

Sponda's ESG requirements and targets for development projects:

- **Climate Change Mitigation**
 - Development projects enable **carbon neutral** use of the building in terms of energy consumption. Life cycle emissions are determined and minimized throughout the project.
 - Energy class target is A.
 - Potential of **on-site renewable energy production** is studied, and feasible solutions are implemented.
 - **Life cycle assessment (LCA)** is carried out and comparative carbon footprint calculations are compiled in order to find low-carbon solutions and cut scope 3 embodied emissions.
- **Climate Change Adaptation**
 - **Physical climate risk and flood risk assessments** are carried out and adaptation solutions are implemented for the most important identified risks.
- **Green Building Certification**
 - All development projects will be certified. Target level is **LEED® Platinum** or **BREEAM® Excellent**.
- **EU Taxonomy**
 - Our target is that all new construction and major renovation projects meet the technical criteria (7.1 and 7.2) for climate change mitigation and are **taxonomy aligned**, including for example:
 - At least 70 % of the non-hazardous construction and demolition waste generated on the construction site is prepared for reuse, recycling and other material recovery.
 - The new construction is not built on arable land and crop land, greenfield land of recognized high biodiversity value and land that serves as habitat for endangered species, land matching the definition of forest.
- **Circular Economy**
 - We are committed to **the sustainable demolition green deal** to promote circular economy and material reuse and recycle within demolition and major renovation projects.
 - Longevity, adaptability and flexibility are pursued within the projects.
 - Procurements consider the requirements of certification systems and the EU taxonomy such as the use of certified wood and environmental product declarations (EPD's).
- **Sustainable Transportation**
 - Sponda's development projects are located within centers of growth by existing services and transport connections.
 - Solutions are implemented within the projects that support the use of **emission-free transport**, such as bicycle storage, showers and locker rooms and charging stations for electric vehicles.
- **Biodiversity**
 - **Ecological features** of the site are assessed by an ecologist before commencement of the works and possible features of ecological value are protected, if possible, based on the recommendations of the ecologist.
 - Sponda-level biodiversity strategy work is started on 2023.
- **Social Responsibility and Governance**
 - We want to be involved in developing the **safety and the human rights practices** of the sector.
 - Our goal is 0 accidents on our construction sites.
 - We carry out annual ESG audits to identify and mend any identified risks in co-operation with our partners.
 - Contractors are required to commit to our **Code of Business Conduct**. It is the responsibility of our partners to ensure that subcontractors also follow common guidelines.
 - We use internal and external tools for **supplier management**, such as supplier register and Valvoja service by Vastuu Group
 - Possible nuisances are assessed and minimized throughout the project, such as air quality and rainwater management during works, and noise and light pollution
 - Safe use and **health and well-being** of future building users is taken into consideration through the following, for example:
 - Requirement to use CE marked products, M1 certified surface materials and safety data sheets for used chemicals
 - Design solutions that support acoustic performance, thermal comfort and lighting quality (natural and artificial) of the spaces