

Sponda's ESG requirements and targets for development projects:

S P O N D A

- **Climate Change Mitigation**
 - Sponda's properties operate on 100% emission free energy following our climate roadmap and targets. Life cycle emissions are determined and minimized in development projects.
 - Energy class target is A in new construction and B in major renovation projects.
 - 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 to find low-carbon solutions and cut scope 3 embodied emissions. Projects must comply with threshold levels set for embodied carbon life cycle 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 (CCM7.1 and CCM7.2) 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.
 - New constructions are 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.
 - Where possible, the project schedule will include provisions for light demolition supporting circular economy and potential material inventory, removal, and sale before the actual demolition work begins.
 - The project design aims for longevity and flexibility during the life cycle.
 - 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.
 - We investigate and improve management of supply chain biodiversity impacts, such as those of construction material resource harvesting and material production.
- **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 and our KYC process.
 - 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.
 - Possibility to apply for WELL certification is studied for large projects.