing for audits of its high-risk suppliers during Q1 2022. Corem has up to now not discovered any non-compliant suppliers to the CoC.

Governance

16. 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?

All employees, the executive management, and the board of directors all undergoes the same continuous training on anti-corruption.

Corem has an external whistle-blower function which can be reached from the website www.corem.se and the internal web.

Corem does not have any incidents reported on corruption. Corem has an extensive preventive work focusing on business ethics, anti-corruption, and values with its base in UN Global Compact. The Corem Code of Conduct provides guidelines for the organisation's work.

17. Corem's business tax residence:
Sweden.

18. Are there independent members of the Board of Directors?

Three out of five board members are independent. Dependent relations are the following (Corem's Year-end report 2020):

- Patrik Essehorn and Christina Tillman are dependent in relation to the company's largest stakeholders.
- Patrik Essehorn is dependent in relation to the company and its management.

19. Please state if and to what extent, Corem has transactions with related parties.

Intra-group services and transactions with related parties are charged at market prices and on commercial terms. Intra-group services consist of administrative services and charging of group interest rates.

Transactions with Wästbygg regarding the construction of Pro Stop Backa in Gothenburg amounted to SEK 26 million (139) during the period January-September 2021. Wästbygg is controlled by Corem's main owner Rutger Arnhult. The Corem Group also has a lease agreement to Wästbygg, with an annual contract value of SEK 2 million. Corem has a lease agreement to M2 Group, which is controlled by Rutger Arnhult, with an annual contract value of SEK 1 million.

In addition, from January-September 2021 the Corem Group has purchased legal services from the law firm Walthon Advokater AB, in which the Chairman of the Board

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Patrik Essehorn is a partner. More information can be found in the Interim report January-September 2021, www.corem.se.

20. Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

To be evaluated 2022.

21. Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. Confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

Corem's over-all sustainability work follows an annual process:

- Q1: starting the year with reporting on performance of previous year.
- Q2: after revision of data by third party the management and board execute its yearly review and discussion on performance.
- Q3: yearly review on strategy, policies and new targets and priorities are proposed and decided upon by the board or management depending on.
- Q4: sustainability targets and prioritised activities are implemented in budget and business plan. During Q4 the risk management process ends with management evaluation and board decision on ESG-risks and consequences.

KPI:s reported to board: sustainability targets, ESG risks and opportunities, and other sustainability activities of interest.

KPI:s reported to management: the management follows the sustainability performance throughout the year.

KPI:s on a yearly basis includes social indicators, health and safety, CO2 mitigation scope 1, 2 and 3.

KPI:s on a quarterly basis: energy performance, energy investments and buildings obtaining environmental certification status as green assets.

22. Have you signed a Union agreement

Yes.