



## Sustainability Strategy SIBS AB (publ)

The United Nations estimates that by 2050, there will be 9.7 billion people on Earth, with 80% residing in urban areas. Global greenhouse gas emissions continue to rise, and the construction sector accounts for 20% of Sweden's emissions.

Our primary focus is to contribute to meeting the global demand for high-quality living environments where ordinary people can feel safe and thrive, without buildings' impact exceeding planetary boundaries or causing harm to anyone. We are convinced that industrializing the construction process is key to creating these sustainable living environments. Building with a system and a high degree of completion in a controlled factory environment opens nearly limitless possibilities for efficiency and development.

With our sustainability strategy, we actively work towards a sustainable society and reduced climate impact in line with the Paris Agreement. We collaborate with our customers, suppliers, and partners to implement sustainability throughout the value chain.

SIBS' sustainability efforts are part of our commitment to responsible business conduct and are guided by our Sustainability Policy, Code of Conduct, and Environmental Policy. These are primarily based on the OECD Guidelines for Multinational Enterprises, the UN Global Compact, Agenda 2030, and the Sustainable Development Goals.

To adhere to our Code of Conduct and Environmental Policy, we have a well-structured approach with focus areas, goals, action plans, and a comprehensive monitoring process for both us and our suppliers. SIBS' management system is certified according to ISO 9001 and ISO 14001, and for production and construction, also according to ISO 45001.

### 1 Our Three Prioritized Non-Financial Goals

- No one harmed at our workplaces
- Net-zero carbon emissions by 2045
- 100% environmentally certified properties

### 2 SIBS's Focus Areas for Social Sustainability

#### **No one harmed at our workplaces**

Workplace safety in our factories and on our construction sites, is of the highest priority. By allowing workplace safety efforts to take time and systematically reviewing, risk-assessing, and developing better work methods, we reduce the risk of injuries. Our fundamental idea of moving as many work tasks as possible from the construction site to a controlled factory environment with a high degree of automation reduces the risk of injuries. Workplace safety efforts in both factories and construction

sites are certified according to ISO 45001, and we have zero tolerance for misuse of protective equipment and safety regulations.

**Livable and secure living environments**

Our goal is to use innovation and ConstructionTech (industrial construction with a high degree of digitalization and automation) to create quality housing at a reasonable cost without compromising on quality, architecture, or design. We build with underfloor heating, oak parquet flooring with tiles inside the front door, exclusive kitchens and wardrobes, bathrooms with tiled floors, full tiling, glass shower walls, and washer/dryer units, among other features. We believe that beautiful homes with pleasant green outdoor spaces and areas for social interaction create well-being and security.

**Sustainable supply chains**

Our suppliers are required to adhere to our Supplier Code of Conduct, based on the UN's 10 principles for human rights. In our new process, we focus on education, requirements, process and material reviews, and regular audits to create a complete and sustainable supply chain.

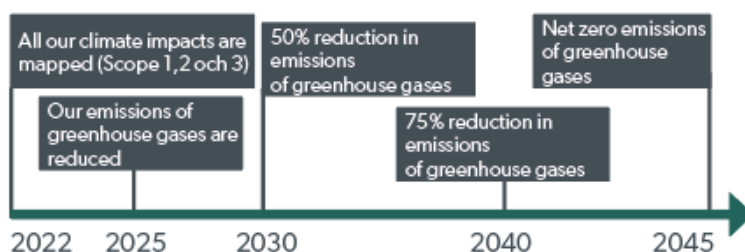
**Increased diversification**

SIBS was founded in 2016 by brothers Erik and Pär Thomaeus, along with Jonas Ramstedt and Johan Karlsson. Initially, SIBS' board consisted of our founders, and in 2022, we expanded it with Michael Wolf as an independent chairman. With the ambition to continue growing, we are working to increase diversity in the board and management groups and throughout the organization to provide a broader perspective, become a more attractive employer and partner, and based on our belief that diversity promotes well-being and profitability.

**3 SIBS’s Focus Areas for Environmental Sustainability**

**Net-zero carbon emissions by 2045**

Our climate efforts align with the construction and building sector's roadmap to becoming completely climate-neutral by 2045, with intermediate goals as shown below. As we are experiencing rapid growth, our intermediate goals are intensity-based, meaning that we intend to reduce our climate impact per unit of construction and managed area on the path to net-zero emissions.



We believe that industrial construction is the key to achieving net-zero greenhouse gas emissions. By having a construction process that resembles industrial manufacturing more than traditional construction projects, we gain greater opportunities to measure and improve our process.

### **Energy-efficient buildings**

We have developed our construction system with the aim of being long-term property owners and have prioritized building energy-efficient properties with a vision of having the most energy-efficient buildings on the market. Through well-insulated walls and roofs, high-quality windows and doors, smart heating solutions, ventilation with rotating heat exchangers, and other innovative solutions, we strive to build to the highest energy class. We continue to supply our buildings with 100% green electricity with the goal of reducing our buildings' energy consumption by 5% annually.

### **Environmentally certified buildings**

Our environmental certifications are essential endorsements of our commitment to constructing sustainable buildings. We work with both the Swedish certification system Miljöbyggnad and the American system LEED, depending on project requirements. SIBS' aim is to certify all our own properties to at least Miljöbyggnad Silver or LEED EBOM Gold.

### **Meeting the requirements of the EU Taxonomy Regulation**

EU taxonomy guidelines define what constitutes an environmentally sustainable economic investment. To be classified as environmentally sustainable according to the Taxonomy, the investment must significantly contribute to at least one of the EU Taxonomy's six environmental objectives, not cause harm to any of the objectives, and comply with minimum social safeguards. So far, EU has developed requirements for the environmental objectives of *Climate Change Mitigation* and *Climate Change Adaptation*. We work towards having all our buildings classified as sustainable according to at least one of the six environmental objectives.

### **Toxin-free construction**

The largest effort for toxin-free construction has been assessing all building materials purchased from Asia in the Building Material Assessment, replacing products with alternative materials with better content, and creating logs for all our projects. In addition to new building materials and suppliers, we now focus on installation materials and other products that fall outside the criteria for which goods should be assessed for certification according to Miljöbyggnad Silver.

## **4 SIBS's Focus Areas for Economic Sustainability**

### **High-quality living environments that ordinary people can afford,**

Through ConstructionTech and our work throughout the entire chain, from project development, design, industrial production, construction, and management in-house, we are revolutionizing the construction process. We aim to build faster, more cost-effectively, and with higher quality than in traditional construction. For example, all our completed projects have underfloor heating, oak parquet flooring with tiles inside the front door, exclusive kitchens and wardrobes, bathrooms with tiled floors, full tiling, glass shower walls, and washer/dryer units. By expanding into new markets, we aim to enable high-quality living environments at a reasonable cost for more people.

### **Predictable costs**

Although our buildings may look very different, they are constructed in the same way with virtually the same components. By continuing to leverage experiences from previous projects, we constantly improve our cost estimates. We work continuously towards even better cost control to reduce risks and increase predictability.

**Efficient resource utilization with minimal waste**

From the outset, we have, with the help of our closest suppliers in Penang, manufactured custom-made building materials to save on transportation, waste, costs, and time in production. We continue to develop our processes for increased customization and smarter use of building materials.

**Circular construction prepared for disassembly and reuse**

Unfortunately, many buildings are demolished today, not because they are worn out but because they are no longer the right buildings in the right locations. During demolition, it is difficult to separate different building materials from each other, making it rare for the materials to be reused and at best recycled. Instead of being demolished, our buildings can be moved, and almost all building materials can be reused. The frame, floors, doors, windows, kitchens, installations, moldings, and more do not need to be demolished but can be moved module by module. We are currently working on projects to reduce waste and increase recycling of waste from both factories and construction sites.

## 5 Review and Board Approval

The sustainability strategy should be reviewed at least once a year or more frequently if necessary.

This strategy was adopted by the board of directors of SIBS AB on June 28, 2023.