

Vasakronan

GRI-Index 2022



GRI index

Level of application: Vasakronan reported pursuant to the GRI standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used: GRI 1: Foundation 2021
Applicable GRI sector standards: N/A

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(OI: Own Indicator)

Financial responsibility

201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The task from Vasakronan's owners is to deliver a stable, long-term return. A return that will benefit Sweden's current and future pensioners. That is why it is important for Vasakronan to take financial responsibility for its operations and to have stable, sound finances. It is also important to be able to continue to provide work for employees and suppliers, to meet the expectations of financiers and to meet other financial expectations from stakeholders.

Boundaries

The reporting only encompasses the economic value created at Vasakronan. The value is impacted partly by factors that Vasakronan controls but also by external factors such as the economy and interest rates, as well as our owners' decisions about the distribution of the dividend.

Responsibility and monitoring

Vasakronan's CEO and Management Team have overall responsibility for steering operations toward the financial targets. The outcome is monitored on a quarterly basis in connection with interim reports and through internal steering parameters established for the operations.

Governance and objectives

The overall financial objective is a return that, in relation to risk, is greater than the return our owners could obtain from other equivalent investment alternatives. The overall financial objective is a total yield of at least 6.5% per year. In addition, the total yield must be at least 0.5 percentage points higher than the outcome for the rest of the industry, calculated as the average according to the MSCI Swedish Property Index (excluding Vasakronan). The average outcome is evaluated over rolling ten-year periods, together with monitoring and analysis of the outcome for each individual year. In addition, a number of key financial indicators are set for the coming year. These are monitored on a quarterly basis in connection with internal review and in the quarterly reports to the Board of Directors. For more information, see pages 62–64 in the annual report.

Close customer relationships are a must for succeeding at the task of delivering a high return and long-term revenue. That is why customer satisfaction is regularly followed up through meetings and questionnaires.

Outcome

In the survey conducted at the beginning of 2022, the outcome was a score of 77 (77) for offices and 71 (73) for retail. The scale of the survey is from 1 to 100, where a score of at least 80 corresponds to a grade of Very good.

The economic value created during the year totalled SEK 15.5 billion (26.8) and comprised rental revenue, investments and changes in the values of properties. Detailed information can be found in the company's financial reports on pages 97–102 in the annual report. The table to the right shows economic value distributed. The dividend to the owners is also to be regarded as a value to the public. The remaining value totalled SEK 4.2 billion (16.8).

Taxes

Tax is a statutory expense in our operations that affects the return, and at the same time it is also a responsibility issue that can impact the company's reputation and standing. The Board of Directors has overall responsibility for managing taxes. The Board of Directors has established a tax policy to ensure tax issues are managed in line with fulfilling the high yield requirement and that the company meets the requirements set for responsible action. For more information on the company's tax policy, visit www.vasakronan.se.

Vasakronan's operations are conducted only in Sweden. Country-by-country reporting of taxes paid is therefore not applicable. Vasakronan is not currently the subject of any tax cases. More information about taxes recognised can be found on pages 112–113 in the annual report.

Economic value distributed

SEK m	2022	2021
Directly generated value		
Income	8,167	7,425
Value changes	4,917	15,255
Investments	2,366	4,137
Directly generated value, total	15,450	26,817
Economic value distributed		
Employees	227	224
Lenders	1,291	1,178
Public sector ¹	2,303	1,776
- of which property tax	839	668
Suppliers	3,430	4,870
Owners	4,000	2,000
Contribution to society ²	1	1
Total value distributed	11,252	10,049
Economic value retained	4,198	16,768

1) The "Public sector" item includes property tax, ground rent, VAT, taxes paid and social security expenses.

2) The two largest contributions in 2022 pertained to making housing and premises available for refugees from Russia's invasion of Ukraine and a contribution of SEK 934,000 to Löparakademin.

Contribution to the UN SDGs

Through partnerships with different volunteer organisations and supporting their activities with donations, we are contributing to Goal 17 and its target 17.17, "Encourage and promote effective partnerships."



201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Climate change is the most pressing challenge of our time and entails primarily risks but also opportunities for operations. It is clear that a comprehensive transition in society is necessary for slowing climate change, which could affect the company's financial position. Climate change itself could also have a significant impact on the company's financial position.

Boundaries

The report covers the financial impact that climate change, and associated mitigation efforts, can have on Vasakronan's financial performance and position.

Responsibility and monitoring

Efforts to identify, analyse, manage and follow up risks are prioritised at Vasakronan. Risk efforts involve all units in the company and follow a structured process that starts with an inventory of existing and new risks. The Management Team thereafter assesses the inventoried risks and material risks are then presented to the Audit Committee and the Board. Risks are then broken down to unit level and business plans are coordinated across all levels. The financial impact of climate risks and opportunities is assessed when preparing the annual TCFD report and is presented in the table in the TCFD report on pages 141–147.

Governance

The Board of Directors establishes a strategic plan for the company every year. It includes a description of the sustainability strategy that is expected to form the basis for the operations. This also includes long- and short-term environmental targets. A review of the company's work to reduce the operational impact on the climate and to adapt operations to climate changes is also conducted at least once a year with the Board of Directors. The aim is for the climate and its effects to be an integral part of every decision taken at Vasakronan. In conjunction with preparing this report, lessons have been learnt

about how to practically implement the work in relation to the existing policies. One example is clarifying operating and maintenance instructions in the case of extreme weather events and carefully considering what types of technical equipment is appropriate to place below street level.

Targets

Climate issues are included as part of the business plans developed for the underlying units as well as for the company as an entirety and include the targets set for both the short and long term. To ensure that efforts to reduce climate impact are sufficient and in line with the requirements specified by the Paris Agreement's goal to limit global warming to two degrees, Vasakronan has engaged the SBTi to evaluate our climate targets. The aim of the evaluation is to ensure that the climate targets set by companies have a scientific basis. In December 2018, Vasakronan's climate targets at the time were approved by the SBTi, with the comment that they were well under those of the Paris Agreement. The target Vasakronan had evaluated by SBTi was an older, somewhat less ambitious target than Vasakronan's new target of climate neutrality across the entire value chain. For more information about our climate targets, refer to pages 22–23 in the annual report.

Reporting policies

The reporting policies applied when assessing the financial impact of climate risks and opportunities are included in the table on pages 141–147 in the TCFD report.

Outcome

Vasakronan identified climate change as an important operating environment factor over ten years ago and comprehensive efforts have already been made to reduce several transition risks. The company has already significantly reduced carbon emissions from property management. Efforts to reduce emissions from construction project

operations began a few years ago, and include greater use of wood as a construction material. The physical risks identified for Vasakronan's property portfolio are primarily flooding due to rising sea levels, proximity to watercourses, downpours and a more humid climate with more heat waves. Properties are therefore continuously evaluated in terms of technical performance and improvements are planned in conjunction with regular maintenance and renovations. Development projects ensure that the design and planning of properties takes into account the needs of today and of the coming decades. In 2020 and 2021, the risk of permanent flooding across the entire property portfolio due to rising sea levels was analysed. In 2022, work was conducted on breaking down all physical climate risks by individual property. The results of the deeper analysis are now being integrated property by property into the different processes of operations, maintenance and property management as well as in projects and property portfolio planning. The transition to a low carbon dioxide society can entail opportunities for operations. Only using renewable energy, increasing the share of on-site produced electricity and improving energy consumption, means greenhouse gas emissions can be reduced concurrent with reducing operating expenses. An assessment of the financial impact of climate risks and opportunities has been compiled in the tables on pages 141–147 in the TCFD report.

Contribution to the UN SDGs

By reducing the negative impact climate change has on our operations, we contribute to achieving Goal 13 and its target 13.1, "Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries" and target 13.3, "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."



205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

Corruption in the Swedish property and construction industries is regarded as being widespread and extensive. Vasakronan must therefore have a process that eliminates the risk of corruption and other improprieties in all situations.

Boundaries

The anti-corruption work pertains firstly to Vasakronan's efforts to prevent corruption within the company, but also to requirements set by Vasakronan on suppliers having a systematic process to counteract corruption in their operations.

Responsibility and monitoring

The efforts toward counteracting corruption and bribery are being led by the company's General Counsel in the capacity of Compliance Officer. Infringements are not acceptable and may result in disciplinary measures, termination or legal proceedings. Any suspicions of corruption or other improprieties are reported to the Board of Directors annually. Company employees, suppliers and customers also have the option of anonymously turning to an external whistle-blower function. Interaktiv Säkerhet is Vasakronan's external whistle-blower function. The company acts as a representative for Vasakronan and guarantees the anonymity of the person notifying. Information about how to contact the whistle-blower function is available on our website.

Governance

Anti-corruption work in the company is governed by policies and guidelines for areas including anti-corruption and purchasing. Vasakronan's policies, routines and training work together with our Code of Conduct for employees and suppliers to counteract all forms of corruption and improprieties. All of Vasakronan's employees and suppliers are expected to comply with the internal regulations as well as with applicable laws. All employee-related policies are available on the intranet, and the organisation is monitored continually to ensure compliance. In conjunction with preparing this report, lessons have been learnt about how to practically implement the work in relation to the existing policies. No additional improvement measures were identified during the year.

Targets

The goal is zero tolerance for all forms of corruption.

Reporting policies

The compliance officer in the company compiles submissions that come in to senior executives, the compliance officer or the external whistle-blower function.

Outcome

No suspicions of corruption were reported in any of the company's channels in 2022.

Contribution to the UN SDGs

By striving to keep all of Vasakronan's business relationships free from corruption, we contribute to achieving Goal 16 and its target 16.5, "Substantially reduce corruption and bribery in all their forms."



Environmental responsibility

301-1 MATERIALS USED BY WEIGHT OR VOLUME

Large amounts of materials are used in new construction, redevelopment and leasehold improvements at Vasakronan's properties. The materials used in projects give rise to major environmental impact when they are extracted, produced and transported. Therefore, reducing the amount of material used and greater use of reused material and material that is manufactured from renewable or recycled raw goods is important. Information about the quantity and type of material used needs to be reported to give a fair and accurate overview of the actual climate impact of Vasakronan and of individual projects. In addition, Vasakronan needs to ensure that the materials used do not contain hazardous substances that risk being spread into indoor environments in buildings or into the environment outside them.

Boundaries

The reporting covers the building materials used in new construction and redevelopment projects, as well as leasehold improvements. Material used in maintenance and operations at properties is currently not monitored, since the amount of material used in these projects is often relatively small.

The materials Vasakronan purchases and uses, such as office and consumables, have been deemed to be without significance in relation to the impact of construction material.

The responsibility for collecting information about the material used lies primarily with our suppliers, who purchase and use the materials when they perform construction and installation services. However, Vasakronan can make a difference through carrying out projects, how they are designed and the type of material specified.

Responsibility and monitoring

The Chief Investment & Projects Officer (CIPO) is responsible for the materials used in project development. This responsibility covers which projects are carried out, the amount and type of material used and using the Byggsvarubedomningen system in all projects.

The type and amount of materials used is followed up in conjunction with the completion of a project. The material used is compiled by weight, in total and per square metre, the proportion of renewable raw materials, and the proportion of recycled or reused material as well as whether the material is environmentally certified. Annual targets are monitored through quarterly reports to the Board of Directors and to the Management Team.

Governance

The materials used in development projects are governed by the internal policy document "Miljöprogram för projekt" (Environmental Programme for Development Projects). All architects, planners and contractors are to comply with the Environmental Programme, which states that Vasakronan must use materials efficiently and prioritise reuse of materials or those made from renewable or recycled raw materials. A workshop about reusing material must be held at the start of all projects with a cost of SEK 75 million or above. The goal is to identify reuse potential and to set project-specific targets.

To reduce future material use, the Programme also stipulates that it should also be possible to reuse or recycle material when it is no longer needed in the building. Buildings and premises are also to be designed proactively and as flexibly as possible to reduce the need for future redevelopment. An environmental certification under LEED also steers toward reduced use of materials and a larger proportion of reused and recycled material as well as to larger shares from local sources.

The Environmental Programme also prescribes using the Byggsvarubedomningen system for the selection and documentation of construction materials used in the project. Compliance is checked both through internal audits and through supplier audits. Using the Byggsvarubedomningen system is also required in the majority of leases, which is important since tenants sometimes renovate themselves.

In conjunction with preparing this report, lessons have been learnt

about how to practically implement the work in relation to the existing policies. One example is that an environmental programme has been developed for leasehold improvements because the general environmental programme for projects was perceived to be too extensive, resulting in low compliance in leasehold improvement projects. This change is expected to improve the reporting of materials and types used.

Targets and fulfilment

Ahead of 2022 a target was set to increase the share of reused, renewable and recycled material in projects. The share of renewable material used in new construction projects amounted to 3.3%. No comparative data for 2021 is available since no new construction projects were completed in the preceding year (1% share at the Celsius new construction project, which was completed in 2020) and the share of reused and recycled material amounted to 4.0% (13% at the Celsius new construction project, which was completed in 2020).

The share of renewable material used in redevelopment projects completed for the year increased to 14.6% (11). The share of reused and recycled material increased to 4.6% (2).

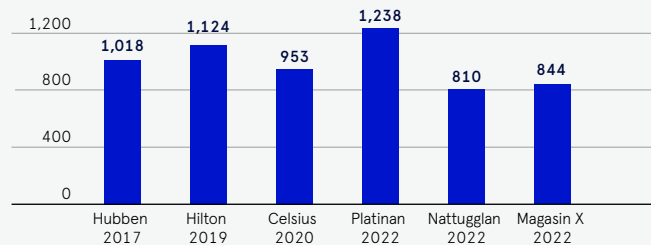
Reporting policies

All major new construction and redevelopment projects are required to report all of the material used by weight. There also needs to be information about whether the material is manufactured from recycled or renewable raw material and if it is environmentally certified. Information is submitted to a central monitoring unit at the end of the project.

For other projects, there are currently no reporting requirements for actual materials used while the project is ongoing. Actual amounts from various reference projects are therefore used to estimate the quantities used of these materials. The aim is for smaller projects to also report their material usage as their administration becomes increasingly digitalised.

Material used in new construction projects

kg/sq. m.



New construction projects completed, 2017–2022

When data about material quantities are reported per square metre, the project's GFA was used.

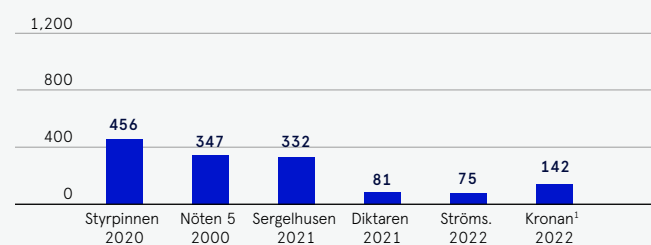
Outcome

A total of five (two) Board-approved projects were completed in 2022, where one of the projects, Nya Kronan, included both new construction (buildings 1 & 3) and redevelopment (building 2). The new construction projects completed during the year were Platinan, Nattugglan, Magasin X and Nya Kronan (buildings 1 & 3), and the redevelopment projects completed during the year comprised Strömshuset and Nya Kronan (building 2). The new construction of Nya Kronan (buildings 1 & 3), was started before Vasakronan implemented requirements for material accounting in projects, and accordingly, no complete accounting of the materials used is available. However, there is a summary of the five largest material categories used, about 35,000 tons, which is included in the total quantity of material used but not in the material intensity reporting, kg/sq. m. In addition to new construction and redevelopment projects, leasehold improvements encompassing a total area of 68,000 square metres (98,000) were also completed.

The total quantity of material used in all of these projects amounted to approximately 164,000 tons (30,000). The high quantity of material used compared with 2021 was due to many projects being

Material used in redevelopment projects

kg/sq. m.



Redevelopment projects completed in 2020–2022

1) Pertains to the redevelopment portion of the project.

concluded in 2022. Moreover, many new construction projects were completed in the year, as compared with 2021 when no new construction projects were completed. The reason that the material consumption in redevelopment projects is significantly higher than for new construction projects is because a large portion of the material pertains to the building's foundation and frame, something that is usually left alone in most redevelopment projects.

The Platinan new construction project that was completed during the year stands out in comparison with other completed new construction projects, see table above. Due to the geotechnical conditions, material consumption was higher. Platinan's location beside the Göta älv required larger quantities of material to ensure a stable foundation. Platinan also contains a hotel, which entails additional interior walls and bathrooms compared with an office building, and which increases the quantity of construction material needed per square metre produced.

The material used in new construction projects totalled approximately 159,000 tons. This corresponds to an average of 1,096 kg/sq. m., compared with 953 kg/sq. m. (Celsius completed in 2020). Comparative figures for 2021 are missing as no new construction projects were completed in the previous year. The total quantity of material used in redevelopment projects amounted to about 3,600 tons, rep-

Share of renewable, reused and recycled material

%	2022	2021	2020
New construction projects ¹	7	–	14
Redevelopment projects	19	13	8

1) No new construction projects were completed in 2021.

representing an average of 113 kg/sq. m., compared with 362 kg/sq. m. in the redevelopment projects that finished in the previous year.

Material use in leasehold improvements totalled approximately 1,700 tons (2,300) for the year, equivalent to 24 kg/sq. m. (23). Estimates of the quantity of material used in leasehold improvements were made based on some 20 reference projects with actual measurements.

The audits conducted during the year show that the Byggvarubedömningen system was used in all major projects.

Contribution to the UN SDGs

By reducing the risk of our construction material containing substances that are hazardous to people's health or to the ecosystem, we contribute to achieving Goal 3 and its target 3.9, "Substantially reduce the number of deaths and illnesses from hazardous chemicals and contamination."

By reducing the amount of material, and using renewable, recycled or reused material to greater extents, we contribute to achieving Goal 8 and its target 8.4, "Improve global resource efficiency in consumption and production."

By increasing the quantity of recycled and reused material, we also contribute to achieving Goal 12 and its targets 12.1, "Implement the 10-year framework of programmes on sustainable consumption and production," 12.2 "Sustainable management and efficient use of natural resources" and 12.4 "Environmentally sound management of chemicals and all wastes."



302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION CRE1 BUILDING ENERGY INTENSITY

The property sector accounts for just over 30% of total energy consumption in Sweden. Therefore, Vasakronan's efforts to decrease energy consumption and only use renewable energy is an important sustainability issue. Vasakronan's buildings have low energy consumption, a quality which is in demand from tenants and is also a prerequisite for obtaining a high rating when environmentally certifying a building. Among other things, this is important for Vasakronan's green financing. Additionally, reduced energy consumption means lower operating costs and a reduced risk for increased costs if energy taxes are raised as part of a stronger climate policy. The EU's green taxonomy means that the energy intensity of buildings, expressed as primary energy demand, has become even more important for operations. To be considered green according to the Taxonomy, newly constructed buildings must be 10% below the National Board of Housing, Building and Planning's regulations for new construction (BBR) and existing buildings must be in the top 15% in terms of energy performance for its type.

Boundaries

As a property owner, Vasakronan can impact the energy consumption in properties, for example through the investments made by the company in HVAC-systems and in the building envelope of the properties. Tenants also affect how much energy is used. It depends on the type of operations they conduct and the tenant's preferences as regards indoor climate, for example.

The reporting covers energy consumption for all properties in Vasakronan's property portfolio, and fuel used in vehicles owned by the company. Vasakronan's report distinguishes between landlord-related energy consumption (i.e. energy consumption related to heating, air conditioning, the building's electrical needs) and tenants' own energy consumption. Tenants' own energy consumption is followed up and reported separately to be used, among other things, for scope 3 calculations of carbon emissions. The primary energy demand for

properties is also monitored and is used to determine whether an existing building is Taxonomy-aligned. The quantity of on-site produced electricity from solar photovoltaics owned by Vasakronan is also reported.

Responsibility and monitoring

The Chief Technology Officer (CTO) is responsible for the energy consumption of the existing buildings, choice of energy source and for increasing Vasakronan's on-site produced energy. The CIPO is responsible for the future energy consumption at our project developments.

Energy consumption and the share of produced electricity is monitored on a monthly basis at the property, technical area, and company level by an energy monitoring system in which all the meter values measured are recorded and analysed. Energy consumption for new construction and redevelopment projects is monitored against projected values in connection with a project being completed and being put into operation.

Governance

The energy efforts are governed by Vasakronan's energy strategy and environmental policy. The energy strategy is aimed at reducing energy needs in buildings, when possible changing the timing for using energy to a time when demand from other users is low, increasing on-site produced electricity and storing more energy in the company's buildings.

In existing buildings, Vasakronan's work is also governed by the Energy Inventory Act (Swe: Lagen om energikartläggningar). The Act includes requirements for identifying and proposing cost-effective measures to reduce energy consumption.

For major new construction projects, the internal requirement is to come in at least 25% under the BBR energy requirements, which is the equivalent of energy class B in the Swedish system for energy declaration. For major renovations not covered by the BBR energy

requirements, the aim is to halve energy consumption compared with use prior to the renovation.

Reducing energy consumption in existing buildings requires close collaboration with our tenants. Since 2017, there is a clause in Vasakronan's new leases that entails collaboration around reduced energy consumption and mutual reporting of energy data. We also set requirements in this area for tenants to procure renewable energy if tenants have their own electricity supply contracts.

Vasakronan only purchases electricity from renewable resources, and in agreements with suppliers of district heating and district cooling Vasakronan has requirements for renewable and/or climate neutral energy if such is available from the supplier.

In conjunction with preparing this report, lessons have been learnt about how to practically implement the work in relation to the existing policies. One example in this area is the increasing general interest in the primary energy demand of buildings, which has led to more extensive energy reporting within the company.

Targets and fulfilment

Ahead of 2022, a target was set to reduce purchased energy by 5%, to increase the number of solar photovoltaic systems to 85 and to raise the number of EV charging stations to 1,300. Energy intensity for 2022 amounted to an average of 75 kWh/sq. m. (83), down 10% on last year. At the end of the year, 86 (77) solar photovoltaic systems and 1,467 (1,177) EV charging stations were in operation.

Reporting policies

Energy intensity is calculated through the annual total energy consumption, adjusted to the level of a normal year, from heating, comfort cooling and property electricity, divided by the temperate area (indoor area for all floors of a building that are heated to more than 10°C). Reported energy intensity also includes some tenant electricity and process cooling which, for technical reasons, is not possible to remove from the property electricity calculation.

Reported amounts of energy are based on actually measured values or values taken from grid operators (for part of the tenant energy). In some properties, Vasakronan delivers tenant energy. In which case, reporting is based on actual measurements and the tenant is billed for the energy consumed. In the rest of the property portfolio, where tenants have their own electricity contracts, Vasakronan receives measurement data at a property level from the grid operators.

Reported amounts of energy are not adjusted to the level of a normal year, except in energy intensity data and the primary energy demand that is based on adjusted values. The primary energy demand at company level and the demand reported at property level in the list of properties (pages 191–196 in the Annual Report 2022) are calculated using the method for energy declarations with the help of the most recent measured data.

Outcome

The company's total energy consumption declined in 2022, due to thorough work prioritising resources and investments for energy efficiency projects in the properties with the highest energy consumption. A higher average temperature for the year was a further positive contributory factor, as the data on the company's total energy consumption pertains to actual consumption, not consumption adjusted to the level of a normal year. New construction and redevelopment projects that entered operation during the year comprised one factor driving the increase in electricity consumption, since the majority of them have different types of electricity-dependent borehole heat exchangers as heating solutions. All project developments that entered operation during the year have a significantly lower energy intensity than the average for the remaining property portfolio and therefore contribute to improving the company's energy intensity.

Thanks to the energy efficiency efforts and highly energy-efficient new construction and redevelopment projects entering operation, the company's energy intensity fell and for 2022 amounted to 75 kWh/sq. m. (83), down 10%. The property portfolio's average primary energy demand was 82 kWh/sq. m at the end of the year. The tenants' own electricity use is excluded in the calculation of energy intensity or primary energy demand, but is included in the climate report (scope 3). For definitions of energy intensity and temperate area, see page 197 in the annual report.

Vehicle fuel used during the year amounted to 0 GWh (0), since all service vehicles that Vasakronan owns are electric.

In 2022, an additional 9 solar photovoltaic systems (6) were put into operation in the property portfolio; in total, 9,263 MWh (8,029) of electrical energy was produced from our solar photovoltaic systems, which means that 12% (11) of energy needs were covered by own production. At the end of the year, 86 (77) solar photovoltaic systems were in operation. The installations are located throughout the entire property portfolio; Stockholm has the most with 33 installations followed by Uppsala with 26, Gothenburg with 14 and Malmö with 13.

Contribution to the UN SDGs

By reducing energy consumption and transitioning to renewable energy sources we contribute to achieving Goal 7 and its target 7.2, "By 2030, increase substantially the share of renewable energy in the global energy mix" and 7.3, "By 2030, double the global rate of improvement in energy efficiency."

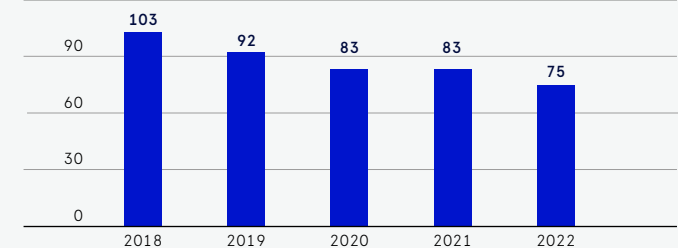


Energy consumption

GWh	2022	2021
Cooling	24.3	26.2
Property electricity	78.9	75.3
Heating	113	136.2
Vehicle fuel consumption	–	–
Total	216.2	237.7

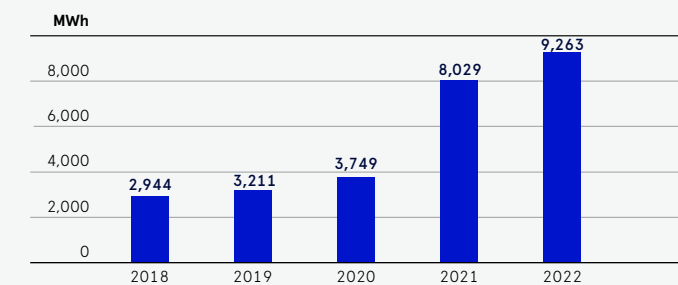
Energy intensity

kWh/sq. m., 12 months



At the end of 2022, energy intensity averaged 75 kWh/sq. m.

On-site produced electricity



A total of 9,263 MWh of electricity was produced from solar photovoltaic systems during the year.

303 WATER AND EFFLUENTS 2018 303-5 WATER CONSUMPTION CRE2 BUILDING WATER INTENSITY

The shortage of fresh water that faces many parts of the world makes water consumption an important sustainability issue from a global perspective. Over the last few years, even in Sweden, access to drinking water has been restricted in certain locations, including Uppsala where Vasakronan owns properties. Even though a shortage has only arisen in one of the cities where we operate so far, we are working continually on monitoring and on cost-efficient measures to reduce water consumption. Low water use is a prerequisite for environmentally certifying buildings with high ratings and helping to reduce operating expenses. In addition, the EU Taxonomy sets requirements in terms of buildings' water consumption.

Boundaries

As a property owner, Vasakronan has considerable opportunity to impact the amount of water used in our buildings, since we are the ones who decide and make investments in technical systems. Our tenants also have an impact on water consumption, which to a large extent depends on the type of operations they conduct and how they choose to use the premises.

The reporting encompasses water consumption at all properties but does not cover any water use where tenants have their own water supply contracts nor water consumption at Vasakronan's construction sites.

Responsibility and monitoring

The CTO has primary responsibility for the water consumption of the existing properties. The CIPO is responsible for all new construction and redevelopment being designed so that their water consumption is low. Water efficient equipment is selected during planning — low flush lavatories and low flow fixtures, for example. Any landscaping adjacent to the buildings is planned to reduce the need for irrigation. If possible, rainwater collection systems are installed to collect water used to flush toilets or water plants.

Water consumption is monitored on a monthly basis at the property, city, and company level via Vasakronan's operations monitoring system in which all the meter values measured are recorded and processed.

Governance

Reduced water use is governed by the company's environmental policy, and is included as a requirement in environmental certification of buildings. The requirement for low-flush toilets is also included in the company's environmental programme for projects.

Vasakronan uses municipal water from each municipality. Water suppliers and drinking water sources for each city are presented in the table to the right.

In conjunction with preparing this report, lessons have been learnt about how to practically implement the work in relation to the existing policies. No additional improvement measures were identified during the year.

Reporting policies

Reported quantities for water are based on actually measured values without any normalising. Water intensity is calculated by dividing water consumption by a property's NFA.

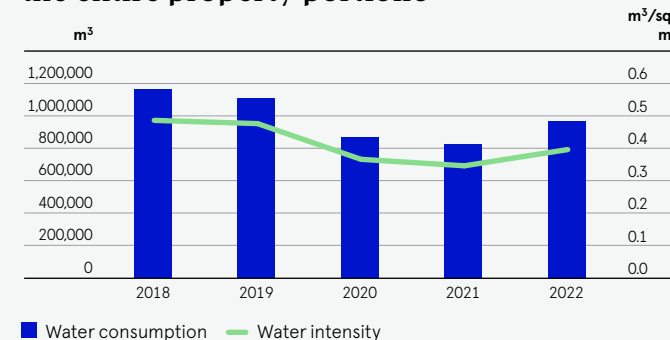
Outcome

The total amount of water consumed during 2022 amounted to 968,502 cubic metres (827,138), equivalent to a water intensity of 0.40 m³/sq. m. per year (0.35). The increase is primarily explained by use of premises returning to normal after the pandemic.

Water suppliers and sources

City	Water suppliers	Water sources
Stockholm	Stockholm vatten och avfall/ Norrsvatten/Sundbyberg avfall & vatten	Surface water
Gothenburg	Gothenburg water and sewage	Surface water
Malmö	VA Syd	Surface water and ground water
Uppsala	Uppsala vatten och avfall	Ground water

Water consumption across the entire property portfolio



Contribution to the UN SDGs

By reducing the water consumption we contribute to achieving Goal 6 and its target 6.4, "By 2030, substantially increase water-use efficiency across all sectors"



304-2 SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

Constructing new buildings can affect biodiversity negatively as undeveloped land is taken over by construction. Vasakronan builds an average of a few new buildings every year and, when we build, it is essentially never on undeveloped land. Instead, new construction is on land that has already been developed for some other use, such as parking. Even if the risk of reducing biodiversity is not as great, there are still often opportunities to promote biodiversity in connection with project operations. There are also good opportunities to increase biodiversity in the existing property portfolio.

Using various kinds of pesticides also risks affecting biodiversity. For example, our operations can entail the use of weedkillers and chemical treatments against various types of pests.

Vasakronan affects biodiversity in other places indirectly through purchases of goods and services, such as construction material and energy. By reducing the amount of construction material and setting requirements for different kinds of environmental certification for goods and energy, our indirect impact on biodiversity can be reduced considerably.

Boundaries

As a property owner, Vasakronan's operations entail opportunities to increase biodiversity. Sometimes space at ground level is limited, but then roofs and walls can be used to increase plant life. Vasakronan can also plant and take care of new plants on adjacent land owned by municipalities.

This report only covers Vasakronan's own impact on biodiversity in and around the company's properties. It does not yet cover our indirect impact on biodiversity through purchased goods and services, though the ambition is also to include this area in a report.

Responsibility and monitoring

While the CTO has primary responsibility for biodiversity at existing properties, in practice, much of the daily work is through Vasakronan's maintenance contractors.

The CIPO is responsible for designing new construction and redevelopment projects so that site biodiversity is improved after construction is completed.

Governance

Work to increase biodiversity is primarily governed by the company's environmental policy. Environmental programmes for projects require an ecological study to be performed and this is also evaluated during environmental certification of new construction and redevelopment projects. Supplier agreements with maintenance contractors include binding requirements to prioritise biodiversity.

In conjunction with preparing this report, lessons learnt included that the management of existing buildings is not sufficiently comprehensive. Vasakronan also needs to prepare relevant key metrics for this area.

Accounting policies

During the year, Vasakronan started inventorying measures and conducted these in property management and the project portfolio with the intention of promoting biodiversity.

Outcome

Biodiversity measures comprised a key aspect of all new construction and redevelopment projects completed. Green roofs have been installed on all new construction and redevelopment projects. Roofs/terraces with vegetation benefit biodiversity as well as protect against noise, reduce the risk of flooding during heavy rainfall, bind air pollution, insulate the building and are often perceived as aesthetically pleasing. In addition to green roofs, other vegetation has been planted generously on roofs and terraces in the form of trees, shrubs, climbers, perennials and bulbs, with a focus on choosing species that favour pollinators. The new construction and redevelopment projects also include birdhouses, beehives and fauna depots.

In the existing property portfolio, new sedum roofs (roofs with vegetation) have been laid, birdhouses and various types of insect boxes set up, and bushes replaced with flowers, which are better for pollinating insects.

Contribution to the UN SDGs

By promoting biodiversity, we contribute to achieving SDG 15 and its target 15.5, "Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species."



305-1 – 305-3 DIRECT, INDIRECT AND OTHER INDIRECT GHG EMISSIONS CRE3 GREENHOUSE GAS EMISSIONS INTENSITY FROM BUILDINGS

Buildings account for 20% of all greenhouse gas emissions in society, both through emissions connected to construction and through those generated by energy consumption in operation. Reducing Vasakronan's emissions is important for several reasons, including demand from customers for premises with low carbon emissions and to reduce the risk of increased construction and energy fees/taxes due to the increased prices of carbon emissions. Moreover, a new law for climate declarations for new buildings entered force on 1 January 2022.

Boundaries

Climate impact within our own organisation (scope 1) is marginal since Vasakronan does not have central heating boilers in the buildings and since all of the service vehicles are electric vehicles. Despite occurring outside of the organisation, Vasakronan can still influence indirect emissions due to energy consumption (scope 2) by how high the energy consumption is in the properties and by the kind of energy Vasakronan chooses for their supply. The largest amount of emissions related to our operations, and which stem from outside the organisation, are scope 3. However, these emissions can still be influenced through the number and type of construction projects and the choice of construction material as well as strict waste targets. We can also set requirements for the kind of fuel used in the vehicles and machines connected to construction projects. Emissions connected to how our tenants use our premises can also be influenced, for example through setting requirements for the kind of electricity they purchase, how they sort their waste and by making it easier to choose climate-smart commutes.

The report includes all significant emissions from the organisation as well as those from outside the organisation that are the most material in terms of size and potential impact.

Responsibility and monitoring

Responsibility for Vasakronan's emissions is based on the same allocation of responsibilities as for the materials used, energy consumption and waste, information for which is given under each indicator in this Sustainability Report. In addition, the Chief Human Resources Officer (CHRO) is responsible for creating the conditions and guidelines for reducing emissions from employees' business travel and commutes.

Monitoring of greenhouse gas emissions is conducted every year under the GHG protocol, and in 2022 the greenhouse gas report was prepared by the consultants 2050 AB.

Governance

Efforts to reduce the company's emissions are mainly governed through systematic work to reduce our material and energy consumption, waste from tenants and construction waste. For more information about governance, refer to each indicator in this Sustainability Report.

For even better control over emissions from construction operations, we require all construction projects budgeted in excess of SEK 75 million to include a climate calculation, which reports emissions per produced square metre and the project's plans to reduce them. New construction projects are not permitted to exceed 250 kg CO₂ equivalents (CO₂-e) and redevelopment projects may not exceed 125 kg CO₂-e (calculated using LFM30's method).

In conjunction with preparing this report, several lessons have been absorbed regarding how the report could be further improved and more clearly present actual efforts to reduce emissions within the company. One such example comprises emissions from project activities (scope 3), where emissions for 2022 are a consequence of projects started about five years ago, and which do not reflect the company's current goals and ambitions.

Targets

In 2019, Vasakronan developed a new long-term climate target summarised in the 2030 Road Map. The goal is for the company to be climate neutral throughout the entire value chain by 2030. Because climate impact largely depends on how successful the company is at reducing energy consumption, material use and waste volume, Vasakronan sets annual efficiency targets in all of these areas. For information about the targets that were set, see each indicator.

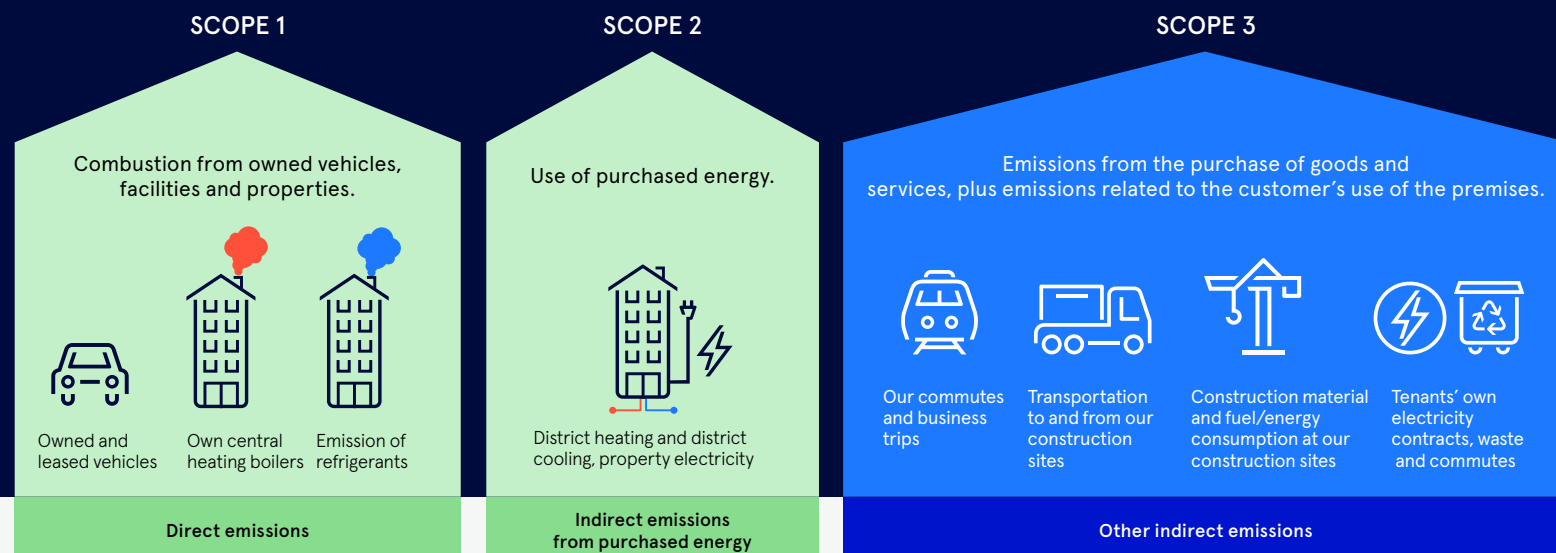
In 2018, the climate targets that Vasakronan had then established were analysed by the Science Based Targets initiative, who stated that they easily met the requirements for reaching the Paris Agreement. In 2022, the company's new, more stringent targets were analysed with the same result, in other words that they were in line with reaching the 1.5°C target.

Reporting policies

A company's climate impact is divided into three scopes. Scope 1 emissions are ones that arise in direct connection to Vasakronan's own operations.

Scope 2 emissions are indirect emissions that arise due to Vasakronan's energy purchases and scope 3 emissions are all other indirect emissions. Vasakronan no longer has significant scope 1 emissions as a result of fossil fuel no longer being combusted at Vasakronan's facilities or in its vehicles. Among other initiatives, all fossil-dependent oil burners were phased out more than ten years ago and all service vehicles have been electric for several years now. However, there are occasionally leaks of cooling media from cooling equipment, which is a direct emission related to our own operations.

Emissions in various scopes are reported as such:



Scope 2 emissions pertain to all of the energy purchased in buildings in the form of district heating, district cooling and electricity. Scope 3 emissions are all other indirect emissions in our operations that occur along the value chain. Upstream emissions arise primarily in the supplier chain from material use, waste and transportation in construction projects. Downstream emissions arise from customers when tenants use and commute to our premises. One source of indirect emissions outside the organisation are different kinds of business trips by car, train or air and employees' commutes.

Vasakronan has been reporting its greenhouse gas emissions since 2006, which is also the base-line year for calculations. The information reported for 2006 is only scopes 1 and 2 and air travel in scope 3, and only carbon emissions, no other greenhouse gases.

Over the past few years, a gradual improvement of data — as well as amended accounting principles — have led to an increase in the scope of which emissions are included in the climate reporting. Since 2012, the reports relate not only to emissions of carbon dioxide but to all greenhouse gases that impact the climate. Emissions from waste, material used and transportation in construction projects have been included since 2014, and tenant energy consumption has been included in reporting since 2015.

In scope 3, part of the report is based on actual data and part on estimated values. For more information, see the table on pages 165–166 in the annual report. The emissions from waste, transportation and material use in construction projects includes projects that were completed during the year. Many of our major projects run for several years. But since at the moment it is currently too difficult to continuously report those emissions, they are all reported the year when the

project is finished. This means that scope 3 emissions can vary greatly between years, depending on how many projects are finished per year. When applicable, emissions are reported using both the market-based (MB) and the location-based (LB) methods.

Outcome

Total greenhouse gas emissions from 2006 and 2018–2022 are given in the table on page 164 in the annual report.

During the year, Scope 1 emissions decreased 29% to 351 tons (494) as a result of reduced refrigerant leakages. Scope 2 emissions (MB) increased 8% to 4,783 (4,449) despite the company's energy consumption decreasing 9%. The increase was partly attributable to raised emission factors for district heating, and partly to raised emission factors for property electricity not purchased through Vasakronan.

In 2022, scope 3 emissions totalled 79,868 tons (43,807). The largest portion of emissions comes from material use in new construction and redevelopment projects that were completed during the year. The increase is explained by a larger number of projects completed during the year compared with last year.

During the year, emissions from waste in construction projects decreased to 2,153 tons (3,010) despite more waste measured by weight compared with 2021. The decrease in emissions was attributable to larger quantities of waste going for recycling and a lower share going to incineration compared with last year.

Emissions from business trips and commutes increased over the year in pace with the return to pre-pandemic travel patterns, albeit at a lower level than prior to the Covid-19 pandemic.

Since 2008, Vasakronan has compensated for scope 1 and 2 emissions as well as parts of scope 3 by purchasing Gold Standard-certified Verified Emission Reductions in the form of shares in a biogas production project in India. A new climate compensation principle was applied starting in 2020. All of the emissions reported in the table on page 164 in the annual report, except for those that are already compensated for by our energy suppliers, are assigned an economic value based on the cost of conventional climate compensation. Funding is provided for this amount in the following year and is used either to buy shares in carbon offset projects, plant trees and other vegetation in connection with the company's own properties or to support

research that leads to reduced emissions from the construction and property sector. Vasakronan is aware that only the first category is generally accepted as climate compensation, but since most of the emissions we are compensating for are scope 3 emissions and because all compensation is voluntary, we have chosen to apply this principle. To reach the goal of climate neutrality by 2030, all of the remaining emissions reported in coming years need to be fully compensated with some kind of "carbon removal certificate" compensation.

Contribution to the UN SDGs

By reducing the climate impact of the entire value chain, we contribute to achieving Goal 11 and its target 11.6, "Reduce the adverse per capita environmental impact of cities." We also contribute to achieving Goal 12 and its targets 12.2, "Sustainable management and efficient use of natural resources" and 12.4 "Environmentally sound management of chemicals and all wastes." We also contribute to achieving Goal 13, "Climate Action," and its target 13.3, "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."



	Base year 2006	2018	2019	2020	2021	2022	Comments	All amounts in the table refer to tons of GHG, if not otherwise stated.
SCOPE 1								
Oil	3,335	0	0	0	0	0		
Own vehicles	–	22	11	–	–	–	All fossil-dependent vehicles were phased out in 2019. From 2020 Vasakronan only owns electric vehicles.	
Refrigerants	–	215	170	317	494	351	Decreased refrigerant leaks from cooling plant in 2022.	
Total scope 1	3,335	237	181	317	494	351		
SCOPE 2								
District heating (Market based)	25,740	4,868	4,272	3,838	4,327	4,525	Heating use decreased 17%. Despite this, emissions increased due to higher emission factors.	
District heating (Location based)	–	10,270	8,867	7,254	8,614	7,846	Heating use decreased 17%.	
District cooling (Market based)	606	6	7	10	0	0	Cooling use decreased 7% and fossil-free deliveries in all agreements.	
District cooling (Location based)	–	194	191	213	137	115	Cooling decreased 7%.	
Electricity (Market based)	30	164	127	103	121	258	Raised emission factors for property electricity not purchased through Vasakronan.	
Electricity (Location based)	–	5,181	4,838	4,392	5,864	6,080	Electricity use increased 5%.	
Total scope 2 (Market based)	26,376	5,038	4,406	3,951	4,448	4,783		
SCOPE 3, Upstream								
Materials in construction projects	–	28,055	26,312	19,254	23,967	57,333	The increase was due to the completion of more new construction and redevelopment projects during the year.	
Production and distribution of fuels (in scopes 1 and 2)	–	927	877	973	651	683	Despite the total decrease in energy consumption, emissions increased as a result of higher emission factors.	
Transportation in construction projects	–	393	547	1,235	1,280	2,826	The increase was due to the completion of more new construction and redevelopment projects during the year.	
Waste from construction projects	–	1,329	1,104	6,342	3,010	2,153	The decrease is due in part to a larger quantity of waste going to material recycling and less to incineration.	
Business trips (train, taxi, flights, hotels, service vehicles and private vehicles used for business)	606	224	132	36	30	57	Reduced number of business trips due to the pandemic.	
– of which flights	303	206	121	23	15	44	Reduced number of business trips due to the pandemic.	
Commutes	–	118	90	25	77	82	Increased car travel due to pandemic recommendations to avoid public transport.	
SCOPE 3, Downstream								
Tenant energy consumption	–	19,472	12,155	12,906	13,365	14,635	The increase is explained by higher emissions factors for electricity from 2020 to 2021. Tenants' energy consumption decreased during 2021.	
Waste from our tenants' operations	–	1,649	1,288	1,186	1,427	2,100	The increase was primarily due to higher emissions factors for waste sent to incineration.	
Total scope 3	606	52,167	42,505	41,957	43,807	79,868		
Sum total of emissions (scopes 1, 2 and 3)	30,318	57,442	47,092	46,225	48,749	85,001		
Climate compensation from energy suppliers	–	–4,799	–4,279	–3,848	–4,327	–4,525		
Emissions following climate compensation from energy suppliers	30,318	52,643	42,813	42,377	44,422	80,477		
Emissions intensity, scopes 1 and 2 (kg per lettable sq. m.)	8.14	2.22	1.97	1.82	2.11	2.14	Total scope 2 (Market based)	

Explanations, emissions notes

Scope	Activity/Category	Data sources	Emissions factor	Source
SCOPE 1	Oil consumption at properties	Oil consumption statistics. Only pertains to one property where oil consumption information comes from the property tenant.	Bio oil: 1 g CO ₂ e/kWh	Energy companies 2021
	Vehicles	Information on purchased vehicle fuel. Emissions ceased in 2019. Only electric vehicles since then.	Only electric vehicles charged in our properties. Electricity consumption is included in scope 2. Electric vehicles: 0 g CO ₂ e/km	–
	Refrigerants	Refrigerant emissions are taken from each property's refrigerant reporting, which includes information about amounts refilled and type.	R134A: 1.530 tons CO ₂ e/ton refrigerant R407C: 1.525 tons CO ₂ e/ton refrigerant	Statistics from Svenska Kyl & Värmepumpsföreningen
SCOPE 2	Energy consumption for all properties regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	Electricity (LB) 75 g CO ₂ e/kWh Hydro power and wind power: (MB) 0.2g CO ₂ e/kWh Electricity without agreements (MB): 372 g CO ₂ e/kWh	IVL Vattenfall EPD The Swedish Energy Markets Inspectorate
	Use of district heating in all properties connected to district heating, regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	District heating MB/LB: 2.0/2.0 g CO ₂ e/kWh 54.0/54.0 g CO ₂ e/kWh 59.0/59.0 g CO ₂ e/kWh 0/166.0 g CO ₂ e/kWh 0/92.0 g CO ₂ e/kWh	Stockholm Norrenergi Stockholm Exergi Göteborg Energi Vattenfall E.ON
	District cooling use for all properties connected to district cooling, regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	District cooling MB/LB: 0.0/0.0 g CO ₂ e/kWh 0.0/0.0 g CO ₂ e/kWh 0.0/0.0 g CO ₂ e/kWh 0/156 g CO ₂ e/kWh 0/0 g CO ₂ e/kWh	Stockholm Norrenergi Stockholm Exergi Göteborg Energi Vattenfall E.ON
SCOPE 3, Upstream	Materials in construction projects (Category 2: Capital goods)	Data on construction material is collected for all Board-approved projects. The amount of material in leasehold improvements was estimated using key metrics for materials per square metre improved and total number of square metres improved during the year.	Primarily actual emissions factors. Generic data to a certain extent.	The National Board of Housing, Building and Planning's climate database, each building's EPD, IVL
	Production and distribution of energy fuels (in scopes 1 and 2) (Category 3: Fuel and energy-related activities not included in scope 1 or scope 2)	Energy consumption, district heating and cooling, scope 2. Service vehicles	Electricity (hydro power and wind power): 8.34 g CO ₂ e/kWh Bio oil: 4 g CO ₂ e/kWh	Vattenfall EPD The Swedish Energy Agency, the Swedish Transport Administration
	Transportation in construction projects (Category 4: Upstream transportation and distribution)	Data is compiled from all Board-approved projects completed during the year with standard values used where there is no transportation data. For leasehold improvements, the effect of transportation is estimated based on actual transportation reports and the number of improved square metres.	–	–

MB = Market based and LB = Location based

Scope	Activity/Category	Data sources	Emissions factor	Source
SCOPE 3, Upstream, cont.	Waste from construction projects (Category 5: Waste generated in operations)	Data is compiled from all Board-approved projects completed during the year. Actual data was used for a number of leasehold improvements, and the remaining portion were estimated amounts of wasted based on the actual reported amounts available.	Mixed waste for incineration: 0.45 Material recycling: 0.02 Landfill: 0.47 Fossil fuel for combustion: 3.94 <i>The above pertains to tons CO₂e/ton waste</i>	Waste Sweden DEFRA DEFRA The Swedish Energy Agency
	Business trips, taxi (Category 6: Business travel)	Data from the salary system on payments for taxi trips.	11.27 g CO ₂ e/km	Taxi industry, 2021
	Business trips, flights (Category 6: Business travel)	Data taken from travel agency/portal.	312.43 g CO ₂ e/km	NTM 2022
	Business trips, train (Category 6: Business travel)	Data from SJ and travel agencies/portals.	0.86 g CO ₂ e/km	SJ 2022
	Business trips, hotels (Category 6: Business travel)	Data from travel agencies/portals.	Sweden: 8.5 kg CO ₂ e/night Europe: 17 kg CO ₂ e/night	Larsson & Kamb (2019), Travel and climate Methodology Report. Version 2.0, Chalmers University of Technology
	Business trips with private vehicles or service vehicles (Category 6: Business travel)	Mileage allowance paid for journeys in an employee's private car or with a service vehicle. Emissions based on fuel consumption for mixed driving for average figures from Swedish vehicle fleets/Vasakronan's service vehicle car park (only chargeable hybrids/electric vehicles/biogas vehicles).	Service vehicles: Diesel: 140 g CO ₂ e WTW/km Petrol/Electricity: 48.8 g CO ₂ e WTW/km Electricity: 18.6 g CO ₂ e WTW/km Petrol: 200 g CO ₂ e WTW/km Private vehicles: 170 g CO ₂ e TTW/km	GHG Protocol, GWP 2014 IPCC Fifth Assessment Report The Swedish Transport Administration, average car in Sweden
	Commutes (Category 7: Employee commuting)	A questionnaire to all employees regarding commute distances and methods and divided into the periods when the Public Health Agency of Sweden's work from home recommendations applied and the period after the recommendations were lifted.	Bus: 42 g CO ₂ e/km Rail transit: 1.3 g CO ₂ e/km Commuter ferry: 750g CO ₂ e/km	Swedish Environmental Protection Agency climate tool for transportation – 2021 NTM electricity consumption. Electricity: Vattenfall Bra Miljöval Swedish Environmental Protection Agency climate tool for transportation – 2021
SCOPE 3, Downstream	Tenants' commutes (Category 9: Downstream transportation and distribution)	Not reported for 2021 due to the pandemic. Data about travel habits per building taken from the environmental certification application.	–	–
	Tenant energy consumption (Category 13: Downstream leased assets)	Data taken from our own system and the grid operator. A portion also estimated. The share of agreements with or without clauses pertaining to green electricity are taken from our business system.	Hydro power and wind power: 8.57 g CO ₂ e/kWh Residual mix, the Nordics: 403 g CO ₂ e/kWh	Vattenfall EPD AIB, Energimarknadsinsp.
	Waste from our tenants' operations (Category 13: Downstream leased assets)	Data taken from municipal waste contractors and our own waste contractors who handle unsorted waste.	Mixed waste for incineration: 0.45 Composting/biogas production: 0.02 Material recycling: 0.02 Landfill: 0.47 Liquid fossil fuel for combustion: 3.94 <i>The above pertains to ton CO₂e/ton waste</i>	Waste Sweden DEFRA DEFRA DEFRA The Swedish Energy Agency

306 WASTE 2020 306-4 WASTE DIVERTED FROM DISPOSAL AND 306-5 WASTE DIRECTED TO DISPOSAL

Large amounts of waste arise in new construction and redevelopment projects and account for approximately 35% of all waste generated in society. A large portion of that waste currently goes to incineration or landfill and only a small portion of it is recycled or reused.

In addition to construction waste that arises from operations, Vasakronan also takes care of large amounts of waste from tenants' operations. Even if Vasakronan is unable to greatly affect the quantity of waste that arises, we can influence the kind of waste and how well it is sorted since we are responsible for the waste recycling facilities in the buildings. The EU's new green taxonomy sets the requirement for new construction projects that at least 70% of construction and demolition waste is to be recycled.

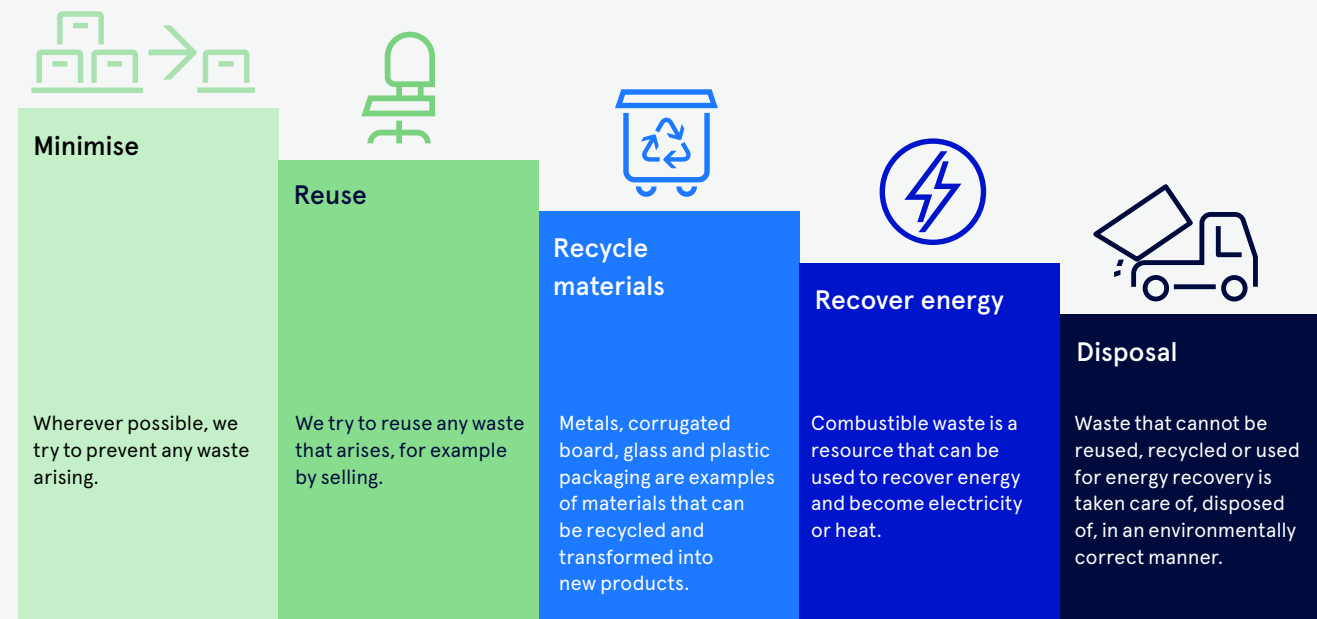
Boundaries

Vasakronan's influence is mainly exercised outside the organisation at construction contractors working on our construction projects, and at our tenants who conduct operations at our properties. The waste that arises in Vasakronan's own organisation owing to our own property management is not deemed to be material in relation to the waste from construction projects and tenant waste. Since Vasakronan is a tenant at the company's own properties, the company's waste from operations is reported as tenant waste under this indicator without being reported separately.

Reporting only covers the waste that Vasakronan helps tenants take care of, not any waste for which the tenant is responsible for removal. This could encompass hazardous waste from healthcare operations or confidential papers, for example.

Construction waste includes the waste that arises in direct connection with demolition and construction work at Vasakronan's construction sites.

Waste hierarchy



Responsibility and monitoring

The CTO is responsible for ensuring good waste sorting at Vasakronan's properties. The Chief Marketing Officer (CMO) is responsible for ensuring that there are clear waste management provisions in our leases. The CIPO is responsible for planning project developments so that waste sorting is possible for future tenants and for ensuring that waste issues are addressed in construction projects.

Tenant waste and construction waste are monitored annually in connection with preparing the Sustainability Report.

Governance

The EU waste hierarchy governs our work approach. Vasakronan strives to minimise waste, to increase the proportion that is recycled or reused, and minimise the share that goes to incineration or landfill. The long-term goal is that neither our own nor our tenants' operations should generate waste that cannot be recycled or reused.

All major new construction and redevelopment projects should conduct waste minimising workshops to decrease the amount of waste and setting tangible waste reduction targets for the project.

In conjunction with preparing this report, lessons have been learnt about how to implement further improvements. Over the years, one challenging area has been to get municipalities to report waste data for waste and food waste. During work with the 2022 report, it was found that only one municipality was missing from the report, so a dialogue has been initiated with them.

Targets and fulfilment

Ahead of 2022, Vasakronan set the target of decreasing the amount of waste generated by construction projects. In 2022, the average amount of construction waste at completed new construction projects amounted to 427.2 kg/sq. m., compared with 25.6 kg/sq. m. (Celcius completed in 2020). No comparative figures were available for 2021 as no new construction projects were completed that year. The increase was due to more extensive demolition works for the new construction projects completed during the year.

The average amount of construction waste at completed redevel-

opment projects amounted to 71.2 kg/sq. m., compared with 387 kg/sq. m. the previous year. The decrease was due to the smaller scope of redevelopment projects during the year since a larger proportion of the buildings could be preserved compared with the previous year.

For tenant waste, a target was set to increase the share of sorted food waste. The share of food waste in relation to total household waste was approximately 28% (15) in 2022, based on actual amounts of household waste from properties in Gothenburg, Malmö and the majority of properties in Stockholm.

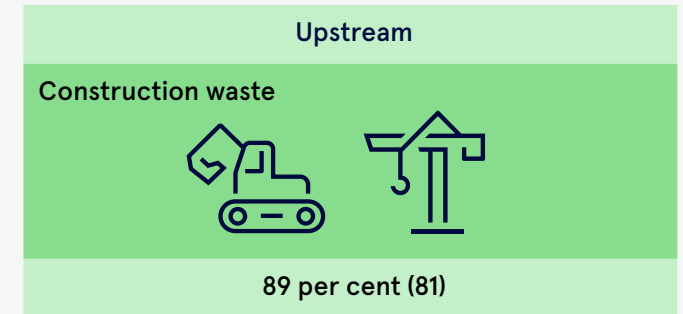
Reporting policies

Reporting amounts of tenant waste is based on weighed amounts of waste that were delivered through data files from the respective waste contractors to Vasakronan's monitoring system.

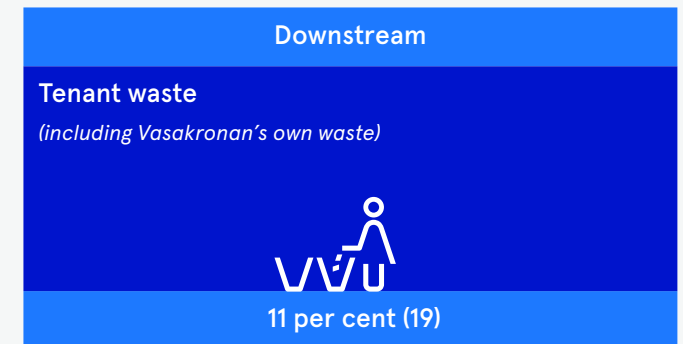
Part of the waste in the category of tenant waste ('household' waste or comparable thereto) may only be collected at the properties by a contractor appointed by the respective municipalities. For a long time, it has been difficult to obtain data from the municipalities on how much waste is collected by their waste contractors in each building. From 2022, Vasakronan has received actual data from Stockholm vatten och avfall, Gothenburg's Kretslopp och vatten and Malmö VA syd. However, data on actual amounts is still unavailable for a few addresses in Stockholm and the entire property portfolio in Uppsala. Municipal shares of the waste have therefore been estimated, based on key metrics per square metre from the properties where actual statistics were available.

The construction waste monitored pertains to waste arising from new construction and redevelopment projects that were concluded during the current year as well as leasehold improvements. Waste from new construction and redevelopment projects is based on the actual measurements summarised in waste reports upon completion. Waste from minor leasehold improvements partly comprises actual waste quantities, where waste reports were compiled in conjunction with the project completion, and partly of estimated quantities for projects that lacked a waste report. The latter category is calculated using an estimate based on projects with waste reports.

Waste's origin and distribution in the value chain



Construction and demolition waste from new construction, redevelopments and leasehold improvements.



Waste from our tenants' operations left in shared waste-sorting rooms.

Outcome

In 2022, tenant waste totalled 8,338 tons (8,275), of which approximately 66% was waste from operations and the remaining portion was household waste or equivalent. This waste can only be handled by municipally procured waste contractors.

All waste classified as waste from operations is collected by the same waste contractor that weighs the waste upon collection thus making the waste data reliable and comparable over the years.

The total amount of waste from operations decreased marginally to 5,476 tons (5,747). The amount reported as household waste or equivalent increased marginally to 2,863 tons (2,528). It is difficult to draw any clear conclusions about variations between years due to historically incomplete data and the ambition is to further improve statistics for future years.

Project waste totalled 70,189 tons (36,238) and included waste from the Board-approved new construction and redevelopment projects and the leasehold improvements that were completed during the year. The increase in tons between years is primarily explained by the completion of several projects in 2022.

In terms of waste per square metre gross floor area (GFA), Nattugglan stands out (see table on the right). Nattugglan and Platinan have similar quantities of demolition waste measured in tons (Platinan 25,700 tons and Nattugglan 22,200 tons), but when set in relation to the number of newly built square metres in the new buildings (Platinan about 74,000 sq. m. GFA and Nattugglan about 22,000 sq. m. GFA) the demolition waste in kg/sq. m. was higher for Nattugglan. Magasin X has no demolition waste since no major building stood on the site where the property was built. Redevelopment projects generally generate smaller quantities of waste since they require less demolition.

Contribution to the UN SDGs

By reducing waste, we contribute to achieving Goal 11 and its target 11.6, "Reduce the adverse per capita environmental impact of cities" as well as Goal 12 and its target 12.5, "Substantially reduce waste generation."



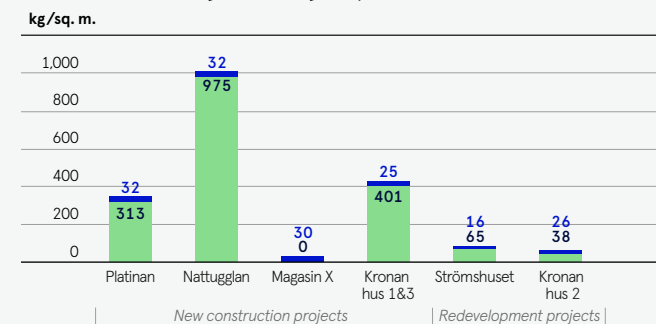
Waste by processing method

Tons	Project waste 2022	Tenant waste 2022	Waste, total 2022	Waste, total 2021
Waste excl. hazardous waste				
Material recycling ¹	55,114	3,724	58,838	32,524
Energy recovery/incineration	4,160	4,432	8,592	10,389
Destruction without heat production	–	50	50	0
Landfill	9,802	0	9,802	633
Total	69,076	8,206	77,282	43,546
Hazardous waste²				
Material recycling	125	130	255	204
Energy recovery/incineration	49	1	50	80
Landfill	939	1	940	683
Total	1,113	132	1,245	967
Total waste	70,189	8,338	78,527	44,513

1) Includes food waste sent for biogas production.

2) Includes electricity, special and other waste.

Waste in new construction and redevelopment projects



■ Construction waste ■ Demolition waste

The outcome refers to the Board-approved projects that were completed in 2022.

CRE8 TYPE AND NUMBER OF SUSTAINABILITY CERTIFICATION, RATING AND LABELLING SCHEMES FOR NEW CONSTRUCTION, MANAGEMENT, OCCUPATION AND REDEVELOPMENT

Environmental certification of existing and of new construction projects is important from several perspectives. They are third-party evidence of Vasakronan's properties' low environmental impact. It means that Vasakronan can fulfil tenants' growing environmental specifications. Environmental building certification is also a prerequisite for green financing.

Boundaries

Many aspects are assessed when environmentally certifying buildings, and Vasakronan cannot always have full control over some of them. Vasakronan decides which buildings will be certified, which certification will be chosen and which rating will be the objective. The reporting covers all properties.

Responsibility and monitoring

Responsibility for environmentally certifying new construction and redevelopment projects lies with Project Development in Stockholm and the regional SVPs. The CTO is responsible for certifying and recertifying existing buildings. The number of certified buildings is reviewed quarterly and reported in Vasakronan's interim reports.

Governance

The environmental intensity of the project is governed by the "Miljöprogram för projekt" (Environmental Programme for Development Projects), an internal policy document. The document stipulates that all projects are to be certified under LEED, with the goal of reaching Platinum certification. If there is any deviation from the overall goal, information on the choice of certification and the level set as a goal must also be indicated in the decision memoranda produced for the respective projects.

Almost all of Vasakronan's existing properties have been certified. In some cases a decision was taken to wait with certification since the building was awaiting a major redevelopment or other extensive measures. All existing buildings have to be recertified every three years. In conjunction with preparing this report, lessons have been learnt about how to practically implement the work in relation to the existing policies. One example is through clarifying procedures and instructions to facilitate the recertification process of the existing buildings.

Target

Vasakronan's ambition is to environmentally certify all our properties.

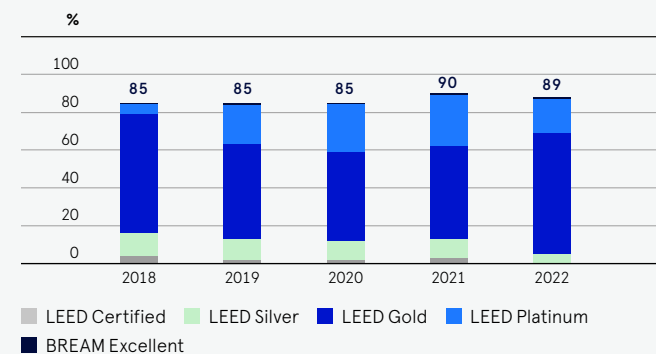
Reporting policies

The number of certified buildings is reported as certified area relative to the company's total area. Vasakronan counts only BREEAM, LEED and Miljöbyggnad as satisfactory certifications; GreenBuilding is excluded as it only encompasses the environmental topic energy.

Outcome

During the year, one new construction project was certified and 92 existing properties recertified. At the end of 2022, 89% (90) of our total property portfolio was environmentally certified, of which the share of LEED Gold or better environmental certifications was 84% (78). The reason for the decrease in the share of certified area, despite the increase in the number of certifications, was that three project developments (Platinan, Nattugglan and Magasin X) were added to the total area in 2022, without their certification being ready. All three properties have an ongoing project certification which is expected to be completed in 2023.

Environmental certifications



Share of the property portfolio's total area.

At the end of the year, 89% of the entire property portfolio was environmentally certified.

308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

In order to successfully conduct operations, Vasakronan needs to engage suppliers of various types. Each purchase must be conducted with professional correctness, objectivity and honesty while observing good business practice. Purchasing is also based on competitive procurements. Suppliers and tenders are assessed and prioritised based on how well they meet the requirements set, competence and efforts toward quality and sustainability as well as risk function, performance, design and price. Since a large part of the company's environmental impact arises in the supply chain, assessing suppliers based on how they conduct their environmental work is of great importance.

Boundaries

It is Vasakronan who determines which requirements will be set for suppliers and which ones will ultimately be engaged. In turn, the engaged suppliers often have subcontractors. The exact number of subcontractors is difficult to estimate, since the number per supplier can vary. The reporting covers the supplier agreements signed by the Purchasing Department.

Responsibility and monitoring

The Chief Information & Development Officer (CIDO) is responsible for procurement, which is organised as a central unit with responsibility for purchasing meeting strict requirements for quality and sustainability and that they take place at the lowest possible cost. Prior to every procurement, an evaluation of potential suppliers is conducted based on several criteria, for example, ISO certification, emissions and energy intensity. In addition to product- or service-specific requirements, all new suppliers must sign the company's supplier code of

conduct. Audits are conducted and questionnaires are circulated to check that our suppliers are living up to their commitments in the code and additional specifications, if any. Selection for audit takes into consideration how much we buy from the supplier and answers in the sent out questionnaires as well as particular risks and focus areas.

Vasakronan works continually to increase control over the supplier chain by reducing the total number of suppliers engaged and to have all procurements managed directly by the Purchasing Department.

Governance

Environmental requirements for suppliers — environmental programmes for development projects, for example — are placed in specific appendices to the agreement. General environmental requirements are summarised in an environmental policy and in a supplier code of conduct. The agreements with new suppliers always include the code of conduct for Vasakronan's suppliers. As of 2017, all new framework and service agreement suppliers are evaluated as regards the environment, working conditions and human rights.

In conjunction with preparing this report, lessons have been learnt to the effect that additional resources are needed in the Purchasing Department to enable the necessary supplier follow-up.

Reporting policies

All suppliers are entered into a supplier register that includes information about agreed-upon requirements and appendices as well as events such as supplier audits. Information about the number and share of suppliers evaluated in terms of environmental requirements are collected from the supplier register.

Outcome

The total number of suppliers engaged directly by Vasakronan totalled 2,566 (2,341) at year end. The suppliers that are primarily engaged are construction contractors, consultants (technical consultants and architects, for example), utility suppliers (electricity, district heating and district cooling), and service suppliers (cleaning and grounds service companies, for example). Since Vasakronan conducts operations exclusively in Sweden, our suppliers most often are also based in Sweden.

In 2022, a total of 72 (243) new supplier agreements were signed by the Purchasing Department. All of these suppliers, meaning 100%, signed the supplier code of conduct. In 2022, no (0) major supplier audits were conducted and 4 (19) audits were conducted in conjunction with contract meetings with suppliers.

The low number of major audits and contract meetings was due to a lack of resources in the purchasing organisation during the year and due to planned contract meetings with suppliers being moved from the end of 2022 to 2023.

Contribution to the UN SDGs

Through its supplier code of conduct, Vasakronan sets requirements for its suppliers regarding knowledge of and control over their environmental impact in several areas. This includes the material used, how waste is managed, improving energy consumption and actively working to reduce their emissions. By setting these requirements, we are contributing to the goals based on indicators for material, waste, energy and emissions.

Social responsibility

403 OCCUPATIONAL HEALTH AND SAFETY 403-9 WORK-RELATED INJURIES

Sick leave leads both to unnecessary human suffering as well as direct and indirect costs in the form of sick pay and loss of output. Construction sites are some of the most accident-prone workplaces in Sweden, which is where Vasakronan is a major purchaser for construction and installation work. However, our operations can never come at the expense of people's health or well-being.

Boundaries

The employer is responsible for ensuring a good physical, organisational and psychosocial work environment. The greatest risk of serious accidents is outside the organisation, among those who carry out work on Vasakronan's behalf to manage properties and on construction sites in project operations. It is possible to influence the working environment at the supplier level. Therefore, in our role as client, we also follow up on these types of accidents and not only those that occur within our own organisation.

The reporting covers sick leave and accidents involving employees at Vasakronan or Coor who work in our properties as well as accidents at construction sites.

Work has started on developing a system for also reporting accidents that impact other suppliers in conjunction with performing property management duties and services at Vasakronan's properties.

Responsibility and monitoring

The CHRO is responsible for overall working environment and wellness measures for Vasakronan's employees and providing them with access to measures that promote health and the opportunity for rehabilitation after illness. The respective managers are responsible for reviewing employees' work situations.

The CIPO is responsible for monitoring work environment efforts at Vasakronan's construction sites. The equivalent responsibility for operation and maintenance contracts lies with the CTO.

The number of accidents at suppliers in major projects is reviewed regularly and summarised when the project is completed. Accidents that affected our employees, or those at Coor working in our properties, are followed up regularly and summarised annually when preparing the Sustainability Report. Monitoring of sick leave and long-term illness absence for Vasakronan's employees is conducted monthly and over a rolling twelve months.

Governance

Vasakronan's work environment agenda is based on the Swedish Work Environment Act and is described in a number of governing documents such as the Work Environment Policy, Equal Treatment Policy, Crisis Management Policy and the Employee Code of Conduct. These policies describe how the systematic work environment agenda is conducted and the allocation of responsibilities. We strive for an active work environment where collaboration between employees, safety officers, managers and company management are characterised by an open climate, an efficient exchange of information and clear communication. Employees provide their opinions through surveys, dialogues, associations, work environment meetings and safety officers. All Vasakronan employees are covered by the systematic work environment agenda.

All managers with responsibility for personnel are trained in work environment issues, so that they can take an active responsibility for identifying risks and continuously improve the work environment.

The work environment agenda is followed up during work environment reviews that are carried out once or twice annually in all management teams. Managers are responsible for scheduling reviews, and HR provides support as needed. In conjunction with these reviews, risk assessments are carried out and updated according to a standardised questionnaire.

Managers and employees can access all governing documents and other work environment descriptions on Vasakronan's intranet for support. Vasakronan informs all employees about work environment issues to create awareness of the importance of the work environment and to create understanding of the risks and their own responsibility in the work environment agenda. Work environment issues are also raised at company-wide meetings, theme lectures and in a dedicated group on Vasakronan's internal communications channel, Yammer. Need-governed activities initiated by each manager, training in stress management and life coaching for example, are also carried out.

All employees are offered insurance covering private healthcare, medical, health and accident, and injury. All employees are also offered a recurring medical assessment, based on age, which includes support to the employee in the form of need-based health initiatives. In addition to this, Vasakronan has an agreement with the company Ljung & Sjöberg, which provides support in alcohol and drug issues. Sometimes need-based health initiatives are taken based on results of employee surveys.

One consequence of the pandemic was that employees worked from home to a great extent. Several measures were taken by Vasakronan to ensure a good work environment while working from home. This includes work environment discussions between managers and employees, and managers were informed by Vasakronan of the importance of close dialogues on the issues of physical, organisational and social work environments.

In conjunction with preparing this report, lessons have been learnt regarding the need for clearer definitions and reporting instructions.

Targets and fulfilment

Ahead of 2022, Vasakronan set a goal for all of our employees to feel that the company has a good organisational and social work environment. The goal is followed up by measuring the results from two different questions in the company's employee survey. The year's survey showed that 69% (73) of the employees would say that they have a reasonable level of stress and 75% (77) would say that they can recover between workdays.

Vasakronan also set a goal to reduce the number of worksite accidents on construction projects. Information on goal fulfilment can be found under outcome.

Reporting policies

Incidents and accidents are reported in the "Kris och incidenter" (Crisis and incident) tool. This tool is available for all our employees on Vasakronan's intranet, but reporting currently only covers Vasakronan employees. Reporting and accidents for Coor employees who work in our properties is collected at the end of the year.

Accident reporting in major construction projects is compiled regularly by the contractor responsible during the project and submitted to Vasakronan upon project completion.

Outcome

Total sick leave in 2022 amounted to 2.3% (1.5); the distribution by city and gender is shown in the diagram on this page.

In 2022, 1 accident (1) was reported among Vasakronan's employees. During the year, there were 12 accidents (11) among Coor employees carrying out work at Vasakronan's properties.

In the five new construction and redevelopment projects that were completed in the year, there were a total of two serious accidents: one fall from height and one in conjunction with unloading. In addition, there were a further 138 accidents (50) and 159 near misses (123). No information is available regarding whether or not the accidents led to absence for any of the projects. The frequency of accidents in completed projects increased to 26.7 (14.2¹) per million hours worked.

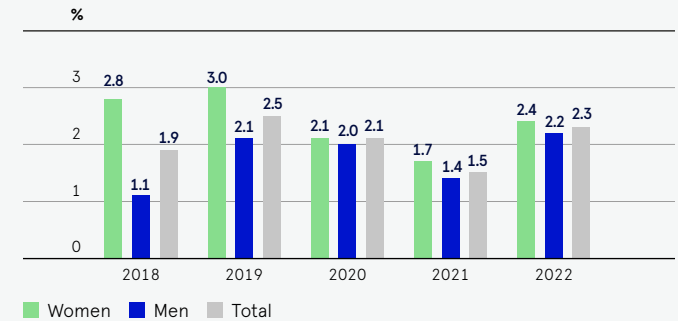
Both the number of accidents and the accident frequency increased during the year. Given the difficulty in drawing any concrete conclusions about any underlying cause for this increase, it is clear that the reporting of accidents in project activities needs to be improved. Work has therefore begun on clarifying instructions and procedures, and introducing more continuous follow-up of proactive safety work, accidents and incidents in project activities.

Contribution to the UN SDGs

Through occupational health and safety efforts, we contribute to achieving Goal 3 and target 3.4, "Reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being" and Goal 8 and its target 8.8, "Protect labour rights and promote safe and secure working environments for all workers."



Sick leave



¹) To enable comparability between years, a new calculation method (Håll Nollan's standard model) has been used for the number of hours worked. This entails that the accident frequency for 2021 has been adjusted from 12.4 to 14.2. The new calculation method has the same number of accidents as the basis, i.e., 50.

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Vasakronan wants to reflect the society in which the company operates. We believe that success is achievable by avoiding overly homogeneous groups. Research shows that groups with a more heterogeneous composition are often more innovative and solve problems more efficiently.

Boundaries

The impact within Vasakronan's own organisation occurs in connection with recruitment of new employees and when employees leave. Reporting covers only individuals employed at Vasakronan, and not individuals who perform work under conditions similar to employment.

Responsibility and monitoring

The work on diversity and equal treatment is managed by the CHRO. Each manager at Vasakronan is responsible for creating groups marked by diversity and for no employees being discriminated against. Any cases of discrimination are captured by one of the following channels: employee surveys, immediate supervisors, the HR division, union parties, the company's Compliance Officer or the external whistle-blower function.

To ensure that no unreasonable differences in pay occur at Vasakronan, wage surveys are conducted every year. The surveys are performed in collaboration with a third party to ensure the highest possible level of objectivity.

Governance

Our work is governed by Vasakronan's equal treatment policy, which states that operations will be free from discrimination and harassment and that all employees and job applicants will be treated equally. All employees, regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age must be given equal opportunities for development and advancement, as well as equal pay for equal work. In addition, there is an internal Code of Conduct for employees and Board members that emphasises the importance of everyone's right to a work environment free from harassment and discrimination.

In conjunction with preparing this report, lessons have been learnt about how to practically implement the work in relation to the existing policies. No additional improvement measures were identified during the year.

Targets and fulfilment

The overall goal of Vasakronan's equal treatment policy is that all employees must be given equal opportunities for development and advancement, as well as equal pay for equal work.

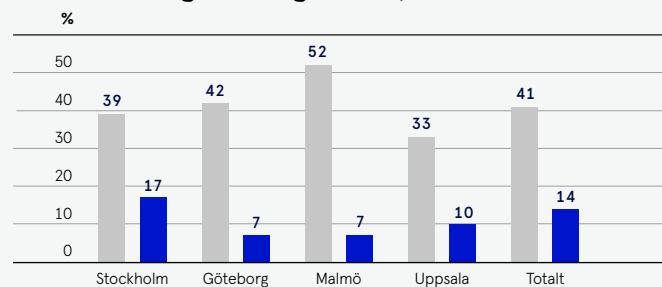
Prior to 2022, we set a target for the entire operation that all our employees should know how to respond to discrimination. This year's survey shows that 94% (91) of employees know how to respond to discrimination.

Another target set by Vasakronan was for employees to feel that the company has an inclusive culture. In this year's survey, 93% (96) responded that they believe all employees have equal opportunities and obligations regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

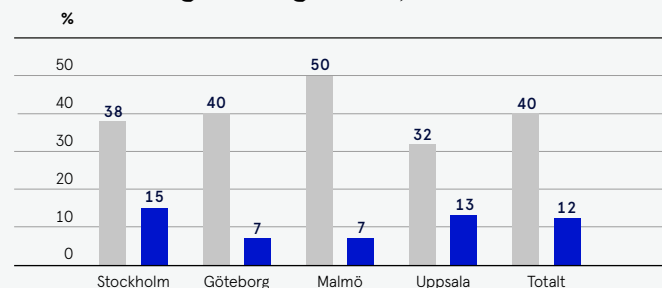
Reporting policies

Data about the number of employees and gender and age are taken from Vasakronan's HR system. Data on the number of consultants used is taken from Vasakronan's internal system for consultant administration. Data on salary differences between men and women is taken from Vasakronan's annual salary survey. Data on the percentage of employees with foreign backgrounds was obtained from Nyckeltalsinstitutet/Statistics Sweden. The share of employees who feel that Vasakronan's workplaces are free from discrimination and the share of employees who feel that we have an inclusive culture are taken from the employee survey conducted during the year.

Share of employees with a foreign background, 2022



Share of employees with a foreign background, 2021



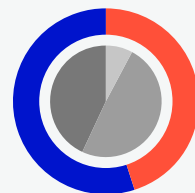
■ Population, aged 20–67 ■ Vasakronan

Share of employees with a foreign background in Vasakronan compared with foreign background in the population (20–67) in the same locations.

Source: Statistics Sweden

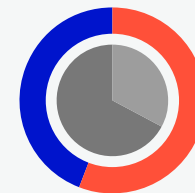
Breakdown by gender (women and men) and age as of the balance-sheet date

All employees



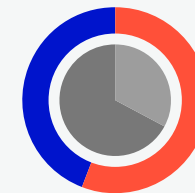
■ Women, 45% (45)
■ Men, 55% (55)
■ <29, 8% (9)
■ 30–49, 49% (51)
■ >50, 43% (40)

Management Team



■ Women, 56% (45)
■ Men, 44% (55)
■ <29, 0% (0)
■ 30–49, 33% (18)
■ >50, 67% (82)

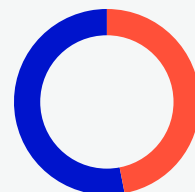
Board of Directors



■ Women, 56% (78)
■ Men, 44% (22)
■ <29, 0% (0)
■ 30–49, 33% (11)
■ >50, 67% (89)

Distribution, women and men, by region, at the balance-sheet date

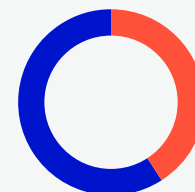
Stockholm



■ Women, 47% (48)
■ Men, 53% (52)

The number of employees in Stockholm was 188.

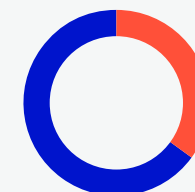
Gothenburg



■ Women, 41% (36)
■ Men, 59% (64)

The number of employees in Gothenburg was 44.

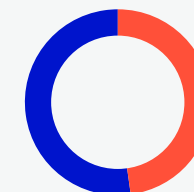
Malmö



■ Women, 35% (40)
■ Men, 65% (60)

The number of employees in Malmö was 31.

Uppsala



■ Women, 48% (50)
■ Men, 52% (50)

The number of employees in Uppsala was 31.

Note. On 31 December 2022, the number of employees was 294 (290), of which 289 (288) were permanent employees, five (two) were on time-limited contracts and zero (one) had a part-time contract.

The number of hourly employees is limited to young people with holiday work and the data is not included in this report. As the number of employees on time-limited contracts only amounts to five people, Vasakronan does not report these employees.

Outcome

On 31 December 2022, the number of employees was 294 (290), of which 289 (288) were permanent employees and five (two) were on time-limited contracts. No (one) employees had part-time contracts. The number of hourly employees is limited to young people with holiday work and is not included in this report. All employees are covered by collective agreements and all were salaried at the end of the year.

Composition of the Board, management and other employees based on gender and age is given on page 29 and in the presentation of the Board and management on pages 79–82 in the annual report.

At the end of the year, 280 (274) consultants were employed in operations. Of these, about half were hired in as external project leaders in new construction and redevelopment projects. Other consultants were hired primarily as replacements for existing personnel, for example in connection with parental leave or sick leave. There are no seasonal variations.

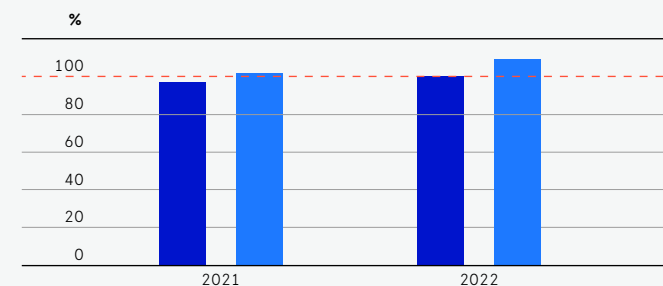
The 2022 salary survey found that women earned 100% (97) of what men earned and that female managers earned 109% (102) of what male managers earned. Moving forward, efforts will continue to focus on identifying unwarranted pay differences and taking actions.

Contribution to the UN SDGs

By engaging with diversity and equal treatment, we contribute to achieving Goal 5 and its target 5.5, “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.” We also contribute to achieving Goal 8 and its target 8.5, “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value” as well as Goal 10 and its target 10.2, “By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”



Women’s salaries relative to men’s



■ All female staff ■ Managers, women

In 2022, female employees had 100% of men’s salaries and among managers, women earned 109% of men’s salaries.

Pay ratio of highest earner to median

	2022	2021
Total remuneration to highest earner in the organisation, SEK thousand	5,722	5,288
Total remuneration to other employees, median, SEK thousand	678	645
Ratio of the annual earnings of the highest earner to the median earner (excl. highest earner)	8.4	8.2
Salary growth rate for CEO, %	8.2	–
Salary growth rate for median, %	5.3	–
Ratio of the salary growth rate of the highest earner to the median earner	1.6	–

The figures have not been recalculated to FTEs. All remuneration has been included, i.e., fixed and variable remuneration. The company’s CEO is the highest earner.

414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

In order to successfully conduct operations, Vasakronan needs to engage suppliers of various types. Each purchase must be conducted with professional correctness, objectivity and honesty while observing good business practice. Purchasing is also based on competitive procurements. Suppliers and tenders are assessed and prioritised based on how well they meet the requirements set, competence and efforts toward quality and sustainability as well as risk function, performance, design and price.

Boundaries

It is Vasakronan who determines which requirements will be set for suppliers and which ones will ultimately be engaged. In turn, the engaged suppliers often have subcontractors. The exact number of subcontractors is difficult to estimate, since the number per supplier can vary. The reporting covers the supplier agreements signed by the Purchasing Department.

Responsibility and monitoring

The Chief Information & Development Officer (CIDO) is responsible for procurement, which is organised as a central unit with responsibility for purchasing meeting strict requirements for quality and sustainability and that they take place at the lowest possible cost. Prior to every procurement, an evaluation of potential suppliers is conducted based on several criteria, for example, ISO certification, emissions and energy intensity. In addition to product- or service-specific requirements, all new suppliers must sign the company's supplier code of conduct. Vasakronan works continually to increase control over the supplier chain by reducing the total number of suppliers engaged and to have all procurements managed directly by the Purchasing Department.

Governance

Through its supplier code of conduct, Vasakronan sets requirements regarding such aspects as working conditions and human rights. The agreements with new suppliers always include the "code of conduct for Vasakronan's suppliers." Since 2017, all new framework and service agreement suppliers have been evaluated as regards the environment, working conditions and human rights.

To reinforce the opportunity for employees or external parties to anonymously report suspicions of breeches of laws and regulations regarding working conditions or human rights, there is a whistle-blower function. Vasakronan's Compliance Officer (who is also the General Counsel) receives and investigates the reports that come in. There has also been an external whistle-blower function since 2015.

Audits are conducted and questionnaires are circulated to check that our suppliers are living up to their commitments in the code and additional requirements, if any. Selection for audit takes into consideration how much Vasakronan buys from the supplier and answers in questionnaires as well as particular risks and focus areas.

In conjunction with preparing this report, lessons have been learnt to the effect that additional resources are needed in the Purchasing Department to enable the necessary supplier follow-up.

Reporting policies

All suppliers are entered into a supplier register that logs information about agreed-upon requirements and appendices as well as events such as supplier audits. This is the source for information about the number and share of suppliers evaluated in terms of working conditions and human rights.

Outcome

The total number of suppliers engaged directly by Vasakronan totalled 2,566 (2,341) at year end. The suppliers that are primarily engaged are contractors (mainly construction contractors), consultants (technical consultants and architects, for example), utility suppliers (electricity, district heating and district cooling), and service suppliers. Since Vasakronan conducts operations exclusively in Sweden, our suppliers most often are also based in Sweden.

In 2022, a total of 72 (243) new supplier agreements were signed by the Purchasing Department. All of these suppliers, meaning 100%, signed the supplier code of conduct. In 2022, no (0) major supplier audits were conducted and 4 (19) audits were conducted in conjunction with contract meetings with suppliers.

The low number of major audits and contract meetings was due to a lack of resources in the purchasing organisation during the year and due to planned contract meetings with suppliers being moved from the end of 2022 to 2023.

Contribution to the UN SDGs

By setting requirements for suppliers regarding decent work and human rights, we contribute to achieving Goal number 3 and target 3.4, "Reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being." We also contribute to achieving Goal 5, primarily its target 5.5, "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making" and to Goal 8 and its target 8.8, "Protect labour rights and promote safe and secure working environments for all workers."



416-A MEASURES TAKEN TO MAINTAIN A HIGH LEVEL OF SAFETY AND SECURITY IN AND AROUND PROPERTIES

Feeling safe and secure in their local surroundings is important for most people. As employers, it is of great importance to Vasakronan's tenants to ensure that their employees have workplace and a commute that they feel is safe and secure. The safety and security of the neighbourhood is becoming an increasingly important issue when selecting premises and, in some cases, is the deciding factor in where a company moves. It is also critical for retail tenants that locations feel safe and secure.

Boundaries

The reporting encompasses actions taken by Vasakronan to improve safety and security around the properties. To create a greater impact, some of these actions are carried out together with other actors with operations around Vasakronan's properties, such as other property owners and the municipality.

Responsibility and monitoring

An important part in the overall work for safe and secure neighbourhoods is creating a mix of different operations, such as offices, retail, homes and culture. This variety creates a more dynamic environment throughout the entire day, every day of the week. Responsibility for safe and secure neighbourhoods lies with the CIPO, and also includes collaboration with other actors. The responsibility also encompasses ensuring that actions to increase security and safety are included in designs for new construction and redevelopment projects as well as maintenance and development plans for existing properties.

The CTO is responsible for making sure that safety features like security patrols, surveillance and entry systems are well-functioning.

Our tenants' experience of security and safety is followed up through various questionnaires to Vasakronan's customers. The number of measures for increased security and safety are reviewed annually when preparing this Sustainability Report.

Governance

There are no governing documents or policies for this area. The work is accomplished by analysing what tenants want and the possible measures that can be taken in each property and area, by Vasakronan itself or together with others. There are operating routines for the ongoing management work that govern how security issues are handled.

In conjunction with preparing this report, lessons learnt included that the follow-up should focus on the effect rather than the number of actions taken, and this work has been started in 2023.

Targets and fulfilment

The long-term target for Vasakronan's properties and neighbourhoods is that they should feel safe and secure.

For 2022, the target is to develop an overall safety and security plan. The preparation of an overall security strategy is ongoing but was not finalised in 2022. The work will continue during 2023.

Reporting policies

At the end of the year, data is collected and compiled concerning actions taken by the technical organisation, the regions and project development.

Outcome

Over the year, 92 actions (103) were implemented to increase security in and around the properties. Examples in the existing property portfolio include security certification, improved lighting, increased security patrols, new entry systems for properties, alarms and increased safety inspections (conducted by Vasakronan to identify actions that can increase safety and security).

In several Stockholm locations, Vasakronan works with the "Tryggare Sverige" (Safer Sweden) foundation. There are also partnerships with the City of Stockholm aimed at making the city and Kista safer neighbourhoods.

There is a partnership with Purple Flag and the Swedish Property Federation in Gothenburg to highlight places that have successfully worked to improve safety and access, and that also offer a diverse selection at night.

Contribution to the UN SDGs

By maintaining a safe and secure environment in and around our properties, we contribute to achieving Goal 5 and its target 5.2, "Eliminate all forms of violence against all women and girls," Goal 10 and its target 10.2, "Empower and promote the social, economic and political inclusion of all," Goal 11 and its target 11.7, "Provide universal access to safe, inclusive and accessible, green and public spaces," and Goal 16 and its target 16.1, "Significantly reduce all forms of violence."



Auditor's Limited Assurance Report on Vasakronan AB (publ)'s Sustainability Report and the Auditor's Report on the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish. To the general meeting of the shareholders of Vasakronan AB (publ), corporate identity number 556061-4603

Introduction

We have been engaged by the Board of Directors of Vasakronan AB (publ) to undertake a limited assurance engagement of Vasakronan's Sustainability Report for the year 2022. The company has defined the scope of the Sustainability Report to the areas referred to in the GRI Index on page 138 in this document, which also includes the statutory sustainability report defined on page 138 in the annual report.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Swedish Annual Accounts Act respectively. The applicable criteria are explained on page 138 in the annual report and are the parts of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or mistake.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we

have performed and to provide an opinion on the statutory sustainability report. Our assignment is limited to the information in this document and the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 *The auditor's report on the statutory sustainability report*. The procedures performed in a limited assurance engagement and in accordance with FAR's auditing standard RevR 12 vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Vasakronan AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Consequently, the procedures performed and our examination in accordance with RevR12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures performed in the limited assurance engagement are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusions

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A statutory sustainability report has been prepared.

Stockholm, 24 March 2023

Ernst & Young AB

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Expert member of FAR

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