

Corporate Governance



Corporate Governance Report

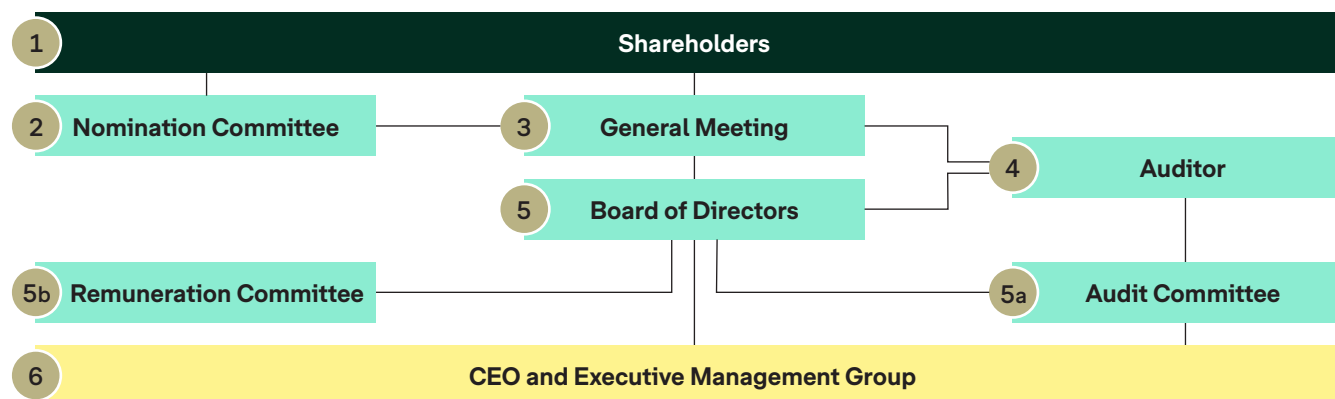
This Corporate Governance Report, which has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code, "the Code", contains important information about how Bonava complies with the Code, about shareholders, the Nomination Committee, the Annual General Meeting (AGM), the Board of Directors and its work, including committees, remuneration and allocation of responsibilities within the governance model. The Corporate Governance Report also describes Bonava's system for internal control and risk management, which according to the Swedish Companies Act and the Code is the responsibility of the Board. 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 2022.

Regulatory framework, governance model and internal control

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.

Regulatory framework and governance model

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 Code.



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.

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.

1 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 32,468 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, Avanza wPension and Vanguard. Read more about Bonava's shares and shareholders on pages 156–157.

2 Nomination Committee

The Nomination Committee is a body established by the AGM with the task of proposing 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 the company's auditors and their remuneration. Where required, the Nomination Committee also proposes any changes to the applicable instructions for the Nomination Committee.

Nomination Committee ahead of 2023 AGM

Bonava's 2022 AGM appointed the following Nomination Committee ahead of the 2023 AGM: Peter Hofvenstam (Nordstjernan AB), Olof Nyström (Fourth Swedish National Pension Fund), Lennart Francke (Swedbank Robur Fonder)

and Chairman of the Board as a co-opted Board member. Peter Hofvenstam was elected Chairman of the Nomination Committee.

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

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 2023 AGM, the Nomination Committee held seven 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 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.

3 General meeting

The general meeting is Bonava's highest decision-making body and a forum for all shareholders to exercise their influence. The general meeting decides on changes to the Articles of Association. 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 2022

Two general meetings were held in 2022. The Annual General Meeting ("AGM") was held on 1 April 2022 when the Board was elected and other customary matters were decided. Shareholders had the option of participating physically at the meeting or to exercise their voting rights by voting in advance, through postal voting, in accordance with Bonava's Articles of Association. On 2 June 2022, an Extraordinary General Meeting was held at which a decision was taken on a new share-based incentive programme for the Executive Management Group and specific key executives. Under the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations

(2022:121), the Extraordinary General Meeting was carried out solely in the form of a postal vote. It was not possible to attend in person.

2023 Annual General Meeting

Bonava's AGM for 2023 will be held on 3 April 2023 in Stockholm, Sweden. Shareholders are entitled to raise matters at the AGM subject to submitting a written request to the Board of Directors by 10 February 2023, which the company announced on its website in conjunction with the interim report for the third quarter of 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 160 or Bonava's website, bonava.com.

4 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 1 April 2022, the registered audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was elected auditor for the period until the AGM in 2023. 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.

5 Board of Directors

The Board of Directors has the overarching responsibility for Bonava's organisation and administration.

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 1 April 2022 resolved to re-elect Viveca Ax:son Johnson, Åsa Hedenberg, Angela Langemar Olsson, Mats Jönsson and Per-Ingemar Persson as Board members, and to elect Andreas Segal and Nils Styf as new Board members. The AGM also resolved to elect Mats Jönsson as Chairman of the Board. At the same time, Frank Roseen stepped down from the Board of Directors. 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 pages 51-52. 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 1 April 2022, Mats Jönsson was elected as the Chairman of the Board.

Work of the Board of Directors in 2022

In 2022, the Board held 18 meetings. 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 2022, the Board of Directors worked with the continued implementation of the strategy, issues relating to the changed market situation in the business areas and the wind-down of

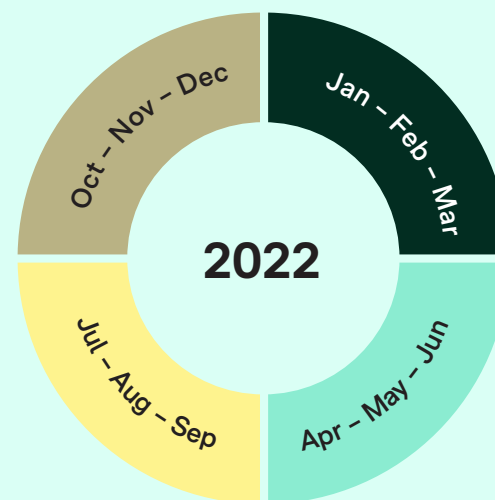
Overview of the Board's work in 2022¹⁾

Fourth quarter

- Interim Report Q3
- Budget meeting
- Discussions concerning STI 2022 outcome and STI 2023

Third quarter

- Interim Report Q2
- Strategy meeting
- Wind-down of the operations in St. Petersburg
- Update, health and safety



First quarter

- Year-end Report Q4
- Outcome STI 2022
- Proposed dividend decision
- Notice, AGM documentation
- Annual and Sustainability Report
- Decision wind-down St. Petersburg
- Update, health and safety

Second quarter

- Statutory meeting
- Decision, Board of Directors' Rules of Procedure and other Group policies
- Decision, Board Committees
- Interim Report Q1
- Discussion, implementation of revised strategy
- Update, health and safety

¹⁾ In addition to topics specifically detailed above, there are other areas that are continuously discussed, such as CEO updates on the business, divestments and acquisitions and summary of largexposures.

Remuneration and attendance at Board meetings 2022

Members appointed by General Meeting	Elected year	Board of Directors	Audit Committee	Remuneration Committee ¹⁾	Non-affiliated, shareholders	Non-affiliated, company	Total paid annual fees, SEK
Total number of meetings		18	6	3			
Chairman Mats Jönsson	2020	18		3	Yes	Yes	870,000
Viveca Ax:son Johnson	2015	18		1	No	Yes	317,500
Åsa Hedenberg	2015	18	6	1	Yes	Yes	392,500
Angela Langemar Olsson	2020	18	6	3	No	Yes	493,750
Per-Ingemar Persson	2021	18	6	1	Yes	Yes	392,500
Andreas Segal (as of 1 Apr)	2022	13			Yes	Yes	300,000
Nils Styf (as of 1 Apr)	2022	13 ²⁾		2	Yes	Yes	266,250
Frank Roseen (until 1 Apr)		2		1	Yes	Yes	77,500

¹⁾ Up to the Annual General Meeting on 1 April 2022, the Remuneration Committee's tasks were carried out by Bonava's Board of Directors in its entirety. A Remuneration Committee was introduced as of 1 April 2022.

²⁾ Of which one only one day.

Bonava's operations in St. Petersburg. In March 2022, the decision was taken to close the business in St. Petersburg as a result of the Russian invasion of Ukraine. The company has evaluated possible alternatives to a closure. The divestment that was conducted in October 2022 was cancelled in January 2023 and the sales process has thereafter resumed. In addition, the Board decided on a number of major land and project sales and investments.

Remuneration of Board members

The AGM on 1 April 2022 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 800,000 to the Chairman and SEK 320,000 to each of the other Board members who are not employed by the company. Furthermore, the AGM resolved that, in addition to this remuneration, Board members living in Europe but outside of the Nordic region would receive a meeting fee of SEK 20,000 for each physical Board meeting held in the Nordic region. 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 and SEK 35,000 to each of the other committee members who are 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 2022, an evaluation was carried out whereby the Chairman interviewed each of the Board members and compiled the results, after which these were 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 gain an understanding of the issues that 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. The committees' assignments are regulated more closely in the annually revised committee instructions.

5a Audit Committee

The tasks of the Audit Committee include monitoring the company's financial reporting and the efficiency of the company's internal control and risk management.

The Audit Committee works according to an agenda that is set annually and in 2022 it comprised Board members Angela Langemar Olsson (who also served as Chairman), Åsa Hedenberg and Per-Ingemar Persson, none of whom is employed by the company.

In 2022, 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 and financing, the focus of the external audit and the company's internal control of its financial reporting.

5b 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.

Up until 31 March 2022, the tasks of the Remuneration Committee were carried out by the Board as a whole. As of 1 April 2022, the Remuneration Committee comprised Board members Mats Jönsson (who also served as Chairman), Angela Langemar Olsson and Nils Styf.

The Remuneration Committee works according to an agenda that is set annually. The remuneration 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.

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

6 CEO and Executive Management Group

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 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 2022 and discussed at a Board meeting. The Executive Management Group comprises the CEO, CFO, and heads of the Germany, Sweden, Norway, Finland and Baltics business units, and SVP Brand and Culture and Group Head of Legal (as of 1 February 2022). Due to an organisational change at the beginning of 2022, the roles of Head of Operations, as well as Head of Marketing, Sales and Communications were eliminated from the Executive Management Group (as of 1 February 2022).

The Executive Management Group meets regularly and supplementary meetings are held as and when required. During 2022, the Executive Management Group held ten meetings, of which one was an extraordinary meeting.

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 1 April 2022 and by the Extraordinary General Meeting on 2 June 2022, 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, to which approximately 50 key executives are invited to participate in each programme.

The Extraordinary General Meeting on 2 June 2022 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 Extraordinary General Meeting also resolved to authorise the Board of Directors to repurchase Class B shares to ensure the implementation of the incentive programme. On 28 April 2022, 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 2022. The share-based incentive programme

adopted at the AGM in 2019 was concluded in 2022. 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 2019 programme and no share rights were allocated to the participants.

Share-based long-term incentive programme	LTIP 2022	LTIP 2021	LTIP 2020
No. of employees invited to participate	44	45	52
No. of employees opting to participate ¹⁾	28	36	35

¹⁾ A further six individuals agreed to participate but were unable to fulfil the requirements for personal investment due to insider information during the investment period.

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 consists of the company's CFO, Group Head of Legal, Group Head of Strategy, Group Head of ESG Control & Reporting and Group Head of Risk & Compliance. This process was developed in 2022 to focus more intently on the internal controls that are most material to Bonava's operations. 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, the Risk Committee defined the selected internal controls encompassed by the internal control conducted in 2022. During 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 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 66–68 and Note 24.

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 effectively. 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 effectively.

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 whistleblower function. For more information, refer to pages 66–68.

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 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 the Board's 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 issues 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 Universal Standards 2021). The Sustainability Report has been assured by PwC. The period of the report is the

full-year 2022 and the reporting cycle is annual. Read more about Bonava's sustainability agenda and reporting on pages 3–31, 51–52, 66–68, 110–147, which constitute the statutory Sustainability Report.

Sustainability organisation

The Board holds the ultimate responsibility for Bonava's sustainability agenda and its ongoing sustainability efforts. Bonava's CEO delegates the strategic responsibility for the sustainability agenda to the SVP Brand & Culture. As of November 2022, the operational responsibility is held by the Group Head of ESG Control & Reporting (a new role replacing the former Group Head of Sustainability), who coordinates the sustainability work with the other responsible functions. The Head of ESG Control & Reporting reports to SVP Brand & Culture.

During autumn 2022, Bonava restructured the central sustainability organisation to ensure strategic progress in sustainability matters and coordination between the business units and central functions. In conjunction with this, the ESG Committee was established as a supporting body for Bonava's Executive Management Group. The ESG Committee ensures implementation of the company's sustainability policy and coordinates all issues in the ESG agenda together with the company's business units. Work to develop the procedures of the ESG Committee will continue in 2023. The ESG Committee is led by the Head of ESG Control & Reporting and also includes the Group Head of Legal, CFO, SVP Brand & Culture, Group Head of Strategy and Group Head of Health & Safety.

The Group Head of ESG Control & Reporting participates, on a quarterly basis, in Bonava's Sustainable Financing Committee, which also includes the Group Head of Strategy and Group Head of Treasury.

In addition, Bonava has a Group Head of Health and Safety who has overarching responsibility for developing Group-wide processes and driving the development process for the sustainability aspect of health and safety. The Group 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 Group 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 Management, Business Unit Director at Skanska Services, Division Head at Skanska Sverige.

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

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, the Axel and Margaret Ax:son Johnson Foundation for Public Benefit, Bokförlaget Stolpe. Board member of Prima Vård Sverige AB, 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: 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 Nordstjernan, CFO Bonnier Group.

Previous experience: Investment Director at Nordstjernan, CFO at Nordstjernan, Group Business Controller at Hufvudstaden, Assistant Business Controller at Swedish Match.

Other current assignments: Board member of NCC and Adlibris, as well as wholly owned companies in Bonnier.

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, CEO of NVS Installation and various senior management positions within the Skanska Group.

Other current assignments: Board member of two subsidiaries of NEWS AB, Board member of Veidekke and Assemblin.

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



Andreas Segal

Board member since 2022. Born in 1969.

Education: Studies in Economics and a Law degree, Freie Universität.

Previous experience: CEO, Gateway Real Estate AG, Deputy CEO and CFO of BUWOG AG, CFO of Deutsche Wohnen SE and Co-CEO and CFO of GSW Immobilien AG.

Other current assignments: Board Member of Neinor Homes S.A., Spain.

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



Nils Styf

Board member since 2022. Born in 1976.

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

Current role: President and CEO, Hemsö Fastighets AB

Previous experience: Chief Investment Officer at Citycon, Director at Areim, Principal at Doughty Hanson & Co, Associate at Deutsche Bank and Analyst at Merrill Lynch.

Other current assignments: Board member in all wholly-owned and partly-owned subsidiaries of the Hemsö Group, Chairman of the Board of NP3 Fastigheter AB, Board member of Mattssons Fastighetsutveckling AB and Cibus Nordic Real Estate AB.

Holdings in Bonava (incl. related parties): 10,926 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), Dometic Group AB (publ), Catella AB (publ), Nordstjernan AB and Pandox AB (publ).
Member of FAR.

Proposed changes for the 2023 Annual General Meeting

The Nomination Committee proposes that Anette Frumerie, Olle Boback and Tobias Lönnevall as new Board members. Åsa Hedenberg, Angela Langemar Olsson and Andreas Segal have 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 Board 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): 51,989 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, Kingfisher Plc and NCC.

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



Lars Granlöv

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): 15,000 Class B shares.



Jonas Granström

Acting Business Unit President Norway since September 2021. Born in 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): 5,650 Class B shares.



Sabine Helterhoff

Business Unit President Germany since 2019. Born in 1962.

Education: Law degree, Leipzig University.

Professional experience: Head of Legal 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): 9,893 Class B shares.



Alexandra Laurén

Business Unit President Sweden since 2022. Born in 1975.

Education: B.Sc (Eng.), Mälardalen University

Professional experience: 24 years of experience in various roles in Skanska Sweden, including in support functions in construction, subsequently in different line positions with managerial responsibility in both the contracting business and project development, including as Deputy CEO, Skanska Sweden.

Other current assignments: None.

Holdings in Bonava (incl. related parties): 0



Riku Patokoski

Business Unit President Finland since March 2021. Born 1973.

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

Professional experience: More than 20 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): 6,540 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 in 1971.

Education: M.Sc. in Political Science, Örebro University and Marketing Communication Program (IHR), Stockholm University.

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

Other current assignments: None.

Holdings in Bonava (incl. related parties): 2,321 Class B shares.

Auditor's Report on the Corporate Governance Statement

Stockholm, 13 March 2023

Mats Jönsson
Chairman

Viveca Ax:son Johnson
Board member

Åsa Hedenberg
Board member

Angela Langemar Olsson
Board member

Per-Ingemar Persson
Board member

Andreas Segal
Board member

Nils Styf
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 2022 on pages 45–54 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, 13 March 2023
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Lead Partner

Linda Andersson
Authorized Public Accountant