

# Corporate Governance Report





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Bonava is a Swedish public limited company that was listed on Nasdaq Stockholm in 2016. Bonava's corporate governance is based on Swedish law, the Articles of Association, Nasdaq Stockholm's Rules for Issuers and regulations and recommendations issued by relevant organisations. In the countries where Bonava conducts operations, the company complies with local legislation and other regulations. Bonava also complies with accepted securities market practice, which includes the application of the Swedish Corporate Governance Code, "the Code".

Bonava has not departed from the Code. There have been no instances of non-compliance with Nasdaq Stockholm's Rules for Issuers or accepted securities market practice. This Corporate Governance Report has been prepared by the Board of Directors and is presented in compliance with the Annual Accounts Act and the Code, presenting Bonava's Corporate Governance in 2020.

## GENERAL MEETING

Notices convening General Meetings are made available on the company's website and through announcements in the Swedish Official Gazette (Post- och Inrikes Tidningar). Confirmation that the notice has been issued is published simultaneously in the Swedish daily newspaper Dagens Nyheter.

## GENERAL MEETINGS IN 2020

The Annual General Meeting (AGM) on 31 March 2020 was the only General Meeting held during the year. In addition to electing the Board of Directors and other customary matters, the AGM authorised a new share-based incentive programme for the Executive Management Group and certain key executives and to not distribute any portion of profit for the year to shareholders due to the considerable uncertainty prevailing as a result of the effects of COVID-19. The Board of Directors initially proposed a dividend for 2019 of SEK 3.00 per share. The format of the 2020 AGM was somewhat simplified due to the applicable COVID-19 restrictions.

## 2021 ANNUAL GENERAL MEETING

Bonava's Annual General Meeting for 2021 will be held on 31 March 2021 in Stockholm, Sweden. Shareholders are entitled to raise matters at the AGM subject to submitting a written request no later than 10 February 2021. This information was published on the company's website in connection with the interim report for the third quarter of 2020. Such requests should be addressed to the Board of Directors. Bonava seeks to ensure that the Board of Directors, management team, Nomination Committee and auditor are present at General Meetings. For more information about the AGM, see page 117 or Bonava's website, bonava.com.

## SHARES AND SHAREHOLDERS

Bonava's share was listed on Nasdaq Stockholm in 2016. At year-end, the number of shares in the company was 108,435,822. On the same date, the share capital totalled SEK 434 M with a quotient value per share of SEK 4.00.

At year-end, Bonava had 30,158 shareholders. The company's five largest shareholders at year-end were Nordstjernan AB, Swedbank Robur fonder, Lannebo fonder, Didner & Gerge fonder and the Fourth Swedish National Pension Fund (Fjärde AP-fonden). Read more about Bonava's shares and shareholders on pages 115–116.

## ARTICLES OF ASSOCIATION

Bonava's Articles of Association were adopted by the 2020 AGM and are available in full at bonava.com. The Articles of Association stipulate that the company, directly or through subsidiaries, develops and invests in residential properties and engages in real estate trading operations, and conducts other operations related to the above. The company also undertakes certain Group-wide activities, such as the provision of employee services. The registered office is

in Stockholm, Sweden. The company is prohibited from making any decisions that contravene the Articles of Association without first referring such matters to the General Meeting for a decision and potentially amending the Articles of Association.

The Articles of Association do not contain any special stipulations regarding the appointment and discharge of Board members or amendments to the Articles of Association.

## NOMINATION COMMITTEE

Bonava's 2020 AGM appointed the following Nomination Committee ahead of the 2021 AGM: Peter Hofvenstam, Nordstjernan AB; Tomas Risbecker, AMF Försäkring och Fonder; and Lennart Francke, Swedbank Robur Fonder, as well as the Chairman of the Board as a co-opted member. Peter Hofvenstam was elected Chairman of the Nomination Committee. Following AMF's divestment of its holding in Bonava, Tomas Risbecker stepped down from the Nomination Committee, which appointed Mats Gustafsson from Lannebo Fonder as a new member of the Nomination Committee in July 2020.

## THE WORK OF THE NOMINATION COMMITTEE

According to the instructions, the Nomination Committee's task is to propose to the AGM the number of Board members and the composition of the Board, including the Chairman as well as proposals relating to remuneration to the Board, including any special fees for committee work. The Nomination Committee also proposes the Chairman of the AGM and, where applicable, the company's auditors and their remuneration. Where required, the Nomination Committee also proposes any changes to the applicable instructions for the Nomination Committee.

Ahead of the 2021 AGM, the Nomination Committee held seven recorded meetings, and also communicated by phone and e-mail. The Chairman of the Board of Directors reported to the Nomination Committee on the Board's work during the year, and also discussed the self-evaluation completed by the Board of Directors. In addition, the Nomination Committee also consulted individually directly with all Board members concerning the work and composition of the Board. The Nomination Committee noted that the Board of Directors is generally functioning properly, and that in terms of gender distribution and diversity in general has a satisfactory composition which meets the requirements under the company's diversity policy. The Nomination Committee has subsequently evaluated the company's needs and reviewed the desired Board composition in relation to the current Board members' experience and expertise. The Nomination Committee also evaluated Board fees and addressed the matter of remuneration for committee work. The Nomination Committee's complete proposals are presented in the notice convening the AGM. All decisions taken by the Nomination Committee were unanimous.

## DIVERSITY POLICY

Bonava's diversity policy stipulates that, with regard to the needs of the company's operations, stage of development and other conditions, the Board shall have a suitable composition characterised by diversity and breadth with regard to the members appointed by the AGM in terms of skill, experience and background, and that an even gender distribution shall be pursued. The objective of the diversity policy is to meet the requirement for satisfactory diversity in the Board in terms of gender, age and nationality as well as experience, professional background and other qualities. For more information about Bonava's diversity initiatives, refer to pages 30–35.

## NOMINATION COMMITTEE PROPOSALS

Shareholders have been invited to submit their proposals and views to the Nomination Committee. Shareholders wishing to present a proposal to the Nomination Committee should do so via

ir@bonava.com. No special remuneration was paid to the Chairman, or any other member of the Nomination Committee.

The Nomination Committee's proposals for Board members, Board fees and auditors are published in the notice convening the AGM and at bonava.com.

#### BOARD OF DIRECTORS

According to the Articles of Association, Bonava's Board of Directors shall have a minimum of three and a maximum of eight members. The AGM on 31 March 2020 resolved to re-elect Viveca Ax:son Johnson, Åsa Hedenberg, Samir Kamal, Mikael Norman and Frank Roseen as Board members, and to elect Angela Langemar Olsson and Mats Jönsson as new Board members. The AGM resolved to re-elect Mikael Norman as Chairman of the Board. Meanwhile, Carl Engström and Anna Wallenberg stepped down from the Board. For information on Board members, their assignments outside the Group and their shareholdings in Bonava, see the "Board of Directors" section. The Board of Directors also adopts the Rules of Procedure for the Board and instructions for the CEO. The Board of Directors has also decided on a number of general policies, guidelines and instructions relating to the company's operations, see page 106. These internal policy documents are reviewed at least once a year and are also updated continuously to comply with legislation as and when required.

#### THE BOARD OF DIRECTORS AND NON-AFFILIATION

Bonava's Board of Directors was deemed to satisfy the Code's requirements of non-affiliation as all seven of the members elected by the AGM are not affiliated with the company and the Executive Management Group.

All Board members, with the exception of Angela Langemar Olsson and Viveca Ax:son Johnson, are deemed to satisfy the requirement for non-affiliation with regard to major shareholders (in both cases this relates to Nordstjernan AB).

#### CHAIRMAN

The Chairman of the Board is elected by Bonava's AGM and leads the work of the Board. At the AGM on 31 March 2020, Mikael Norman was re-elected as the Chairman of the Board.

#### THE BOARD IN 2020

In 2020, the Board held 18 meetings, including the inaugural meeting following election and three meetings per capsulam. The relatively large number of meetings was mainly a consequence of COVID-19 and the management of this, and the matter of appointing a new CEO. The agenda for every regular Board meeting includes a number of standing items: the CEO's summary of operations, divestments and investments, financial reporting, a summary of major exposures and reports on any potential health and safety and Code of Conduct incidents.

In 2020, the Board primarily focused on the consequences of and the necessary adaptations resulting from COVID-19 and also discussed and decided on adjustments to Bonava's strategy, the status of the company's various markets, and a number of major land and project sales and investments. In 29 September 2020, the Board decided to dismiss CEO Joachim Hallengren and on 25 November 2020 to offer Peter Wallin the position of new CEO of the company. The Board also followed up the restructuring package concerning the operation in Finland that was decided at year-end 2019, established a new overall target for its sustainability agenda and decided to increase the assets available for sustainable funding. The company's sustainability agenda is otherwise unchanged.

#### COMMITTEES

The Board currently has two committees: the Audit Committee and the Remuneration Committee. In 2020, the Remuneration Committee's assignments were carried out by Bonava's Board of Directors, while a dedicated Audit Committee operated separately. The committees' assignments are regulated more closely in the annually revised committee instructions.

#### AUDIT COMMITTEE

The Audit Committee works according to an agenda which is set annually. Its tasks include monitoring the company's financial reporting and the efficiency of the company's internal control and risk management. During the first months of 2020, the Audit Committee consisted of Board members Carl Engström (who also served as Chairman), Åsa Hedenberg and Mikael Norman, none of whom is employed by the company. As of April 2020, Carl Engström was replaced by Angela Langemar Olsson as Chairman of the Committee. Angela Langemar Olsson is not employed by the company.

In 2020, the Audit Committee held six meetings. Bonava's auditor was present at five of these meetings. The meetings addressed matters such as the impact of COVID-19 on the company's finances, the company's interim reports, the focus of the external audit and the company's internal control of its financial reporting.

#### REMUNERATION COMMITTEE

The tasks of the Remuneration Committee include addressing matters relating to the principles governing remuneration to the CEO and senior executives, as well as individual remuneration to the CEO in accordance with the remuneration principles. These principles include the relationship between fixed and variable remuneration, and the correlation between performance and remuneration, mainly the terms applying to potential bonuses and incentive programmes, and the primary terms of non-monetary benefits, pension, termination of employment and severance pay.

#### Nomination Committee ahead of 2021 AGM

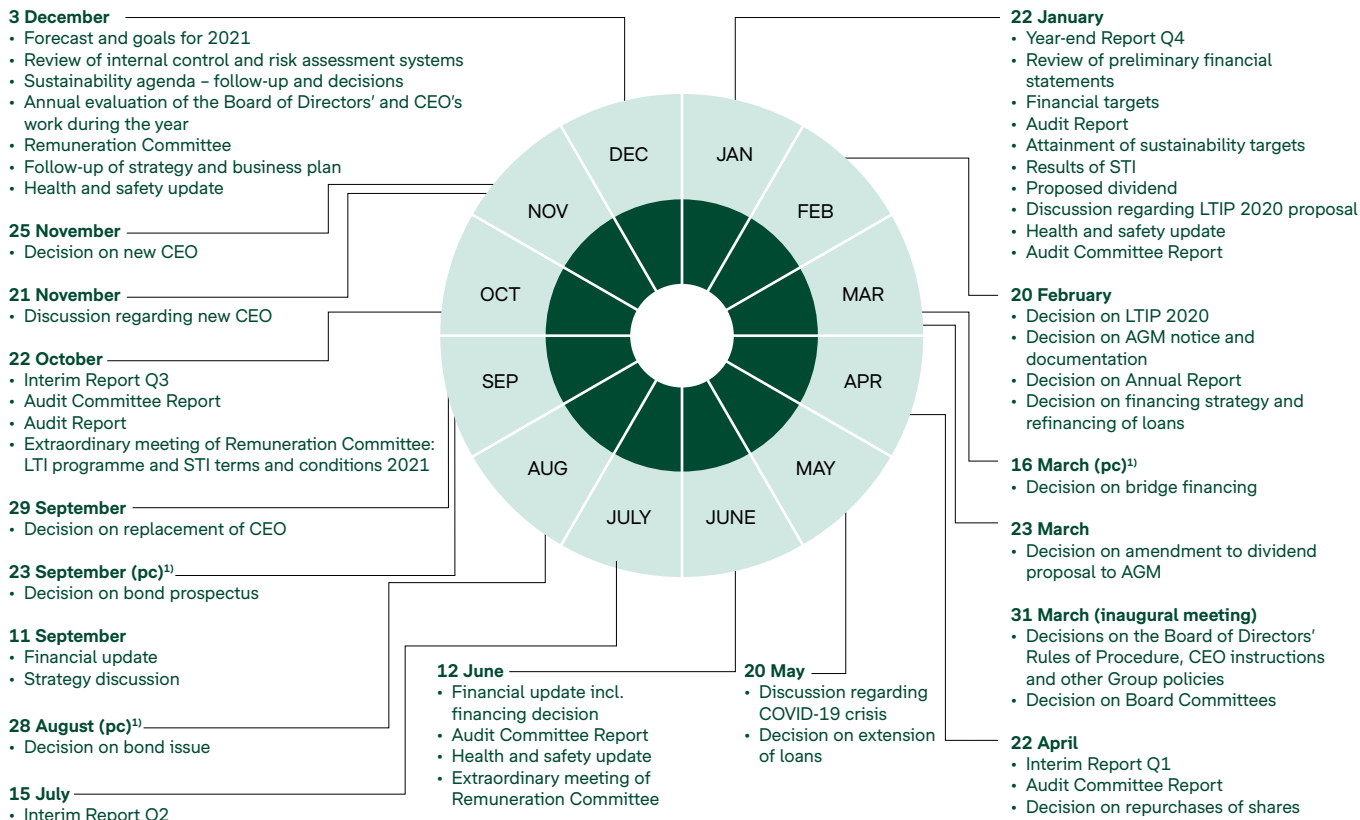
Board members <sup>1)</sup>	Appointed by	Non-affiliated <sup>2)</sup>
Peter Hofvenstam, Chairman of the Nomination Committee	Nordstjernan AB	Yes/No
Mats Gustafsson <sup>3)</sup>	Lannebo Fonder	Yes/Yes
Lennart Francke	Swedbank Robur Fonder	Yes/Yes

<sup>1)</sup> And Chairman of the Board, as a co-opted Board member.

<sup>2)</sup> Non-affiliated to the company and management/the largest shareholder in terms of votes.

<sup>3)</sup> Appointed in July 2020 as new member after Tomas Risbecker (AMF), who stepped down from the Nomination Committee.

**Board meetings 2020**



<sup>1)</sup> Meetings per capsulam (pc).

The whole Board determines the CEO’s remuneration and other employment terms. Share-based incentive programmes for the Executive Management Group and other senior executives are decided by the AGM.

The Remuneration Committee held four meetings (Board meetings) in 2020, one regular meeting and three extraordinary meetings. The members were present at all meetings. The meetings addressed matters such as variable and other remuneration to senior executives in 2021, guidelines for such remuneration, the proposed remuneration report for the company regarding 2020 and the proposed basis for a share-based incentive programme for the Executive Management Group and certain key executives for resolution in 2021.

**REMUNERATION**

The AGM on 31 March 2020 resolved to pay, in accordance with the amended proposal from the Nomination Committee on 30 March 2020, in the period until the next AGM is held and in conformance with preceding year, annual fees of SEK 700,000 to the Chairman and SEK 300,000 to each of the other Board members, none of whom are employed by the company. Additionally, the AGM resolved to pay for work on the Audit Committee, in the period until the next AGM is held, annual fees of SEK 150,000 to the Chairman and SEK 75,000 to each of the other committee members, none of whom are employed by the company. No special remuneration was paid for any other committee work.

**EVALUATING THE BOARD OF DIRECTORS AND THE CEO**

In accordance with the Board of Directors’ Rules of Procedure, the Chairman of the Board evaluates the Board’s work annually. The evaluation for 2020 took the form of Board member Samir Kamal, on instruction from the Chairman, interviewing each Board member with the aid on an online tool and subsequently compiling the results of these interviews. The purpose of the evaluation was to gather information about the views of Board members on the Board’s work and what measures can be implemented to improve its efficiency.

The intention was also to get an idea of the issues the Board of Directors considers should be given more prominence, and in which areas the Board may be in need of additional experience and competence. The results of the evaluation were presented to the Board of Directors, and the Chairman shared the results with the Nomination Committee. In brief, the Board was of the opinion that additional competence as regards project development would be valuable, and that the Board generally works well but that there should be additional focus on concrete measures for achieving the company’s vision and strategic goals and improving the company’s long-term profitability.

**THE CEO AND SENIOR EXECUTIVES**

The division of responsibilities between the CEO and the Board of Directors is defined in the Board’s Rules of Procedure, and the instructions to the CEO are prepared by the Board of Directors.

**Remuneration and attendance at Board meetings 2020**

Members appointed by General Meeting	Elected year	Board of Directors	Audit Committee	Remuneration Committee <sup>1)</sup>	Non-affiliated, shareholders	Non-affiliated, company and management	Total annual fees, SEK
<b>Total number of meetings</b>		<b>18</b>	<b>6</b>	<b>4</b>			
Chairman Mikael Norman	2017	18	6	4	Yes	Yes	775,000
Viveca Ax:son Johnson	2015	18		4	No	Yes	300,000
Åsa Hedenberg	2015	18	6	4	Yes	Yes	375,000
Samir Kamal	2015	18		4	Yes	Yes	300,000
Frank Roseen	2018	18		4	Yes	Yes	300,000
Mats Jönsson	2020	14		3	Yes	Yes	225,000
Angela Langemar Olsson	2020	14	5	3	No	Yes	337,500
Carl Engström	2015	4	1	1	No	Yes	112,500
Anna Wallenberg	2015	4		1	Yes	Yes	75,000

<sup>1)</sup> In 2020, the Remuneration Committee's tasks were carried out by the Board of Directors in its entirety.

The CEO serves as the head of the Executive Management Group and makes decisions in consultation with other members of Executive Management. The Executive Management Group comprises the CEO, CFO, and heads of the Germany, Sweden, Norway-Denmark, Finland and St Petersburg-Baltics business units. It also includes the heads of the Human Resources, Operations, and Marketing, Sales and Communication Group functions.

The Executive Management Group meets regularly and supplementary meetings are held as and when required. During 2020, the Executive Management Group held 13 meetings, of which three were extraordinary meetings.

**GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

In this context, senior executives are defined as the CEO and other members of the Executive Management Group. For more information on remuneration to senior executives, refer to Note 4. In accordance with the guidelines adopted by the AGM on 31 March 2020, Bonava offers remuneration on market terms that enable the company to recruit and retain individuals with the highest possible competence levels. The total remuneration package supports the company's long-term strategy. Remuneration to management comprises fixed salary, short-term variable cash-based remuneration, long-term variable share-based remuneration, pensions and other benefits. When determining fixed salaries, individual employees' area of responsibility, experience and achieved results are considered. Fixed salaries are reviewed either annually or biannually. All variable remuneration is related to a maximised fixed salary, and rewards the fulfilment of pre-determined targets, primarily of a financial nature. All variable remuneration at Bonava is designed to motivate and reward value-creating activities that support the company's long-term operational and financial objectives.

With regard to pension, Bonava offers defined-contribution solutions, which means that Bonava pays premiums comprising a specific portion of the employee's salary. The Board of Directors is entitled to depart from the above guidelines for remuneration to senior executives if there are special reasons in an individual case.

**SHARE-BASED INCENTIVE PROGRAMMES**

During the year, Bonava had four share-based incentive programmes, each of which covers approximately 50 key executives.

The AGM on 31 March 2020 resolved in line with the Board of Directors' proposal to introduce a share-based incentive programme for the Executive Management Group and certain key

executives. As with the previous programmes, participation in the programme requires an independent shareholding in Bonava. The aim of the long-term incentive programmes is to align the interests of the shareholders and those of the Executive Management Group and certain key executives in order to ensure maximum long-term value creation.

The AGM also resolved to authorise the Board of Directors to repurchase Class B shares to ensure the implementation of the incentive programme. On 22 April 2020, the Board decided to exercise this mandate, following which the company repurchased Class B shares at a total cost of SEK 18,520,614. The Board of Directors intends to propose that Bonava's future AGMs introduce long-term incentive programmes based on similar principles to the programme implemented in 2020. The share-based incentive programme adopted at the AGM in 2017 was concluded in 2020. Under the terms of the programme, at least the minimum level for each of the adopted performance targets had to be achieved in order to allocate share rights relating to the relevant performance target to the participants at the conclusion of the programme. Since the minimum level was not achieved for any of the adopted performance targets, the outcome was thus zero for the 2017 programme and no share rights were allocated to the participants.

Audit fees in 2020	SEK M
Audit fees to PwC	9
Fees to other auditors	1
Fees for audit-related consulting services	0
Fees for tax consulting services	0
Other fees	0

Share-based long-term incentive programme	LTIP 2020	LTIP 2019	LTIP 2018
No. of employees invited to participate	52	50	50
No. of employees opting to participate	35	39	41



## AUDITOR

The company's financial accounts and accounting, as well as the management by the Executive Management Group and the Board of Directors, are reviewed and audited by the company's auditor. At the AGM on 31 March 2020, the registered audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was elected auditor for the period until the AGM in 2020. The election took place on the Nomination Committee's proposal which concurred with the Audit Committee's recommendation. Authorised Public Accountant Patrik Adolfson has been appointed Auditor in Charge.

The auditor is to report any material accounting errors and suspected irregularities to the Audit Committee. At least once a year, usually in connection with the closing of the financial statements, the auditor is to report any observations from the audit and its assessment of the company's internal control to the Board of Directors. The auditor also participates at the AGM to present its Audit Report and outline the audit work carried out and observations made. Bonava's Sustainability Report was audited and complies with the statutory requirements on sustainability reporting and the Global Reporting Initiative standards according to PwC.

## THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL

### INTERNAL CONTROL OF FINANCIAL REPORTING AND RISK MANAGEMENT

Bonava's internal control regarding financial reporting is designed to manage risk and ensure a high degree of reliability in the processes surrounding the preparation of the financial statements, and to ensure compliance with applicable accounting standards and other requirements placed on Bonava as a listed company. Bonava complies with the Committee of Sponsoring Organisations of the Treadway Commission's ("COSO") framework for evaluating a company's internal control over its financial reporting, "Internal Control—Integrated Framework." The Framework includes the following five components: control environment, risk assessment, control activities, information and communication, and follow-up. The process has been designed to ensure appropriate risk management, including reliable financial reporting in accordance with IFRS, applicable legislation and regulations as well as other stipulations with which companies listed on Nasdaq Stockholm are required to comply. This work involves the Board of Directors, the Executive Management Group and other employees.

### PROCESS FOR RISK ASSESSMENT AND INTERNAL CONTROL

Bonava has a central Risk Committee and an annual process for systematic risk assessment and internal control for financial and non-financial risks. The Risk Committee comprises the company's CFO, General Counsel, Group Head of Financial Control, Group Head of Sustainability and the Group Head of Risk and Compliance. This process was developed further in 2020. At the beginning of the year, all of the relevant special functions defined the key internal controls for a number of different areas, with a special focus on the main risks for the company in accordance with the risk assessment process carried out in the preceding year. Subsequently, in the spring and summer, each respective Bonava business unit and Group function evaluated its internal control on the basis of the controls defined above. This self-evaluation was then discussed and analysed in more detail in an interactive process that included the Risk Committee. The results of this effort were subsequently shared with the company's auditors and discussed by the Risk Committee, and in follow-up meetings with the business units, the Committee compiled Bonava's annual report on risk management and compliance based on the process described above. This report was approved by the CEO and the Audit Committee, adopted by the Board of Directors and delivered to the Executive Management Group. During the autumn, the

Executive Management Group and Risk Committee carried out the company's annual risk assessment which, among other uses, forms the basis for the risk section of the Annual Report and next year's internal control process.

### CONTROL ENVIRONMENT

The division and delegation of responsibilities has been documented and communicated in company policies that govern the Board of Directors and the company. The Board of Directors reviews and approves the following policies annually:

- The Board of Directors' Rules of Procedure
- Instructions to the CEO
- Decision order
- Finance policy
- Code of Conduct
- Corporate governance policy
- Insider policy
- Communication policy
- IT policy
- Sustainability policy
- Health and safety policy
- HR policy
- Procurement policy
- Information security policy

All policies are decided by the Board of Directors. In addition to these policies, Bonava also has other kinds of binding policy documents including a number of Group procedures determined by the CEO. All internal policy documents are updated regularly in connection with changes to legislation, accounting standards or listing requirements, and as and when necessary. All the Group's policies and other policy documents are available to all employees on the company's intranet. The Board of Directors monitors and ensures the quality of the company's internal control in accordance with the Board's Rules of Procedure and instructions to the Audit Committee. The Board of Directors has also adopted a number of fundamental guidelines that govern risk management efforts and internal control activities. These guidelines include risk assessment, demands for control activities to manage the most material risks, in accordance with the aforementioned risk assessment and internal control process, and reporting. Bonava's control environment is comprised of responsibilities, authorisations and policy documents as well as laws and regulations. Within company management, relevant named document owners have primary responsibility for ensuring compliance with the relevant policy documents. In addition, the company considers that all employees have a responsibility to ensure compliance with all governing regulations and processes. The company makes it possible for employees to assume this responsibility by means of various information and training initiatives.

### RISK ASSESSMENT

In accordance with the Board's Rules of Procedure, the Board of Directors and the Audit Committee review the company's internal control annually. This review is based on the new risk assessment and internal control process described above. The Group's overarching risk analysis primarily encompasses risks in the following areas:

- Bonava's operating environment
- Strategic
- Operational
- Health and safety
- Climate and environment
- Customer-related
- Financial
- Legal

The risks identified in each area are evaluated on the basis of their estimated probability and impact. The outcome of the risk analysis is part of the aforementioned risk assessment and internal control process and is included in the annual risk and compliance report. For more information about the Group's risks and risk management, see pages 55–58 and Note 23.

### CONTROL ACTIVITIES

Bonava's risk management is based on a number of control activities being carried out at different levels throughout the business operations and within various functions. The control activities are intended to ensure that Bonava's processes are efficient and that the risks identified are managed efficiently. For the business operations, ERP systems form the basis of the control structure, focusing on key stages of the business operations such as investment decisions, production start and sales. Bonava places considerable emphasis on monitoring its projects. It has established functions such as Human Resources Operations, which manages payroll administration for the Nordic countries, and a Treasury function that controls financial risks in various respects. In addition, there is the IT function that bears central responsibility for the most essential IT systems at Bonava. All these functions stipulate that processes must include control activities that manage identified risks efficiently.

Other control activities in addition to the risk assessment and internal control process described above primarily include: quarterly Board meetings in each business unit. Central elements in these meetings include reporting and discussion of financial forecasts and outcomes, the structured risk assessment of the business units, etc. Bonava has also implemented a comprehensive compliance programme ("Our Foundation"). The programme aims to minimise risk relating to regulatory compliance and business ethics, and includes written guidelines on anti-corruption and competition legislation, central and local advisers on these issues, compulsory training in business ethics and a whistle-blower function. For more information, see page 57.

### INFORMATION AND COMMUNICATION

Bonava has established an organisation to ensure correct and efficient financial and non-financial reporting. The internal policy documents specify the division of responsibilities, and daily interaction between the individuals concerned means that relevant information and communication reaches all the relevant parties. Guidelines, instructions and manuals of significance to financial reporting are communicated to the relevant employees through Bonava's intranet. Instructions for non-financial reporting were developed during the year, and the organisation has been trained in correct and efficient reporting by internal change leaders.

The Board of Directors regularly receives financial reports regarding Bonava's financial position and earnings performance. The Executive Management Group receives weekly and monthly financial information about the progress of Bonava's sales, profit, reviews and follow-up of ongoing and future investments, and liquidity planning.

The company's communication policy ensures that all external and internal information is accurate and is presented in a timely manner. Bonava's employees are invited to participate, directly or indirectly, in the preparation of internal policies and guidelines, and have thus been part of preparing these internal policy documents.

### FOLLOW-UP AND IMPROVEMENTS

Follow-up continuously takes place at all levels of Bonava. The Board of Directors regularly evaluates the information provided by management and the auditors. The company's auditor also reports observations based on his review, as well as an assessment of internal control, directly to the Board of Directors and to the Audit Committee.

The Board assesses the information provided by the Executive Management Group on a continual basis. Bonava's financial position, investments and ongoing operations are discussed at each Board meeting. The Board is also responsible for monitoring and improving internal control, and ensuring that measures are taken to address any weaknesses or proposals that emerge. This work includes ensuring that measures are taken to handle any shortcomings, as well as following up on suggested measures arising from the external audit. The main basis for this Board monitoring consists of the previously described risk assessment and internal control process.

### EVALUATION OF THE NEED FOR A DEDICATED INTERNAL AUDIT FUNCTION

Bonava does not currently have an internal audit function, apart from the established Risk Committee whose operations have some characteristics of an internal audit. The Board of Directors has reviewed the matter and considers the existing structures for follow-up and evaluation to be satisfactory. In conclusion, this means that it is currently not justified to establish an internal audit function. The matter is reviewed annually.

### SUSTAINABILITY

The Board of Directors has determined Bonava's sustainability agenda and overarching Group sustainability targets, and presents the Sustainability Report. The Sustainability Report forms part of Bonava's Annual Report and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Sustainability Report has been assured by PwC, the auditor for sustainability reporting. The period of the report is the full year 2020 and the reporting cycle is annual. Read more about Bonava's sustainability agenda and reporting on pages 13–47, which constitute the statutory Sustainability Report.

### SUSTAINABILITY ORGANISATION

The Board bears the ultimate responsibility for Bonava's sustainability agenda and its ongoing sustainability efforts. Bonava's CEO delegates operational responsibility to Bonava's Head of Sustainability, who reports to the company's SVP Operations in the Executive Management Group and coordinates the sustainability efforts with other Heads of Operations.

The Head of Sustainability leads two committees in the Group: a steering committee for the sustainability agenda and a council for preparing supporting documentation for the management team, strategic boards and the steering committee, and implementing decisions. In addition to the Head of Sustainability, the steering committee includes Bonava's CEO, CFO, General Counsel, Head of HR, SVP Operations and Head of Marketing and Sales. The Sustainability Council includes representatives from each business unit. The Head of Sustainability is also included in Bonava's Risk Committee and convenes, on a quarterly basis, Bonava's Sustainable Financing Committee, which otherwise comprises the Head of Strategy and the Head of Treasury.

In addition, Bonava has a Head of Health and Safety who has overarching responsibility for developing Group-wide processes and driving the development process for sustainability relating to health and safety. The Head of Health and Safety leads Bonava's Council for Health and Safety with the aim of preparing supporting documentation for the management team and strategic boards, and implementing decisions. The Council for Health and Safety includes representatives from each business unit. Bonava has a Head of Risk and Compliance, who is responsible for developing Bonava's procedures for deliberate and proactive work on risk and compliance management and leads Bonava's Risk Committee.

The primary development work is carried out as part of the most relevant strategic initiatives of the respective sustainability aspects with support from Bonava's deliberative councils.

## Board of Directors



**MIKAEL NORMAN**

Board member since 2017, Chairman since 2019  
Born in 1958

**Education:** Master of Laws (LL.M.), Stockholm University.

**Previous experience:** CFO of Nobia, Group Controller at Electrolux, tax lawyer at PricewaterhouseCoopers and judge in the Stockholm County Court and Administrative Court of Appeal.

**Other current assignments:** Chairman of Cloetta.

**Holdings in Bonava (incl. related parties):** 20,000 Class B shares and 80,000 warrants.



**VIVECA AX:SON JOHNSON**

Board member since 2015  
Born in 1963

**Education:** Social science secondary education.

**Other current assignments:** Chairman of Nordstjernan and the Axel and Margaret Ax:son Johnson Foundation for Public Benefit. Board member of NCC, Lideta, Rosti Group, the Axel and Margaret Ax:son Johnson Foundation and FPG Media.

**Holdings in Bonava (incl. related parties):** 25,000 Class A shares and 123,000 Class B shares.



**ÅSA HEDENBERG**

Board member since 2015  
Born in 1961

**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology in Stockholm.

**Current role:** CEO of Specialfastigheter Sverige AB.

**Previous experience:** CEO of Huga Fastigheter, CEO of Uppsalahem, Market Area Manager of Stockholm Kommersiellt Innerstad AP Fastigheter.

**Other current assignments:** Board member of Envac AB. Member of the Council, Stockholm Chamber of Commerce.

**Holdings in Bonava (incl. related parties):** 9,710 Class B shares.



**MATS JÖNSSON**

Board member since 2020  
Born in 1957

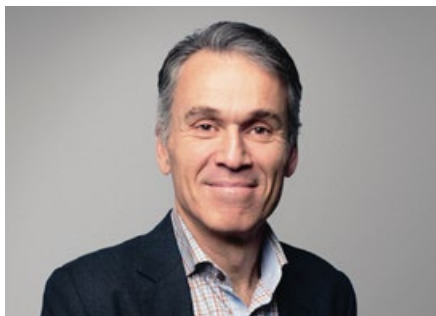
**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology in Stockholm.

**Previous experience:** President and CEO of Coor Service Management (2004–2013), Business Unit Director at Skanska Services (2000–2004) and Division Head at Skanska Sverige (1998–2000).

**Other current assignments:** Chairman of the Board of the Tengbom Group and Lekolar, and Board member of NCC, Assemblin and Coor Service Management.

**Holdings in Bonava (incl. related parties):** 10,000 Class B shares.





**SAMIR KAMAL**

Board member since 2015  
 Born in 1965  
**Education:** M.Sc. (Econ.), Stockholm School of Economics. B.Sc. (Eng.), Imperial College London.  
**Current role:** Senior Director at Novo Holdings A/S.  
**Previous experience:** Partner of EQT Partners, Partner of IK Investment Partners, Project Manager at Carnegie Investment Bank and Analyst at SEB.  
**Other current assignments:** Partner at Trill Impact Advisory, Board member at Nordomatic and Rimas Holding  
**Holdings in Bonava (incl. related parties):** 18,040 Class B shares.



**ANGELA LANGEMAR OLSSON**

Board member since 2020  
 Born in 1970  
**Education:** M.Sc. (Econ.), Stockholm School of Economics.  
**Current role:** Investment Director at Nordstjernan.  
**Previous experience:** CFO at Nordstjernan (2000–2015), Group Business Controller at Hufvudstaden (1997–2000) and Assistant Business Controller at Swedish Match (1996–1997).  
**Other current assignments:** Board member of NCC and Chairman of the Board of Sunparadise Group.  
**Holdings in Bonava (incl. related parties):** 0



**FRANK ROSEEN**

Board member since 2018  
 Born in 1962  
**Education:** M.Sc., MBA, Business Administration, Stockholm University  
**Current role:** Board member of Aroundtown Commercial Properties and Chairman of the Board of Star Real Estate Ventures LLC.  
**Previous experience:** CIO/CFO of WCM AG in Germany (2015–2016), CEO of GE Capital Real Estate in Germany and Central/Eastern Europe (2012–2015), and a number of management positions within GE Capital Real Estate in the Nordics, Europe and Asia (2002–2012).  
**Other current assignments:** Chairman of the Board of TLG Immobilien AG, Deputy Chairman of the Board of Premia Properties Greece SA and Board member of Stenhus Fastigheter i Norden and Aroundtown SA.  
**Holdings in Bonava (incl. related parties):** 1,500 Class B shares.

*Auditor*

**PATRIK ADOLFSON**

PwC (Öhrlings PricewaterhouseCoopers AB)  
 Auditor in Charge since 2018  
 Born in 1973  
**Other significant assignments:** Other audit assignments include AcadeMedia AB (publ), Attendo AB (publ), Nordstjernan AB, Securitas AB (publ) and Pandox AB (publ).  
 Member of FAR.

**PROPOSED CHANGES AHEAD OF 2021 AGM:**

The Nomination Committee proposes Mats Jönsson for election as the new Chairman of the Board of Bonava AB at the 2021 AGM given that Mikael Norman has declined re-election. The Nomination Committee also proposes the election of Per-Ingemar Persson as new Board member. Samir Kamal has declined re-election and will step down from the Board in conjunction with the AGM. The Nomination Committee proposes the re-election of the other members.

# Executive Management Group



## PETER WALLIN

President and CEO since 2021  
Born in 1967

**Education:** M.Sc. (Econ.), Uppsala University.

**Professional experience:** CFO and Business Area Manager at Ratos. Prior to this, 18 years of experience from senior roles in the Skanska Group, including as CFO and Line Manger with responsibility for Skanska's construction operations in the UK, Poland and the Czech Republic. Executive Chairman of the Board of the Norwegian construction company HENT and Board member of the Norwegian offshore company Aibel.

**Holdings in Bonava (incl. related parties):** 10,450 Class B shares.



## LARS GRANLÖF

CFO since December 2020  
Born in 1962

**Education:** M.Sc. (Econ.), Stockholm School of Economics.

**Professional experience:** CFO of Coop Sverige and prior to that held CFO roles at Saab and Gambro, among other companies.

**Other current assignments:** Board member of Team Olivia Group. Board member and CEO of Granlöv Consulting.

**Holdings in Bonava (incl. related parties):** 0



## FREDRIK HEMBORG

Business Unit President Sweden since 2016  
Born in 1972

**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology in Stockholm.

**Professional experience:** A total of 19 years of experience from various positions in the NCC Group, including as Regional Manager in NCC Property Development.

**Other current assignments:** Board member of Ursviks exploaterings.

**Holdings in Bonava (incl. related parties):** 14,567 Class B shares.



## SABINE HELTERHOFF

Business Unit President Germany since 2019  
Born in 1962

**Education:** Law degree, Leipzig University.

**Professional experience:** General Counsel in Germany since 1999 and responsible for investor transactions in Germany since 2007.

**Other current assignments:** Board member of German building society Bauindustrieverband Ost.

**Holdings in Bonava (incl. related parties):** 4,453 Class B shares.



## RIKU PATOKOSKI

Business Unit President Finland since March 2021  
Born in 1973

**Education:** M.Sc. (arch), University of Oulu

**Professional experience:** A total of 19 years of experience in construction, residential and property development. Executive Vice President of Hoiivatilat (2018–2020) with responsibility for the company's operations in southern Finland and Sweden. Prior to this, various senior positions at Peab and Skanska.

**Other current assignments:** None.

**Holdings in Bonava (incl. related parties):** 0



## KRISTINA OLSEN

Business Unit President Denmark-Norway since 2018  
Born in 1967

**Education:** B.Sc. (Econ.), Copenhagen Business School and certified Real Estate Agent, Niels Brock Copenhagen Business College. Advanced Business Development Programme, CIF.

**Professional experience:** Over 25 years' experience in the property market, including 16 years in various management roles at NCC. Head of Sales and Marketing at Bonava Denmark and Norway since 2016.

**Other current assignments:** None.

**Holdings in Bonava (incl. related parties):** 6,507 Class B shares.



**MICHAEL BJÖRKLUND**

Business Unit President St Petersburg-Baltics since 2016  
Born in 1969

**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology, Stockholm, B. Sc. (Econ.), Stockholm University.

**Professional experience:** 16 years' experience in senior positions in the property sector, including IKEA Real Estate Russia, Skanska International, NCC AB and Bonava.

**Holdings in Bonava (incl. related parties):** 4,285 Class B shares.



**SOFIA RUDBECK**

SVP Marketing, Sales & Communication since 2016  
Born in 1974

**Education:** M.Sc. (Eng.), Lund Technical University.

**Professional experience:** Product and Brand Director at Fagerhult Retail. Various positions within innovation, brand and marketing at Electrolux as well as Management Consultant at McKinsey & Company.

**Other current assignments:** Chairman of the Centre for the Future of Places (KTH Royal Institute of Technology) and Board member of Hultafors Group.

**Holdings in Bonava (incl. related parties):** 6,810 Class B shares.



**PATRIK STRÖM**

Acting SVP Operations since 2020  
Born in 1971

**Education:** M.Sc. (Eng.), KTH Royal Institute of Technology, Stockholm, B. Sc (Econ.), Stockholm University.

**Professional experience:** Responsible for IT at Bonava and NCC Housing since 2014. Management roles within IT at GE and Coop. Management consultant at Accenture.

**Holdings in Bonava (incl. related parties):** 7,242 Class B shares.



**ANETTE SEGERCRANTZ**

Interim SVP HR since January 2021  
Born in 1963

**Education:** B.Sc. (Phil.), Personnel, Work and Organization, Stockholm University.

**Professional experience:** Senior HR positions within Storebrand, SPP Pension & Insurance, AMF Pension, and The Fourth Swedish National Pension Fund (AP4).

**Holdings in Bonava (incl. related parties):** 0

**THE FOLLOWING INDIVIDUALS WERE ALSO PART OF THE EXECUTIVE MANAGEMENT GROUP IN 2020:**

Joachim Hallengren, President and CEO until 31 January 2021.

Ann-Sofi Danielsson, CFO until 31 December 2020.

Jenny Lilja Lagercrantz, SVP HR until 31 December 2020.

Juuso Hietanen, Business Unit President Finland until 11 Februari 2021.

Carl Rietz, SVP Operations until 1 August 2020.



Stockholm, 10 March 2021

**Mikael Norman**  
*Chairman*

**Viveca Ax:son Johnson**  
*Board member*

**Mats Jönsson**  
*Board member*

**Åsa Hedenberg**  
*Board member*

**Angela Langemar Olsson**  
*Board member*

**Samir Kamal**  
*Board member*

**Frank Roseen,**  
*Board member*

**Peter Wallin**  
*CEO*

# Auditor's Report on the Corporate Governance Statement

*This is a literal translation of the Swedish original report.*

**TO THE GENERAL MEETING OF THE SHAREHOLDERS IN BONAVA AB (PUBL),  
CORPORATE IDENTITY NUMBER 556928-0380**

## *Engagement and responsibility*

It is the board of directors who is responsible for the corporate governance statement for the year 2020 on pages 101–112 and that it has been prepared in accordance with the Annual Accounts Act.

## *The scope of the audit*

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## *Opinions*

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 10 March 2021  
Öhrlings PricewaterhouseCoopers AB

**Patrik Adolfson**  
*Authorized Public Accountant  
Lead Partner*

**Linda Andersson**  
*Authorized Public Accountant*