

Corporate Governance



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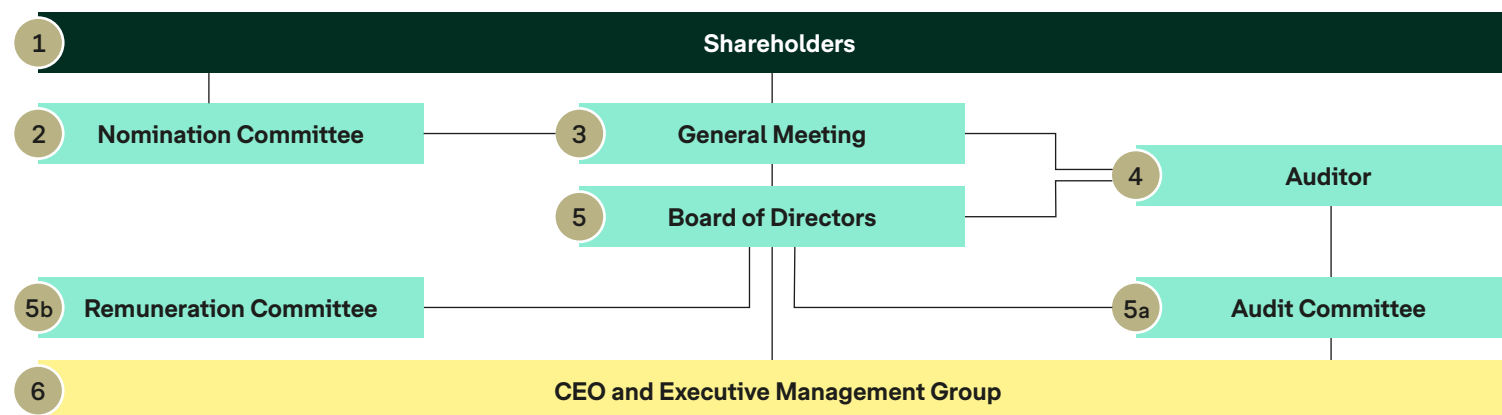
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Corporate Governance Report

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 2023.

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 Extra General Meeting in February 2024 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 30,385 known shareholders. The company's five largest shareholders at year-end were Nordstjernan AB, the Fourth Swedish National Pension Fund (Fjärde AP-fonden), Schroders, Nordea Liv & Pension and Swedbank Robur Fonder. Read more about Bonava's shares and shareholders on pages 158–159.

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

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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.

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 2024 AGM

Bonava's 2023 AGM appointed the following Nomination Committee ahead of the 2024 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.

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 2024 AGM, the Nomination Committee held two meetings, and also com-

municated by phone and e-mail. The Board of Directors has been interviewed on the Board's work during the year and also discussed the self-evaluation completed by the Board of Directors.

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. An even gender distribution is endeavored. 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.

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.

2023 Annual General Meeting

In 2023, the Annual General Meeting ("AGM") was held on 3 April 2023 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.

2024 Extraordinary General Meeting

An Extraordinary General Meeting on 7 February 2024 resolved on a new issue of Class A and Class B shares with preferential rights for existing shareholders of approximately SEK 1,050 M before transaction costs.

2024 Annual General Meeting

Bonava's AGM for 2024 will be held on 10 April 2024 in Stockholm, Sweden. Shareholders are entitled to raise matters at the

AGM subject to submitting a written request to the Board of Directors by 21 February 2024, which the company announced on its website in conjunction with the interim report for the third quarter of 2023. Bonava seeks to ensure that the Board of Directors, management team, Nomination Committee and auditor are present at AGMs. For more information about the AGM, see page 161 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 3 April 2023, the registered audit firm Öhrlings Pricewaterhouse-Coopers AB (PwC) was elected auditor for the period until the AGM in 2024. 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.

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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 3 April 2023 resolved to re-elect Viveca Ax:son Johnson, Mats Jönsson, Per-Ingemar Persson and Nils Styf as Board members, and to elect Olle Boback, Anette Frumerie and Tobias Lönnevall as new Board members. The AGM also resolved to elect Mats Jönsson as Chairman of the Board.

At the same time, Åsa Hedenberg, Angela Langemar Olsson and Andreas Segal 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 pages 45–47. 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 Viveca Ax:son Johnson and Tobias Lönnevall, are deemed to satisfy the requirement for non-affiliation with regard to major shareholders (in both cases this relates to Nordstjernan AB).

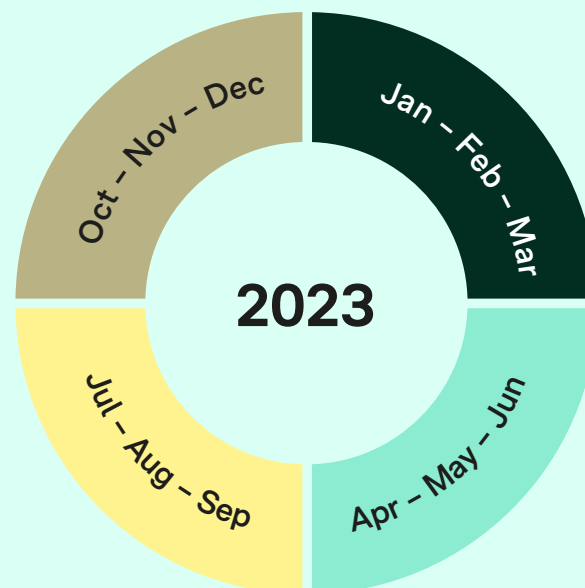
Overview of the Board's work in 2023¹⁾

Fourth quarter (Oct-Nov-Dec)

- Interim Report Q3
- Budget meeting
- Discussions concerning STI 2023 outcome and STI 2024
- Preparation of long-term financing package
- Divestment of operations in St. Petersburg

Third quarter (Jul-Aug-Sep)

- Interim Report Q2
- Strategy meeting
- Preparation of long-term financing package
- Wind-down of the operations in St. Petersburg



First quarter (Jan-Feb-Mar)

- Year-end Report Q4
- Outcome STI 2022
- Decision wind-down in Norway
- Notice, AGM documentation
- Annual and Sustainability Report

Second quarter (Apr-May-Jun)

- Statutory meeting
- Decision, Board of Directors' Rules of Procedure and other Group policies
- Decision, Board Committees
- Interim Report Q1
- Divestment of the operations in Norway
- Discussion, implementation of revised strategy
- Preparation of long-term financing arrangements
- 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 investments, and summary of large exposures.

Chairman

The Chairman of the Board is elected by Bonava's AGM and leads the work of the Board. At the AGM on 3 April 2023, Mats Jönsson was elected as the Chairman of the Board.

Work of the Board of Directors in 2023

In 2023, the Board held 19 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 2023, the Board of Directors worked with issues relating to the changed market

situation in the business units and the divestment of Bonava's operations in St. Petersburg and Norway, and the development of a long-term financing solution for the company in the form of the refinancing package announced on December 20, 2023. In addition, the Board decided on a number of major land and project sales and investments.

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Remuneration of Board members

The AGM on 3 April 2023 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 2023, 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

Remuneration and attendance at Board meetings 2023

Members appointed by General Meeting	Elected year	Board of Directors	Audit Committee	Remuneration Committee	Non-affiliated, shareholders	Non-affiliated, company	Total paid annual fees, SEK
Total number of meetings		19	5	3			
Chairman Mats Jönsson	2020	19	-	3	Yes	Yes	856,250
Viveca Ax:son Johnson	2015	19	-	-	No	Yes	320,000
Per-Ingemar Persson	2021	19	5	-	Yes	Yes	395,000
Nils Styf	2022	19	4	1	Yes	Yes	385,000
Angela Langemar Olsson (until 3 Apr)	2020	2	1	1	No	Yes	126,250
Åsa Hedenberg (until 3 Apr)	2015	2	1	-	Yes	Yes	98,750
Andreas Segal (until 3 Apr)	2022	1	-	-	Yes	Yes	100,000
Olle Boback (as of 3 Apr)	2023	17	-	-	Yes	Yes	340,000
Anette Frumerie (as of 3 Apr)	2023	16	-	2	Yes	Yes	266,250
Tobias Lönnevall (as of 3 Apr)	2023	17	4	2	No	Yes	378,750

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 has since AGM 3 April 2023 consisted of Board members Tobias Lönnevall (who also served as Chairman), Per-Ingemar Persson and Nils Styf, none of whom is employed by the company.

In 2023, the Audit Committee held five meetings. Bonava's auditor was present at all 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 and preparation of long-term financing package.

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.

The Remuneration Committee works according to an agenda that is set annually and as of the AGM on 3 April 2023, the Remuneration Committee comprised Board members Mats Jönsson (who also served as Chairman), Anette Frumerie and Tobias Lönnevall.

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 2023, 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 2023 and the proposed basis for a share-based incentive programme for the Executive Management Group and certain key executives for resolution in 2023.

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 the Executive Management Group.

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 2023 and discussed at a Board meeting. The Executive Management Group comprises the CEO, CFO, and

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presidents of the Germany, Sweden, Finland and Baltics business units, and SVP Brand and Culture and Group Head of Legal.

With the divestment of Bonava's operations in Norway, the role of Business Unit President for Norway was eliminated from the Executive Management Group.

The Executive Management Group meets regularly and supplementary meetings are held as and when required. During 2023, the Executive Management Group held 16 meetings, of which six were extraordinary meetings. In addition to this, the Executive Management Group has had ongoing reconciliations and close contact by phone and e-mail during the year.

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 3 April 2023, 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 should support 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 AGM on 3 April 2023 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.

Share-based long-term incentive programme	LTIP 2023	LTIP 2022	LTIP 2021	LTIP 2020
No. of employees invited to participate	44	44	45	52
No. of employees opting to participate ¹⁾	21	28	36	35

¹⁾ Of these, 12 people were prevented from investing during the standard investment period on account of inside information. In connection with the extended investment period, 11 of these chose to accept.

The AGM also resolved to authorise the Board of Directors to repurchase Class B shares to ensure the implementation of the incentive programme. On 3 April 2023, 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 2023. The share-based incentive programme adopted at the AGM in 2020 was concluded

in 2023. 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 2020 programme and no share rights were allocated to the participants.

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, Senior Advisor and Group Head of Risk & Compliance. This process was further developed in 2023 to focus more intently on the internal controls 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 2023. 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. After sharing the results of

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this work with the company's auditors, 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 compa-

ny'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 60–62 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 whistle-blower function. For more information, refer to pages 60–62.

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.

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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. Sustainability is included in the company's strategy and strategic longterm goals.

The key policy document for Bonava's sustainability work is the company's Code of Conduct, which is based on the principles for compliance with the UN Global Compact and the company's Sustainability Policy. Like all our other policies, these are revised annually and adopted by the Board. The Board follows up on the sustainability agenda in its entirety, with all the sustainability targets, at least once a year. Areas such as health and safety and employees are routinely followed up at every Board meeting. Monthly reports are also submitted to the Board that include any incidents and accidents at the worksites. The CEO and Legal address any other serious incidents or events in other areas, such as the environment, at the Board meetings.

During the year, no incidents or events occurred that were of the degree of severity that required reporting to the Board.

The Board receives an annual review of current and future changes to national, EU, or other relevant legislation and regulations concerning sustainability initiatives or reporting of same. On two occasions, the Board received information concerning CSRD and the company's process, organisation and work with double materiality assessment and stakeholder dialogue.

The Board has opportunities for relevant training, such as digital training in workplace safety, which is also a requirement for being permitted to visit a Swedish construction worksite. The Board's annual evaluation of its activities includes sustainability. Every two years, a self-assessment is carried out and every two years, an external party evaluates Bonava's Board members by conducting interviews that address sustainability. The

members of the Board possess expertise that includes broad experience on boards of directors and in management, as well as specific proficiencies that also include aspects of our sustainability agenda. The Board is of the opinion that the relevant competence is on hand for the operations that Bonava pursues. The Rules of Procedure for the Board of Directors contains clear instructions as regards issues such as conflicts of interest.

The Board of Directors issues the Sustainability Report, which 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 2023 and the reporting cycle is annual. Read more about Bonava's sustainability agenda and reporting on pages 3–29, 45–47, 60–62 and 105–152, which constitute the statutory Sustainability Report.

Sustainability organisation

The Board of Directors holds ultimate responsibility for reviewing, monitoring, and guiding Bonava's sustainability initiatives. Bonava's CEO delegates the strategic responsibility for the sustainability agenda to the SVP Brand & Culture. The operational responsibility is held by the Group Head of ESG Control & Reporting, who coordinates the sustainability work with the other responsible functions. The Group Head of ESG Control & Reporting reports to SVP Brand & Culture.

An ESG Committee was established in 2022 as a supporting body for Bonava's Executive Management Group and is tasked with ensuring the implementation of the company's Sustainability Policy and coordinating issues in the ESG agenda together with the company's business units. The ESG

Committee is led by the Group Head of ESG Control & Reporting and also includes the Group Head of Legal, CFO, SVP Brand & Culture, Senior Advisor and Group Head of Health & Safety.

The Group Head of ESG Control & Reporting is also a member of Bonava's Sustainable Financing Committee, which also includes the Senior Advisor and Group Head of Treasury.

In addition, Bonava has a Group Head of Health & 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 & 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 & 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.

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Board of Directors



Mats Jönsson

Board member since 2020, Chairman since 2021. Born in 1957.

Education: M.Sc. in Engineering, KTH Royal Institute of Technology in Stockholm.

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

Previous experience: CEO and President of Coor Service Management, Business Unit Director at Skanska Services, Division Head at Skanska Sverige.

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, and Bokförlaget Stolpe AB. Board member of FPG Media AB, Prima Vård Sverige AB, the Axel and Margaret Ax:son Johnson Foundation and Parkinson Research Foundation.

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



Per-Ingemar Persson

Board member since 2021. Born in 1956.

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

Other current assignments: Board member of Veidekke and Assemblin group AB.

Previous experience: CEO of Veidekke Sweden, CEO of NVS Installation and various senior management positions within the Skanska Group. Chairman of the board of ELU Konsult AB and board member of NEWS AB (Northern Environmental and Water Solutions AB)

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



Nils Styf

Board member since 2022. Born in 1976.

Education: M.Sc. in Economics, Stockholm School of Economics.

Other current assignments: President and CEO, Hemsö Fastighets AB. Board member in all wholly-owned and partly-owned subsidiaries of the Hemsö Group. Chairman of the Board of NP3 Fastigheter AB and board member of Mattssons Fastighetsutveckling 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.

Holdings in Bonava (incl. related parties): 10,926 Class B shares*.



Anette Frumerie

Board member since 2023. Born in 1968.

Education: M.Sc. in Engineering, KTH Royal Institute of Technology in Stockholm, Sweden.

Other current assignments: CEO of Rikshem. Board member of Lindab.

Previous work experience: CEO of BESQAB, Business Area Manager Residential Development Nordic at Skanska.

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



Olle Boback

Board member since 2023. Born in 1953.

Education: M.Sc. in Engineering, Rudbecksskolan in Örebro, Sweden.

Other current assignments: Chairman of the Board of Sun-paradise AG.

Previous experience: Senior adviser for Bonava Group, CEO of NCC's German operation.

Holdings in Bonava (incl. related parties): 23,504 Class B shares*.



Tobias Lönnevall

Board member since 2023. Born in 1980.

Education: B.Sc. in Economics, Stockholm School of Economics

Other current assignments: Investment Director at Nordstjernan. Board member of Attendo AB and Diös Fastigheter AB.

Previous experience: CFO at Landic Property, and consultant at Accenture Management Consulting.

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

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), Nordstjernan AB and Pandox AB (publ). Member of FAR.

* Holdings in Bonava , including related parties, as per 9 February 2024.

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Executive Management Group



Peter Wallin

President and CEO since 2021.
Born in 1967.

Education: M.Sc. in Economics, 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): 85,989 Class B shares*.



Michael Björklund

Business Unit President Sweden-Baltics since 2016. Born in 1969.

Education: M.Sc. in Engineering, KTH Royal Institute of Technology, Stockholm, and B.Sc. in Economics, 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 Ingman

Interim CFO since 2024.
Born in 1960.

Education: Economics, Uppsala University.

Other current assignments: Board member, Lars Ingman Consulting AB.

Professional experience: Interim CFO Grimaldi Industri AB, John Mattson Fastighets AB, Volati AB, Onemed AB, Evidensia AB.

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



Sabine Helterhoff

Business Unit President Germany since 2019.
Born in 1962.

Education: Law degree, Leipzig University.

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

Professional experience: Head of Legal in Germany since 1999 and responsible for investor transactions in Germany since 2007.

Holdings in Bonava (incl. related parties): 9,893 Class B shares*.



Riku Patokoski

Business Unit President Finland since 2021.
Born 1973.

Education: M.Sc. in Architecture, 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.

Holdings in Bonava (incl. related parties): 12,050 Class B shares*.



Hedvig Wallander

Group Head of Legal since October 2021.
Born 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.

Holdings in Bonava (incl. related parties): 15,000 Class B shares*.



Anna Wenner

SVP Brand and Culture since 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.

Holdings in Bonava (incl. related parties): 7,892 Class B shares*.

Changes in the Executive Management Group; 2023 through February 2024

Lars Granlöf, CFO, was a member of the Executive Management Group until 9 January 2024. Alexandra Laurén, Business Unit President, Bonava Sweden, was a member of the Executive Management Group until 31 August 2023.

Jonas Granström, acting Business Unit President, Bonava Norway, was a member of the Executive Management Group until 30 June 2023.

* Holdings in Bonava, including related parties, as per 9 February 2024.

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Stockholm, 15 March 2024

Mats Jönsson
Chairman of the Board

Viveca Ax:son Johnson
Board member

Per-Ingemar Persson
Board member

Nils Styf
Board member

Anette Frumerie
Board member

Olle Boback
Board member

Tobias Lönnevall
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 2023 on pages 40–49 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, 15 March 2024
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
*Authorised Public Accountant
Auditor in Charge*

Linda Andersson
Authorised Public Accountant

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