Akelius Residential Property AB (publ)

sustainability report 2020

320 D Street, South Boston, Boston

Akelius

table of contents

In the event of a conflict in interpretation or differences between this report and the Swedish, the Swedish version shall have priority.

379 Washington Avenue, Brooklyn, New York
urban gardens for tenants

sustainability at a glance

	2020 Jan-Dec	2019 Jan-Dec
environmental, like-for-like		
electricity, MWh	52,088	56,334
district heating, MWh	147,592	151,615
heating fuel, oil, MWh	8,115	8,278
heating fuel, gas, MWh	125,170	120,230
water, million m³	3.91	3.81
environmental absolute		
energy intensity, kWh per sqm	155	159
water, million m³	4.01	4.11
water intensity, m³ per sqm	1.55	1.52
social, absolute		
number of employees	1,300	1,456
of which female	543	606
of which male	757	850
direct employee gender diversity, portion female percent	42	42
manager gender diversity, portion female percent	42	42
sick leave, percent	1.9	2.9
staff training, average hours per employee	21	44
governance, absolute		
independent board member	2	1
average tenure board member, annual	4.1	6.5

main targets

environmental

- 40 percent reduction in carbon emissions, scope 1 and scope 2
- 100 percent of renewable electricity in absolute portfolio
- 15 percent reduction of energy consumption, like-for-like
- 15 percent reduction of energy intensity in absolute portfolio
- 10 percent reduction of water consumption, like-for-like

social

- 2 percent or less sick leave rate
- 12.5 percent or less staff turnover rate
- 100 percent gender pay rate in management and staff
- 10 percent improvement in customer satisfaction by 2023
- internal training on 10 days per staff and year
- all buildings environment, health, and safety inspected annually

governance

- all suppliers prequalified according to sustainability requirements
- be a signatory of the United Nations Global Compact
- annually audit 50 percent of all suppliers' performance by 2022
- all staff trained on Code of conduct, anti-corruption, and the whistleblower procedure

Manhattan, New York

creating homes to last another century

Akelius acts in a sustainable way, achieving economic growth while protecting the environment, taking social responsibility, and using ethical business practices.

It is the right thing to do, and it is the path towards long-term success.

an honorable company

Akelius helps families and individuals by providing *a better living* in rental apartments.

Akelius acts decently and honestly with tenants, employees, entrepreneurs, and the wider community.

When the COVID-19 pandemic hit the world, Akelius' natural response was to prioritize the safety and well-being of staff and tenants.

enabling buildings to sustain

Akelius modernizes buildings with the aim of extending the properties' lifespan and reducing their impact on the environment.

Reducing energy and water consumption and increasing the use of renewable sources is a key for Akelius.

While modernizing existing buildings, Akelius puts efforts into keeping the cultural heritage of neighborhoods.
Simultaneously Akelius focuses on creating better living conditions,
for example,
by improving green areas and adding balconies.

signatory of the United Nations Global Compact

Being a signatory of the UN Global Compact emphasizes that Akelius respects human rights, labor unions, the environment and actively works against corruption, discrimination, forced labor and child labor.

40 percent reduction in carbon emissions until 2025

Akelius targets a 40 percent reduction of the company's carbon emissions until 2025. The company aims to be climate neutral by 2050.

staff leads the way

Staff motivation, diversity, health, and talent is a key for success.
To offer the best work environment in class, Akelius puts high efforts in staff well-being and education.

An example is that Akelius Business School aims to provide Akelius with the best educated staff in real estate.

EUR 80 million in donations

Akelius Foundation indirectly owns eighty percent and Hugo Research Foundation indirectly owns nine percent of the shares in Akelius Residential Property AB.
Dividends received by these foundations are used for charitable purposes.

During the past 10 years,
the foundations have donated
EUR 80 million to the utmost extent to

- SOS Children's Villages
- Doctors Without Borders
- UNICEF
- UNHCR

Ralf Spann,
CEO and Managing Director

materiality analysis

In 2020,
Akelius conducted a new materiality analysis.
The materiality analysis is a formal process to identify environmental, social, governance focus areas that impact the company's business and stakeholders.
This analysis formed the basis of the company's sustainability targets.

| identify focus areas | ask stakeholders | rate the significance | review targets |

Akelius implemented the analysis in four steps

identify focus areas

What environmental, social and governance areas are most relevant to the company?

To identify the focus areas Akelius

- conducted research
- evaluated and mapped current business processes
- benchmarked the company against competitors

Twenty focus areas were identified.

ask the stakeholders

Who are the company's stakeholders?
- tenants
- staff
- management team

- Board
- suppliers
- banks and investors

- local and national authorities

The sustainability team interviewed all stakeholders to find out which environmental, social or governance issues are the most relevant for the company.

rate the significance

Stakeholders were given the list of issues. They were then asked about the importance and the impact each issue has on the company.
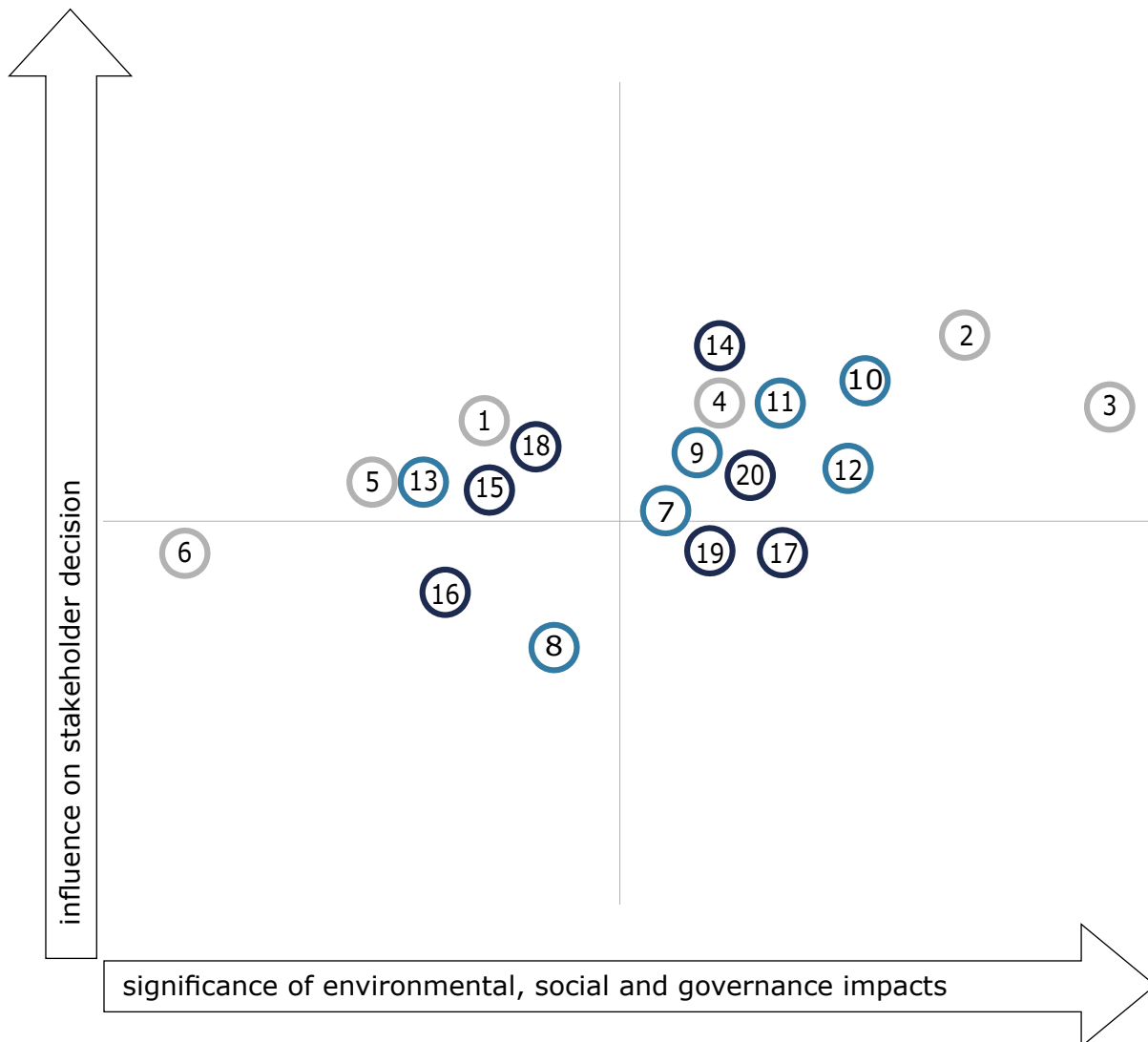
The result of their feedback is plotted in the materiality matrix on page 9.

review targets

Akelius used the materiality analysis to set sustainability targets.

The targets will be reached no later than 2025.

2020 Akelius materiality analysis

influence on stakeholder decision

significance of environmental, social and governance impacts

environmental	**social**	**governance**
1 climate change adaptability	7 dialogue with tenants	14 business ethics, transparency and compliance
2 energy and water management	8 dialogue with the local community	15 sustainable finance
3 carbon emissions management	9 tenants health and safety	16 sustainable certification of buildings
4 construction materials	10 diversity, non discrimination on the workplace	17 sustainability risk management
5 waste management	11 attractive working environment	18 corporate governance
6 biodiversity	12 employees' health and safety	19 sustainable supply chain
	13 human rights	20 digitalization and cybersecurity

environment

reduce energy and water consumption

- 15 percent reduction of energy consumption in like-for-like portfolio by 2025, based 2018

- 15 percent reduction of energy intensity in absolute portfolio by 2025, based 2018

- 100 percent of electricity from renewable generation or procurement of renewable or recycled sources in absolute portfolio by 2025

- 10 percent reduction of water consumption in like-for-like portfolio by 2025, based 2018

- 5 percent of the property value certified by LEED, BREEAM, WELL or other independent recognized organization by 2030

- 10 percent of new acquisitions certified by LEED, BREEAM, WELL or other independent recognized organization by 2030

decarbonize the company

- 40 percent reduction of carbon emissions scope 1 and 2 in absolute portfolio by 2025 based 2018

- publicly disclose scope 3 emission by 2021

- 100 percent reduction of carbon emission scope 1, 2, and 3 by 2050

- 10 percent of investment projects do a life cycle assessment by 2025

use sustainable materials and reduce waste

- 90 percent of all components and construction materials pass a sustainability assessment by 2023

- 5 percent increase of the proportion of waste recycled from properties, offices, and construction by 2023 based 2021 in absolute portfolio

social

promote diversity and non-discrimination

- 100 percent gender pay rate in managers by 2025
- 100 percent gender pay rate in staff by 2025
- all active staff trained on non-discrimination policy annually

have healthy and safe staff

- 2 or less percent annual sick leave rate
- 0 fatality cases
- 0 injury rate
- 0 lost day rate

ensure an attractive working environment

- 12.5 or less percent staff turnover rate per year,
  excluding effects from disposing parts of the operations
- less than 9 percent voluntary staff turnover rate per year
- internal training 10 days per employee per year
- all staff attend sustainability training module annually

have healthy and safe tenants

- all buildings environment, health, and safety inspected annually
- 10 percent reduction of all buildings' environment, health, and safety incidents of
  non-compliance cases by 2022 based 2021
- 10 percent increase of customer satisfaction by 2023 based 2021,
  measuring move-in feedback

governance

enhance business ethics and compliance

- all active staff members trained on Code of conduct annually

- all active staff members trained on anti-corruption annually

- all active staff members trained on the new whistleblower procedure annually

- achieve third party assurance of the sustainability report by 2022

- execute a sustainability risk assessment by 2021

- execute climate risk assessment by 2021

- be a signatory of United Nations Global Compact

- assess current tax transparency against real estate reporting standards and identify improvement potentials, disclosure according to GRI 207

- have 3 percent of properties eligible for financing by green bonds by 2021

improve digitalization and cybersecurity

- keep cybersecurity up-to-date

- annual internal security audit on the company systems

- all active staff trained on cybersecurity program annually
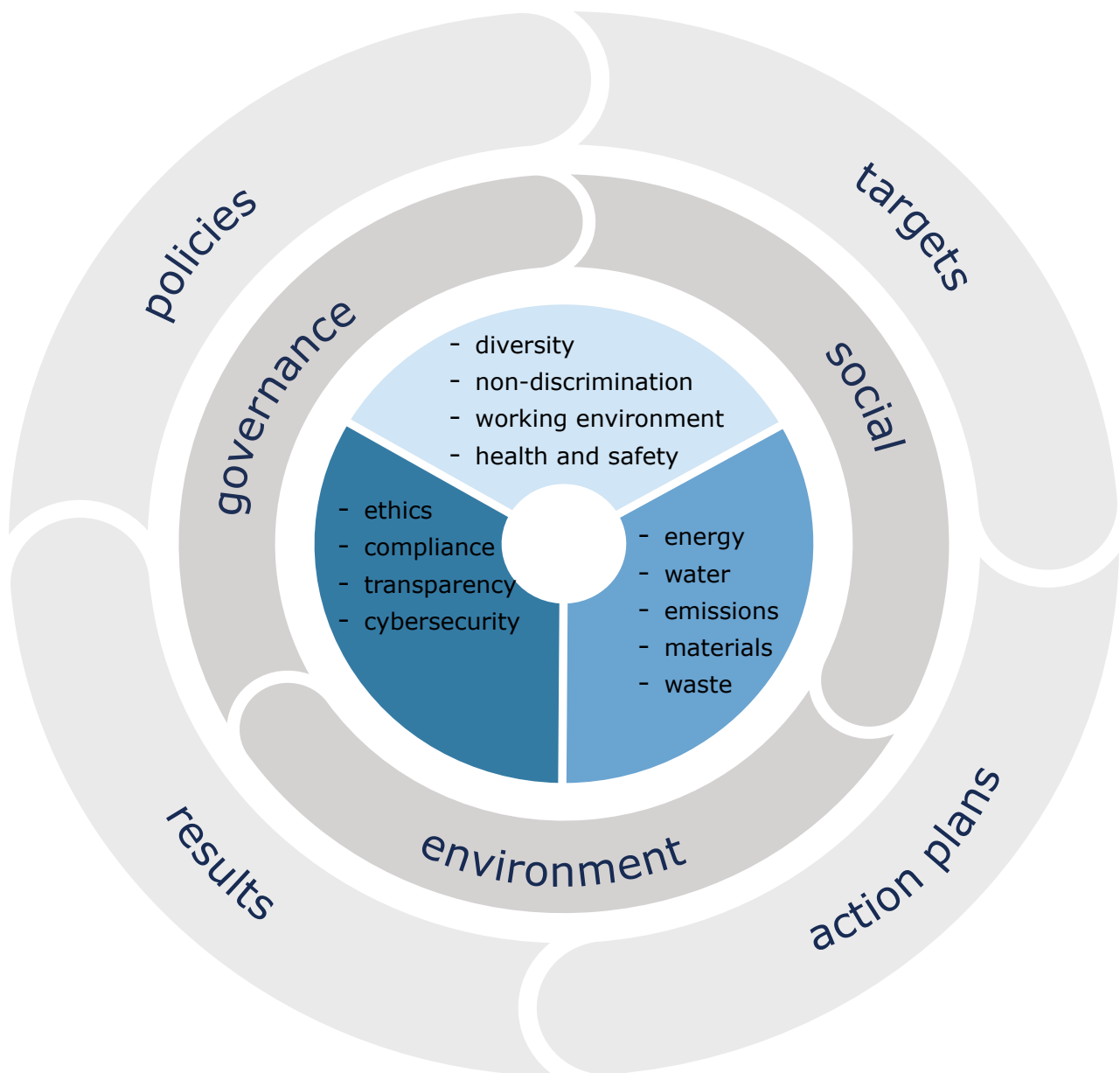
implement a sustainable supply chain

- all suppliers acknowledged Code of conduct by 2021

- all suppliers prequalified according to sustainability requirements by 2022

- all suppliers assessed according to tendering sustainability requirements by 2023

- annually audit 50 percent of all suppliers' performance according to sustainability requirements by 2022

sustainability strategy

The sustainability management of the company is based on four layers

- policies
- targets
- action plans
- results

Action plans support each target to guarantee that the targets are met.

policies

targets

governance

social

- diversity
- non-discrimination
- working environment
- health and safety

- ethics
- compliance
- transparency
- cybersecurity

- energy
- water
- emissions
- materials
- waste

results

environment

action plans

environment

According to United Nations Environmental Program, building construction and operations accounted for 36 percent of the global energy use and nearly 39 percent of energy-related carbon dioxide emissions in 2017.

In 2017, Akelius decided to act.
During recent years Akelius has systematically worked to reduce the consumption of water, energy, chemicals, and harmful materials.

A better sustainability performance

- increases the company's resilience
- decreases risks and operational costs
- increases efficiency

environmental risks

- negatively contributing to climate change
- assets destroyed by rising sea levels
- physical changes in climate and natural resources
- negative health consequences caused by harmful and toxic substances
- resources with potential for recycling are landfilled

reducing environmental risks

To reduce environmental risks and contribute to the global efforts to fight climate change,
Akelius focuses on three main areas

- energy and water management
- carbon emission management
- construction materials and waste management

The accounting of greenhouse gas emissions is the first step of Akelius' strategy to reduce the environmental impact.
The Board of Directors approved a target to reduce the carbon emission of forty percent by 2025 compared to 2018.
The long-term target is to be climate neutral by 2050.

Akelius follows Science Based Targets methodology

Akelius defined a greenhouse gas accounting methodology following the Greenhouse Gas Protocol Standard.

Akelius defines targets following Science Based Targets methodology.

Akelius' electric pool cars

energy and water management

Akelius' main environmental impact derives from the energy and water being used. Reducing the impact has clear environmental advantages and influence how the stakeholders view Akelius from a sustainability perspective.

Akelius utility expenses amounted to EUR 48 million in 2020.
Being more efficient with resources reduce costs.

targets to reduce consumption

The company commits to targets to reduce energy and water consumption through

- 15 percent reduction of energy consumption in like-for-like portfolio by 2025 based 2018

- 15 percent reduction of energy intensity in absolute portfolio by 2025 based 2018

- 100 percent of electricity from renewable generation or procurement of renewable or recycled sources in absolute portfolio by 2025

- 10 percent reduction of water consumption in like-for-like portfolio by 2025 based 2018

- 5 percent of the portfolio certified by LEED, BREEAM, WELL or other independent organization by 2030

- 10 percent of new acquisitions certified by LEED, BREEAM, WELL or other independent organization by 2030

action plans are in place

To achieve the targets,
Akelius has adopted action plans.
The action plans aim to improve performance across three pillars

- higher energy and water efficiency

- increased use of renewable sources

- optimized procurement

higher energy and water efficiency

Akelius' concepts for smart buildings, smart metering infrastructure, and the self-developed energy application support higher usage efficiency.

The concepts give ability to monitor energy and water data such as

- consumption

- intensity

- peak demand

- cost

The company can

- view historical, live, and forecast data

- get information about irregular consumption

- benchmark properties over time

- automatically identify high consumption and leakages

- identify measures to increase energy efficiency

- offer monetary incentives for lowering consumption

This results in enhanced ability to make the right investments for energy and water reduction and for realizing renewable energy potential.

Akelius prioritizes measures that improve buildings' efficiency such as

- heating system upgrade

- wall insulation

- roof insulation

- pipe insulation

- window insulation

- lighting upgrade

- low flow appliances

- water leakages detection

example

heat efficiency spearheaded in Hamburg

Akelius' Hamburg operation invests in so-called leanheat.
Heating systems automatically adjust and permanently optimize through the use of state-of-the-art sensors intelligently networking with the district heating supplier.

It results in savings on both supply and demand side.

reducing Akelius' consumption, costs, and emissions

On Akelius' demand side the project lowers district heating consumption and carbon emissions.
Moreover,
efficient systems lower maintenance cost.
Predictive maintenance will bring additional monetary benefit.

increasing tenant's living comfort

On tenants' side,
the more stable heat supply increases living comfort and lowers heating costs.

increasing supplier's security

On district heating supply side,
the project gives higher planning security and avoids unnecessary demand peaks.

projects kicked-off in 2020

Akelius Hamburg is executing projects at twenty properties as pilots together with the district heating supplier, "Wärme Hamburg GmbH", and the team of leanheat.

The projects run two years for covering two heating periods.

Akelius only bears the costs for the digital heating controller sensors and data connection.

building intelligence is key

Leanheat projects use

- weather forecasts
- consumption forecasts
- apartment temperatures and humidity
- heat meter data
- self-learning algorithms

seven percent projected savings

Leanheat can potentially save ten to twenty percent of the properties' energy consumption.

At the moment existing recorded savings are seven percent on average per property.

tenants save up to EUR 115 annually

As an example,
at the property on Maria-Louisen-Straße in Hamburg the cost savings for the tenants are between EUR 27 and EUR 115 annually, depending on apartment size.

reducing 117 tons of CO_2 annually

For all Hamburg properties supplied with district heating an average of seven percent energy savings results in 117 tons carbon emissions reduction.

the right path to additional savings

The use of leanheat data at building level gives Akelius the ability to spot further improvement potential in the heating system,
through increase in efficiency and operational safety.

The use of leanheat data at apartment level gives Akelius the ability to check the correct and adequate heating behavior.
This prevents moisture and mold in the apartments.
Data is fully anonymized.

58 Linden boulevard, Brooklyn, New York, solar panels installed on the roof

increase self-created renewable sources

Akelius integrates renewable energy systems.

Akelius policy is to install solar panels on all suitable roofs.

With already 15 solar projects executed, the current pipeline of solar projects amounts to 40.

Akelius investigates additionally the possibility of installing micro wind turbines, heat pumps, and fuel cells.

Akelius' corporate handbook, energy management book, and various instructions support renewable energy projects.

example

solar photovoltaics program in North America

By the end of 2020 Akelius Boston, New York, Toronto and Washington D.C. had installed four solar photovoltaics projects.

reducing the environmental impact

The solar photovoltaics systems commissioned in 2020 have a peak capacity of 0.36 megawatts and generate 404 megawatt-hours annually.

It is offsetting 134 tons of carbon dioxide equivalent.

23 projects on the way

Further 23 projects are in the planning phase.

Akelius New York is planning three solar photovoltaics systems with a combined capacity of 0.2 megawatts.

Akelius Washington D.C. approved four solar photovoltaics systems with a combined capacity of 0.37 megawatts.

Akelius Boston is planning five solar photovoltaics systems with a combined capacity of 0.38 megawatts.

Akelius Toronto is planning eleven solar photovoltaics systems with a combined capacity of 0.57 megawatts.

These projects will generate 1,686 megawatt-hours and offset 472 tons of carbon dioxide equivalent.

pushing renewable energy in Europe

Akelius has taken a clear direction, leading to further 15 solar photovoltaics projects in the planning phase in Europe.

procuring renewables

Renewable energy procurement is key to reduce the carbon footprint associated with purchased electricity.

To achieve the greenhouse gas emission target,
Akelius aims to only procure renewable energy by 2025.

decreased energy consumption

In 2020, the normalized energy consumption for property electricity in the like-for-like portfolio decreased by
7.5 percent year-on-year.
The decrease in the like-for-like value includes the range of yearly variations of electricity consumption patterns.

Heating consumption decreased by
2.7 percent compared to the previous year, while building energy intensity decreased by
1.9 percent.
Since 2017 like-for-like energy intensity has been decreasing steadily,
from 179 kWh per sqm in 2017 to 155 kWh per sqm in 2020.
The calculation of energy intensity from 2016 to 2020 is based on the like-for-like properties across all five years.

Akelius has invested recently in different energy projects and therefore there is limited effect on historical data.

certified assets

77 percent of Akelius' buildings have energy performance certificates.
Mostly on building level,
while a fraction is on apartment or commercial unit level.
For example,
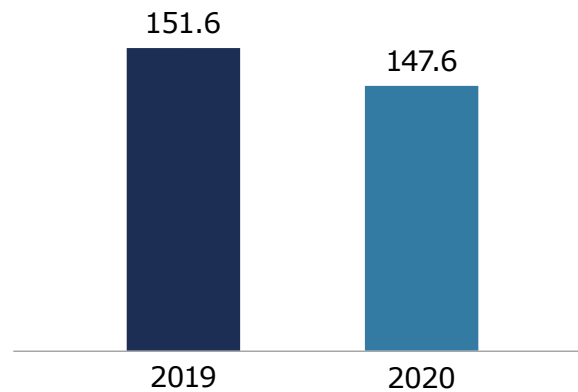London has 99 percent of its units certified.

A third party certificate guides and verifies Akelius' improvements.
The certificates are useful when issuing Green bonds based on energy investments and green properties.

electricity, like-for-like GWh

	2019	2020
	56.3	52.1
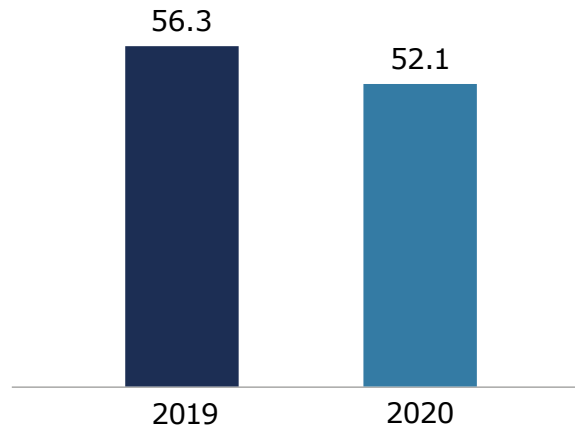
district heating, like-for-like GWh

	2019	2020
	151.6	147.6

energy intensity, like-for-like kWh per sqm

2016	2017	2018	2019	2020
178	179	175	167	155
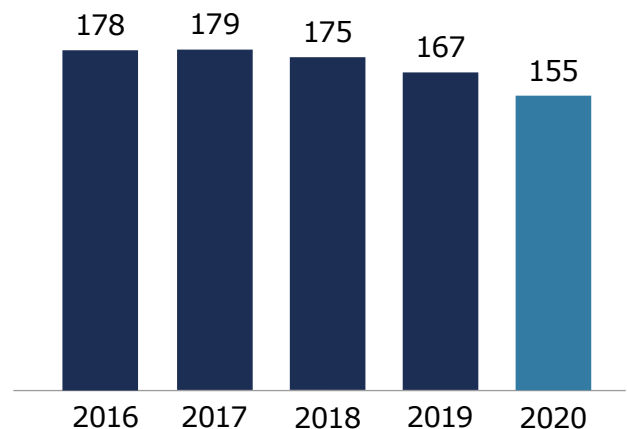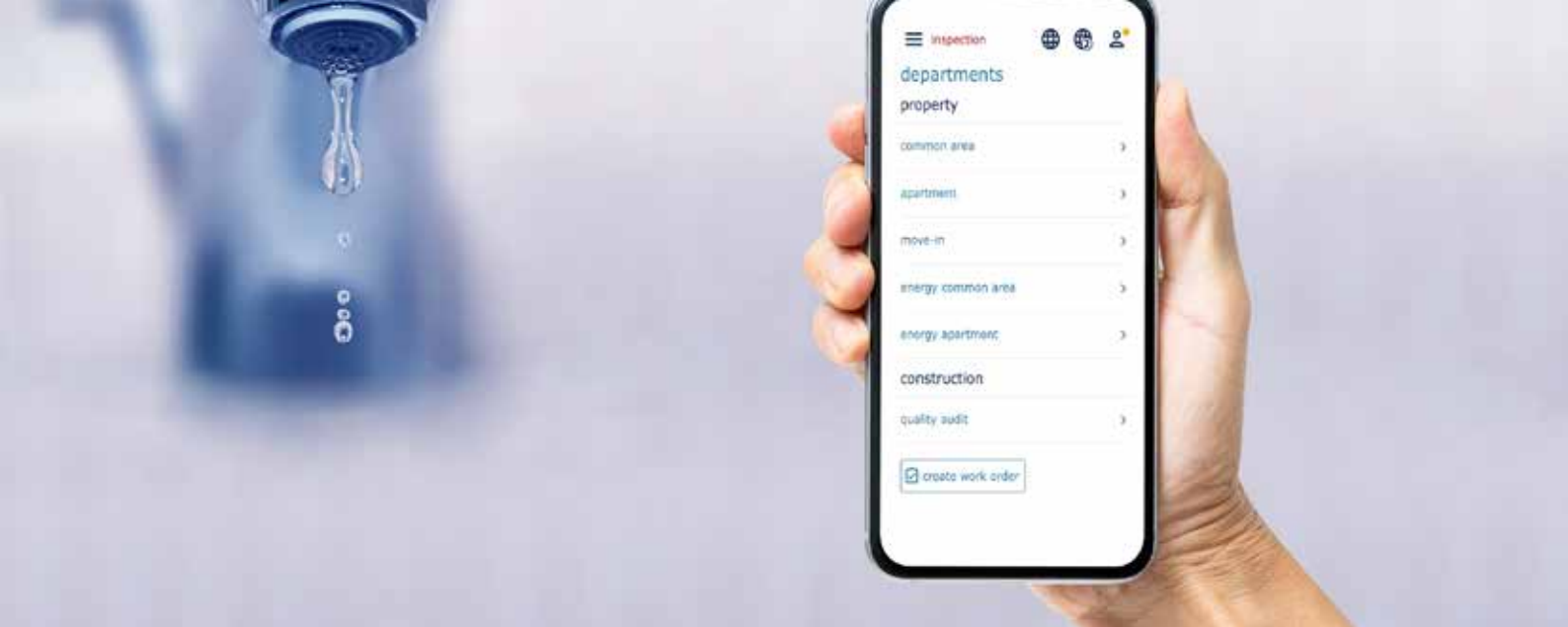
Akelius monitors energy and water consumption

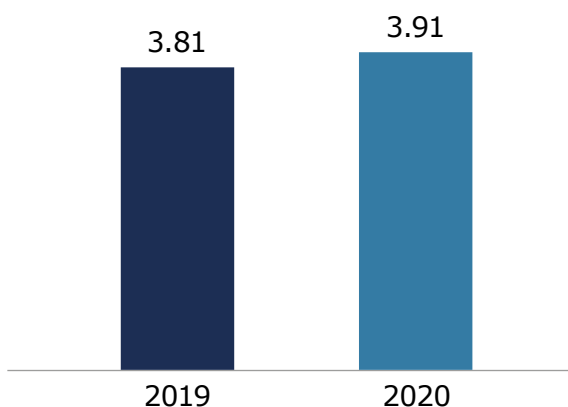## monitoring water consumption

Water efficiency becomes increasingly crucial as global supply becomes more strained.
It also impacts the company's operational costs and the tenant's costs.

Water value includes tenant area consumption and is, therefore,
depending on tenant patterns within the properties as well as on individual consumption behavior.

During 2020,
Akelius tenants spent more time at home compared to 2019.
This affected the water consumption.
The data shows an increase of 2.6 percent in water consumption, like-for-like, compared to 2019.
This is an effect of COVID-19 and tenants working from home.

water consumption like-for-like
million m^3

example

minimizing water consumption in London

Akelius London targets water efficiency and water reuse to achieve energy and greenhouse gas emissions reductions that are in line with the Akelius sustainability targets 2025.

reduction of water consumption matters

Water use in London requires significant amounts of energy whenever it is moved, treated, heated, or pressurized.

reduce water usage in common areas

Akelius cannot control tenant behavior regarding water usage,
but can inform tenants about improvement possibilities.
Akelius started reducing the amount of water used in the common areas of the properties to set a good example.

sixty percent water savings

Akelius London started with two properties' communal toilets in 2020.
By installing new sensor taps,
the project resulted in

- reduction of the daily water consumption by sixty percent
- requiring only five liters of water per minute as standard
- decreasing hot water and energy consumption, reducing costs
- lowering CO$_2$ emissions
- avoiding wasting water

13 percent gain in energy and water efficiency

Akelius supplies all tenants with heat, through the individual heat system in the property.

Akelius' energy management identifies properties in which tenants experience improper heat distribution in the winter.

When apartments on top floors have colder radiators than apartments on lower floors, pumps struggle to keep the heat flow, using more electricity than needed.
The overall system needs more heat than necessary to maintain a comfortable living temperature.

Akelius tackled this problem in 45 properties by hydraulically balancing the heating systems making sure all floors are heated equally and comfortably.

The systems required work on

- each radiator

- main hardware supply

- pumps

The increased efficiency resulted in

- thirteen percent decrease of energy consumption and carbon emissions

- significantly increased apartment comfort

smart energy data helps to lower emissions

Akelius develops digital solutions and uses machine learning to further lower consumption and emissions.

A key part of this process is the automized measuring of energy and water usage through company-own

- smart meter roll-out

- energy management software

The target is to connect all properties via smart meters to a database,
which is a key to identify leaks or inefficiencies in properties.

Akelius assesses specific hardware in a Berlin based smart home laboratory.

Implemented solutions to support the energy and water saving targets are

- water meter

- water leakage detection

- heat and electricity meters

- low flow faucets

- smart thermostats

- temperature control systems

a radiator in Berlin is being adjusted holistically by temporary thermostats replacement

carbon neutral in 2050

Akelius' long-term target is to eliminate the company's contribution to the global carbon emissions by 2050.

Akelius adopted targets to decarbonize its operations.
Akelius commits short and medium term to

- cut the carbon emission scope 1 and 2 by forty percent in absolute portfolio by 2025, based 2018
- publicly disclose scope 3 emission by 2021

Detailed action plans support each target. Quarterly reviews ensure the success.

scope 1 carbon emissions decreased 4.6 percent

During 2020,
scope 1 direct carbon emissions decreased by 1,690 tonnes compared to 2019, equivalent to a reduction of 4.6 percent.

Emissions intensity decreased by 3.1 percent.

Akelius is currently working on collecting scope 3 emissions and is planning to disclose the result publicly in the sustainability report for 2021.

global emissions, absolute portfolio
tCO_2e

Year	scope 1	scope 2
2019	36,792	45,848
2020	35,102	46,255

■ scope 1   ■ scope 2
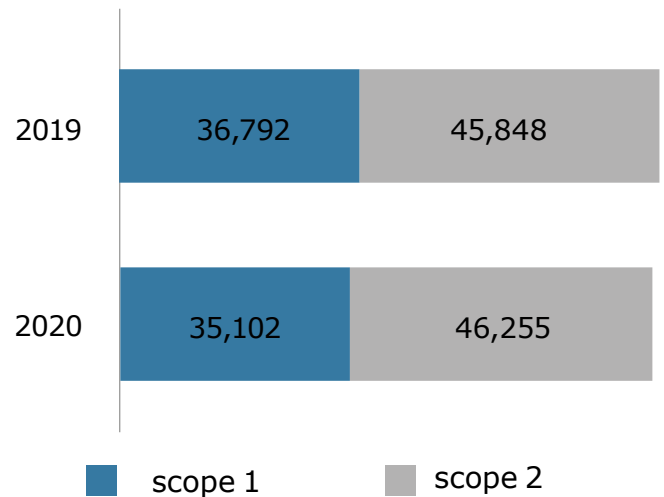
emissions intensity
tCO_2e per sqm

2019	2020
0.032	0.031
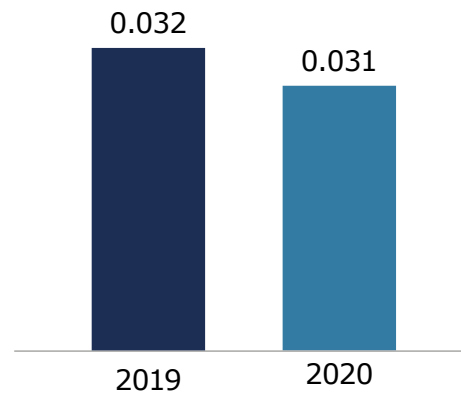
Akelius' co-generation unit in Berlin

waste management

During 2020,
Akelius improved the contracts with third parties regarding treatment and reporting of construction, tenant, and office waste.

The aim is to increase reuse, recycling, recovery, and reduce landfill.

The company commits to use sustainable materials and to reduce waste through having

- 90 percent of all components and construction materials pass a sustainability assessment by 2023
- 5 percent increase of proportion of waste recycled from properties, offices, construction by 2023 based 2021 in absolute portfolio

facility and tenant waste

Structured waste disposal minimizes the amount of waste going to landfills or incineration without energy recovery.

Since 2017,
Akelius has been working on two global targets.
The first target is to guarantee that all properties have country applicable sorting stations.
The second target is to inform tenants and staff how to sort household waste.

Akelius hands out information to all tenants about what type of garbage needs to be disposed in which bin.

Since 2019, Akelius equipped some buildings with trash compactors that compress waste. This reduces the number of disposal transports.

data collection methodology

Akelius is active in seven countries.
Facility and tenant waste management depends on the local municipalities and their regulations.

Waste data is collected from invoices where possible and complemented by calculations where the data is otherwise not accessible.

The data is estimated based on the waste type, amount of bins, volume and collection frequency.
The estimation is additionally adjusted for vacancy.

43 percent into energy recovery

16,680 tonnes or 43 percent of the tenant waste in Akelius' properties goes to incineration with energy recovery.
Incineration with energy recovery is an efficient waste management method.
It generates electricity and heat from the waste and countries are able to reduce the quantities of waste in landfills.

7,303 tonnes of tenant waste was sent to landfills,
equivalent to 19 percent.
35 percent or 13,534 tonnes of waste was recycled or reused.

By actively managing and measuring waste, Akelius can proactively offer better waste management possibilities to tenants.

facility and tenant waste per treatment type, percent

35
3
43
19

- other
- landfill
- recycled or reused
- incineration with energy recovery
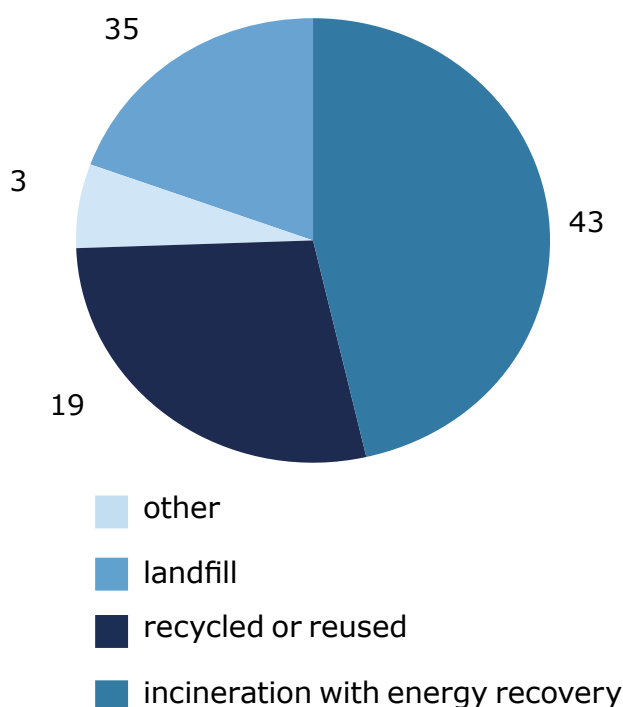
monitoring construction waste

During property upgrades,
construction work generates hazardous and
non-hazardous waste.

Akelius works with contractors to minimize
waste, partly through recycling the waste,
partly by reusing materials.

During 2020,
Akelius worked on improving the
construction waste data collection.
Teams worked on collection and analysis of
construction waste from pilot projects.
Pilot projects were conducted in different
cities and with various degrees of upgrading
needs.
The pilot projects helped to improve and
develop further the company's global
guideline.
The guideline for construction waste data
collection was approved at the end of 2020.

Construction data was collected from seven
out of twelve cities, such as Boston, Berlin,
Hamburg, London, Montreal, Toronto, and
Washington D.C.

Monitored upgrades produced 1,045 tonnes
of construction waste.
83 percent was non-hazardous and 17
percent was hazardous waste.

52 percent or 543 tonnes of the generated
waste was transported to landfills,
whereas 45 percent or 471 tonnes was
recycled.

Akelius provides recycling possibilities to tenants

construction waste per treatment type,
percent

- other
- recycled or reused
- landfill
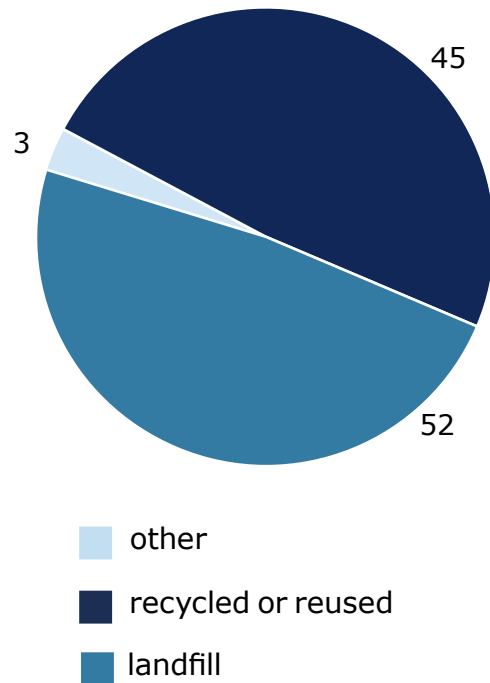
The Edition, Washington D.C.

One of Akelius' LEED Gold-certificate property acquired in 2020

social

Akelius protects and supports employees, tenants and communities.

Akelius' commitment is to

- promote diversity and non-discrimination
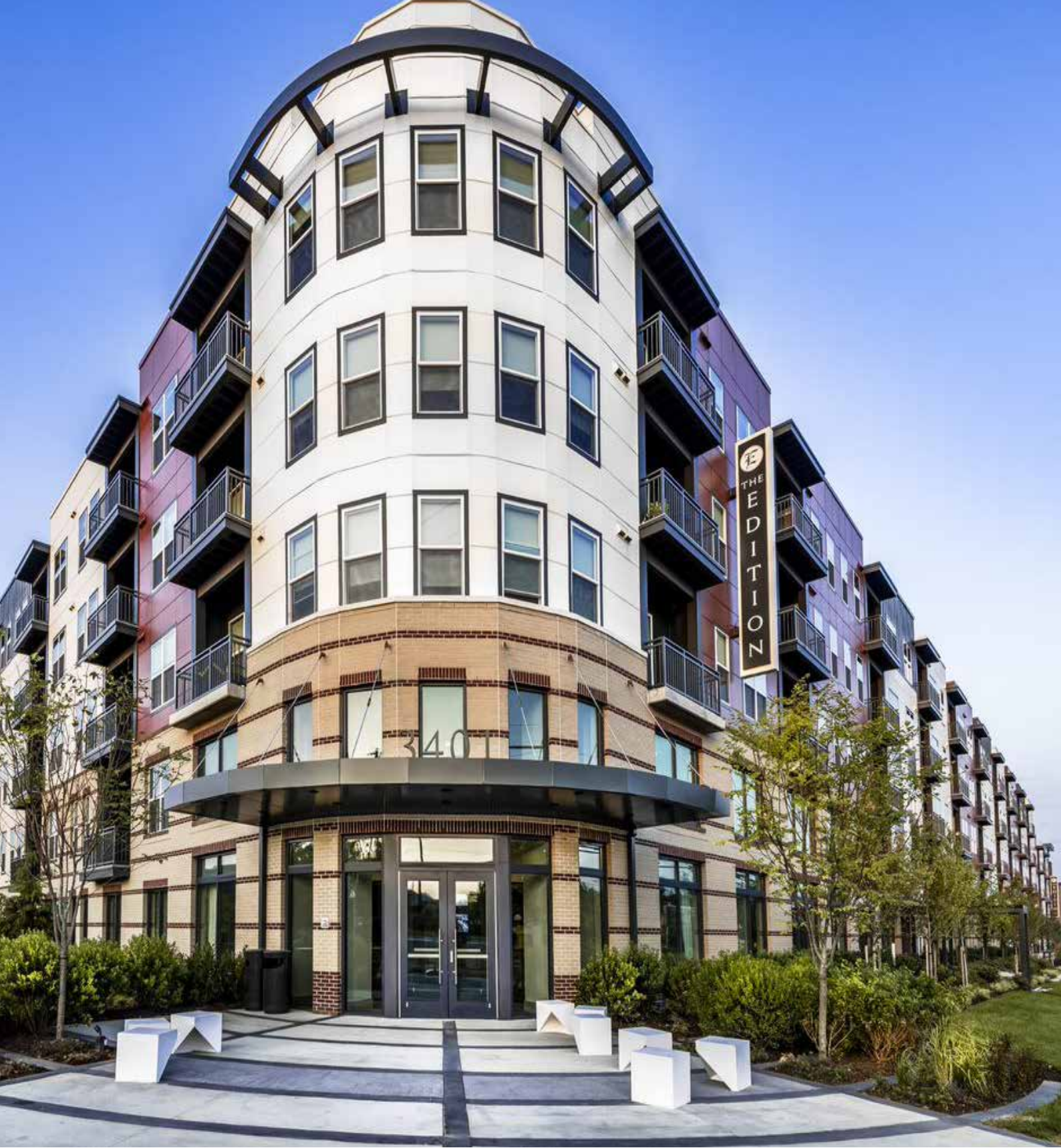- have healthy and safe staff and tenants
- ensure an attractive working environment
- improve tenant relations

promote diversity and non-discrimination

Akelius values everyone and celebrates differences.
The Board defines and promotes diversity and equality goals.

employee gender diversity

Akelius appoints staff based on merit regardless of gender and

- measures and assesses the success of its efforts to promote gender diversity
- commits to integrate diversity within recruitment and promotion processes
- ensures networking events, conferences, and hospitality which appeal to everyone

Executive management reviews the gender diversity data quarterly.

gender diversity per region
percent
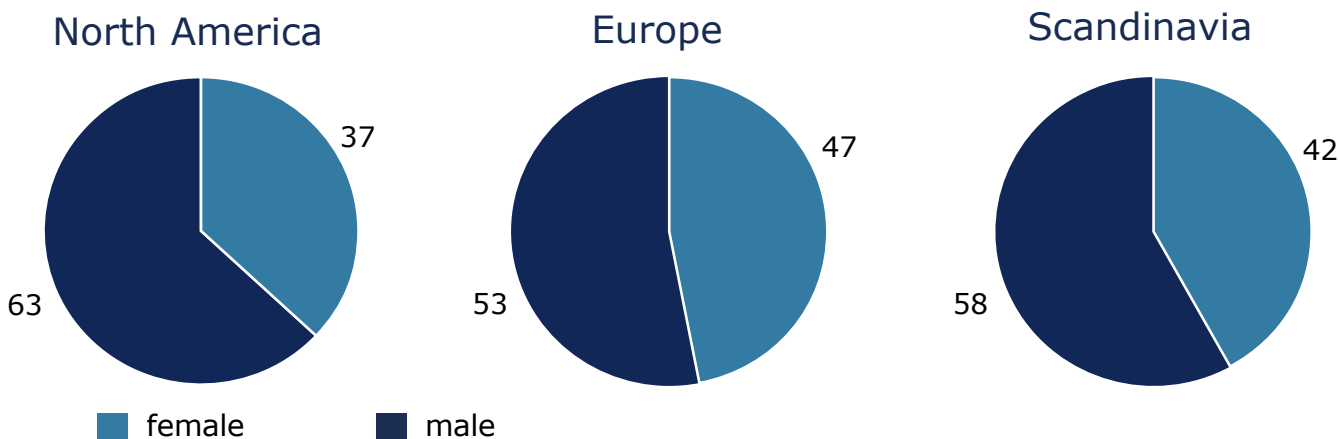
At the end of 2020,
Akelius had 1,300 direct employees.
42 percent of all Akelius employees were female and 58 percent male,
on the same level as at the end of 2019.

On the managerial level 42 percent were female and 58 percent male.
80 percent of Board members are male, compared to 100 percent at the year-end of 2019.

gender pay ratio

Akelius' commitment to diversity applies equally to recruitment, development, and remuneration.
Everyone has equal opportunities.
Akelius recruits based on merits.

The company conducts a salary review process including

- a pay survey
- equal pay for equal work
- comparison of salaries within roles
- market comparison per city
- actions needed if there are inequalities

At the year-end,
the gender pay ratio for all employees was 116 percent,
compared to 123 percent in 2019.
The difference in pay decreased by seven percentage points during 2020.

North America

37

63

Europe

47

53

Scandinavia

42

58

■ female   ■ male

safe and healthy staff

Akelius monitors health and safety incidents and accidents occurring in the workplace to prevent them happening in the future.

Akelius contributes to employee well-being by encouraging all employees to live a balanced and active life.

The company promotes staff well-being through

- annual health budget
- flexible working hours
- physical activities
- cultural experiences

Akelius measures the well-being of employees by monitoring the absentee rate. The target is to keep the absentee rate below two percent.

decreased absentee rate

In 2020 the absentee rate was 1.9 percent, one percentage point lower compared to previous year.

Due to COVID-19 pandemic, employees worked most of the year from home and had flexible hours when work tasks allowed.

This contributed positively to reduce absentee rate and emphasizes the importance of flexible working hours.

Akelius recorded no fatality cases.

absentee rate
percent
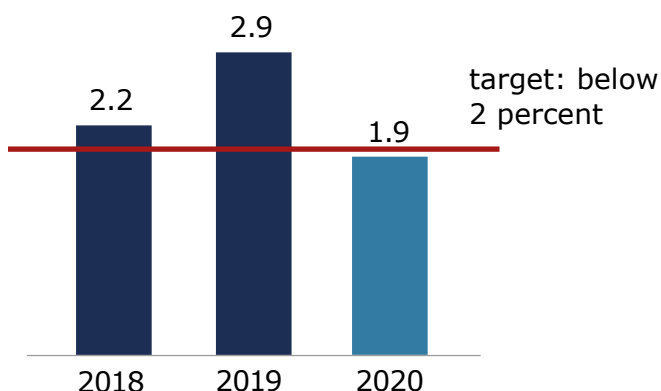
sustainable working environment

Akelius provides inspiring work environment for all staff.
Akelius offices are spacious and located in central locations.

Regular performance and career development reviews support the personal development of employees.
Managers provide their employees feedback constantly and at any time needed.
Employees have the option of providing and requesting feedback.

The development of employees contributes to skill and human capital development within Akelius.

Akelius takes care of its employees through

- a quick integration in the company culture
- opportunities for job rotations
- education

The success of the actions is measured by the turnover rate and sick leave.

increased focus on talent retention

Akelius strives for being an attractive employer.
During the year,
258 new employees joined Akelius, equivalent to 19.8 percent.

122 employees were promoted internally.
Internal recruitment keeps employees motivated to strive for becoming better and helps the company to retain talent and to keep the company's culture strong.

During the period,
50.4 percent of employees received a performance appraisal.
The policy is to promote in-place staff to higher positions.

various turnover reasons

The turnover rate was 32.8 percent during 2020.
Akelius revised its business model during 2020 towards less construction and construction related development.
This results in a staff reduction of 400 to 1,100 until end of 2022.

This contributed to increased staff turnover.
11.2 percentage points of turnover was due to restructuring and 12.8 percentage points was attributable to voluntary turnover.
2.8 percentage points of turnover was due to temporary contract expiration or retirement.

Akelius conducts exit interviews to get insight of the reasons behind the turnover.
If necessary an action plan is put in place to improve the working environment.

turnover per reason
percent

- voluntary
- restructuring
- involuntary
- temporary contract expired or retirement
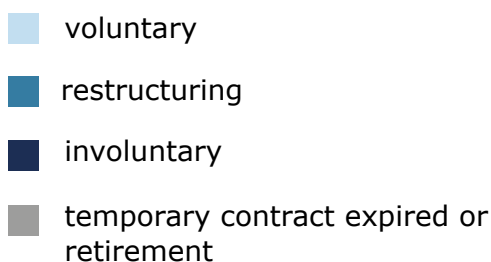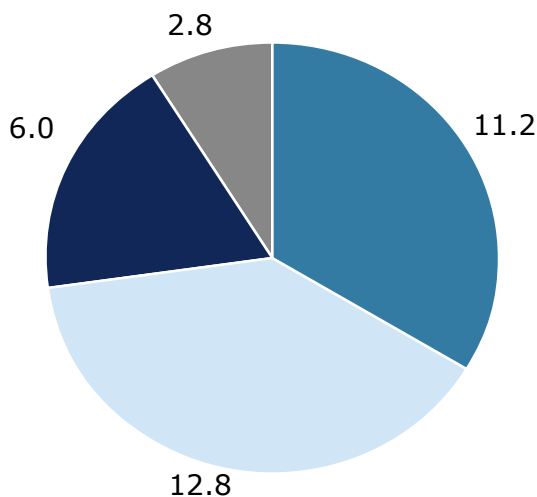
education leads the way

Akelius aims to offer each employee various trainings on average 10 days per year.
In 2020, each employee received on average 21 hours of education,
a reduction compared to 2019.

2019 was an exceptional year.
Akelius had a week-long biennial with full days of education for the entire company.

Additionally in 2019,
Akelius organized different professional training days that contributed to the high number of training hours.

Education hours are calculated based on actual given hours of education per employee.

Welcome to Akelius

Akelius Business School provides education.
New employees are invited to Welcome to Akelius seminar that includes the company's

- history
- culture
- values
- Code of conduct
- business and strategy

MBA program

Akelius offers an MBA program in residential real estate addressing

- residential real estate economics
- leadership
- project management
- digitalization

In 2020,
49 employees graduated from the MBA program.

mentoring program

At the end of 2020,
Akelius kicked off the second mentoring program.
Mentoring drives learning and development for both mentees and mentors.

77 mentees and 36 mentors joined the program.

safe and healthy tenants

Akelius keeps the buildings safe and tidy.
The safety of the tenants is of the utmost importance for Akelius.

Akelius' target is to have all buildings environment, health, and safety inspected annually.

Akelius' self-developed Inspection Application supports the operations with this task.

During the year,
85 percent of the properties,
compared to 78 percent in 2019.

Akelius monitors closely any non-compliance incident.
During 2020,
developers added a new feature to the Property Compliance Application.
Asset managers can directly report any non-compliance case through the application.
Measures are taken immediately and lessons are learned to prevent similar cases happening in other properties.

Akelius commits to reduce 10 percent of all buildings' environment, health and safety incidents of non-compliance cases.

During the year,
19 non-compliance cases were reported compared to 21 cases in 2019,
a reduction of 9.5 percent.

supporting communities

Akelius values local communities.
Due to the pandemic,
some local community engagements were postponed or changed to fit the restrictions.

Under the circumstances seven cities managed to contribute to local communities.

Additionally,
Akelius values the communication with the local communities.

Whenever Akelius renovates or upgrades a property,
there is a meeting with tenants and managers introduce the capital projects.
Akelius answers all the questions that the tenants and community may have and addresses any concerns.

EUR 80 million in donations

Akelius Foundation indirectly owns eighty percent and Hugo Research Foundation indirectly owns nine percent of the shares in Akelius Residential Property AB.
Dividends received by these foundations are used for charitable purposes.

During the past 10 years,
the foundations have donated
EUR 80 million to organizations such as

 - SOS Children's Villages
 - Doctors Without Borders
 - UNICEF
 - UNHCR

Akelius staff involved in local community projects

local community engagements

Toronto collected gifts for children

Akelius held a toy drive for families needing help during holiday season. The collection in Toronto included donations from employees and residents.

The drive lasted eighteen days, and the toys collected were delivered to Toronto Fire Service.

The drive collected more than two hundred gifts.

Paris donated organic food

Akelius' Paris office donated food products to be delivered to the charity *Protége ton Soignant*.

They distributed these products to the "Taf et Maffe" association, as well as to ten hospitals in the Île-de-France region.

In total, thirty tonnes of organic fruit and vegetables, as well as twenty thousand snacks were shared with sixty hospitals.

organ donor event in Berlin

Before Valentine's Day 2020, the Berlin office organized an organ donation event.

In Germany, ten thousand patients are waiting for a donor organ. Every eight hours a person on the waiting list dies because no suitable donor organ can be found.

The Berlin office organized a charity campaign to encourage people to become organ donors.

Staff who filled out an organ donor card or showed that they already have one, received a muffin.

In total 93 employees attended.

toys collected in Toronto

part of food donations in Paris

attendants signing their organ donor card in Berlin

governance

Good corporate governance means ensuring that companies are run sustainably, responsibly, and as efficiently as possible.

This involves contributing to climate protection and fulfilling Akelius' responsibilities to its employees and to society.

Akelius' highest governance body is the Board of Directors.
The full composition of the Board of Directors is on page 32.

The Articles of Association does not contain any regulations on a specific procedure according to which the Board members are to be appointed.

The company has chosen not to establish a nomination committee since Akelius Foundation acts as the controlling shareholder and controls Board appointments.

The Annual General Meeting elects Board members for a period of one year at a time. The members have been on the Board for 4.1 years, on average.

The Board reviews and adopts its procedural rules at its constituent Board meeting held after the Annual General Meeting.

The Board of Directors determines and annually reviews Akelius' Code of conduct, sustainability policy, and sustainability targets.

The Board is responsible for the

- strategic guidance of the company
- effective monitoring of management
- accountability to the stakeholders

conflicts of interest

Board members, management, and all employees are trained to

- avoid situations in which their professional loyalty may come into conflict with their personal interests
- not allow interests to affect their professional judgement

Board members and any manager may not take part in the consideration of decisions on issues of special importance to himself or herself or to anyone close to them.

committees

The Board appoints committees to make decisions on the development of the company, including

- defining and applying Akelius' concepts within each area
- resolving proposals within the Group
- measuring the quality of the activities performed
- following-up of previous decisions, especially time frames
- initiate activities

business committee

The Business Committee consists of chairman Anders Lindskog, Board members Thure Lundberg and Igor Rogulj, the CEO Ralf Spann, and CFO Leiv Synnes.
The committee has the mandate to decide on investments of up to EUR 100 million.

finance committee

The Finance Committee consists of the CEO Ralf Spann, the CFO Leiv Synnes, and Board members Thure Lundberg and Lars Åhrman.
The committee is authorized to enter into loans and other financial commitments up to the equivalent of EUR 100 million.

audit committee

The committee consists of chairman Anders Lindskog and Board members Thure Lundberg and Lars Åhrman.
The committee oversees the internal control process, property valuations, tax management, risk and corporate governance issues.

sustainability steering committee

Sustainability steering committee consists of CEO Ralf Spann, CFO Leiv Synnes, and Head of Sustainability and Energy Dean Mabelson.
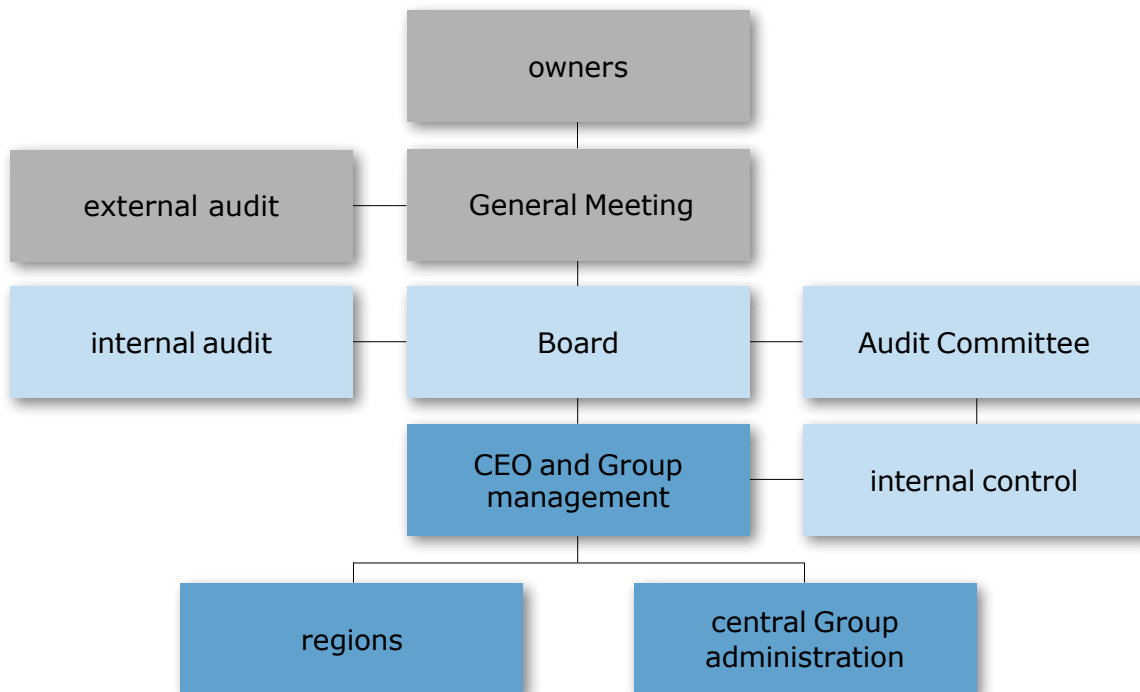
other committees

Other committees are

- construction including design and procurement

- customer

More about the Board, its work, and committees can be found on page 80 in annual report.

structure for corporate governance

the Board

Anders Lindskog
Chairman, board member since 2017
born 1961

civil engineering, KTH Royal Institute of Technology, Stockholm
dependent of major shareholders
independent of the company and the company management

Igor Rogulj
Board member since 2010
born 1965

architect, University of Zagreb
dependent of major shareholders
dependent of company and the company management

Lars Åhrman
Board member since 2017
born 1951

business and economics, Gothenburg University
independent of major shareholders
independent of the company and the company management

Kerstin Engström
Board member since 2020
born 1958

law, Lund University
dependent of major shareholders
dependent of the company and the company management

Thure Lundberg
Board member since 2020
born 1952

Founder of Lundberg & Partners,
 co-founder and co-owner of Pangea Property Partners
independent of major shareholders
independent of the company and the company management

Akelius legal team ensures compliance with laws and regulations

compliance

Akelius legal team monitors and ensures compliance with laws and regulations in cooperation with the relevant parts of the organization.

Property compliance must address legal requirements on environmental as well as health and safety regulations.

Akelius has developed a Property Compliance Application.
The application supports handling of compliance tasks.

The benefits of the application are

 - increased transparency
 - facilitation of compliance tasks management
 - accidents prevention
 - legal compliance

As a result, Akelius takes immediate actions to correct any incidents of non-compliance with environmental as well as health and safety regulations.

whistleblower

Akelius encourages employees, suppliers or other business partners to report suspected violations against the Code of conduct anonymously through Akelius' system for whistle blowing.

Information on and a link to the independent system can be found on Akelius' webpage under *governance* and *whistleblower*.

Violations can also be reported

 - via email to whistleblower@akelius.com
 - by mail to whistleblower, P.O. Box 38149, SE-100 64, Stockholm
 - by telephone to +46 08 566 130 99

A meeting can also be arranged for submitting a whistleblower report, if requested.

Only the Chairman of the Board and the company's General Counsel have access to the whistleblowing system and the other channels.

Code of conduct violations may lead to disciplinary measures including dismissal and prosecution.

The company protects the anonymity of anyone who reports suspected misconduct in good faith.

The whistleblower system is available in all languages Akelius operates in.

Akelius trains employees annually on Code of conduct including whistleblower procedures.

group policies support sustainability

code of conduct

Akelius' core policy is the Code of conduct.

Akelius is committed to

- respecting the rule of law and acting in accordance with laws and regulations in all countries where business is conducted
- conducting business with integrity and honesty
- acting in an environmentally and socially sustainable manner
- continuously developing the safety and quality of services

The Code of conduct explicitly states

- the environmental compliance of products as a requirement for suppliers
- that child labor, slavery or forced labor are not tolerated

The Code of conduct sets the expectations for employees and Akelius' business partners' management practices.

Akelius' Code of conduct

- is the basis of all business activities
- determines success as a long-term, sustainable business
- promotes excellence as a corporate culture

Akelius ensures that the Code of conduct is read and respected within the Akelius Group and throughout the entire supply chain.

The full version of Code of conduct is available on akelius.com.

96 percent of employees have passed the Code of conduct test,
including employees who have been assigned the test but are on leave of absence for any reason.

group policies

Code of conduct

anti-corruption policy

freedom of association

sustainability policy

staff diversity and equality policy

sustainable work environment policy

financial policy

Akelius policies and books are available online for all employees

anti-corruption

The core ethical value for Akelius is being an honorable company.

Corruption is a detractor from achieving sustainability goals.

Corrupt activities favor bad business practices and methods with negative consequences for the environment and society.

Akelius' Code of conduct prohibits corrupt activities.

The anti-corruption policy expands and explains the Code of conduct and guides Akelius employees on how to be honorable.

Additionally,
Akelius has defined a gift policy applicable for all staff.

Acceptable gifts that are either given or received must fulfill the following three requirements

- offered openly
- moderate
- not of such a nature that influences behavior or how the recipient carries out work tasks

Akelius employees may never offer or accept any kind of benefit from government representatives.

Akelius employees may never knowingly use a current Akelius contractor or supplier of construction material or services for personal purposes.

Akelius has an internal book *anti-corruption* with the guidelines to all employees what is considered acceptable behavior.

The book is complemented with a mandatory test to ensure the full understanding of corruption issues.

96 percent of employees have passed the newly launched anti-corruption test, including employees who have been assigned the test but are on leave of absence.

Akelius encourages employees to report suspected violations to their nearest supervisor or through whistleblower system.

The anti-corruption book is available upon request.

sustainability policy

The sustainability policy defines Akelius' commitment to improving its sustainability performance.

The sustainability policy is aligned with the company's Code of conduct following the principles

- respect the rule of law and act in accordance with regulation
- conduct business with honor and integrity
- respect human rights

The sustainability management of the company is based on four layers

- policies
- targets
- action plans
- results

The materiality analysis determines importance and impact,
dividing the company's sustainability work into four pillars and twelve areas with specified targets.

The pillars are

- environment
- staff
- society and tenants
- governance

constantly improving

Akelius strives to constantly improve its sustainability performance.

Sustainability should be implemented in all business decisions and processes including

acquisition, operations, sales, financing, tax, and all trainings.

Akelius

- commits to reporting according to EPRA Sustainability Guidelines,
  GRI Global Reporting Initiatives, and TCFD recommendations
- contributes to the United Nations Sustainable Development Goals
- shall be a signatory of the United Nations Global Compact
- shall be climate neutral by 2050

responsibilities

ownership

The CEO has the ownership of the sustainability policy.

sustainability strategy

The CEO, CFO, and Head of Sustainability and Energy are responsible for the sustainability strategy development.

Head of Sustainability and Energy implements sustainability actions on behalf of the company.

operational implementation

All heads of regions, cities, and departments are responsible for

- implementing and communicating the sustainability policy
- ensuring compliance with the sustainability policy
- reaching the regions', cities' and departments' sustainability targets

individual implementation

Each staff member is responsible for

- reading and understanding the policy
- implementing their part into action plans to achieve the sustainability targets
- reporting any behavior inconsistent with this policy

approval and review

The Board of Directors reviews and approves the sustainability policy and the targets annually.

Management reviews the sustainability targets quarterly.

CEO, CFO, and Head of Sustainability and Energy interact annually with stakeholders whereupon policy and targets are reviewed.

The comprehensive sustainability policy is found on akelius.com.

92 percent of employees have passed the sustainability policy test,
including employees who have been assigned the test but are on leave of absence.

staff diversity and equality policy

At Akelius, all staff have equal opportunities.

The company does not tolerate discrimination or harassment of any sort against staff, applicants, or any other stakeholder.

promote gender diversity and equality

The Board of Directors defines and promotes goals about gender diversity and equality.

The company encourages employees to speak out about gender issues.
The Group Internal Audit is in charge of independently safeguarding gender diversity and equality.

Senior management reviews the gender diversity data quarterly.

Akelius promotes equal opportunities and diversity to eliminate gender pay gaps that are not due to professional experience, responsibilities and skill levels.

The company is working on a salary review process including

- a pay survey
- equal pay for equal job
- salaries comparison within the roles

- market comparison per city
- reasons for differences in salaries
- actions needed if there are inequalities

do not tolerate discrimination

The International Labour Organization defines *discrimination* as any distinction, exclusion, or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

Akelius' employees work in an environment which is free from harassment, threats, and discrimination against staff, applicants, or any other stakeholders on the basis of

- race, ethnicity, language
- religion
- national origin, citizenship

- gender
- sexual orientation
- age

- disability
- color
- staff past, present, or future military or uniformed services

- genetic information
- union membership
- any other characteristic protected under law

- pregnancy
- gender identity
- marital status

- protected veteran status
- mental illness
- or any other category protected by applicable laws

The full staff diversity and equality policy is available upon request.

Akelius office in Berlin

sustainable work environment policy

Akelius provides a healthy, safe, and inspiring work environment for all employees.

Regular performance and career development reviews support the personal development of employees.
The development of staff contributes to skills management and human capital development within Akelius.

To avoid health and safety accidents, line managers introduce all new staff to any work instruction that ensures the safety of staff.

Local staff managers and line managers are responsible for

- registering the incident and accident
- reporting to applicable agencies, if necessary
- identifying root causes
- addressing corrective actions

The number of incidents is reviewed and disclosed annually in the sustainability report.

live a balanced and active life

Akelius encourages all employees to live a balanced and active life.

The company improves staff well-being by offering an annual health budget.

The company is regularly offering physical activities and cultural experiences in connection with business events.

Akelius is positive towards flexible working hours if work setup allows.
The individual possibility of flexible working hours is decided by each manager.

best educated staff in the real estate business

Akelius encourages and supports its staff to become the best-educated staff in the real estate business.

Learning and development motivate staff, make them realize their potential, and attract new talents.

The company has training targets and report the average hours of training annually.

risk management

Akelius' management continuously evaluate environmental, social, and governance risks.

Risk management implies active decision making in terms of risk level evaluation, prioritization and composition.

Decision-making requires the analysis of risks in all parts of the business.

Analysis requires comparable information including mitigation strategies and proposed corrective actions.

One target is to execute a new sustainability risk assessment by 2021 and climate risk assessment by 2022.

Akelius sustainability risks

environment

- assets destroyed by rising sea levels
- adding to global warming
- physical changes in climate and natural resources
- changes in regulations, taxes, and resource prices
- negative health consequences caused by harmful and toxic substances

social

- high employee turnover and sick leave
- inadequate health and safety measures for employees
- decreased staff motivation
- tenant's health and safety in Akelius' properties

governance

- corruption due to a capital intensive industry
- housing shortage in metropolitan cities
- human rights and labor rights violations in supply chain
- suppliers not complying with legal regulation
- suppliers with negative sustainability performance

managing sustainability

Board of Directors

CEO

CFO

sustainability team

sustainability management system

sustainability targets	Code of conduct	sustainability policy
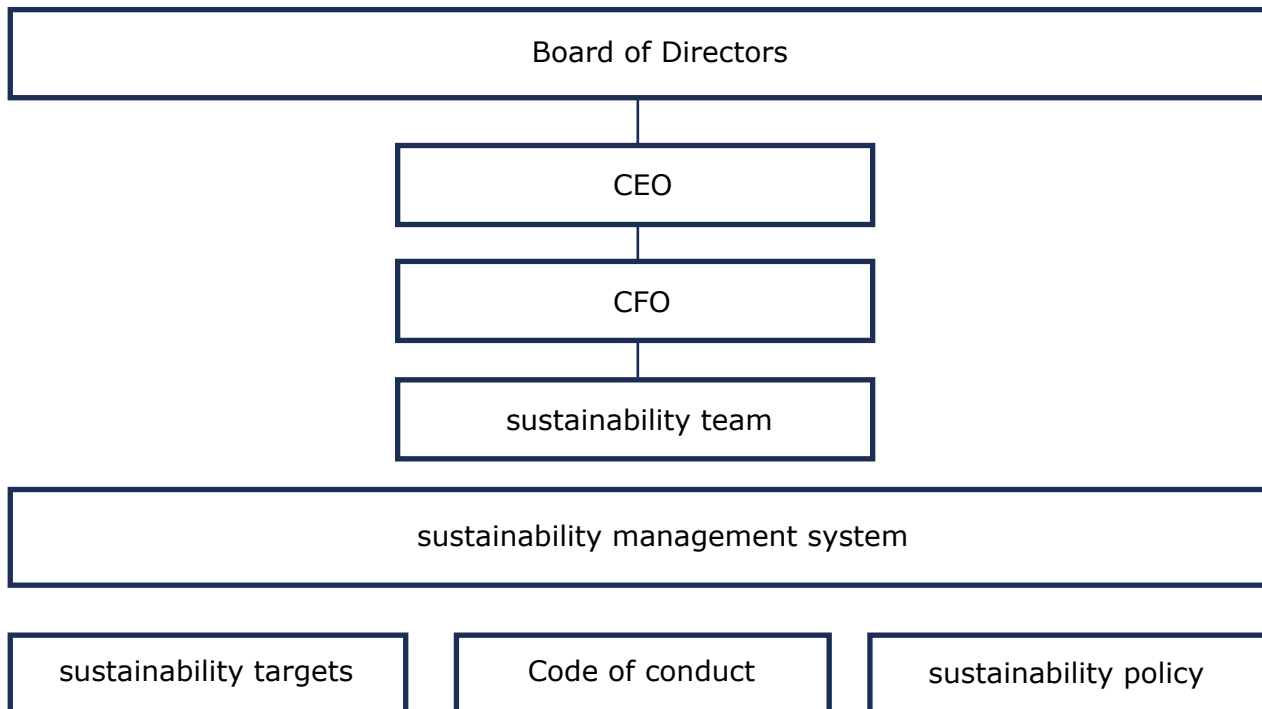
Akelius works constantly on improving the management of sustainability topics.

The structured approach helps

- integrate recognized standards in Akelius' operations
- improve likelihood of reaching targets

During 2020,
the work has continued.
The digitalization of sustainability processes is being addressed to

- collect and analyze relevant data
- monitor and evaluate performance
- facilitate internal and external reporting

- plan and track actions
- store and share documents
- support internal communication

responsibility at the highest level

The CEO is responsible for Akelius' sustainability work within the management and reports to the Board and its committees.

The operational responsibility under the CEO is held by the CFO and Head of Sustainability and Energy who leads the sustainability team.

The sustainability team oversees the sustainability work and ensures transparency and dialogue with the company's stakeholders.

Akelius' management reviews the sustainability progress quarterly.
This is a cornerstone for constant improvements.

sustainability management system

- leadership
- compliance
- risk management
- education
- communication
- implementation
- emergency preparedness
- procurement
- measurement
- mitigation
- monitoring

sustainability management system

| Akelius values and policies | EPRA guidelines, best practices | Global Reporting Initiative standards | TCFD reporting standard |

in-place action plans per target

social

employee gender diversity

- strengthen diversity in the recruitment
- women in leadership
- gender diversity data analysis

gender pay ratio

- train staff on gender pay ratio in staff policy
- run a pay survey
- compare salaries to address inequalities

staff turnover and retention

- conduct staff exit interviews
- strengthen the onboarding process
- conduct a succession planning

staff health and safety

- develop an accident investigation program
- train all staff in the accident program
- train staff in emergency response

environment

energy and water action plan

- one local action plans per city to reduce the energy and water consumption

climate action plan

- calculate carbon footprint for scope 1 and scope 2 emissions
- screen and calculate scope 3 emissions
- define energy efficiency investments and renewable energy usage
- improve education on the topic

construction materials and waste

- sustainability requirements for contractors
- increase the use of sustainable materials
- reduce waste by optimizing the use of materials
- sustainable supply chain

governance

- Board and management support action plans
- issue global and local policies supporting sustainability
- managing sustainability
- auditing and review

sustainable supply chain

Akelius' supplier management commits to fair and decent working conditions, and reducing environmental impacts.

The Code of conduct is the foundation for this.
All of the Akelius' main suppliers are notified of the Code of conduct.
All signed contracts incorporate the Code of conduct.
Akelius wants its suppliers to manage the same risks as Akelius does.

materials and procurement

Akelius works intensely with the integration of the sustainability standards.

The main focus areas are

- to increase the use of sustainable materials
- implement Code of conduct for all suppliers
- audit all suppliers

Akelius implemented a sustainability scorecard in tendering.
Akelius will prioritize materials and products that are

- local
- renewable
- recycled

- sustainably sourced
- eco-labelled
- energy efficient

Additionally, materials and design are selected for easy demolition and material recovery.

In Sweden, Akelius requires construction contractors to be compliant with the "Byggvarubedömningen" standard.

"Byggvarubedömningen" is an initiative that runs assessments of construction materials based on chemical content, life cycle and social responsibility at the supplier level.

tax transparency

Akelius aims to disclose the tax and reporting according to best practice, GRI 207: Tax.

Akelius pays the correct amount of tax in all jurisdictions where the company operates.

This includes being tax compliant and following international standards.

Akelius' transfer pricing policy follows the OECD standard and stipulates that intercompany transactions are at arm's length.

The transfer pricing policy is updated continuously to follow the recommendation issued by OECD and national tax law.

Akelius is transparent and has open communication with tax authorities.

The parent company Akelius Apartment Ltd files the Country-by-Country report for the Akelius group including Akelius Residential Property AB (publ).
Akelius Apartments Ltd holds eighty percent of the shares.

Akelius does not engage in tax evasion.
Akelius engages in legal and legitimate tax planning to avoid risk for high and volatile taxation.
Acceptable tax planning follows the law and has sufficient documentation that support actions.

The Board oversees the compliance of the tax policy and strategy.

To reduce uncertainty and tax risk, Akelius tax policy stipulates to enter into advance tax rulings if the tax law is unclear and the matter is material in terms of value or risk.
If advance rulings are not possible to receive,
Akelius will not engage in such tax planning.

Akelius does not invest in jurisdictions where the rule of law is not respected or applied.

More about Akelius' taxes can be found in the annual report on page 124.

additional information

about this report

This is Akelius Residential Property AB's sustainability report for the period 2020 in accordance with the EU directive 2014/95/EU, including its statutory sustainability report according to the requirements in the Swedish Annual Accounts Act (ÅRL).
The sustainability report includes Akelius Residential Property AB,
corporate registration number 556156-0383, and its subsidiaries.
The sustainability report is part of the directors' report.
To be competitive Akelius must take advantage of this requirement and publish a good sustainability report.

Banks, investors, financial service companies make in-depth environmental, social and governance analysis of the Swedish real estate sector.
A company's sustainability practices also influence the decisions of current and potential employees and tenants.

The report is prepared in accordance with the third edition of the EPRA Sustainability Best Practice Recommendations published in 2017 by the European Public Real Estate Association.
The report covers the global sustainability targets included in Akelius Sustainability Reporting document approved by the Board 2021-02-22.

The report covers all areas where the company has to disclose sustainability performance figures according to EPRA.
The performance related to energy, Greenhouse gas emissions, water and waste impacts as well as on social and governance indicators requested by EPRA are reported in the key figures section.

Most of the indicators adopted by EPRA are based on the recommendations of the GRI Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative.
For that reason, the design and the structure of the report is following only partially the GRI reference option.

The GRI Standard indicators used are described in the section GRI Index.

The content of this report has been determined considering

- the material areas identified through the materiality analysis
- the company sustainability targets

The materiality analysis is described in the section *materiality analysis* in the report.
For a correct representation of the company's global performance and to ensure the reliability of the data,
the use of estimates was limited as much as possible.

The data collection and control process was coordinated by the sustainability and energy team, with the collaboration of the heads of all departments in charge, city managers, and companies falling within the boundary of reference.

organizational boundaries

This report follows the operational control approach.
This approach includes only data that is under control of Akelius and therefore within our organizational boundaries.

For the calculation of the greenhouse gas emissions Akelius discloses the scope one and two categories.
The scope one includes all direct emission sources.
This includes all use of fossil fuels for stationary combustion or transportation in owned, leased, or rented assets.

The scope two includes indirect emissions related to procured energy, such as electricity, heating or cooling, where the organization has operational control.

For the calculation of scope one and two emissions,
Akelius adopts the location-based method, which reflects the average emissions intensity of the grid that Akelius is connected to.

coverage

In the section *key figures* Akelius has specified the level of coverage for each portfolio asset-level performance measure.
For Waste-Abs, Cert-Tot, H&S-Asset, H&S-Comp, and Comty-Eng the level of coverage is disclosed in terms of percent of assets.
One asset equals one Akelius' profit center.

third party assurance

Akelius does not currently obtain third party assurance for any data reported in the section *key figures.*

boundaries reporting on landlord and tenant utility consumption

Akelius calculates energy consumption and intensity based on the invoices and the building utility meters.

Akelius only reports the energy used and purchased by Akelius as a landlord.
Therefore, Akelius does report at least on common areas of their residential buildings.
Akelius does not report on tenant consumption,
if the tenant is under a utility contract.

Consumption of buildings with one hundred percent vacancy are not considered in the report,
but are considered within the coverage.
Consumption of condominium buildings are not considered in the report and the coverage.

normalization

Akelius calculates key intensity metrics through division by the total floor area of the buildings.
This is the most widely accepted method in Sweden for comparing energy use and resource consumption.

Water data, Water-Abs, Water-LfL, relates to the Akelius portfolio sourced from the municipality supplier and is taken from our main water meters.
There are no sub-meters for the individual spaces in parts of the Akelius portfolio.

Electricity data, Elec-Abs and Elec-LfL, relates to the Akelius portfolio sourced from the municipality supplier and is taken from submeters of common area meters.
There is no information for the communal space in parts of the Akelius portfolio.
Therefore, Energy-Int and GHG-Int are based on residential area only.

It is therefore currently not possible to provide separate data for water consumption in the communal areas,
which account for only a very small proportion,
less than one percent of the total area.

The allocation according to the current category of energy efficiency of properties is based solely on the classification in the accordance with the national or local energy ordinance.

own offices

Disclosure on performance for Akelius office occupation is reported separately.
Akelius has offices in twelve cities.

reporting period

Where data is available,
performance measures have been reported for the two most recent years

2019 – 1 January to 31 December

2020 – 1 January to 31 December

Akelius does not report Waste-Abs and Waste-LfL 2019 figures due to the different data collection method in 2020 compared to 2019.

Akelius is committed to improve the internal data collection and align with the reporting period of EPRA figures.

contact

The sustainability team,
sustainability@akelius.com

key figures

environment, like-for-like measure

Akelius portfolio

EPRA code	indicator	unit of measure	2020	2019	change, percent
Elec-LfL	electricity consumption	MWh	52,088	56,334	-7.5
	coverage	percent	100	100	-
DH&C-LfL	district heating consumption	MWh	147,592	151,615	-2.7
	coverage	percent	97	97	-
Fuels-LfL	fuel consumption, oil	MWh	8,115	8,278	-2.0
	coverage	percent	79	76	3.9
	fuel consumption, gas	MWh	125,170	120,230	4.1
	coverage	percent	93	93	-
Water-LfL	total water consumption	million m^3	3.91	3.81	2.6
	coverage	percent	94	94	.

environment, absolute measures

Akelius portfolio

EPRA code	indicator	unit of measure	2020	2019	change, percent
Elec-Abs	electricity consumption	MWh	53,846	59,163	-9.0
	electricity consumption from renewable sources	percent	44	45	-2.2
	coverage	percent	96	98	-2.0
DH&C-Abs	district heating consumption	MWh	149,157	154,392	-3.4
	district heating consumption from renewable sources	percent	42	43	-2.6
	coverage	percent	96	98	-2.3
Fuels-Abs	fuel consumption, oil	MWh	8,115	9,264	-12.4
	fuel consumption from renewable sources	percent	-	-	-
	coverage	percent	77	81	-4.9
	fuel consumption, gas	MWh	167,082	174,035	-4.0
	fuel consumption from renewable sources	percent	-	-	-
	coverage	percent	93	96	-3.1
Energy-Int	building energy intensity	KWh/sqm	153	159	-3.8

environment, absolute measures

Akelius portfolio

EPRA code	indicator	unit of measure	2020	2019	change, percent
GHG-dir-Abs	scope 1	tonnes CO_2 eq	35,102	36,792	-4.6
	coverage	percent	91	97	-6.2
GHG-indir-Abs	scope 2	tonnes CO_2 eq	46,255	45,848	0.9
	coverage	percent	92	94	-2.1
GHG-Int	GHG intensity	tonnes CO_2 eq per sqm	0.031	0.032	-3.1
Water-Abs	total water consumption	million m^3	4.01	4.11	-2.4
	coverage	percent	95	96	-1.0
Water-Int	water consumption intensity	m^3/sqm	1.55	1.52	2.0
Waste-Abs*	weight of waste produced	tonnes	38,594	-	-
	of which non-hazardous	percent	100	-	-
	amount of waste sent recycled	tonnes	13,534	-	-
	percentage recycled	percent	35	-	-
	of which non-hazardous	percent	100	-	-
	amount of waste sent to a landfill	tonnes	7,303	-	-
	percentage sent to landfill	percent	19	-	-
	of which non-hazardous	percent	100	-	-
	amount of waste sent to incineration	tonnes	16,680	-	-
	percentage sent to incineration	percent	43	-	-
	of which non-hazardous	percent	100	-	-
	other	tonnes	1,083		-
	of which non-hazardous	percent	98		-
	coverage	percent	98	-	-
Cert-Tot	portfolio certified building level	percent	77	75	2.7
	portfolio certified unit level	percent	74	96	-22.9
	coverage	percent	100	100	-

*) key performance indicator Waste-Abs for 2019 is not disclosed due to changed data collection methodology in 2020.
Hence, making two years incomparable.

social

EPRA code	indicator	unit of measure	2020		2019	
			Male	Female	Male	Female
Diversity-Emp	employee gender diversity, direct employees	percent	58	42	58	42
	employee gender diversity, manager	percent	58	42	58	42
	employee gender diversity, board	percent	80	20	100	-
Diversity-Pay	pay gender ratio, direct employees	percent	116		123	
	pay gender ratio, manager	percent	138		137	

EPRA code	indicator	unit of measure	2020	2019
Gov-Board	number of executive board members	total number	-	1
	number of independent or non executive board members	total number	2	1
	average tenure on the governance body	year	4.1	6.5
Gov-Select	process for nominating and electing the highest governance body	-	page 30	page 28
Gov-Col	process for managing conflicts of interest	-	page 30	page 28

EPRA code	indicator	unit of measure	2020	2019	change, percent
Emp-Training	training and development, direct employees	average number of hours	21	44	-52.3
Emp-Dev	employee performance appraisal	percent	50	62	-19.4
Emp-Turnover	new employee hires	total number	258	409	-70.2
	rate of new employee hires	percent	20	28	-28.6
	employee turnover	total number	426	305	39.7
	rate of turnover	percent	39	21	85.7
H&S-Emp	employee health and safety - injury rate	per 100,000 hours worked	0.14	0.04	250.0
	employee health and safety - lost day rate	per 100,000 hours worked	2.6	-	-
	employee health and safety - absentee rate	percent	1.9	2.9	-34.5
	employee health and safety - fatalities	total number	-	-	-
H&S-Asset	asset health and safety assessments	percent of assets	85	78	9.0
	coverage	percent	100	100	-
H&S-Comp	asset health and safety compliance	number of incidents	19	21	-9.5
	coverage	percent	100	100	-
Comty-Eng	community engagement, impact assessments and development programs	percent of assets	5	6	-16.7
	coverage	percent	100	100	-

Akelius offices
environment

EPRA code	indicator	unit of measure	absolute 2020	2019	change, percent
Elec-Abs	electricity consumption	MWh	399	445	-10.3
	electricity consumption from renewable sources	percent	-	-	-
	coverage	percent	90	90	-
DH&C-Abs	district heating and cooling consumption	MWh	62	95	-34.7
	district heating consumption from renewable sources	percent	-	-	-
	coverage	percent	90	90	-
Fuels-Abs	fuel consumption	MWh	1,415	1,269	11.5
	fuel consumption from renewable sources	percent	-	-	-
	coverage	percent	90	90	-
GHG-Dir-Abs	scope 1	tonnes CO_2e	274	246	11.4
GHG-Indir-Abs	scope 2		252	364	-30.8
	coverage	percent	90	90	-
Waste-Abs	weight of waste produced	tonnes	81.9	-	-
	of which non-hazardous	percent	100	-	-
	amount of waste sent recycled	tonnes	16.3	-	-
	percentage recycled	percent	20	-	-
	of which non-hazardous	percent	100	-	-
	amount of waste sent to a landfill	tonnes	41.6	-	-
	percentage sent to landfill	percent	51	-	-
	of which non-hazardous	percent	94	-	-
	amount of waste sent to incineration	tonnes	20.1	-	-
	percentage sent to incineration	percent	25	-	-
	of which non-hazardous	percent	100	-	-

GRI content index

organizational profile

GRI standard indexes	disclosure	page	omissions
102-1	name of the organization	1	-
102-2	activities, brands, products, and services	page 8 in annual report	-
102-3	location of headquarters	58	-
102-4	location of operations	page 3 in annual report-	-
102-5	ownership and legal form	58	
102-6	markets served	page 3 in annual report	-
102-7	scale of the organization	25	-
102-9	supply chain	43	-
102-10	significant changes to the organization and its supply chain	n/a	-
102-11	precautionary principle or approach to risk management	39	-

strategy

102-14	statement from senior decision-maker	6, 7	-

ethics and integrity

102-16	values, principles, standards, and norms of behavior	34, 35	-

governance

102-18	governance structure	31	-
102-22	composition of the highest governance body and its committees	30, 31	-
102-24	nominating and selecting the highest governance body	30	-

GRI standard disclosure indexes | | **page** | **omissions**

stakeholder engagement

102-40	list of stakeholder groups	8, 9	-
102-43	approach to stakeholder engagement	8, 9	-
102-44	key topics and concerns raised	8, 9	-

reporting practice

102-46	defining report content and topic Boundaries	44, 45	-
102-47	list of material topics	8, 9	-
102-49	changes in reporting	44, 45	-
102-50	reporting period	44, 45	-
102-51	date of most recent report	44, 45	-
102-52	reporting cycle	44, 45	-
102-53	contact point for questions regarding the report	44, 45	-
102-55	GRI content index	51, 54	-

environmental

GRI standard indexes	disclosure	page	omissions
energy			
302-1	energy consumption within the organization	46, 47	-
302-3	energy intensity	46, 47	-
water			
303-5	water consumption	46, 47	-
CRE2	building water intensity	46, 47	-
emissions			
305-1	energy direct (scope 1)	46, 47	-
305-2	energy indirect (scope 2) GHG emissions	46, 47	-
CRE3	greenhouse gas (GHG) emissions intensity building energy consumption	46, 47	
waste			
306-2	waste by type and disposal method	46, 47	-
supplier environmental assessment			
308-1	new suppliers that were screened using environmental criteria	43	-
certified assets			
CRE8	type and number of sustainability certified asset	46, 47	-

social

GRI standard indexes	disclosure	page	omissions
employment			
401-1	new employee hires and employee turnovers	49	-
401-2	benefits provided to full-time employees that are not provided to temporary or part-time employees	26	-
occupational health and safety			
403-9 403-10	rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	49	-
training and education			
404-1	average hours of training per year per employee	49	-
404-3	percentage of employees receiving regular performance and career development reviews	49	-
diversity and equal opportunity			
405-1	diversity of governance bodies and employees	48	-
405-2	ratio of basic salary and remuneration woman to men	48	-
local communities			
413-1	operation with local community engagement impact assessments and development program	49	-
customer health and safety			
416-2	incidents of non-compliance concerning the health	49	-

EPRA content index

environment

EPRA code	indicator	unit of measure	page
Elec-Abs	total electricity consumption	MWh/year	46, 47, 50
Elec-LfL	total electricity consumption, like-for-like	MWh/year	46, 47, 50
DH&c-Abs	total district heating consumption	MWh/year	46, 47, 50
DH&c-LfL	total district heating consumption, like-for-like	MWh/year	46, 47, 50
Fuels-Abs	total fuel consumption	MWh/year	46, 47, 50
Fuels-LfL	total fuel consumption, like-for-like	MWh/year	46, 47, 50
Energy-Int	building energy intensity from Akelius apartments	KWh/sqm/year	46, 47, 50
GHG-Dir-Abs	scope 1	tonnes CO_2eq	46, 47, 50
GHG-Indir-Abs	scope 2	tonnes CO_2eq	46, 47, 50
GHG-Int	building GHG intensity from Akelius apartments	tonnes CO_2eq/ sqm/year	46, 47, 50
Water-Abs	total water consumption	m^3/year	46, 47, 50
Water-LfL	total water consumption, like-for-like	m^3/year	46, 47, 50
Water-Int	water intensity from Akelius apartments	m^3/sqm	46, 47, 50
Waste-Abs	total weight of waste	tonnes/year	46, 47, 50
Cert-Tot	type and number of sustainability certified asset	percent of assets	46, 47, 50

social

EPRA code	indicator	unit of measure	page
Diversity-Emp	employee gender diversity	percent	48
Diversity-Pay	pay gender ratio	percent	48
Emp-Training	training and development	number	49
Emp-Dev	employee performance appraisal	percent	49
Emp-Turnover	employee turnover and retention	number and percent	49
H&S-Emp	employee heath and safety	percent	49
H&S-Asset	asset health and safety assessment	percent of assets	49
H&S-Comp	asset health and safety compliance	number	49
Comty-Eng	community engagement, impact assessments and development programs	percent of assets	49

governance

EPRA code	indicator	unit of measure	page
Gov-Board	composition of the highest governance body	number	48
Gov-Select	process for nominating and electing the highest governance body	narrative	30
Gov-Col	process for managing conflicts of interest	narrative	33

overreaching recommendation

indicator	unit of measure	page
organizational boundaries	-	44, 45
coverage	-	44, 45
third party assurance	-	44, 45
boundaries - reporting on landlord and utility consumption	-	44, 45
normalization	-	44, 45
own offices	-	44, 45
reporting period	-	44, 45
contact	-	44, 45

auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Akelius Residential Property AB (publ), corporate identity number 556156-0383

engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

the scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*.

This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

We believe that the examination has provided us with sufficient basis for our opinions.

opinions

A statutory sustainability statement has been prepared.

Stockholm, on the day stated in our electronic signature

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