

Vasakronan

Targets and fulfillment 2022



Our goals

Financial targets

Vasakronan's ambition is to be Sweden's leading property company by generating a high total yield that should also exceed that of the industry in general.

LONG-TERM FINANCIAL TARGETS

Target fulfilment

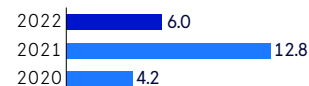
A total yield of at least 6.5% per year (rolling average over ten years)¹.

A total yield of at least 0.5 percentage points higher than the industry.².

Over the past ten-year period, Vasakronan's total yield averaged 10.8%, compared with the industry average of 9.5% excluding Vasakronan.

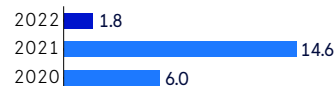
For 2022, the total yield for Vasakronan was 6.0%, where the average for the industry was 1.8% excluding Vasakronan. Vasakronan thus exceeded the industry average by 4.2 percentage points. For the past decade, Vasakronan has outperformed the industry average by 1.3 percentage points per year.

Total yield, %



The industry's total yield, %

MSCI Property index excluding Vasakronan



1) Based on an average assumed inflation of 1.5%.

2) Measured against MSCI outcome, excluding Vasakronan.

Financial targets, cont.

LONG-TERM FINANCIAL TARGETS

A total yield of at least 6.5% per year (rolling average over ten years)¹.

A total yield of at least 0.5 percentage points higher than the industry.²

Targets 2022

An increase in operating surplus for comparable property holdings of 2.0% compared with 2021.

An occupancy rate of at least 91% at the end of 2022.

Net lettings of SEK 200 million.

A lower percentage of premises (>24 months) with long-term vacancies than at the end of 2021.

The cost of leasehold improvements in conjunction with new office lettings should average less than SEK 2,500 per square metre.

At least 50% of new lettings in offices with low or no leasehold improvements (SEK 0–500 per sq. m.).

Target fulfilment

The operating surplus for comparable property holdings was 3.2% (2.2) for 2022.

At the end of 2022, the occupancy rate was 91.2%.

Net lettings amounted to SEK 279 million (negative: 56) for the full-year 2022.

The percentage of premises (>24 months) with long-term vacancies exceeded last year's level.

The cost of leasehold improvements in conjunction with new office lettings increased to SEK 4,310 per square metre.

The share of offices with minor or no leasehold improvements was 33%.

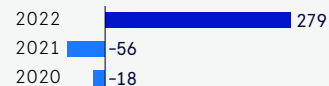
Operating surplus growth for comparable property holdings, %



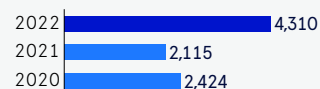
Occupancy rate, %



Net lettings



Leasehold improvements in conjunction with new office lettings, SEK/sq. m.



Targets 2023

An increase in operating surplus for comparable property holdings of 10% compared with 2022.

An occupancy rate of at least 92% at the end of 2023.

Net lettings of SEK 225 million.

A lower percentage of premises (>24 months) with long-term vacancies than at the end of 2022.

The cost of leasehold improvements in conjunction with new office lettings should average less than SEK 2,500 per square metre.

The proportion of leasehold improvements in new lettings that cost less than SEK 500 per square metre must exceed 50%.

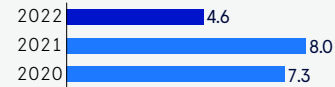
1) Based on an average assumed inflation of 1.5%.

2) Measured against MSCI outcome, excluding Vasakronan.

Financial targets, cont.

LONG-TERM FINANCIAL TARGETS	Targets 2022	Target fulfilment	Targets 2023
<p><i>cont.</i></p> <p><i>A total yield of at least 6.5% per year (rolling average over ten years)¹.</i></p> <p><i>A total yield of at least 0.5 percentage points higher than the industry.².</i></p>	Price changes in conjunction with renegotiations should exceed 5.5%.	<p>Price changes in conjunction with renegotiations totalled 4.6%.</p> <p>Read more on page 92 in the 2022 Annual Report.</p>	<p>Price changes in conjunction with renegotiations should exceed 2%.</p> <p>The repurchase rate must exceed 75%.</p> <p>Overall customer satisfaction should exceed 75%.</p>
	Overall customer satisfaction should exceed 75.	<p>The customer satisfaction score was 76 (75)</p>	
All of our financing is green.	We broadened our financing by including social aspects as well.	The work to broaden our financing by including social aspects was not completed in 2022 and will continue in 2023.	We broadened our financing by including social aspects as well.

Price changes in conjunction with renegotiations, %



Customer satisfaction



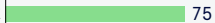
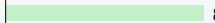
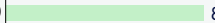

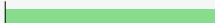
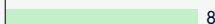



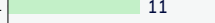
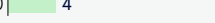
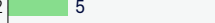
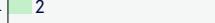
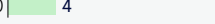



1) Based on an average assumed inflation of 1.5%.

2) Measured against MSCI outcome, excluding Vasakronan.

Environmental targets

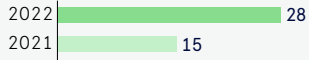
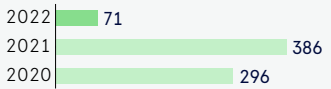

Vasakronan's long-term overarching goal is to be climate neutral across the entire value chain by 2030. We can reach that by focusing on long-term targets in four areas: energy, material, waste and transportation.

LONG-TERM ENVIRONMENTAL TARGETS FOR 2030

	Targets 2022	Target fulfilment	Contribution to SDGs	Targets 2023
We are self-sufficient and do not need to purchase any energy	Decrease purchased energy by 5%.	Energy intensity, or purchased energy, amounted to an average of 75 kWh/sq. m. (83) for 2022, down 10% on the previous year. Read more on pages 157–158 in the 2022 Annual Report.	Annual energy intensity, kWh/sq. m. 2022  75 2021  83 2020  83 	Decrease purchased energy by 5%.
	At least 85 solar photovoltaic systems in operation.	At the end of the year, 86 (77) solar photovoltaic systems were in operation, producing a total of 9,263 MWh (8,029) of energy. Read more on pages 157–158 in the 2022 Annual Report.	On-site produced electricity, MWh 2022  9,263 2021  8,029 2020  3,749 	At least 96 solar photovoltaic systems in operation.
100% circular use of materials	Increase the share of reused, renewable and recycled material in construction projects.	The share of renewable material used in new construction projects amounted to 3% and the share of reused and recycled material amounted to 4% (comparative figures for 2021 unavailable, as no new construction projects were completed in the previous year). The share of renewable material used in redevelopment projects completed for the year increased to 15% (11). The share of reused and recycled material amounted to 5% (2). Read more on pages 155–156 and 167–169 in the 2022 Annual Report.	Share of renewable and reused/recycled material in redevelopment projects, % 2022  15 Renewable material 2021  11 2020  4 2022  5 Renewable and recycled material 2021  2 2020  4   	Increase the share of reused, renewable and recycled material in construction projects by at least 10%.

Environmental targets, cont.

LONG-TERM ENVIRONMENTAL TARGETS FOR 2030

	Targets 2022	Target fulfilment	Contribution to SDGs	Targets 2023
100% circular waste management	Increase the sorting of food waste among our tenants	<p>The share of food waste in relation to total household waste was approximately 28% (15), based on actual amounts of food waste measured from properties in Gothenburg, Malmö and the majority of properties in Stockholm.</p> <p>Read more on page 168 in the 2022 Annual Report.</p>	<p>Share of sorted food waste among our tenants, %</p>  <p>2022 28 2021 15</p> <p>11 Sustainable Cities and Communities 12 Responsible Consumption and Production</p>	<p>At least 10% of customers use our waste collection services and thereby have access to their waste statistics.</p> <p>Waste reports are submitted in all leasehold improvement projects.</p> <p>Reduce CO2 emissions by 10% (per sq. m.).</p>
	Reduce waste in our construction projects.	<p>In 2022, the average amount of waste in completed new construction projects amounted to 427 kg/sq. m.; no comparative figures were available for 2021, as no new construction projects were completed that year. The average amount of construction waste in completed redevelopment projects was 71 kg/sq. m., compared with 387 kg/sq. m. the previous year.</p> <p>Read more on pages 167–169 in the 2022 Annual Report.</p>	<p>Waste in redevelopment projects, kg/sq. m.</p>  <p>2022 71 2021 386 2020 296</p> <p>Refers to the average waste per square metre of GFA in redevelopment projects completed during the year.</p> <p>11 Sustainable Cities and Communities 12 Responsible Consumption and Production</p>	
100% fossil-free transportation	Increase the number of charging stations to 1,300.	<p>At the end of 2022, there were 1,467 (1,177) charging stations in operation. During the year, 290 charging stations were put into operation.</p>	<p>No. of charging stations</p>  <p>2022 1,467 2021 1,177</p> <p>11 Sustainable Cities and Communities</p>	<p>Increase the number of charging stations to 1,700.</p>

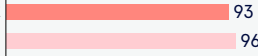











Social targets

We affect thousands of people in a variety of ways through our operations. To reduce the negative impact that our operations can have, we have long-term goals in four areas: health and well-being, work environments, diversity and equal treatment, and safety and security.

LONG-TERM SOCIAL TARGETS FOR 2030	Targets 2022	Target fulfilment	Contribution to SDGs	Targets 2023
Everyone who works for Vasakronan has acceptable working conditions and a good physical, organisational and social work environment free from worksite accidents.	Our employees would agree that we have a good organisational and social work environment.	This year's employee 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.	<div><div><div>3</div><div>Good Health and Well-being</div></div><div><div>Reasonable workload</div><div>Share of employees, %</div><div><div>2022</div><div>69</div></div><div><div>2021</div><div>73</div></div><div><div>2020</div><div>78</div></div></div><div><div>Opportunity to recover</div><div>Share of employees, %</div><div><div>2022</div><div>75</div></div><div><div>2021</div><div>77</div></div><div><div>2020</div><div>85</div></div></div></div>	Audits of the work environment and code of conduct must be performed at all major construction sites and at least three of the prioritised service suppliers
	Reduced number of worksite accidents in construction projects.	The accident frequency in major new construction and redevelopment projects rose to 26.7 (14.2 ¹). Read more on pages 172–173 in the 2022 Annual Report.	<div><div><div>8</div><div>Decent Work and Economic Growth</div></div><div><div>Accident frequency in major projects</div><div>Per million hours worked</div><div><div>2022</div><div>26.7</div></div><div><div>2021</div><div>14.2¹</div></div></div></div>	Reduced number of worksite accidents in construction projects.

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.

Social targets, cont.

LONG-TERM SOCIAL TARGETS FOR 2030	Targets 2022	Target fulfilment	Contribution to SDGs	Targets 2023
Our company and our suppliers are diverse and have an inclusive corporate culture, and help individuals who are far removed from the labour market to find employment.	Our employees would agree that we have 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. In relation to other property companies we end up at a higher level.	Inclusive culture Share of employees, % 2022  2021 	 At least five per 100 employees of Vasakronan's trainees or summer workers come from under-represented groups. All of our contractor procurements must include the requirement to employ those from groups far removed from the labour market. The same requirement is placed on at least three prioritised service suppliers.
	Our employees know how to act in cases of discrimination.	This year's survey shows that 94% (91) of employees know how to respond to discrimination. Read more on page 174 in the 2022 Annual Report.	Responding to discrimination Share of employees, % 2022  2021 	  
Our areas and properties are aesthetically pleasing and are designed to support: – occupational health and safety – health and well-being – inclusivity for everyone	We intend to create an overall safety strategy for the property portfolio.	The work to develop an overall safety strategy was not completed in 2022 and will continue in 2023. Read more on page 178 in the 2022 Annual Report.	   	At least 75% of the ground floors in our city areas comprise public operations. Improve how safe our neighbourhoods feel.
We have committed employees and are one of the market's most attractive employers.				Our employees are at least as committed as was indicated by the previous year's commitment index. We have excellent leadership, with a leadership index on par with the top 10 companies.

Vasakronan

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