

Corporate governance

A photograph of a modern wooden walkway with metal railings leading to a wooden building with a large open archway. The building is situated on a grassy bank overlooking a lake. In the background, there is a dense forest under a clear blue sky. The text 'Corporate governance' is overlaid in white on the image.

Corporate Governance Report

Bonava is a Swedish public limited company that was listed on Nasdaq Stockholm in 2016. Bonava's corporate governance complies with 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 2021.

Through good corporate governance, Bonava aims to ensure a responsible and sustainable way of working over time. The governance model applied provides a transparent and clear allocation of mandates and responsibility, and an effective management of relevant risks and necessary controls. The objective is to create a long-term sustainable operation that generates value for shareholders and other stakeholders over time.

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 30,738 known shareholders. The company's five largest shareholders at year-end were Nordstjernan AB, the Fourth Swedish National Pension Fund (Fjärde AP-fonden), Swedbank Robur fonder, Didner & Gerge fonder and Vanguard. Read more about Bonava's shares and shareholders on pages 151–152.

ARTICLES OF ASSOCIATION

Bonava's Articles of Association were adopted by the 2021

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.

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 2021

The Annual General Meeting (AGM) on 31 March 2021 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 specific key executives. In light of the ongoing COVID-19 pandemic, the 2021 AGM was carried out solely in the form of a postal vote according to the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). It was not possible to attend in person.

2022 Annual General Meeting

Bonava's Annual General Meeting for 2022 will be held on 1 April 2022 in Stockholm, Sweden. Shareholders are entitled to raise matters at the AGM subject to submitting a written request to the Board of Directors, which the company

announced on its web site in conjunction with the interim report for the third quarter of 2021. Such requests should be addressed to the Board of Directors no later than 11 February 2022. 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 155 or Bonava's website, bonava.com.

NOMINATION COMMITTEE

Bonava's 2021 AGM appointed the following Nomination Committee ahead of the 2022 AGM: Peter Hofvenstam, Nordstjernan AB; Lennart Francke, Swedbank Robur Fonder; Mats Gustafsson, Lannebo Fonder; and the Chairman of the Board as a co-opted member. Peter Hofvenstam was elected Chairman of the Nomination Committee. Since The Fourth Swedish National Pension Fund (Fjärde AP-fonden) subsequently increased its holding in Bonava, the Nomination Committee decided in November 2021 to appoint Olof Nyström from The Fourth Swedish National Pension Fund as a new member of the Nomination Committee.

Nomination Committee ahead of 2022 AGM

Board members ¹⁾	Appointed by	Non-affiliated ²⁾
Peter Hofvenstam, Chairman of the Nomination Committee	Nordstjernan AB	Yes/No
Lennart Francke	Swedbank Robur Fonder	Yes/Yes
Mats Gustafsson	Lannebo Fonder	Yes/Yes
Olof Nyström ³⁾	The Fourth Swedish National Pension Fund (Fjärde AP-fonden)	Yes/Yes

¹⁾ And Chairman of the Board, as a co-opted Board member.

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

³⁾ Appointed in November 2021 as new member as a result of changes in the ownership structure.

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 Chair-

man 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 2022 AGM, the Nomination Committee held eight 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 has noted that overall, the Board of Directors functions effectively and that it, with regard to the needs of the company's operations, stage of development and other conditions, has a suitable composition and demonstrates diversity and breadth in terms of skills, experience and background, and that it has an even gender distribution. The requirements pursuant to the company's diversity policy should be viewed as fulfilled. 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.

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 bolagsstamma@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 2021 resolved to re-elect Viveca Ax:son Johnson, Åsa Hedenberg, Angela Langemar Olsson, Mats Jönsson and Frank Roseen as Board members, and to elect Per-Ingemar Persson as new Board member. The AGM also resolved to elect Mats Jönsson as Chairman of the Board. In parallel, Samir Kamal and Mikael Norman left 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 relating to the company's operations, see page 49. 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 six 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 2021, Mats Jönsson was elected as the Chairman of the Board.

Work of the Board of Directors in 2021

In 2021, the Board held 15 meetings, including the inaugural meeting following election and one meeting per capsulam. 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.

During 2021, the Board of Directors focused primarily on drafting the revised strategy, including new financial targets, the wind-down of the company's operations in Denmark, and the implications of the COVID-19 pandemic. The decision was taken to sell the company's remaining land bank in Denmark. Ongoing projects will be completed in 2022. In addition, the Board discussed the status of the company's various markets, and decided on a number of major land and project sales and investments.

Remuneration of Board members

The AGM on 31 March 2021 resolved to pay, in accordance with the proposal from the Nomination Committee, in the period until the next AGM is held, annual fees of SEK

Remuneration and attendance at Board meetings 2021

Members appointed by General Meeting	Elected year	Board of Directors	Audit Committee	Remuneration Committee ¹⁾	Non-affiliated, shareholders	Non-affiliated, company	Total annual fees, SEK
Total number of meetings		15	6	4			
Chairman Mats Jönsson	2020	14		4	Yes	Yes	662,500
Viveca Ax:son Johnson	2015	14		4	No	Yes	310,000
Åsa Hedenberg	2015	15	6	4	Yes	Yes	385,000
Angela Langemar Olsson	2020	14	6	4	No	Yes	460,000
Frank Roseen	2018	14		4	Yes	Yes	310,000
Per-Ingemar Persson (as of 31 Mar)	2021	11	4	3	Yes	Yes	288,750
Samir Kamal (until 31 Mar)	2015	4		1	Yes	Yes	77,500
Mikael Norman, Chairman (until 31 Mar)	2017	4	2	1	Yes	Yes	213,750

¹⁾In 2021, the Remuneration Committee's tasks were carried out by Bonava's Board of Directors in its entirety.

780,000 to the Chairman and SEK 310,000 to each of the other Board members who are not 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 who are not employed by the company, and for work on the Remuneration Committee, an annual fee of SEK 75,000 will be paid to the Chairman who is not employed by the company. No special remuneration was paid for any other committee work.

Evaluation of the Board of Directors

In accordance with the Board of Directors' Rules of Procedure, the Chairman of the Board evaluates the Board's work annually. In 2021, an evaluation was conducted with the help of a digital questionnaire, the results of which have been compiled, reviewed and discussed at a Board meeting. 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.

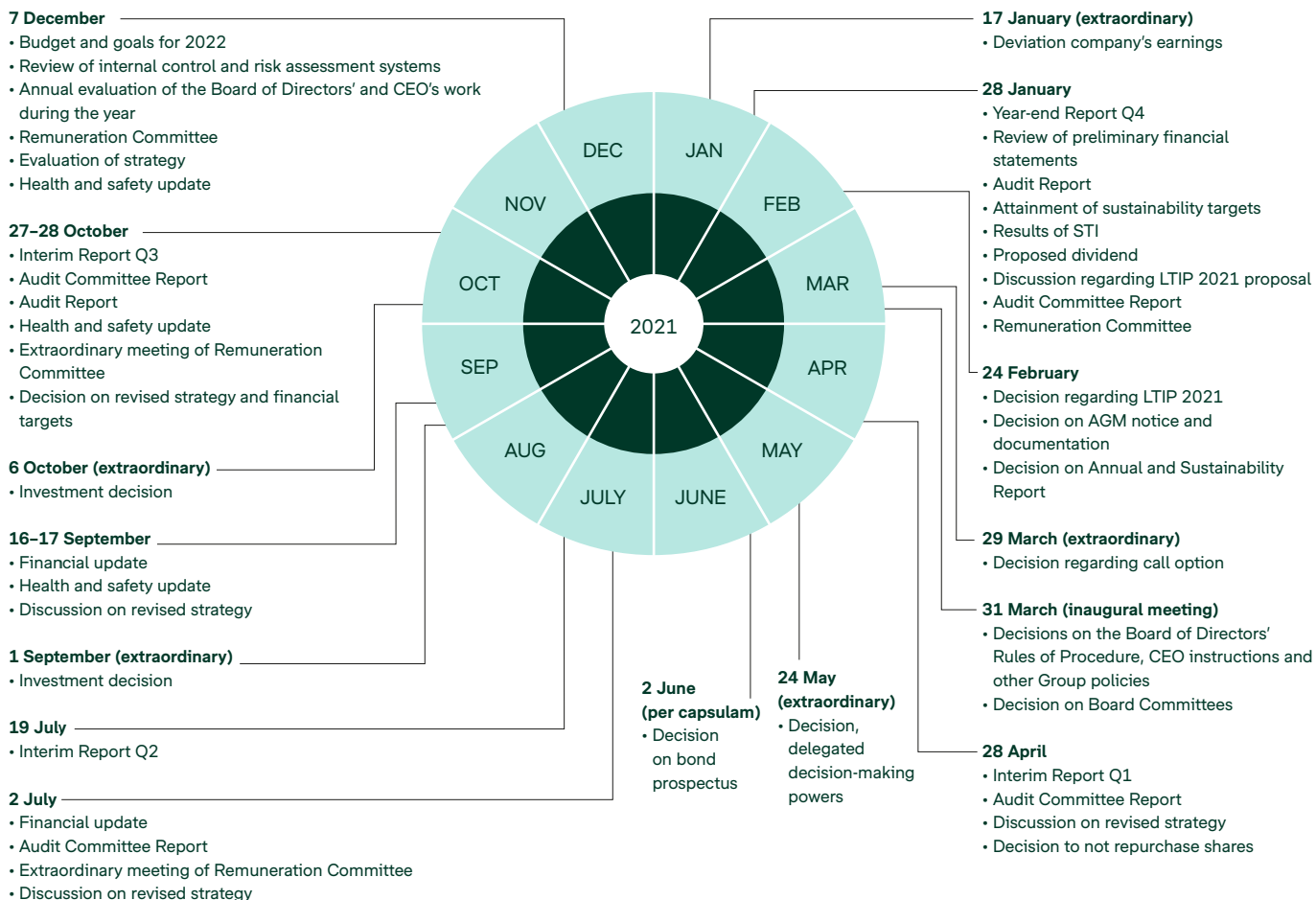
BOARD COMMITTEES

The Board currently has two committees: the Audit Committee and the Remuneration Committee. In 2021, 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 2021, the Audit Committee consisted of Board members Angela Langemar Olsson (who also served as Chairman), Åsa Hedenberg and Mikael Norman, none of whom is employed by the company. As of April 2021,

Board meetings 2021



Mikael Norman was replaced by Per-Ingemar Persson. Per-Ingemar Persson is not employed by the company.

In 2021, the Audit Committee held six meetings. Bonava's auditor was present at five of these meetings. The meetings addressed matters such as 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 address-

ing 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. 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 2021, two regular meeting and two extraordinary meetings. The members were present at all meetings. The meetings addressed matters such as variable and other remuneration to senior executives in 2022, guidelines for such remuneration, the proposed remuneration report for the company regarding 2021 and the proposed basis for a share-based incentive programme for the Executive Management Group and certain key executives for resolution in 2022.

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. The CEO serves as the head of the Executive Management Group and makes decisions in consultation with other members of Executive Management. The Board of Directors reviews the work and performance of the CEO on an ongoing basis. A comprehensive CEO evaluation was carried out in autumn 2021 and discussed at a Board meeting. The Executive Management Group comprises the CEO, CFO, and heads of the Germany, Sweden, Norway, Finland and St. Petersburg-Baltics business units. On 1 June 2021, Denmark was discontinued as a business unit of Bonava. In 2021, the heads of the Human Resources, Operations, and Marketing, Sales and Communication Group functions were included in the Executive Management Group. Due to an organisational change at the beginning of 2022 the role of Group Head of Legal has been added to the Executive Management Group while the roles of Head of Operations, as well as Head of Marketing, Sales and Communications has been eliminated. The responsibilities for the roles eliminated have been delegated to other members of the Executive Management Group.

The Executive Management Group meets regularly and supplementary meetings are held as and when required. During 2021, the Executive Management Group held 14 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 2021, 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 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 2021 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 28 April 2021, the Board decided not to exercise this mandate. 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 2021. The share-based incentive programme adopted at the AGM in 2018 was concluded in 2021. 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 2018 programme and no share rights were allocated to the participants.

Share-based long-term incentive programme	LTIP 2021	LTIP 2020	LTIP 2019
No. of employees invited to participate	45	52	50
No. of employees opting to participate	36	35	39

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 2021, the registered audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was elected auditor for the period until the AGM in 2022. 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 Auditor's 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, Group Head of Legal, Group Head of Strategy, Group Head of Sustainability and the Group Head of Risk and Compliance. This process was developed further in 2021. 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 regulatory 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
- Sustainability 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 regulatory compliance report. For more information about the Group's risks and risk management, see pages 63–66 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, annual group discussions, and a whistle-blower function. For more information, refer to pages 123–124.

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 to ensure correct and efficient reporting.

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 prog-

ress 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 determines 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 2021 and the reporting cycle is annual. Read more about Bonava's sustainability agenda and reporting on pages 4–32, 49–50, 63–66 and 108–142, 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 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 and the steering committee, and implementing decisions. In addition to the Head of Sustainability, in 2021 the steering committee included Bonava's CEO, CFO, Head of Legal, Head of HR, and Head of Marketing and Sales. In 2021, the steering committee was inactive and steering of the sustainability agenda was carried out within the scope of the work on the revised strategy. 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 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.

Board of Directors



MATS JÖNSSON

Board member since 2020,
Chairman since 2021
Born in 1957

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

Previous experience: President
and CEO of Coor Service Manage-
ment (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): 30,000 Class B
shares.



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 Special-
fastigheter Sverige AB.

Previous experience: CEO of
Huge Fastigheter, CEO of
Uppsalhem, Market Area Man-
ager of Stockholm Kommersiellt
Innerstad AP Fastigheter.

Other current assignments: Member of the Council,
Stockholm Chamber of Commerce.

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



ANGELA LANGEMAR OLSSON

Board member since 2020
Born in 1970

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

Current role: Senior Advisor
at Nordstjernan, CFO Bonnier
Group.

Previous experience: Invest-
ment Director (2015–2021),
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.
Holdings in Bonava (incl. related parties): 0



PER-INGEMAR PERSSON

Board member since 2021
Born in 1956

Education: M.Sc. in Civil
Engineering, Lund University,
LTH Faculty of Engineering

Previous experience: CEO
of Veidekke Sweden (2005–
2016), CEO of NVS Installation
(2002–2005) and various senior
management positions within
the Skanska Group
(1987–2002).

Other current assignments: Chairman of the Board of ELU
Konsult AB and NEWS AB (Northern Environmental and
Water Solutions AB) and Board member of Veidekke and
Assemblin Group AB.

Holdings in Bonava (incl. related parties): 9,900 Class B
shares.



FRANK ROSEEN

Board member since 2018
Born in 1962

Education: M.Sc., MBA,
Business Administration,
Stockholm University

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 WCM
GmbH (Germany), TLG Immobilien AG, Deputy Chairman of
the Board of Premia Properties Greece SA and Board mem-
ber 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), Nordstjer-
nan AB and Pandox AB (publ).
Member of FAR.

PROPOSED CHANGES AHEAD OF 2022 AGM:

The Nomination Commit-
tee proposes that
Andreas Segal and Nils
Styf be elected as new
Board members. Frank
Roseen 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 February 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): 22,450 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 and NCC.

Holdings in Bonava (incl. related parties): 2,285 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): 5,000 Class B shares.



JONAS GRANSTRÖM

Acting Business Unit President Norway since September 2021
Born: 1967

Education: M.Sc. (Eng.),

KTH Royal Institute of Technology in Stockholm.

Professional experience: More than 30 years' experience within residential development, construction, and management. Head of projects at ByggVesta and VP Technical Services at Scandic Hotels. Prior to this, 22 years in various senior roles within the Skanska Group, including CEO of housing development in Sweden. Owner of consulting company Dirlada AB.

Other current assignments: None.

Holdings in Bonava (incl. related parties): 1,000 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): 5,833 Class B shares.



FREDRIK HEMBOG¹⁾

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): 16,817 Class B shares.



RIKU PATOKOSKI

Business Unit President Finland since March 2021
Born: 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 Hoivatilat (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): 1,780 Class B shares.



HEDVIG WALLANDER

Group Head of Legal since October 2021
Born in 1973

Education: Law degree, Uppsala University.
Professional

experience: Head of Legal at Bonava Sweden since 2016. Company lawyer at Peab and lawyer at Mannheimer Swartling.

Other current assignments: None.

Holdings in Bonava (incl. related parties): 4,961 Class B shares.



ANNA WENNER

SVP Brand and Culture since February 2022
Born: 1971

Education: M.Sc. in Political Science 1994, Örebro University and

Marketing Communication Program (IHR) 1999, Stockholm University.

Professional experience: A total of 20 years of experience from leading roles within the Skanska Group, including HR, communication and marketing and Head of Media Relations at Skanska AB. Senior Vice President HR and Communication in Skanska Sweden 2016 – 2021.

Other current assignments: None.

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

COMMENTS

Anette Segercrantz, Interim Head of HR, was a member of the Executive Management Group from 1 January 2021 to 17 December 2021.

Sofia Rudbeck, SVP Marketing, Sales and Communication, was a member of the Executive Management Group until 31 January 2022.

Patrik Ström, Interim SVP Operations, was a member of the Executive Management Group until 16 January 2022.

¹⁾ Fredrik Hemborg will step down from the position of Business Unit President for Bonava Sweden on 30 April 2022. His successor, Alexandra Laurén, will assume the position in August 2022.

Auditor's Report on the Corporate Governance Statement

Stockholm, 11 March 2022

Mats Jönsson
Chairman

Viveca Ax:son Johnson
Board member

Åsa Hedenberg
Board member

Angela Langemar Olsson
Board member

Per-Ingemar Persson
Board member

Frank Roseen
Board member

Peter Wallin
CEO

**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 2021 on pages 44–53 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, 11 March 2022
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
*Authorized Public Accountant
Lead Partner*

Linda Andersson
Authorized Public Accountant