



The OIKOS Group

Sustainability Report

oikos
re:thinking homes

Contents

The OIKOS Group overview: Who we are	03
A letter from our CEO	04
The OIKOS approach to sustainability	05
Pioneering the sector: Our ESG strategy	06
Environmental: Our market	07
Environmental: Our product	07
Environmental: Our leadership	08
Social and governance	09
Navigating ESG risks	10
Building the future of housing	11
Appendices	12



FACTS

c.1,900
employees

Operations across the
DACH region

3 market leading
independent brands:
**Bien-Zenker, Hanse
Haus & Living Haus**

Revenue growth from
c.220 million euro
in 2015 to more than
500 million euro
in 2022

30% increase
in net sales in 2022

DGNB
sustainability gold seal
achieved for all products
across portfolio from
2019 onwards

First prefabricated
housing manufacturer
to be awarded the “Plus”
level of German Federal
Ministry of Housing’s
Quality Seal for Sustainable
Building (QNG) in 2022

The OIKOS Group Overview

Who we are

The OIKOS Group is one of Europe’s leading prefabricated house builders. Affordable, faster to build, healthier and more sustainable, prefabricated houses are revolutionizing the modern home. At OIKOS, we are building the future of housing.

Owned by Goldman Sachs Asset Management since May 2021, OIKOS combines three of the leading brands in the European prefabricated housing sector: Bien-Zenker, Hanse Haus and Living Haus. This multi-brand strategy enables the Group to serve a wide variety of customer groups at scale. From shell construction to turnkey-ready housing solutions, the Group serves the entire market with a high quality, sustainable product.

OIKOS is a technology-driven business. Our sector-leading innovations and automated production processes allow us to build faster, use resources more efficiently and create a superior home for customers. For example, our sophisticated digital sampling tools enable customers to adjust and choose interior and exterior details of their future home in a 3D model from their tablet or PC at home. Our highly-automated production hubs efficiently handle multiple manufacturing processes, detecting which parts need to be inserted next in the process and automating construction elements such as cutting-edge joinery cells and CNC-steered multifunctional bridges, a first for the industry.

With a long history of putting sustainability at the heart of our business, we went one step further in 2022 with the launch of our formal ESG strategy. This will support our sustainable long-term growth as governments back their climate targets with new policies to reduce emissions in the construction and housing sectors, and more customers prioritize sustainability.

A letter from our CEO



MARCO HAMMER
CHIEF EXECUTIVE OFFICER

“We believe that a successful ESG strategy is integral to our long term success as a business and will be a key driver of future growth.”

Dear Readers,

I am very pleased to share OIKOS’ inaugural sustainability report. As a wood-based housing group, sustainability and a focus on creating natural, healthy homes for our customers has always been part of our DNA.

But in recent years, we’ve decided to go further when it comes to our strategy and goals. Our ambition is to be the leader on sustainability in the prefabricated housing sector, helping to drive industry decarbonization and contribute to the net zero transition. We also know that consumers are increasingly looking to make healthier and more sustainable choices when it comes to housing, and we are committed to meeting that growing demand. Early in 2022, we created additional structure around our ESG efforts, aimed at hard-wiring sustainability into our thinking and actions. This involved developing a sector-leading ESG strategy with clearly defined implementation steps, based on ambitious KPIs and targets.

Fortunately, we have a strong foundation to build upon. We’ve worked hard over the past few years to develop a market-leading sustainable product portfolio and establish long-term partnerships with our suppliers and business partners. In 2009, OIKOS was among the first prefabricated house manufacturers to build a passive house, a highly efficient building that requires little energy for heating and cooling. By 2013, we were producing houses that could generate more heat and electricity than they consumed. In 2015, we were one of the first prefabricated house manufacturers to equip a house with fuel cell technology. In 2019, we guaranteed the DGNB sustainability gold seal for all products across our portfolio. In 2022, we were the first prefabricated house manufacturer to be awarded the “Plus” level of the German Federal Ministry of Housing’s Quality Seal for Sustainable Building (QNG). The list of innovations goes on, along with numerous awards for our sustainability performance across the Group.

Over the past few years, we have continued to increase our sales and market share significantly. We believe that a successful ESG strategy is integral to our long term success as a business and will be a key driver of future growth. Our growth is also bolstered by a supportive policy environment – for example, the German government has highlighted that prefabricated housing will play a critical role in meeting the country’s net zero targets and addressing the national housing shortage. We are pleased to be playing an important role in helping to address these challenges.

Our record of success has shown us that we are on the right track. As a Group, we will continue along this path with conviction to help meet our ambitions, drive the sector forward and build the future of housing.

Happy reading,

Marco Hammer, Chief Executive Officer



The OIKOS approach to sustainability

Decarbonizing the construction industry is key if global climate ambitions are to be met. 36% of all global energy consumption and half of all resource consumption stems from the building sector¹.

In Germany alone, the building sector will need to reduce its GHG emissions by 46% by 2030 if the country wants to reach its net zero emissions by 2045².

Cost efficient, faster to build and less resource-intensive, prefabricated homes are one of the leading solutions the industry can use to decarbonize at pace. **Prefabricated homes generate up to 37% fewer carbon emissions than constructing comparable site-built homes, and in addition offsite prefabricated construction reduces waste by over 50% in comparison to site-built housing.**³ We believe that prefabricated housing is the most sustainable way to build and key to achieving Europe's climate ambitions.

As one of Europe's leading prefabricated housing groups, we are committed to using our scale, innovative approach and level of ambition to set the bar on sustainability. ESG is integral to our business and an important driver of long-term success.

We want to build houses in which people can lead long, healthy, safe and environmentally friendly lives. We do this by delivering a market-leading sustainable product, including the materials, processes and people that make them.

In 2022, we launched one of the industry's most ambitious ESG strategies, complete with leading targets around emissions reductions, waste and energy efficiency.

¹ Data from World Green Building Council

² Research by Boston Consulting Group

³ Research by Boston Consulting Group



Industry-leading targets

One of the industry's most ambitious Scope 1 and 2 emissions and waste reduction goals



Pioneering technology

Sector-first automated production facilities reduce waste and environmental impact



Committed to circularity

94% of our spend is with local suppliers. We also use sustainable building materials and re-use waste materials for energy generation where possible



Leading employer

Employee turnover rate 30% lower than the industry average

Pioneering the sector

Our ESG strategy

Our strategy for sustainable growth is one of the most ambitious in our sector. It is based on tangible targets, holistic implementation plans, and transparent ESG reporting.

These ESG targets are complemented by our continuous innovations and increasingly technology-led approach, using next-generation online sampling, 3D modelling, VR visualization and lead management to further streamline processes.

Our holistic approach to ESG, informed by the core action fields of our materiality assessment, covers every area of the business, taking concrete steps to strengthen our positions on

• **Carbon footprint of production and products**

Along with substantially reducing Scope 1 and 2 emissions, we are in the process of becoming one of the first companies in the building industry to set reduction targets for Scope 3 emissions

• **Waste reduction and recycling**

Dramatically shrinking our waste by ramping up circularity – turning production waste into wood pellets and particle board, using wood waste to heat our factories and establishing a recycling loop for gypsum production waste

• **Customer satisfaction**

Meeting customers' evolving needs is vital to business success as they shift towards preferences for sustainable, healthy and low-impact homes

• **Employees first**

Our turnover rate is 30% lower than the industry average and we are proud to have a passionate, skilled workforce – we are lucky to have multiple generations of the same families as employees within the Group. Our new employees benefit from the experience of longstanding employees – nearly 5% of our staff have worked at companies in the Group for over 30 years

Our industry-leading performance at a glance



RAPIDLY REDUCING
CARBON IMPACT

Reducing Scope 1

emissions by 15% per house by 2025
(base year 2020)

Net zero Scope 2

emissions target achieved

Goal to develop

a concept for reducing the approximate
life cycle carbon footprint per house
by 2024 (base year 2020)



LOCAL AND SUSTAINABLE
BUILDING MATERIALS

90%

of wood sustainably sourced

94%

of spend with local suppliers

DGNB

Gold certified across full portfolio



FOCUS ON TALENT
AND UPSKILLING

30%

lower turnover rate than the industry average

107

apprentices in 2022, guarantee that every trainee
will be employed after a year of training

Continuing

to achieve at least 10 annual training hours per
employee by 2025



EFFICIENT PROCESSES,
EFFICIENT PRODUCTS

Reducing total waste

at a Group level by 5% by 2025

92%

of houses energy efficient, according
to the KfW's efficiency 55 standard

Environmental

Our market

The construction industry is one of the highest carbon and material-intensive industrial sectors. Consumers are becoming increasingly focused on choosing homes that are more energy efficient and have a lower carbon footprint.

Consumer demand is driving growth in the prefabricated housing sector. Since 2012, the share of prefabricated housing as part of the overall housing market in Germany grew from 15.3% to 23.4% in 2022. This trend is set to continue, with the prefabricated market expected to grow from USD\$6.92 bn in 2023 to \$9.01 bn in 2028.⁴



Our product

At OIKOS Group, we're leading the way – offering customers homes that are faster to build, affordable and more sustainable. We are reducing the environmental impact of prefabricated housing with automated production processes that help us to work quicker and more efficiently to meet growing demand, while reducing carbon emissions and waste.

Our homes are:



1. Efficient

Automated processes mean our houses are quicker to build, use resources more efficiently and come with a fixed-price guarantee



2. Future proof

Meeting European regulations, decarbonization goals and certification standards for a strong resale value for our customers



3. Circular economy leaders

We prioritize using local recycled and regenerative materials, leading the sector on cutting waste and carbon emissions



4. Low-impact

92% of our houses are energy efficient, significantly reducing the consumer's carbon footprint



5. Nature-based

Containing an average of 90% sustainably-sourced wood, each house captures 11 tons of carbon over its lifecycle

⁴ Mordor Intelligence

Sector leadership

As well as providing a more sustainable product to our customers, we are also leading the sector when it comes to setting our own ESG ambitions and reducing the Group's environmental impact. Our market-leading ESG strategy launched in 2022 is pushing the sector forward when it comes to emissions reductions, increasing the efficiency of homes and building sustainably.

We have already established a strong record of leading the sector when it comes to sustainability and will continue to do so.



To meet customer demands sustainably and help the wider construction sector decarbonize at pace, **we need to act now.**

Our industry-first targets for 2025 demonstrate our ambition to go further and pioneer what sustainability looks like in our sector.



Our achievements to date include

Achieving zero Scope 2 emissions in 2018 through the procurement of **100% renewable energy**

92% of houses sold were considered **energy efficient as of 2022**

31% of houses sold equipped with photovoltaic solar systems in 2022, an increase from 20% in 2021

Strong track record on sustainable and local sourcing. Over **90% of the wood we use for our houses is FSC/PEFC-certified** and sourced from responsibly managed forests

Leading on circular economy model, using wood waste from production to generate energy at our production facilities

Entire portfolio qualified under the **DGNB Gold certification**

Social and governance

Alongside our sector-leading environmental commitments, we also push the industry forward when it comes to the way that we approach customers, employees, our communities and the governance of our Group.

Leading sector on employee retention

Our strong employee benefits program has led to the Group having a 30% lower turnover rate than the industry average

Building future workforce

Apprenticeships are a core backbone of the educational system in Germany. We offer 11 different apprenticeship types and three dual study courses. We employed 107 apprentices in 2022, an increase from 103 in 2021

Inclusive working environment

We work to support all our people, including establishing a group for severely disabled employees. We are also working to build a pipeline of female talent and increase their representation in our workforce, e.g., through hosting “Girl’s Days” at our facilities

Strong governance structure

The Management Board holds meetings on a regular basis and reports to the Advisory Board in monthly meetings, including on ESG-related projects and goals

Track record of health and safety

Our strong track record is strengthened by the increased automation of processes across our production hubs, which is helping to reduce many of the physically-intensive tasks that can contribute to potential injury or health risks for our employees

Accountability on ESG a priority

Designated executive sponsors and operational leads for each focus topic developed an ESG KPI dashboard to track progress. Achievement of ESG goals are part of the incentive schemes of the Management Board and select senior executives

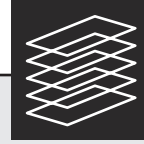
Upskilling our workforce

A focus on continued training allows us to further expand our production, assembly and commercial operations, making us less dependent on the external labor market. Average hours of training annually per employee increased from 5.1 hours in 2021 to 10.2 in 2022 and we have a goal to continue achieving at least 10 hours per employee by 2025

Navigating ESG risks

As part of our ESG strategy process, we conducted a comprehensive materiality analysis, in line with the Global Reporting Initiative (GRI) as well as the Sustainable Accounting Standards Board (SASB) frameworks.

We plan to carry out another comprehensive materiality analysis according to the double materiality principle over the coming years to prepare for the transparency requirements of the incoming EU Corporate Sustainability Reporting Directive (CSRD).



Our list of material topics include

- Carbon Footprint of Production and Products
- Energy Efficiency and Environmental Impact of Products
- Renewable and Recycled Materials
- Waste Reduction
- Employee Health and Safety
- Product Quality and Safety
- Client Satisfaction
- Employee Recruitment/Development/Retention (incl. Diversity and Inclusion)
- Corporate Ethics (incl. Anti-corruption and Human rights)
- Responsible Supply Chain

Building the future of housing

At OIKOS, we have a long history of innovation and adapting to changing customer needs. With options to install photovoltaic solar panels and heat pumps, leading energy efficiency standards and produced with local, sustainable materials, we are shaping the modern home – one that is lower-impact, healthier and affordable.

Along with leading on sustainable and circular materials and methods, our increased use of automation and innovative technologies are helping to create a more efficient building process and superior product for our customers. This is the future of housing.



A photograph of a modern, two-story house at dusk. The house features a mix of dark wood siding and light grey stucco. Large windows and glass doors are illuminated from within, showing warm interior lights. The exterior is lit with subtle spotlights. The image is overlaid with a large white geometric shape that contains the text.

Appendices

Environmental 13

Social 19

Governance 23



Environmental

Delivering lower impact, healthier homes

The construction industry is one of the highest carbon and material intensive industrial sectors. At OIKOS, we are committed to reducing our environmental impact and supporting the sector's broader decarbonization efforts.

We want to build houses in which people can lead long, healthy and safe lives. This is why we aim to manage our portfolio efficiently, with an emphasis on creating sustainable housing for our customers.

- 100% of our product portfolio meets the DGNB standards for environmental compatibility and quality of living
- Zero incidents of non-compliance with DGNB health and safety standards were recorded during the reporting period

We aim to contribute to climate protection and the conservation of natural resources by working as efficiently and sustainably as possible at our sites. We set ourselves ambitious goals with regard to the carbon footprint and energy consumption of our products and processes across our entire supply chain, as well as the sustainability and recyclability of the materials we use.

For this reason, we continuously strive to reduce our resource consumption through our environmental and energy management system and provide ongoing training to all our employees.

Across our supply chain, we consistently take into account factors that might have an impact, from the origins of raw materials and supplies to services, energy efficiency, environmental aspects and occupational health and safety. We dedicate considerable time to raising awareness of environmental and resource best practice amongst our business partners.

Renewable and recyclable building materials

The OIKOS Group chooses renewable and recyclable building materials and works toward waste reduction and avoidance wherever possible. Additionally, it develops tools for assessing the sustainability of construction products, construction systems and industrial processes as well as of the buildings we create. In terms of quality and safety, our customers benefit both from the energy efficiency of OIKOS houses as well as the materials we use, which are predominantly wood-based.

The OIKOS Group holds relevant environmental and sustainability certificates in this field. In 2016, we were one of the first prefabricated house manufacturers to guarantee the DGNB sustainability gold seal for all our brands' houses that meet the standard. We were the first prefabricated house manufacturer to be awarded the "Plus" level of the German Federal Ministry of Housing's Quality Seal for Sustainable Building (QNG). Other awards include being named "Sustainability Champion" in the Die Welt's 2022 Sustainability Champion Awards and Deutschlandtest.de's "Best Sustainability, Industry Winner Prefabricated & Massive House Providers 2022".

Reducing our carbon footprint

The OIKOS Group is committed to making a measurable contribution to shrinking the sector's carbon footprint and to achieving the European climate targets as stated in the EU Green Deal of cutting net greenhouse gas emissions by at least 55 percent by 2030 (base year 1990).

Our ESG strategy is science-based with medium-term goals (up to the year 2025) based on the 1.5 °C target. We made a conscious decision not to compensate for unavoidable emissions by using carbon certificates, instead working to reduce carbon emissions across our production process and through product innovation.

Scope 1 emissions:

- Goal: Shrinking the carbon emissions produced per house by 15% by 2025 from 868 kg CO₂e to 738 kg CO₂e (base year 2020)
- Measures: replacing diesel forklifts with electric forklifts; using waste product wood chips to heat our facilities; improved energy efficiency of houses produced to 92% in 2022; equipping 20% of houses with photovoltaic solar systems in 2021 and 31% in 2022

Scope 2 emissions:

- Have consistently achieved zero emissions since 2018 through the procurement of 100% renewable energy from a local supplier
- Measures: We are working hard to maintain zero emissions, which takes a targeted effort in times of energy scarcity. We are committed to the continued use of green energy as we scale. As well as procuring renewably energy from suppliers, we are also planning to expand our own photovoltaic capacities on-site from 54 kwp of installed capacity in 2020 to over 600 kwp by 2025



Pioneering reduction of life cycle emissions

The OIKOS Group calculates life cycle emissions per house according to QNG guidelines, with a view to incorporating these into Scope 3 emissions calculations in the future.

Production phase:

- Raw materials procurement
- Transport
- Production

Operation and use phase:

- Replacement
- Energy consumption (standard values are estimated for the individual use phase)

Dismantling waste treatment and disposal phase:

- Disposal

Our goal is to develop a concept for reducing the approximate life cycle carbon footprint per house by 10% by 2024 (baseline 2020). Source materials are key to reducing emissions. For example, wood wool can be used for insulation as an alternative to expanded polystyrene (EPS), with a lower carbon impact.

Emissions occurring during the use phase largely depend on the inhabitants' behavior as well as on the purchase decisions of the building owners, for instance their choice of energy efficiency standard, along with such aspects as the type of heating system they chose and whether or not they opted for a photovoltaics system. The OIKOS Group has only a very limited influence on those kinds of decisions. In 2021, around 20% of houses included an installed photovoltaic system and nearly 80% included heat pumps. Yet, demand is growing, due in part to some federal states in Germany now stipulating that a photovoltaics system be installed on all single-family houses. In 2022, 31% of homes were equipped with photovoltaic systems.

Energy efficiency

When it comes to energy efficiency, we make sure that all our houses are based on recognized standards, such as the Efficiency House standards, DIN standards for construction and building sustainability certifications such as the DGNB. We are able to calculate the CO₂ emissions associated for each house. By 2022, around 92% of our houses were energy-efficient houses. Our energy management is certified according to DIN EN ISO 50001:2018.

In 2021 and 2022, we took the following energy efficiency measures at our own facilities:

- Reduction of gas consumption through replacement of production hall doors
- Renewal of lighting (LED)
- Replacement of diesel forklifts with electric forklifts. Between 2018 and 2021, we were able to cut carbon emissions by 7 percent per house delivered by switching from diesel forklifts to e-powered forklifts
- Installation of an energy consumption monitoring system



Supply chains

At OIKOS, we do all we can to keep our supply chains as local as possible. For consumers, local suppliers tend to stand for trustworthy production and support of the local economy. Local suppliers also mean short transport routes and delivery times, which significantly reduce supply-chain-associated emissions.

Our goal is to operate as locally as possible in the market while meeting the high quality standards we require for the building materials we use. For example, we purchase a considerable portion of our solid structural wood (KVH) directly from a supplier in the Rhön region in central Germany, a mere 30 kilometers from both companies' production sites.

OIKOS is also committed to sourcing at least 80% of the wood it uses as construction material from FSC/PEFC-certified sources (Forest Stewardship Council/Programme for the Endorsement of Forest Certification). In 2022, we achieved a rate of around 90%.

Sustainable growth

As we continue to grow, OIKOS is committed to increasing the efficiency and sustainability of its production processes. We will be opening a fourth new plant in 2024 to increase production capacity, as well as rebuilding Plant 2. Plant 4 will focus on producing ceilings and roofs, increasing production capacity by 30%.

- **Lower carbon impact:** The new plant will be an efficiency house class 55 with a wood-chip heating system operated on waste wood from production. The office wing will have a heat pump and ventilation system. A photovoltaic system will be installed with a 135 kWp output, to be gradually expanded to an output of around 600 kWp
- **Reuse and recycling:** The new plant will be erected on an old sawmill site. Material from the demolition of the existing buildings were recycled wherever possible. Some existing buildings will remain intact and be used as warehouses
- **Supporting communities:** The new facility will create 150 new jobs as well as about 100 additional jobs in upstream areas

Promoting biodiversity

Alongside reducing our environmental impact, we are committed to promoting biodiversity. To support biodiversity in the areas in which we operate, and to show other companies how they can do the same, we launched the "Save the Bees. Ensure our Future" initiative in 2017. Purchasers of Oikos homes received personal bee sponsorship as part of their house purchase and, collaborating with local beekeepers, we currently maintain on site hives for over 1 million bees, supporting pollination and essential ecosystems services.



Materials and waste

OIKOS uses a range of different materials in its everyday processes, including wood, gypsum board, insulation materials and glass. Manufacturing these materials requires the use of natural raw materials. Making the use of such raw materials efficient is a core element of conducting a business sustainably.

Our goal is to keep the amount of materials being used as low as possible while also achieving a high recycling rate. Not all products can be recycled yet, but OIKOS is continuously working on solutions to increase its recycling rate. We use state-of-the-art machinery at our plants to enable efficient processing. We are also deeply committed to a circular economy model – turning production waste into wood pellets and particle board, using wood waste to heat our factories, and establishing a recycling loop for gypsum production waste.

Waste reduction and recycling targets:

- **Total waste:** We aim to reduce our total waste generation by 5% between 2020 and 2025
- **Gypsum waste:** We are working on developing a gypsum waste recycling concept in collaboration with our disposal companies and suppliers. Gypsum accounts for around 40% of our production waste

Over 90% of the wood we use for our houses is FSC/PEFC-certified and sourced from responsibly managed forests according to QDF requirements. Wood accounts for 58% of the total material used across the OIKOS Group. The quantities we report are based on the materials that leave our factory. An analysis is carried out by randomly weighing houses as they leave the factory.

We also attach great importance to the proper disposal of materials, especially those containing harmful substances. This is achieved, among other things, through a complete documentation and monitoring of processes both at our plants and on our construction sites. Although this is not a legal requirement, we have trained up a waste management officer and appointed an environmental management officer as part of our environmental management system. All of these activities are part of the Group's Integrated Management System (IMS). Any changes that occur are monitored via monthly waste balance sheets.

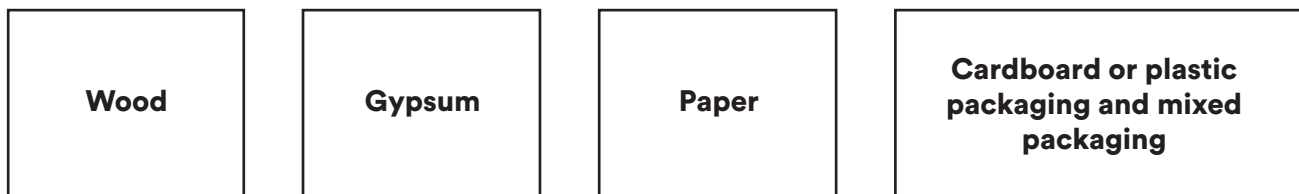
Although our long-term goal is to create a waste free future, we cannot currently fully avoid waste from the paper, cardboard or plastic packaging that comes with the products we purchase from our suppliers. However, we are collaborating with our suppliers to find solutions that will allow us to reduce the waste generated when materials and components are delivered to our plants and construction sites. With window manufacturers Velux and Kneer, for example, we have introduced reusable packaging. The sturdy packaging is not only reusable, but offers better protection for the windows delivered.

Further relevant measures include:

- Window frames contain a fixed proportion of recycled plastics of around 25% to 45%
- Cartons used for packaging material are mainly made from recycled paper and cardboard
- Polystyrene from the plants is returned to the supplier for recycling
- Wood waste from the joinery plant is directly processed into wood pellets by a third company and are being used for site heating

Types of waste and where they occur

The most common types of waste generated at OIKOS are



Our products and activities generate very little hazardous waste and are handled in accordance with local regulations. Most of the wood and insulation material waste is recycled. While gypsum waste is not recyclable yet due to technical constraints, OIKOS is working on finding a solution for gypsum recycling.

We have identified a potential for improvement in waste separation on our construction sites. On construction sites in Germany, it is still common for mixed construction and demolition waste to be thrown into one or more containers unsorted. Although some of these container contents are separated into individual fractions at waste sorting plants later on, the largest part remains a mixture of waste fractions and subsequently is incinerated. Therefore, we are continuously working on improving waste separation at our construction sites. Despite the obvious sustainability benefits of waste separation, it also comes with certain difficulties. On the one hand, the waste disposal market in Germany is not yet designed for proper separation of this type of waste, and on the other hand, the separation process on the site requires employees to spend a considerable amount of time allocating each individual material to the right container.

It should also be noted that as a manufacturer of prefabricated houses, we are in a position to transfer a large part of the value creation from the construction site to our plant, where the houses are prefabricated, and where we can sort and recycle the waste generated. Unlike other construction methods, prefabrication allows us to appropriately dispose of the majority of the waste even before construction begins on the site. The effectiveness of the defined measures is monitored through internal as well as construction site audits. In addition, an external audit in accordance with DIN EN ISO 14001:2015 is carried out by TÜV Rheinland.





Social

As a provider of high-quality sustainable housing, OIKOS is aware of its social responsibility and attaches great importance to the social pillar of sustainability. It is a major part of our corporate culture to consistently act upon this responsibility on an everyday basis.

At OIKOS, the social pillar has three main dimensions: our customers, our products and our employees. We want to achieve employee and customer satisfaction through high-quality sustainable products in a world with changing social and environmental needs.

Employees

Our people are our greatest asset. We are committed to continuously improving employee satisfaction and development, attracting new talent and showcasing a strong leadership culture. This includes implementing and monitoring health and safety measures on an ongoing basis and making sure that our employees are deployed according to their strengths. Our training and development programs also make sure that our employees' skills are developed throughout their careers. We set ourselves the goal of achieving a staff turnover rate of at least 30% below the industry average, and we have already reached it. The industry average benchmark is established by the Federation of the German Construction Industry and updated on an annual basis.

Our employee benefits include:

- Flexible working hours for parents returning from parental leave
- Working from home policies where possible
- Medical care, occupational disability insurance, parental leave and pension scheme⁵
- Vacation pay and Christmas bonus
- Employee discounts at various companies including local electricity provider and accident insurance

⁵ Working students and people in marginal employment are the only ones excluded

Workforce profile

OUR WORKFORCE



c.1,900
employees



45%
office employees



55%
industrial
employees



20%
female workforce

Equal opportunities, diversity and non-discrimination

We are committed to providing equal opportunities and see diversity in our workforce and in our management team as a great strength and opportunity. We offer our employees equal professional opportunities and do not tolerate any direct or indirect form of discrimination or harassment.

Throughout the Group, all job advertisements are phrased in a gender-neutral manner in the spirit of anti-discrimination. If candidates present equal expertise in the application process, we will ensure a balance between the proportion of women and men in the workforce. We work to support all our people, including establishing a body for severely disabled employees.

Collective bargaining

OIKOS is committed to open and constructive dialogue with its employees. It respects the right of employees to freedom of association and collective bargaining, as well as the right to form and join interest groups and to be represented by them. All OIKOS companies have existing collective bargaining agreements. In total, 97.4% of OIKOS employees are covered by these collective agreements. All our employees who do not fall under the collective agreement possess individual working contracts and OIKOS has established a standard contract for these employees as well. Conditions such as working hours and annual leave are standardized in these contracts.

Health and safety

OIKOS is committed to creating as safe a workplace for its employees as possible and continuously reducing the number of accidents that occur across its plants and construction sites. No work-related fatalities were reported in 2021 or 2022 and a total of only 4 serious injuries in 2022.

OIKOS uses a TÜV-certified management system for safety and health protection according to international standards (DIN ISO 45001:2018) and an occupational safety management system (AMS-Bau) certified by BG Bau. As part of these systems, legal requirements must be checked and monitored. Should any issues arise that require action, the measures taken are recorded and processed in a monitored manner. To achieve this, illness and accident figures – which have been agreed upon as part of the target set for executives and KPIs – are reported monthly. In addition, regular audits are carried out, such as on construction sites, to check for compliance with guidelines.

Safety training and risk prevention

Employees across the business receive comprehensive training in the current accident prevention regulations of their area. In addition to the SIFA, safety officers are also appointed in the relevant areas. Accidents or near-accidents are reported, analyzed, evaluated and documented using standardized forms. New approaches are continuously developed to reduce potential risks and accidents and thereby keep our accident rate as low as possible. We also participate in the BDF's "Occupational Safety and the Environment" working group and collaborate closely with BG Bau to reduce risks.

Our operational safety approach includes:

Prevention

- Reduction of dust exposure by providing vacuum cleaners at workstations
- Modernization of roof and ceiling production in the carpentry shop by introducing multi-functional bridges. By minimizing the need to walk on the work tables for component production, the risk of tripping will be significantly reduced

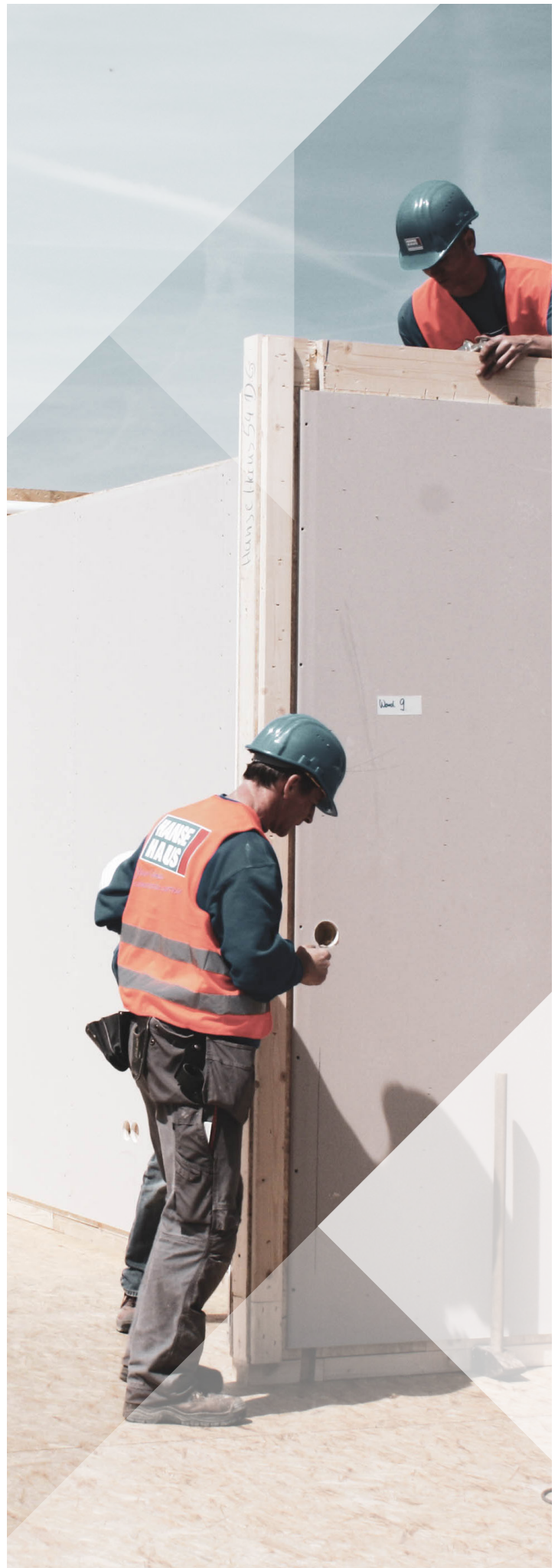
Awareness raising

- Weekly meetings to discuss the previous week's workplace accidents
- Introduction of the "5 Whys" method for accident reports with photos as a quality management method for determining cause and effect
- Introduction of CIP (Continuous Improvement Process) reports for reportable accidents to implement preventive measures and to prevent similar accidents from occurring in the first place

Health in the workplace

We attach great importance to providing our workforce with a healthy workplace and offering them a wide range of benefits and opportunities for leading a healthy life in the workplace and beyond. This includes health promotion and prevention programs. As contractually regulated, we use the BG Bau occupational health service. We cooperate with the public health insurance provider AOK to assess the causes of illnesses and to define preventive measures. Both voluntary and mandatory screenings are offered, with regard to noise and dust exposure, for example. In addition to such preventive examinations, BG Bau provides us with prevention advice and support. Our occupational medical service also participates in the meetings of our Occupational Safety Committee, which take place quarterly, along with the company physician and management.

Furthermore, the increased automation of processes across our production hubs is helping to reduce many of the physically intensive-tasks that can contribute to potential injury or health risks for our employees.



Training and education

At OIKOS, all employees are given a wide range of opportunities for personal and professional development. Training is a central pillar of our human resource and recruitment strategy. A focus on continued training allows us to further expand our production, assembly and commercial operations, making us less dependent on the external labor market. Average hours of training annually per employee increased from 5.1 hours in 2021 to 10.2 in 2022, and we have a goal to continue achieving at least 10 hours of training per employee by 2025.

Ensuring our competitiveness is also why we make great efforts to both attract and retain potential employees – which includes young talent. Apprenticeships and vocational training are the backbone of the education system in Germany and we work hard to maintain ongoing collaborations with secondary, vocational and technical schools as well as with universities and actively recruit at job fairs. By providing the right qualifications to young talent ourselves, in line with our needs, we can ensure our competitiveness for the long term.

OIKOS offers a wide range of internships, 11 different apprenticeship types and three dual study courses. We guarantee our apprentices that they will be hired by the OIKOS Group upon completion of their apprenticeship. We employed 107 apprentices in 2022, an increase from 103 in 2021.

The world is changing, and we want our employees to grow and develop, cementing the long-term success of the Group. This is why we established a sophisticated staff development concept in 2022. We have set internal targets for the number of average training hours each employee should achieve per year. The learning management system eloomi was introduced in mid-2022, enabling employees to complete e-learning training courses on such topics as compliance, occupational health and safety. Our target for 2025 is to continue achieving at least 10 training hours per year for office employees and 5 hours for industrial employees.

A selection of our training instruments:

- Seminars and training plans for all employees according to DIN ISO 9001
- Regular TÜV certifications for prefabricated house construction managers
- In-house training by an external instructor for IHK trainees every other week
- E-learning on the EU General Data Protection Regulation (GDPR) and compliance
- Individual further training to maintain the DGNB consultant status
- Instructor qualification certificate for suitable employees involved in training
- German language courses in the production area

Qualification support

All our employees can apply for financial support for further qualifications and receive individual support for a wide range of training courses, from those offered by the Chamber of Commerce all the way to university degree courses. Employees may also be granted leave time or a sabbatical to participate in full-time further training or qualification courses with the guarantee that they will be able to continue their employment with OIKOS upon completion.





Governance

Ethical standards, sustainable working methods, good business practice and compliance – these are the cornerstones of our Group. Governance revolves around how we align the management of our Group with our values and business interests. This extends to all our stakeholders, from our customers and employees to suppliers, subcontractors and policymakers. Governance is deeply embedded in our organization, from top management down to the operational level on HSE or HR matters and sustainability experts for our houses, as well as our supply chain.

To this end, we have established a Code of Conduct whose binding principles of rules and action apply to the entire OIKOS Group. The Code of Conduct serves as a guardrail for the interactions we have with our stakeholders. It establishes standards for conducting our business with integrity and correctness and guides us in behaving ethically and lawfully in our daily work.

Corporate governance

At OIKOS, responsibility for corporate governance lies with the Management Board as its highest governing body. The Management Board is made up of our four managing directors and conducts its responsibilities in line with applicable law, instructions and resolutions from the Advisory Board and the Shareholders' Meeting as well as with agreed rules of procedures. The Group's Advisory Board is not a supervisory board in the sense of Section 52 of the German Limited Liability Companies Act, and therefore the rules of this act do not apply to the Advisory Board. The Management Board does not have an official chair. However, Marco Hammer, as Chief Executive Officer, formally heads up the Management Board. All managing directors have long-term tenure with the Group and are shareholders in the Group together with the majority shareholder, Goldman Sachs Asset Management.

Performance evaluation

The Management Board holds meetings on a regular basis and reports to the Advisory Board in monthly meetings. It reviews both the Group's performance, which includes ESG-related projects and goals, and the performance of the Management Board. Individual targets for the Management Board are agreed upon and reviewed on a regular basis in the HR Committee. This committee includes members of the Advisory Board and the Management Board.

Our executive remuneration policy

Our remuneration policy for managing directors includes the following:

- A monthly fixed salary plus an annual bonus. The overall bonus depends upon individual target achievements (30 percent) and Group EBITDA target achievements (70 percent)
- No further payments or retirement benefits have been agreed upon and our contracts do not include any claw back clauses

ESG targets are defined along with individual remuneration targets. By making ESG goals part of the incentive schemes of the Management Board and selected senior executives, we ensure that the decisions made at the management level directly and measurably contribute to the achievement of our group-wide ESG goals.

The targets relevant for the variable payment are set early on each year. After the year-end closing, the previous year's achievements are reviewed and the variable payment is determined. Remuneration and contract details for the Management Board are negotiated with the shareholders and are reviewed on a regular basis by the HR committee.

Stakeholder engagement

Maintaining an open and active relationship and continuous exchange with all of our stakeholders is an important pillar of our corporate culture and is essential for our overarching business and sustainability goals. Relevant OIKOS stakeholders include our customers, our current and future employees, suppliers and subcontractors as well as policymakers.



Communication of critical concerns

OIKOS' governance structure includes multiple channels through which critical concerns can be communicated to the Management Board. These include: monthly meetings of the Management Board with and without second-level management, weekly COO meetings with technical and plant management, daily SQDP meetings with direct reporting to the COO of any critical concerns and to the customer service department of any customer or quality issues, which will then be brought to the attention of the Management Board. All work accidents are reported to the Management Board. An updated compliance system with clear guidelines and the Group-wide Code of Conduct are in place, including a whistleblower system. The works councils meet monthly and the works council chairs have regular meetings with the Management Board to address and discuss concerns from the workforce. A group-wide works council is in place.

Memberships

As active members of a variety of industry associations and initiatives at a Group level, we're able to exchange expertise and help drive innovation forward in our industry:

- Bundesverband Deutscher Fertigung e.V.
- BMF e.V. Bundes-Gütegemeinschaft Montagebau und Fertighäuser e.V.
- United Nations Global Compact
- DGNB Deutsche Gesellschaft für Nachhaltiges Bauen e.V.

Compliance

We consider it essential to act with integrity and comply with applicable law and regulations. Our efforts in this area include a clear commitment to fighting corruption and bribery, competitive behavior and discrimination of any kind as well as to fully respecting customer privacy. Our efforts in this field are supported by our Group-wide compliance system.

In 2021, we analyzed our business and carried out risk assessments on various topics. On this basis, appropriate guidelines were drawn up. Finally, we compiled a comprehensive Code of Conduct (CoC) for our Group under the leadership of internal employees and in consultation with a law firm. Our compliance system also includes a modern whistleblower platform for reporting compliance incidents. This is to enable and encourage our employees to report any violations they become aware of, or reasonably suspect, within our Group.

At the turn of 2021/2022, we launched the improved compliance system throughout the Group. In production, general information about the compliance system, our CoC and all relevant guidelines are posted on a notice board. During 2022, we launched an e-learning course Compliance about specific compliance topics, including an introduction to the compliance function, a course on anti-corruption and a course on whistleblowing, for all office employees. In 2022, the Group received one report anonymously via the whistleblowing platform. The review of the report concluded that no action was required. Going forward, our Code of Conduct and policies will be reviewed regularly (at least bi-annually) and adapted as necessary. We plan to carry out external Compliance reviews on a bi-annual basis.



Anti-corruption

At OIKOS, we are committed to fighting corruption and bribery and to complying with applicable laws and regulations. All employees are prohibited from directly or indirectly offering, promising, granting or requesting anything that is intended to result in obtaining an improper contract or advantage. Cash or similar items must never be offered, given, solicited or accepted. All employees are required to avoid any action that might create the impression that they are improperly influencing a third party's business or are being improperly influenced by third parties through the granting or receiving of any kind of advantage. Our anti-corruption efforts also include the combatting of money laundering and terrorist financing. We do not accept payments that originate from illegal sources or business activities. Cash payments in excess of 10,000 euros may neither be made nor accepted. We carefully verify the identity of our customers, business partners and other third parties with whom we wish to do business. It is our goal to only maintain business relationships with reputable partners whose business activities are in compliance with the law and whose operating resources are of legitimate origin.

Anti-competitive behavior

OIKOS attaches great importance to conducting its business in full compliance with all relevant legal obligations, including applicable antitrust law. This is why we have clearly stated in our Code of Conduct that we support the principle of free, fair and open competition as the basis for our business activities. In particular, we refrain from any agreements or arrangements which unlawfully restrict, limit or exclude competition, such as pricing arrangements, production restrictions, bidding procedures, capacity restrictions and terms and conditions. Informal agreements, so-called "gentlemen's agreements," as well as a mere exchange of strategically relevant information with competitors are also prohibited.

Customer privacy

At OIKOS, we take data protection and privacy as well as data security requirements very seriously. As a minimum standard, we strictly comply with applicable data protection laws and regulations. This is also why our Code of Conduct stipulates that all OIKOS employees are to respect and protect the personal dignity, personal rights and privacy, including personal data, of every individual. The highest level of care and confidentiality is to be ensured when handling personal data: The collection, storage, use and other processing of personal data is carried out in compliance with applicable data protection law, particularly the currently applicable version of the EU General Data Protection Regulation (GDPR). We provide regular data protection training in line with legal requirements. All information we receive is treated confidentially and is used only for the purpose of further developing the business relationship and improving the product. Trade secrets may not be disclosed to unauthorized third parties. This confidentiality obligation continues to apply even after an employee has ceased working for the Group. The same is required of our business partners. In 2021 and 2022, no identified cases of leaked, stolen or lost customer data occurred.

Environmental and social assessment for suppliers

To improve the environmental impact along our entire supply chains, the OIKOS Group makes sure to comply with applicable environmental, labor and safety standards when selecting its suppliers and partner companies. Our collaborations with external partners and partner companies are regulated through supplier contracts. Our supplier contracts include a commitment to sustainability standards and ethical behavior such as, for example, no child or forced labor. Our templates for supplier contracts are regularly reviewed and updated according to the latest regulations. All contracts with our main material suppliers and subcontractors contain these obligations.

Our current focus is on our tier 1 suppliers. We are aware that certain risks also exist at the level of our upstream suppliers. We are also familiar with issues surrounding individual products, for instance in the area of natural stone window sills extracted in Asian countries. For this reason, these products are no longer part of the standard furnishing of OIKOS houses, for example. We are working to expand our sustainable supply chain management over the next few years.

To verify compliance with our contractual requirements and to assess environmental and social impacts, our quality managers carry out annual supplier audits. We also conduct regular site audits that include supply chain issues. These help us ensure social and environmental compliance. The 2021 and 2022 assessments and reviews did not identify any significant actual or potential negative environmental or social impacts in the supply chain that would require remediation or contract termination.

Construction site audits

We further mitigate risks by having OIKOS employees carry out some of the finishing work on construction sites in Germany. This reduces dependency on subcontractors and thereby the risks that could arise from their potential non-compliance with labor law requirements. We also carry out regular construction site audits. Construction sites with various levels of sophistication and execution were visited and audited in a targeted manner (risk-based auditing).

Due to an accumulation of faults in this area, the audits were mainly carried out during the shell construction phase. All IMS management areas – quality, environment, energy management, occupational safety and health – are assessed as part of the audits. During construction site audits, supplier aspects are also audited on a pro rata basis, so they can serve as a proof point for supply chain care.

Human rights and working conditions

OIKOS supports and respects internationally recognized human rights, in particular as set out in the Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms. We conduct our business activities in compliance with these human rights standards.

At OIKOS, we do all in our power to avoid any involvement in human rights violations; we will not accept any violation of these rights and will intervene in such cases. We do not employ children and comply with applicable child and youth labor protection laws in accordance with the principles of the UN International Labor Organization. We are actively committed to the elimination of forced labor and do not tolerate any form of forced labor, either in our own business operations or along our value and supply chains.

Moreover, OIKOS condemns and prohibits any form of human trafficking, modern slavery and violence. During 2021 and 2022, no cases of operations and suppliers with a risk of incidents of child, forced or compulsory labor were identified. OIKOS prohibits workers from having to pay (agency) fees for possible employment with OIKOS and protects them from debt bondage. We are committed to combating undeclared work and illegal employment within our companies as well as in our value and supply chains. For this purpose, we take particular care to meticulously check the validity of identity documents and work permits. OIKOS respects the right to collective bargaining within the framework of the respective national law. We did not identify any operations or suppliers in which the right to freedom of association and collective bargaining might have been at risk in 2021 or 2022.





oikos
re:thinking homes