

# Sustainability Appendix for 2019

Appendix to Wihlborgs Annual  
& Sustainability Report 2019

# Sustainability Appendix for 2019

## Appendix to Wihlborgs Annual and Sustainability Report 2019

Wihlborgs' Annual and Sustainability Report together with this accompanying Sustainability appendix for 2019 comprises Wihlborgs' Sustainability Report for 2019 in accordance with GRI Standards: Core option.

**This appendix is to be read as a complement to the Annual and Sustainability Report and primarily encompasses disclosures that are not included in the Report as well as information pertaining to the impact of material topics, boundaries, governance and evaluation.** This also complements our reporting on sustainability-related operational risks. The report has the same boundaries and scope as in previous years, if nothing else is stated in connection with the reporting of specific indicators. Unless stated otherwise, the report pertains to the entire Group. This information has not been subject to an external review. However, external environmental and sustainability experts with specialist GRI expertise are consulted to verify our GRI reporting.

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# General disclosures

## Organisational profile

See pages 70–71 of Wihlborgs Annual and Sustainability Report 2019.

102-8 Information on employees and other workers

405-1 Diversity of governance bodies and employees

Metric	
Number of employees at 31 Dec. 2019	234
Number of FTEs at 31 Dec. 2019	191
FTEs, %	82
Part-time employees, %	18
Personnel turnover, %*	Total 12.6 Sweden 8.0 Denmark 18.9
Average age, years	43

\* Personnel turnover is calculated as the number of employees leaving as a percentage of the average number of employees.

Age distribution	
Under 30	21%
30–49	42%
Over 50	37%

Employees by region	
Malmö	74
Helsingborg	31
Lund	26
Copenhagen	103
<b>Total</b>	<b>234</b>

Gender distribution	%	Number
Women	39%	91
Men	61%	143
<b>Total</b>	<b>100%</b>	<b>234</b>

### 102-41 Collective bargaining agreements

All Wihlborgs employees in Sweden are covered by collective agreements. The employees in Denmark, however, are not covered by collective agreements.

### 102-13 Membership of associations

Many of Wihlborgs' employees sit on external boards and forums through which they drive important issues concerning urban development. We are represented on various boards, including those of Fastighetsägarna Syd, Fastighetsföreningen Lund City, Malmö Citysamverkan, Lund Citysamverkan, Helsingborg Citysamverkan, Medeon, Ideon and Øresundsinstittet.

In terms of environmental and sustainability issues, we are active in networks such as the Sweden Green Building Council (SGBC), the environmental think-tank Tankesmedjan Miljö, Klimatsamverkan Skåne, Lund's Climate Alliance, the Swedish Association for Sustainable Business (NMC), Global Compact Sweden, Solar Region Skåne, CSR Skåne and Sustainable Talks in Helsingborg.

## Stakeholder engagement Reporting practice

- 102-40 List of stakeholder groups
- 102-42 Identifying and selecting stakeholders
- 102-44 Key topics and concerns raised
- 102-46 Defining report content and topic Boundaries
- 102-49 Changes in reporting

### Stakeholder dialogue and materiality analysis

Prioritisation of the most material topics started in 2014 with a comprehensive stakeholder dialogue and this was when Wihlborgs' overall sustainability framework was prepared, in accordance with the then applicable GRI G4 standards.

The dialogues comprised interviews with representatives from our various groups of key stakeholders. The following groups were represented: loan providers, tenants, suppliers, partners, investors and the Board.

Key stakeholders were selected based on their size and availability as well as long-term relationships. During the interviews, we asked each stakeholder to explain which topics they considered to be the highest priority for Wihlborgs. The results from these interviews were considered along with information from other channels, such as customer surveys and employee surveys, as well as our own priorities and strategies. Based on the above, we identified a number of material topics, see overview on page 5. We then divided these topics into four main areas, which have since comprised our sustainability framework:

- Responsible business
- Sustainable properties
- Attractive employer
- Commitment to the region and community

This framework provides a good overview and a clear link between the GRI and our operations. The goal with prioritising selected topics is for the measures we take to have a greater impact and to be more stringent in our reporting and communication.

The GRI's main list also comprises topics pertaining to legal compliance. For Wihlborgs, it stands to reason that we must observe and comply with applicable laws — and on this basis, we resolved that any topics associable with legal compliance are to be prioritised even if we do not set targets or continuously report these items under the GRI. In the event that any laws are violated, we will report such violations.

Naturally, there are additional areas and initiatives of importance. Those that are not reported in accordance with the GRI are disclosed on our website and in more direct dialogues with our stakeholders.

The table on page 6 shows which topics we have chosen to

### Wihlborgs' sustainability framework



report according to GRI and which we have chosen to disclose elsewhere, for example on our website.

### Update and supplementation of stakeholder dialogues

Following the stakeholder dialogue conducted in 2015, which forms the basis for our current framework, we have supplemented and updated through further stakeholder dialogues. The process was repeated in conjunction with our transition to GRI Standards in 2017. In 2017, an internal workshop was also conducted with a particular focus on sustainability risks and our opportunities to have a positive impact. This led to us increasing our focus on supplier assessments in terms of the environment and human rights, and therefore, from this date, we also report the GRI topics 308 Supplier Environmental Assessment and 414 Supplier Social Assessment.

In 2018, we chose to have additional dialogues, this time with a particular focus on representatives from the municipalities where we have properties. Contributing to the region, its residents and its environment, is our most central sustainability issue and we therefore chose to have a specific dialogue about the sustainable development goals with these stakeholders. What we found was that stakeholders appreciate that Wihlborgs plays an active part in city development, for example in developer dialogues and other forums. They also expected us to actively work and collaborate on social issues as well as issues relating to security and safety. This confirms to us that "commitment to the region and society" should remain a prioritised focus area. The stakeholders also pointed out that they would like to see us participate in initiatives linked to the sharing economy and mobility solutions.

We conduct customer satisfaction surveys every second year. The most recent was in 2018 and encompassed customers in Denmark and Sweden. The survey showed that sustainability is not one of the top priorities in customers' initial choice of premises, but there are high expectations that we can maintain high standards once tenants have moved in. The responses to this question also showed high expectations of us as a landlord when

it comes to sustainability issues, for example, in terms of waste sorting, electric charging stations, societal commitment and energy efficiency. However, tenants in Denmark do not express such high expectations in the area of sustainability, and their main comments pertained to waste sorting.

At the end of 2018, we conducted a workshop aimed at taking our sustainability agenda to the next level. Group Management and representatives from all regions and specialist functions participated in the workshop, where prioritised areas for forthcoming efforts were identified. We continued to compile data on our stakeholders' sustainability priorities through 2019. Instead of targeted dialogues on specific occasions, we now conduct ongoing dialogues on sustainability issues with all stakeholder groups. This is now naturally integrated into daily operations, since all our stakeholder groups raise sustainability issues in different ways and in different contexts on their own initiative. The increased sustainability focus of investors and lenders, who ask questions and set requirements on us as a company, is particularly clear.

Employee perceptions are captured in the annual employee survey, where sustainability in general and our contribution to regional development in particular remain important.

We invited our contracted suppliers to a supplier day at the start of 2019, where we explained the importance of sustainability issues to us and, in parallel, captured suppliers' views on sustainability issues.

Given that the municipalities where we operate expect us to engage in urban and regional development, we have prioritised engagement in initiatives such as LFM30 (local roadmap for a climate neutral construction sector in Malmö by 2030) and H22 – A Smarter City in Helsingborg where sustainability will be in strong focus. We are also represented on the committee promoting a metro rail link between Malmö and Copenhagen, to name just a few examples.

### 102-43 Approach to stakeholder engagement

Examples of stakeholder groups and more formal dialogues regularly conducted with our key stakeholders.

Key stakeholders	Dialogue format	Timing/interval
<b>Tenants</b>	Customer satisfaction surveys Wihlborgs' Kontaktyta forum Dialogues with responsible property owners/managers Reconciling green leases	Every second year Twice yearly Continuously As per the tenant's wishes
<b>Shareholders</b>	Annual General Meeting Investor meetings	Once each year Several times a year
<b>Employees</b>	Career development reviews Employee survey Monthly meetings (at each office) Work Environment Committee Environmental Management Committee	Once each year Every second year Each month Four times per year Four times per year
<b>Loan providers</b>	Meetings with the respective banks Financial reporting/Presentation of quarterly reports Data gathering, surveys and dialogues about Wihlborgs' sustainability management	Several times a year Quarterly Several times a year
<b>Suppliers</b>	Procurement process Annual review of agreements Review of sustainability work in conjunction with renegotiation/resigning of agreements Wihlborgs' Kontaktyta forum Follow-up meetings during/after construction projects	Ongoing basis for different areas Annually Continuously Twice yearly Continuously
<b>Community</b>		
The public sector	Dialogue forums in conjunction with city planning meetings, developer dialogues, etc.	When invited by municipalities
The non-profit and voluntary sector	Board and steering committee meetings with FC Rosengård, Drivkraft, Diversity index, among others	Several times per year
Universities and other institutes of higher education	Member meetings of Malmö Citysamverkan, Lund Citysamverkan and Helsingborg Citysamverkan. Partner group meetings and market days Presentation for students and openings for project/degree projects	Several times per year Some/Several times per year Upon request, normally several times annually
<b>Board of Directors</b>	Board meetings	Six times per year

# Selected topics and specific indicators

## 102-47 List of material topics

	Responsible business	Sustainable properties	Attractive employer	Commitment to the region and its community
Reporting (according to GRI)	<p><b>201 ECONOMIC PERFORMANCE</b> 201-1 Direct economic value generated and distributed.</p> <p><b>205 ANTI-CORRUPTION</b> 205-2 Communication and training about anti-corruption policies and procedures. 205-3 Confirmed incidents of corruption and actions taken.</p> <p><b>308 SUPPLIER ENVIRONMENTAL ASSESSMENT</b> 308-1 New suppliers that were screened using environmental criteria.</p> <p><b>414 SUPPLIER SOCIAL ASSESSMENT</b> 414-1 New suppliers that were screened using social criteria.</p>	<p><b>CERTIFIED BUILDINGS</b> CRE8 Share of certified buildings.</p> <p><b>302 ENERGY</b> 302-1 Energy consumption within the organisation. 302-3 Energy intensity. 302-4 Reduction of energy consumption.</p> <p><b>305 EMISSIONS</b> 305-1 Direct (Scope 1) GHG emissions. 305-2 Energy indirect (Scope 2) GHG emissions. 305-3 Other indirect (Scope 3) GHG emissions. 305-4 GHG emissions intensity. 305-5 Reduction of GHG emissions.</p>	<p><b>403 OCCUPATIONAL HEALTH AND SAFETY</b> 403-8 Workers covered by an occupational health and safety management system. 403-9 Work-related injuries.</p> <p><b>404 – TRAINING AND EDUCATION</b> 404-3 Percentage of employees receiving regular performance and career development reviews. Own indicator: Percentage of employees who would recommend Wihlborgs.</p> <p><b>405 DIVERSITY AND EQUAL OPPORTUNITY</b> 405-1 Diversity of governance bodies and employees</p>	<p><b>SOCIETAL COMMITMENT</b> Own indicator: Share of sponsorship initiatives directly linked to societal commitment/community commitment</p> <p><b>LOCAL PROCUREMENT</b> 204-1 Proportion of spending on local suppliers.</p>
Informing	Complaint-handling/Whistle-blowing	Waste Biodiversity Use of materials	Non-discrimination Fair employment conditions	Customer health and safety

# Responsible business

For Wihlborgs, it is self-evident that our brand should represent sound values. We have a commitment to societal development and actively promote the different components of sustainability. Wihlborgs will operate a business model for growth and will be one of the leading and most profitable property companies on the Nasdaq Stockholm Exchange. Our activities influence the communities in which we operate. The goals linked to our sustainability work must be integrated with the financial targets, as both aspects affect each other.

The business model and financial targets are set by Wihlborgs' Board. Responsibility for the company is allocated between the Board and the CEO in accordance with the Swedish Companies Act, other legislation and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Articles of Association and internal governance instruments, such as the rules of procedure for the Board and instructions to the CEO. Wihlborg's Code of Conduct with accompanying policies and guidelines comprise governing documents for Wihlborgs as well as for our suppliers and contractors.

## 201 Economic performance

See page 63 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 201 – ECONOMIC PERFORMANCE

#### Description and Boundaries

This topic addresses that Wihlborgs needs to be profitable for us to be able to implement our strategies and achieve our targets. We have to reach our financial targets to be able to invest in sustainable work methods. But we also have to operate sustainably to achieve these financial targets in the long term. A solid financial base is a prerequisite for Wihlborgs to act as a stable business partner to suppliers and customers alike. This topic encompasses Wihlborgs' financial results which, in turn, impact the company's shareholders and surrounding communities.

The economic value we create benefits various groups: employees, lenders, the community and suppliers. Our shareholders share in this value via dividends. Once all stakeholders have received their share, the remainder is retained in the company to strengthen operations, create new projects and acquire new properties with the aim of creating sustainable growth.

#### Risks

**Risk description:** Both external and internal risks exist that can impact Wihlborgs' financial performance. The main risk areas are reduced rental income, increased vacancies, customer dependence, increased interest expense, higher property costs, changes in the value of properties, risks in projects or new acquisitions, and inadequate access to external funding. These risks are described in more detail in the Administration Report in the 2019 Annual Report, on pages 79–82.

**Risk management:** The management of financial risks is described in more detail in the Administration Report in the 2019 Annual Report, on pages 79–84.

#### Governance

The management and responsibilities of the Wihlborgs Group are distributed between the Board and the CEO in accordance with the Swedish Companies Act, other legislation and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Code, the Articles of Association and internal governance instruments, such as the rules of procedure for the Board and instructions to the CEO.

Wihlborgs' overriding financial targets are set and monitored continuously by the Board. Operational property management is organised into four geographic regions with a total of ten property management areas, each of which has set targets for, inter alia, revenue, earnings and net lettings.

#### Targets

##### Overall financial targets:

A return on equity that exceeds the risk-free interest rate by no less than six percentage points.

An equity/assets ratio of no less than 30 percent.

An interest coverage ratio of no less than 2.0.

A loan-to-value ratio of no more than 60 percent.

Targets per region and management area, for example income, earnings and net lettings

#### Follow-up

201-1 Direct economic value generated and distributed  
Annual Report and interim reports.

## 201-1 Direct economic value generated and distributed

<b>Economic value created and distributed, SEK M</b>	<b>2019</b>	<b>2018</b>	<b>Comments</b>
<b>Direct value created</b>			
Income	2,983	2,684	Our rental income is derived from companies and organisations that are active in our region. Our premises create the conditions for them to pursue and develop their respective operations.
Changes in property values	1,479	1,312	Favourable long-term management of our properties. Investments in and leasing of these drive value development in the property portfolio.
Changes in derivative values	13	37	The value of interest-rate hedging is impacted by changes in market interest rates.
Other income	48	13	Includes interest income and shares in earnings.
<b>Total direct value created, SEK M</b>	<b>4,523</b>	<b>4,046</b>	

<b>Economic value created and distributed, SEK M</b>	<b>2019</b>	<b>2018</b>	<b>Comments</b>
<b>Economic value distributed</b>			
Employees	185	152	Includes salaries and social-security expenses to our employees in Malmö, Helsingborg, Lund and Copenhagen.
Loan providers	336	482	Interest expenses to our loan providers, primarily the larger Nordic banks and investors in our corporate bonds.
Community	550	515	Includes carrying amounts, income taxes, property tax and VAT. In addition to this, Wihlborgs also pays energy taxes and stamp duties.
Suppliers	527	492	To a great extent, Wihlborgs' suppliers are located in the local markets where we operate. In addition to the expenses paid to suppliers, we also invest significant amounts in our properties; in 2019, the total was SEK 1,659 million. Most of these purchases are from local suppliers.
Shareholders	576	480	Dividend to some 27,000 shareholders.
<b>Total value distributed, SEK M</b>	<b>2,174</b>	<b>2,121</b>	
<b>Retained in the business</b>	<b>2,349</b>	<b>1,925</b>	
<b>Return on equity, %</b>	<b>17.5</b>	<b>16.5</b>	
<b>Target, %</b>	<b>6.1</b>	<b>6.1</b>	



## 205 Anti-corruption

See pages 65 and 83 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 205 – ANTI-CORRUPTION

#### Description and Boundaries

This topic regards actions to counter corruption and unethical behaviour, the success of which is a prerequisite for a long-term profitable and sustainable business. The topic encompasses Board members and employees at Wihlborgs as well as the employees of suppliers and contractors engaged by Wihlborgs. The Wihlborgs' whistle-blower function can be used by Wihlborgs' employees and people outside the company, such as the employees of contractors/suppliers, who wish to report unethical/illegal behaviour of some type.

#### Risks

Risks linked to corruption and business ethics are described in more detail in the Administration Report in the 2019 Annual Report, on page 83.

#### Governance

Wihlborgs ethical guidelines are determined by the Board of Directors and revised annually. These comprise general guidelines for Board members, employees, suppliers and contractors. Wihlborgs' Procurement Director is responsible for informing new suppliers of Wihlborgs' ethical guidelines in conjunction with signing Wihlborgs' Code of Conduct and that by doing so they undertake to comply with these guidelines and other policies. The UN Global Compact also contains guidelines for this area. Internal authorisation rules prevent unethical behaviour and undue influence. The HR department is responsible for training personnel in ethics and anti-corruption.

#### Targets

All new employees are to be trained in business ethics and anti-corruption.  
No cases of corruption are to occur at Wihlborgs.

#### Follow-up

205-2 Communication and training about anti-corruption policies and procedures  
205-3 Confirmed incidents of corruption and actions taken  
Evaluation of cases reported via the whistle-blower function.

### 205-2 Communication and training about anti-corruption policies and procedures

During the year, all new employees in Sweden and in Denmark were trained in business ethics and anti-corruption. All Wihlborgs employees have access to the company's guide for business ethics and ethical guidelines, through the intranet among other means.

## 308 Supplier Environmental Assessment

See page 55 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 308 SUPPLIER ENVIRONMENTAL ASSESSMENT

#### Description and Boundaries

This topic entails that Wihlborgs sets requirements for its suppliers and contractors aimed at minimising the environmental impact of its operations. With this aim, Wihlborgs screens suppliers in terms of, inter alia, environmental impact. Wihlborgs' own environmental efforts are described in the Sustainable properties section in the Annual and Sustainability Report 2019.

#### Risks

**Risk description:** If Wihlborgs does not set requirements for suppliers, there is a risk of unwanted negative environmental effects and, moreover, a risk of a negative impact on Wihlborgs' reputation and brand if we have engaged a supplier that does not act responsibly.

If Wihlborgs hires suppliers with whom we have no framework agreement, and who have not signed Wihlborgs' Code of Conduct, there is a greater risk of environmental impact than if we use suppliers with whom we have framework agreements and who adhere to our Code of Conduct. This can have economic consequences and even risk a negative effect on Wihlborgs' reputation and brand if suppliers do not act in an environmentally responsible manner.

**Risk management:** When Wihlborgs engages contractors or other suppliers, these have environmental responsibility for their own operations. However, as a responsible player, Wihlborgs requires them to follow Wihlborgs' Code of Conduct with the aim that our suppliers will follow Wihlborgs and act in a long-term sustainable manner. We also expect our suppliers to apply our expectations and environmental requirements to their partners and subcontractors. This is how we, as a property company, have a positive effect further back in the value chain, both locally and globally.

#### Governance

Wihlborgs has a Code of Conduct that all framework-agreement-covered suppliers that we use in property management and projects are required to read and approve. Wihlborgs' Procurement Director is responsible for ensuring that new framework-agreement-covered suppliers in Swedish operations sign the Code of Conduct. By signing the Code of Conduct, suppliers confirm that they have familiarised themselves with our policies and undertake to adhere to them during the period of the agreement. This Code of Conduct includes an environmental policy with supplier requirements in terms of the environment. Suppliers with more than 20 employees should also complete a self-declaration describing their internal management of such areas as environment issues. The Code of Conduct and self-declaration have been implemented in operations in Sweden for a number of years. In Denmark, the implementation of Wihlborgs Code of Conduct was started in 2019 and is expected to be completed in 2020. In Danish operations, the administrative director is responsible for ensuring that the supplier fulfils Wihlborgs' requirements.

By showcasing, examining and assessing environmental aspects at our suppliers, we communicate to our business partners the importance of these issues for our operations. We also ensure the existence of a structure and system for our suppliers to conduct their environmental management, for example. Some procurements also set direct environmental requirements based on the service/product being purchased. The environmental requirements also have assessment criteria based on how the environmental performance is evaluated in relation to price and function.

To increase the control of material used in the supplier chain, Wihlborgs tries to influence the choice of material and follows developments in terms of certification and assessment systems for building materials. Wihlborgs is a member of Byggarubedömningen (BVB), which provides a digital tool for assessing the environmental performance of building materials. Our template for offers and agreements now requires suppliers to use building materials approved by Wihlborgs using BVB's base criteria (approved or acceptable).

#### Targets

All suppliers with whom we sign framework agreements are to sign the Wihlborgs Code of Conduct.

#### Follow-up

308-1 New suppliers that were screened using environmental criteria

#### 308-1 New suppliers that were screened using environmental criteria

Of the new suppliers with whom Wihlborgs signed framework agreements in 2019, all (100 percent) were evaluated based on environmental criteria (through the Wihlborgs' Code of Conduct and self-declarations). This figure refers to the Swedish operations, since the Code of Conduct is not yet implemented in the Danish operations. Accordingly, at present there is no systematic environmental review of suppliers in Denmark. In August 2019, implementation of the Code of Conduct started in Denmark.

## 414 Supplier Social Assessment

See page 55 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 414 – SUPPLIER SOCIAL ASSESSMENT

#### Description and Boundaries

This topic deals with setting requirements for human rights, a good work environment and high safety levels at the suppliers and contractors engaged by Wihlborgs. Random checks of suppliers who have signed the Code of Conduct provide us with a further control to ensure suppliers comply with Wihlborgs' Code of Conduct with regard, for example, to human rights. This topic is addressed under Attractive employer with regard to Wihlborgs' own employees.

#### Risks

**Risk description:** If Wihlborgs does not set requirements for suppliers, there is a risk, for example, of workplace accidents and suppliers acting in breach of their employees' human rights, such as decent work conditions, fair pay, freedom of association, etc. Beyond the tragedy for the person involved, the above also entails a risk of a negative impact on Wihlborgs' reputation and brand through being linked to a supplier that does not act responsibly. The supplier chain also includes a risk of human rights violations in the manufacture of materials and building components/articles.

If Wihlborgs hires suppliers with whom we have no framework agreement, and who have not signed Wihlborgs' Code of Conduct, there is a greater risk of an unsatisfactory workplace environment and therefore a greater risk of incident among the supplier's employees than if we use suppliers with whom we have framework agreements and who adhere to our Code of Conduct. This can have human and economic consequences, and even risk a negative impact on Wihlborgs' reputation and brand if suppliers do not act in a responsible manner.

**Risk management:** The first step for reducing social improprieties is to exclusively engage suppliers with whom Wihlborgs has a framework agreement, and who therefore adhere to our Code of Conduct. When Wihlborgs engages contractors or other suppliers, these have work environment responsibility for their own employees. As a responsible player, Wihlborgs also requires them to adhere to Wihlborgs' Code of Conduct with the aim that our suppliers will follow Wihlborgs and act in a long-term sustainable manner.

To increase the control of material used in the supplier chain, Wihlborgs tries to influence the choice of material and follows developments in terms of certification and assessment systems for building materials. Wihlborgs is a member of Byggarubedömningen (BVB), which as part of its assessment data compiles information on how our suppliers perform in terms of social sustainability.

#### Governance

Wihlborgs has a Code of Conduct that all framework-agreement-covered suppliers that we use in property management and projects are required to read and approve. Wihlborgs' Procurement Director is responsible for ensuring that new framework agreement suppliers sign the Code of Conduct. By signing the Code of Conduct, suppliers confirm that they have familiarised themselves with our policies and undertake to adhere to them during the period of the agreement. This Code of Conduct includes a work environment policy. Suppliers with more than 20 employees should also complete a self-declaration describing their internal management of such areas as the work environment. In Danish operations, the administrative director is responsible for ensuring that the supplier fulfils Wihlborgs' requirements.

By showcasing, examining and assessing our suppliers in these four areas, we communicate to our business partners the importance of these issues for our operations. We also ensure the existence of a structure and system for our suppliers to conduct their work environment management and to work with human rights, for example.

#### Targets

All suppliers with whom we sign framework agreements are to sign the Wihlborgs Code of Conduct.

#### Follow-up

414-1 New suppliers that were screened using social criteria

#### 414-1 New suppliers that were screened using social criteria

Of the suppliers with whom Wihlborgs signed agreements in 2019, all (100 percent) were evaluated based on social criteria (through the Wihlborgs' Code of Conduct and self-declarations). This figure refers to the Swedish operations, since the Code of Conduct is not yet implemented in the Danish operations. Accordingly, at present there is no systematic review of suppliers based on social criteria in Denmark. In August 2019, implementation of the Code of Conduct started in Denmark.

## Wihlborgs' Code of Conduct

When Wihlborgs signs framework agreements with suppliers, the suppliers undertake to adhere to Wihlborgs' Code of Conduct. By signing the Code of Conduct, our suppliers confirm that they have familiarised themselves with Wihlborgs' guidelines and policies and that they undertake to comply with those guidelines during the period of the agreement. This includes ethical guidelines, an environmental policy, quality policy, work environment policy and purchasing policy. Suppliers with less than 20 employees only need to sign the Code of Conduct to receive a U risk classification, which means an approved signing of the Code of Conduct. Suppliers with more than 20 employ-

ees should also complete a self-declaration describing their internal management of such areas as environment, quality, work environment and ethics. They must also enclose documents that verify their responses. Based on this data, Wihlborgs conducts a risk assessment that rates suppliers on a scale from U, 3, 2, 1 to 1+. See description and outcome below.

This information concerns suppliers within Swedish property management. Implementation of Wihlborgs' Code of Conduct in the Danish operations started in 2019 and completion is planned for 2020.

### Signing the Code of Conduct – suppliers in Sweden\*

	Risk classification	Description	Percent of framework suppliers (482 suppliers)
Suppliers with less than 20 employees – signing of the Code of Conduct only	U	Approved signing of the Code of Conduct.	17%
Suppliers with more than 20 employees – signing of the Code of Conduct and a completed self-declaration	3	Signing of the Code of Conduct only. Management systems and policies may exist, but these have not been completed in line with Wihlborgs' requirements.	1%
	2	The supplier has prepared policies for the environment, quality and the work environment.	66%
	1	As in the 1+ rating, but the Global Compact has not been formally signed and the supplier could have a management system that has not been externally certified.	10%
	1+	The supplier's management systems for the environment, quality and work environment have been externally certified and the supplier has signed the UN Global Compact	1%

\*5 percent of suppliers are not assessed as they are organisations such as government agencies.

## Sustainable properties

Work with sustainable properties focuses on the following topics: climate, resource optimisation, environmentally certified buildings and a circular perspective, and a lifecycle perspective. The work is controlled by the environmental vision, the environmental policy, the Group's environmental goals and the environmental programme, as well as the environmental management system (based on ISO 14001). Our operations are ultimately subject to Swedish and Danish legislation, where the precautionary principle forms the fundamental rule. We are not subject to a duty of licensing or notification for environmentally harmful operations. Unless stated otherwise, environmental reporting pertains to the entire Group. The environmental accounts for 2019 use a digital tool supplied by Position Green to compile, calculate and visualise environmental data. The aim is to quality assure data and obtain improved traceability linked to data sources and users.

Wihlborgs' environmental management system includes legal requirements, information and manuals. These describe how our operations in our management should take into consideration

and follow up various environmental topics, as well as instructions for day-to-day environmental efforts. Self-assessment systems based on a digital tool were introduced during the year. This tool allows us to control and verify that the governing environmental legislation is managed in each property. We also have specific environmental policies for our projects. Our project-specific environmental programme is an example of this. Wihlborgs is also a member of the BVB association, and we use its tools for environmental and health assessments for purchases of building materials in our projects. Our systematic everyday environmental initiatives are a necessary precondition for achieving our long-term environmental goals and satisfying customers in our premises.

We also strive to influence our suppliers and tenants based on our position in the value chain. We set requirements and assess our suppliers in our procurement process. In partnership with tenants, we work with green leases as a platform for shared environmental ambitions. Wihlborgs is also committed to several national and local climate initiatives.

## 302 Energy

See page 67 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 302 – ENERGY

#### Description and Boundaries

The topic describes how energy consumption (energy purchased) is monitored for our properties where Wihlborgs manages agreements with energy suppliers in both Denmark and Sweden. The data is based on information provided on an annual basis from our energy suppliers. Consolidated energy statistics are compared and then quality checked against Wihlborgs' own collected data in the energy monitoring system. Some renewable energy is produced locally at selected buildings in Wihlborgs' property portfolio via solar panels or geothermal energy. Our own locally produced electricity is included in the statistics by reducing the need to purchase electricity for the properties concerned. Most tenants in Sweden and Denmark have their own agreements for electricity for their operations — these are excluded in the statistics.

We also focus on ensuring that transportation with our service vehicles and company cars is resource-efficient with low fuel consumption.

#### Risks

**Risk description:** If Wihlborgs does not use renewable energy, there is a risk of increased operating costs due to new, future energy and environmental taxes. There is also a risk that we do not meet expectations and requirements from stakeholders, such as investors and tenants in terms of resource efficiency, indoor climate and energy performance.

**Risk management:** We ensure Wihlborgs' compliance with existing and future environmental- and energy-related regulatory requirements by working proactively to optimise our energy use and by, as far as possible, choosing energy from renewable sources. At the same time, we avoid increased operational costs for new energy and environmental taxes. We also strengthen our capacity to comply with the expectations and demands of investors and tenants in terms of resource efficiency, indoor climate and energy performance.

In cases where we add locally produced renewable energy from our own solar or geothermal energy production at a property, we also reduce the building's vulnerability, since the electricity supply is less dependent on an external supplier. This area can be developed further when technology evolves and battery storage costs, for example, become more attractive. Locally produced electricity can also reduce the risk of regional power shortages.

**302 – ENERGY (CONT.)**

**Governance**

This topic is controlled through environmental legislation, signature of the UN Global Compact, Wihlborgs’ ethical guidelines and our environmental policy. Wihlborgs’ environmental programme encompasses targets for reduced energy consumption. Our environmental management system includes monthly energy monitoring instructions that we have prepared for our property management. We are also working to ensure that our energy declarations (legal requirement) are updated and perform energy audits when needed. To be able to reduce our energy consumption in line with the environmental programme, we also implement continuous initiatives linked to electricity, heating and cooling, to optimise our energy performance. We use Wihlborgs’ project-tailored environmental programmes to ensure that we build in an energy-efficient manner and purchase energy-optimised products for new construction and redevelopments. The area is also controlled by Svenska Boverket’s Building Regulations (BBR) and energy performance target levels in our environmental certification.

We have a company car policy that governs our choice of service vehicles and company cars. The rules promote electric, hybrid and petrol vehicles. The upper limit is set at 70 grams of CO<sub>2</sub> emissions per kilometre (does not apply to petrol vehicles). The focus is on fuel-efficient vehicles with high energy efficiency.

Wihlborgs’ Environmental Manager is responsible for managing by objectives (MBO), coordinating and following up energy performance together with Group Management, property directors, project managers and operators. Wihlborgs’ property directors are responsible for optimising and managing the energy performance in their respective properties.

**Targets**

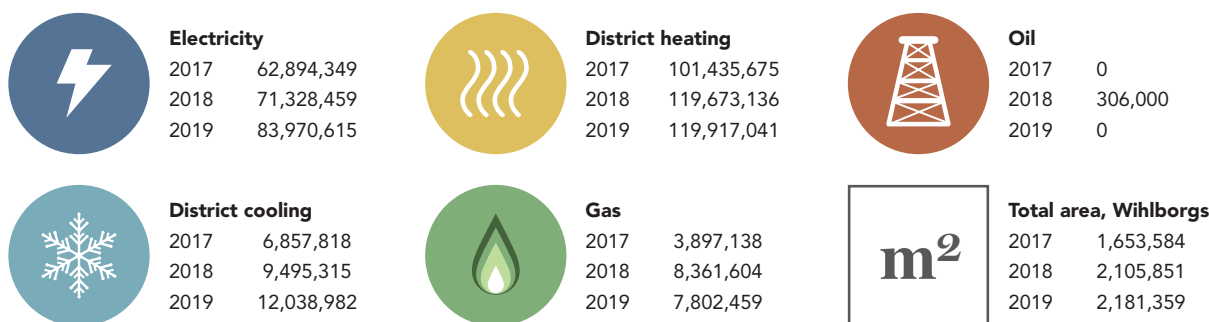
We will continuously endeavour to lower energy consumption and reduce the climate impact from our properties and transportation use. We have clear targets and utilise modern technology to measure and follow up the energy and environmental status of various objects. The objective is to steer our consumption toward an increased share of energy from renewable energy sources and to secure high energy performance in relation to tenants’ comfort requirements in our buildings. Wihlborgs’ properties are managed with a long-term approach using documented management plans based on a lifecycle perspective.

**Follow-up**

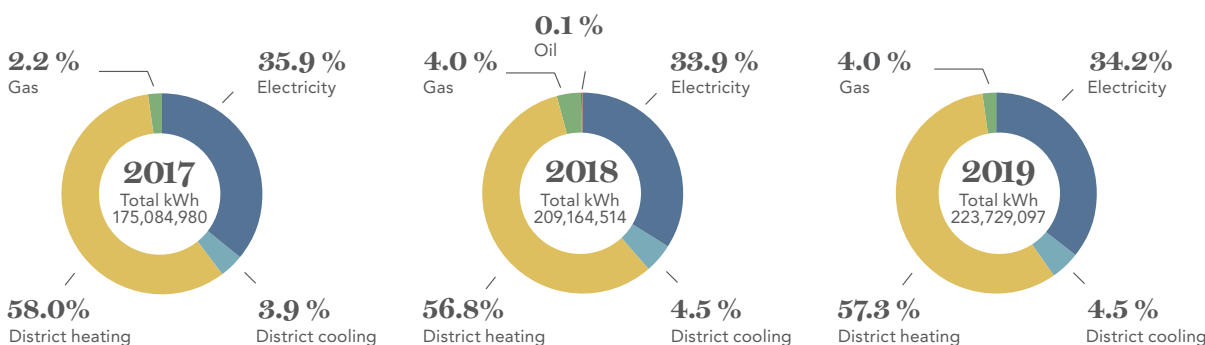
- 302-1 Energy consumption within the organisation
- 302-3 Energy intensity
- 302-4 Reduction of energy consumption

**302-1 Energy consumption within the organisation  
302-4 Reduction of energy consumption**

**Total energy consumption, kWh (properties)**

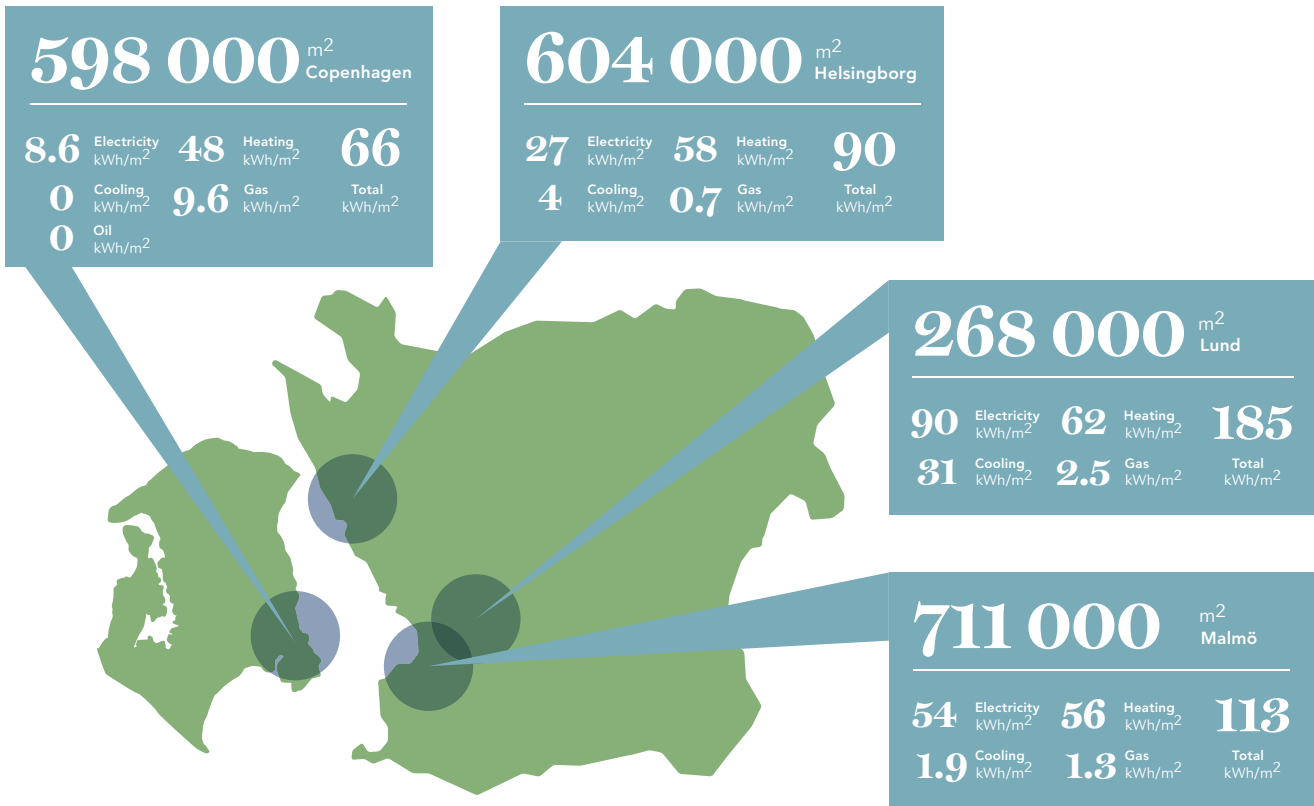


**Energy consumption, kWh, percent**



302-3 Energy intensity

**kWh per city and square metre, 2019**



**Wihlborgs' energy consumption in Sweden allocated over 1,582,898 m²:**

Electricity	49.8 kWh/m²
Cooling	7.6 kWh/m²
Heating	57.4 kWh/m²
Gas	1.3 kWh/m²
Oil	0 kWh/m²
<b>Total</b>	<b>116.1 kWh/m²</b>

**Wihlborgs' total energy consumption allocated over 2,105,851 m²:**

Electricity	38.5 kWh/m²
Cooling	5.5 kWh/m²
Heating	55.0 kWh/m²
Gas	3.6 kWh/m²
Oil	0 kWh/m²
<b>Total</b>	<b>102.6 kWh/m²</b>

## 305 Emissions

See pages 66–67 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 305 – EMISSIONS

#### Description and Boundaries

This topic describes how Wihlborgs directly or indirectly reduces the climate impact from our operations, and which climate emissions the operations generate based on defined areas in the Greenhouse Gas Protocol (GHG). A review of Scope 3, conducted together with the company 2050 Consulting, has shown that the reported climate data is incomplete. This pertains primarily to data regarding building material purchases for our projects and the acquisition of existing properties that need development.

Based on the environmental accounts, Wihlborgs is implementing climate compensation measures in 2020 to offset the net emissions under scope 1 and 2 of the Swedish property management operations (projects excluded). For 2019, these emissions were estimated to be 1,162 tonnes of CO<sub>2</sub> equivalents.

Historically, climate emissions from purchased energy, and emissions from refrigerants and transportation have been the areas of our operations with the greatest climate impact. Emissions from the transportation of tenants' household waste are included (from private suppliers) as are emissions in cases where Wihlborgs is responsible for coordination and waste management, for example via shared spaces for waste sorting. The calculation of climate impact for municipal collection of household waste is based on standard rates. Moreover, there are other, smaller, areas of climate impact, such as administration, air travel, company vehicles and water consumption, that are also included. Purchased goods, properties or the climate impact of construction processes in our projects are not included. We have however started to identify and prepare standard rates to be able to measure and report indirect emissions from our project purchases.

#### Risks

**Risk description:** Our operations impact the environment and the climate, for example through emissions from our properties and from purchased goods and services. Not endeavouring to reduce this impact entails a risk of being in breach of the law, reduced demand from tenants, lack of trust and a negative impact on our brand. In turn, this could make it more difficult to attract investment capital. In time, increased environmental taxes will be implemented on CO<sub>2</sub> emissions, which could affect the company's profitability if emission levels are not systematically reduced.

**Risk management:** Wihlborgs prevents climate risks in society by focusing on renewable forms of energy and fuel. We also ensure that we meet applicable and future regulatory requirements in parallel with avoiding increased costs for new energy and environmental taxes. Moreover, we strengthen our capacity to comply with the environmental and climate expectations and demands of investors, tenants and other stakeholders.

In 2019, we expanded and raised climate requirements for our new-build projects based on our climate-neutral property focus.

#### Governance

This topic is controlled through environmental legislation, signature of the UN Global Compact, Wihlborgs' ethical guidelines and our environmental policy. Wihlborgs has signed the Fossil-free Sweden Initiative 2020, the plan for a climate neutral value chain in the construction and engineering sectors by 2045 and Malmö's local roadmap LFM30. We have set targets to reduce climate impact. Our environmental management system includes procedures to reduce climate impact in operation, management and maintenance, for example through procurement requirements for renewable energy and products. We use Wihlborgs' project-tailored environmental programme to ensure that we build with low climate impact and climate-smart construction for new construction and redevelopments. Moreover, since we apply Sweden Green Building Council (SGBC) as the standard for environmental certification, with version 3.0, Wihlborgs will also calculate and assess climate effects based on different choices of building materials. Our policies and guidelines for service vehicles and company cars ensure that we exclusively use vehicles that run on renewable fuels. Our travel policy focuses on sustainable alternatives, such as public transport and bicycles.

Wihlborgs' Environmental Manager is responsible for managing by objectives (MBO), coordinating and following up energy performance together with Group Management, property directors, project managers and operators by region. Wihlborgs' Group Management, property directors, purchasing managers and project managers are responsible for realising measures to reduce climate impact and to proactively implement climate change adaptations in their properties or projects.

Over the year, we conducted an analysis into how we comply with the Task Force on Climate-related Financial Disclosures (TCFD) framework.



305 – EMISSIONS  
(CONT.)

## Targets

We will continuously endeavour to optimise management of our resources and to reduce the climate impact of our properties, projects and transportation use. We have clear targets and utilise modern technology to measure and follow up the energy and environmental status of various objects. The objective is to steer our consumption toward an increased share of energy from renewable sources. Our properties are managed with a long-term approach using documented management plans based on a lifecycle perspective. Our property management operations in Sweden aim to be climate-neutral from 2019 and our Danish operations from 2022. All new projects and our management are to be climate-neutral (net zero) in the Malmö region from 2030 and the entire Wihlborgs group from 2045.

## Follow-up

305-1 Direct (Scope 1) GHG emissions  
305-2 Energy indirect (Scope 2) GHG emissions  
305-3 Other indirect (Scope 3) GHG emissions  
305-4 GHG emissions intensity  
305-5 Reduction of GHG emissions

305-1 Direct (Scope 1) GHG emissions  
305-2 Energy indirect (Scope 2) GHG emissions  
305-3 Other indirect (Scope 3) GHG emissions

Wihlborgs total CO <sub>2</sub> emissions, tonnes of CO <sub>2</sub> equivalents			
Year	2019	2018	2017
Scope 1 Tonnes	1,977	728	478
Scope 2 Tonnes	4,681	4,764	3,624
Scope 3 Tonnes	581	268	64
<b>Total Tonnes</b>	<b>7,239</b>	<b>5,760</b>	<b>4,166</b>

See page 18 for calculation and accounting policies.

## 305-4 GHG emissions intensity

Wihlborgs' relative CO<sub>2</sub> emissions

Area	m <sup>2</sup>	kWh/m <sup>2</sup> Total	CO <sub>2</sub> kg/m <sup>2</sup>	
			2019 (Scope 1-2)	2018 (Scope 2)
Malmö	710,727	113.0	0.64	0.0
Helsingborg	604,170	89.2	2.78	0.0
Lund	268,001	184.9	2.62	0.5
Total in Sweden	1,582,898	116.1	1.79	0.08
Copenhagen (Denmark)	598,461	66.7	6.02	7.6
<b>Total Group</b>	<b>2,181,359</b>	<b>102.6</b>	<b>3.05</b>	<b>2.3</b>

## 305-5 Reduction of GHG emissions

The table below shows the percentage of renewable energy in Sweden. Read more about our efforts to reduce our climate impact on pages 66–69 of the Annual Report.

Percentage renewable energy, Sweden<sup>1</sup>

Energy supplier	District heating	District cooling	Electricity	Gas
E.ON				
Öresundskraft	100% <sup>2</sup>	100%	97% <sup>3</sup>	100
Kraftringen				

<sup>1</sup> Renewable refers to allocated fuel in energy production (direct impact) that is not derived from fossil fuels such as coal, oil or natural gas.

<sup>2</sup> District heating in Helsingborg – District Heating Gold – is climate compensated by Öresundskraft (contains 0.2% fossil fuel). The environmental value in Wihlborgs (scope 1-3) climate calculations is calculated excluding climate compensation.

<sup>3</sup> Residual electricity purchased in Lund (on acquisitions) prior to the transfer of all electricity agreements to Wihlborgs' purchasing agreement based on renewable electricity.

Percentage renewable energy, Denmark<sup>1</sup>

Energy supplier	District heating	District cooling	Electricity	Gas
Vestforbrænding (largest supplier)	50% <sup>2</sup>	N/A	98% <sup>3</sup>	100

<sup>1</sup> Renewable refers to allocated fuel in energy production (direct impact) that is not derived from fossil fuels such as coal, oil or natural gas.

<sup>2</sup> Estimated value, combustion of mixed waste + natural gas.

<sup>3</sup> Residual electricity purchased in Copenhagen (on acquisitions) prior to the transfer of all electricity agreements to Wihlborgs' purchasing agreement based on renewable electricity.

# Calculation and reporting principles governing climate impact

To ensure the key figures in the Sustainability Report are reliable, principles for calculating greenhouse gas emissions are compiled below. The calculations are made based on the Greenhouse Gas Protocol (GHG Protocol) reporting standard, and are calculated in line with scopes 1–3.

## Scope 1 (direct emissions)

### Service vehicles and company cars

The climate impact of Wihlborgs' vehicles is calculated based on annual fuel consumption (petrol, diesel and natural gas) in litres or cubic metres reported by the supplier, Autoplan, to Wihlborgs' Personnel Manager. The volume is multiplied by emission factors from the Swedish Transport Administration for the CO<sub>2</sub> emissions through the vehicles' exhausts. Biofuel is calculated as having zero climate impact in Scope 1 due to it being part of the natural carbon cycle. If the fuel has indirect climate impacting emissions (based on the LCA), these are reported under Scope 3. Electric vehicles were not included in the calculations.

<https://www.energimyndigheten.se/fornybart/hallbarhetskriterier/drivmedelslagen/vaxthusgasutslapp>

### Refrigerants

The climate impact of refrigerants used by Wihlborgs in Sweden and Denmark (R407C, R410A, R404A, R408A, R134A, R417A and R22) is calculated based on the amount of leakage (emissions larger than five tonnes of CO<sub>2</sub>e) measured during the year in the case of incidents or service checks.

### Gas

In Sweden, we purchase biogas to heat a few properties. In Denmark, we purchase larger quantities of natural gas to heat properties. The suppliers' environmental values have been used. In previous years, gas consumption was reported in Scope 2, but this year it has been allocated to Scope 1.

## Scope 2 (indirect emissions)

### Energy use

Energy use includes all electricity, heating and district cooling purchased by Wihlborgs and handled within the Group. This means energy where Wihlborgs is the principal for the property and counterparty with the energy supplier (which could also include tenants' electricity consumption in their operations). The conversion factors used for energy are based on the values received from energy companies in Sweden and Denmark. The environmental value used for district heating in Denmark is based on a calculated average from selected suppliers.

Energy consumption figures for electricity, district heating and district cooling are multiplied by the conversion factors from each energy supplier to determine CO<sub>2</sub> equivalents of emissions. The environmental values of our chosen forms of energy are always based on direct CO<sub>2</sub> emissions linked to the choice of fuel in the production. (For those suppliers who report indirect emissions for sold energy, these emissions are also included but under Scope 3).

This year, for Helsingborg, climate compensation of the environmental value for the District Heating Gold product was not reported in our environmental accounts (previously a value of zero was used per kWh/CO<sub>2</sub>e purchased district heating). However, District Heating Gold as a product does from an overall view contribute to lower climate impact in the municipality. Read more at: <https://www.oresundskraft.se/foretag/fjarrvarme/fjarrvarme-guld>

In Sweden, the key ratio for electricity consumption is 0 grams of CO<sub>2</sub>e/kWh from renewable production sources. The source is wind or hydropower based on certification from selected energy suppliers. Due to the change of ownership, a small amount of energy consumption in Lund and Copenhagen for a period was not tied to electricity agreements and has therefore been assigned an environmental value as a residual mix (2018).

## Scope 3 (other indirect emissions)

### Air travel

The key metric for GHG emissions from air travel for the Swedish operations are received from Wihlborgs' business travel agency.

### Private cars used for business

Emissions from the use of private cars on business in Sweden and Denmark are based on employees reporting the number of kilometres driven. The fuel is assumed to be fossil fuel for all private vehicles used for business is assumed to be fossil fuel. The distance is multiplied by an emissions factor of 150 grams CO<sub>2</sub>e/km (Sweden) and 157 grams CO<sub>2</sub>e/km in Denmark. Emissions for private cars used for business do not have a circular perspective (LCA). Electric vehicles were not included in the calculations.

### Waste

We have calculated the climate impact of the transportation of waste from our properties to recycling centres, etc. based on the total weight multiplied by emission factors based on environmental data from Suez and Ragn-Sells in Sweden.

Waste transportation, Sweden	0.03 kg CO <sub>2</sub> e/kg
Waste transportation, Denmark	0.05 kg CO <sub>2</sub> e/kg (higher share of fossil-fuel-based transportation)

### Water

Drinking water's emissions of CO<sub>2</sub> equivalents are also included in the calculations, both for Denmark and Sweden. To estimate emissions from drinking water purification, the key metric for a facility in Sweden was used. It is a "cradle-to-gate" value, which means an incomplete chain, since tap water is taken into consideration but not sewage treatment. The environmental value is based on an LCA completed in 2017.

Drinking water purification, Sweden	0.17 kg, CO <sub>2</sub> e/m <sup>3</sup>
Drinking water purification, Denmark	0.17 kg, CO <sub>2</sub> e/m <sup>3</sup>

**Purchase of energy Scope 2 — emission factors**

Company	Unit	Electricity	District heating	District heating with certificate of origin	Fossil gas	District cooling	Biogas	Oil
Öresundskraft	g CO <sub>2</sub> e/kWh	0	47	0	0	2	0	0
E.ON	g CO <sub>2</sub> e/kWh	0	0	0	0	0	0	0
Kraftringen	g CO <sub>2</sub> e/kWh	250.8 (Nordic residual)	0	0	0	0	0	0
		151	82.5	0	205.2	0	0	0
Denmark	g CO <sub>2</sub> e/kWh	250.8 (Nordic residual)						

## Certified buildings

See page 68 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### CERTIFIED BUILDINGS

#### Description and Boundaries

This topic describes which buildings in Wihlborgs' property portfolio are externally certified. Wihlborgs' property portfolio includes new builds and renovated older properties that are primarily certified under BREEAM (Building Research Establishment Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design) and SGBC. We have also started certification of existing properties, to a lesser extent, based on the buildings' performance, operation and management. Environmental certification of our buildings means we can conduct quality assurance of the environmental performance, take into consideration health aspects and optimise tenants' indoor climates and work environments. We are also reducing future business risks by focusing on optimised energy consumption, documenting compliance with the Swedish National Housing Board's BBR requirements and minimising the occurrence of building materials hazardous to the environment and health. SGBC, which is our main certification standard, requires recurrent verifications to retain certification. Our regulations stipulate that the target rating for new production and redevelopment is SGBC Gold. All property projects (conversions or extensions, > SEK 5 million) are to be handled in consultation with Wihlborgs' Environmental Manager (for example, selection of environmental certification level).

#### Risks

**Risk description:** There are numerous environmental and climate risks entailed in owning and managing buildings. The most fundamental is non-compliance with environmental legislation (for example, self-assessments) and thereby increasing the probability of near-accidents or accidents affecting soil conditions, water resources or air. A further risk is that if we do not have well-functioning monitoring in place, buildings will consume more energy and water than needed to satisfy tenants. In which case, Wihlborgs will be indirectly contributing to overconsumption of natural resources, in addition to paying added costs. The lack of a well-established system entails other risks, namely that the environment, work environment and health are managed without coordination or any overall perspective. Failure to keep updated with legislative changes pertaining to the environment and energy can be expensive and, in the worst case, prevent continued operation.

The demands of tenants, finance providers and investors tend to increase in terms of expectations of an increased proportion of environmentally certified properties and premises. In the current climate, offering environmentally certified buildings is a hygiene factor rather than a competitive advantage.

**Risk management:** Environmental certification of our buildings means we can prevent risks and create business opportunities, since certification focuses on resource efficiency (lower operating costs), documented compliance with BBR requirements and control of the hazards posed by building materials to the environment, work environment and health. We also ensure that we meet applicable and future regulatory requirements in parallel with avoiding increased costs for new energy and environmental taxes. Moreover, we strengthen our capacity to comply with the environmental and climate expectations and demands of tenants, finance providers and investors. We also guarantee a good indoor climate in our premises and that our buildings maintain a high level of performance over the long term, which is also certified over time by third parties (SGBC, eternally).

#### Governance

This topic is controlled through environmental legislation, signature of the UN Global Compact, Wihlborgs' ethical guidelines and our environmental policy. We aim to certify all new production in accordance with SGBC Gold. Larger redevelopments and extensions costing over SEK 5 million should also generally be certified. Wihlborgs has also prepared a project-adapted environmental programme, based on Swedish environmental legislation and our own expanded environmental ambitions, which sets minimum levels for all our construction projects. This programme also describes the choice of environmental certification and its management. Our green leases communicate which environmental certification a building has or will receive to tenants.

We also use BVB, whereby we assess the environmental and health hazards of building materials prior to procurement in projects and tenant improvements. It is also possible to document volume and placement in a logbook (a basic requirement for all of our environmentally certified buildings).

Wihlborgs' Environmental Manager is responsible for MBO, coordinating and following up environmental certification and acts as Sweden Green Building Council's contact. Wihlborgs' property directors and project managers are responsible for developing and managing environmental certification in their properties or projects.

#### Targets

All new production is to be environmentally certified (in line with Sweden Green Building Council, SGBC Gold). For all conversions or extensions, environmental certification must be considered in consultation with Wihlborgs' Environmental Manager. Our target is for 80 percent of our office buildings in Sweden to be environmentally certified by the end of 2022. The long-term target is for 100 percent of the properties within the Group to be environmentally certified.

#### Follow-up

CRE8 Share of certified buildings

## CRE8 Share of certified buildings

## Status of environmentally certified buildings, 31 December 2019

Area	Property	SGBC	LEED	BREEAM	Status
Malmö	Bure 2	SGBC Gold			Certified 2019
Malmö	Forskaren 1	SGBC Gold			Registered
Malmö	Gimle 1	SGBC Gold			Certified 2019
Malmö	Gängtappen 2	SGBC Silver			Certified 2013
Malmö	Kranen 8	SGBC Silver			Certified 2016
Malmö	Kranen 9 – extension	SGBC Gold			Certified 2018
Malmö	Kranen 9 – existing	SGBC Silver			Certified 2019
Malmö	Nora 11	SGBC Silver			Certified 2016
Malmö	Sirius 3	SGBC Gold			Certified 2018
Malmö	Skrovet 3			Breeam In Use	Certified 2018
Malmö	Skåneland 1	SGBC Silver			Certified 2015
Malmö	Uven 9	SGBC Bronze			Certified 2018
Lund	Armaturen 4	SGBC Silver			Certified 2015
Lund	CMU – Flexenheten*	SGBC Gold			Certified 2019
Lund	Diabasen 1	SGBC Silver			Certified 2018
Lund	Landstinget 2	SGBC Silver			Certified 2015
Lund	Raffinaderiet 5	SGBC Gold			Certified 2018
Lund	Kunskapen 1	SGBC Gold			Registered
Lund	Nya Vattentornet 2		LEED 2009 Existing Buildings		Certified 2014
Lund	Nya Vattentornet 3			Breeam In Use	Certified 2018
Lund	Nya Vattentornet 4		LEED 2009 Existing Buildings		Certified 2015
Lund	Posthornet 1	SGBC Gold			Certified 2019
Lund	Syret 3	SGBC Gold	LEED Platinum		Certified 2013
Lund	Östra torn 27:12* (MAX IV, block E, offices)	SGBC Gold			Certified GB 2014 Certified SGBC 2014 Certified BREEAM Design Stage 2015 Certified BREEAM As Built 2016
Lund	Östra torn 27:12* (MAX IV - blocks A–D)	SGBC Gold			Certified GB 2015 Certified SGBC 2015
Helsingborg	Floretten 3			Breeam In Use	Certified 2018
Helsingborg	Floretten 4	SGBC Gold			Certified 2014
Helsingborg	Kalifornien 10			Breeam In Use	Certified 2018
Helsingborg	Musköten 20	SGBC Gold			Registered
Helsingborg	Polisen 5 (extension)	SGBC Gold			Certified 2017
Helsingborg	Sadelplatsen 13	SGBC Bronze			Certified 2015
Helsingborg	Terminalen 1	SGBC Gold			Certified 2015
Helsingborg	Ursula 1	SGBC Gold			Registered

\* The property is owned by Fastighets AB ML4, a company owned jointly by Wihlborgs and Peab. These properties are not included in the calculation of the share of environmentally certified buildings reported in the annual report.

## Attractive employer

Our vision is to be the best workplace in our industry by 2020. To achieve this, we work in several sub-areas and report within the following: work environment, occupational health and safety; organisation; culture and competence; and equal opportunities and diversity.

Each year, the Board adopts the overall strategy and the Group Management is tasked with its implementation. Wihlborgs' HR Department leads operations development projects and drives day-to-day HR work in close collaboration with managers,

the work environment committee and other employees. For frameworks and guidance, please refer to laws, policies, procedures and guidelines (see below). The Management Group, HR Department and managers are tasked with ensuring compliance with the above.

We follow up on the vision via Great place to Work's annual list of Sweden's best workplaces, where we aim to be the property company that ranks at the top of the list for our category (medium-sized companies).

### 403 Occupational health and safety

See page 71 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

403-1 Occupational health and safety management system

403-2 Hazard identification, risk assessment and incident investigation

403-3 Occupational health services

403-4 Worker participation, consultation and communication on occupational health and safety

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

#### 403 – OCCUPATIONAL HEALTH AND SAFETY

##### Description and Boundaries

It is important to ensure a good working environment in terms of the physical and psychosocial environment for our employees. Our work developing and managing properties that comprise workplaces and meeting places for our customers means that we impact, and have a responsibility for, their work environments. Moreover, our suppliers and contractors work in and at our properties in conjunction with new-build projects, redevelopments or the delivery of services in the form of service and operation. This also entails a responsibility in connection with their work environment.

There is no clear line defining where our responsibilities begin or end. In this chapter, we have limited reporting to encompass our actual employees and physical work environment to encompass the properties we own, our offices and journeys in between.

Our preventive work to protect the health and safety of our tenants is described in the Sustainable properties section of the 2019 Annual Report on pages 63–64. Refer to the Responsible business section of the 2019 Annual Report on pages 63–64 and 414 Supplier Social Assessment on page 11 of this appendix for how we work with the health and safety of suppliers.

We follow up on accident statistics for contractors working on our ongoing projects are followed up separately, even if we have delegated formal responsibility in the turnkey contract, see page 24 of this appendix.

##### Risks

**Risk description:** Not working proactively with health, the work environment and safety entails a risk of sick leave or, in a worst-case scenario, fatalities. This is costly, unsustainable and illegal. The risk of escalating sick leave, dissatisfaction and lack of confidence can generate higher staff turnover, which would have a direct impact in the form of lost competence and a direct effect on the trust we have built in our external relationships. Digitalisation and the possibility of flexibility that it brings for many roles also contributes to risks pertaining to the psychosocial work environment.

**Risk management:** Laws and regulations aimed at preventing ill health and accidents at work are in place that function as a base for our efforts. Naturally, we follow the laws and applicable ordinances as well as the rules covering how employees and employers are to work together in both Denmark and Sweden.

Work environment/health and safety-related risks are identified through risk inventories, work environment inspections, career development reviews, employee surveys and periodic health checks. Staff and managers report incidents and accidents to HR, thereby capturing them for evaluation and possible remedial measures.

## 403 – OCCUPATIONAL HEALTH AND SAFETY (CONT.)

**Risk management (Cont.):** We conduct employee surveys each year and work continuously with the findings and insights they provide. The focus areas and activities are formulated at the management level, in the work environment committees, and in the respective regions to ensure the issues are always high on the agenda. Those of our employees who spend time in and around the properties we own are also exposed to occupational risks. These are identified and documented through annual risk inventories and followed up at work environment meetings held by the work environment committees, at which, decisions are taken on measures and follow-up as well as whether the measures should be implemented at more locations in the operations. Corresponding workplace evaluations are conducted in Denmark each year, even if Danish law prescribes every third year.

Risks related to the psychosocial environment are identified and documented in forms and interviews at the annual health check performed by the occupational healthcare provider. Additionally, questions are asked in the employee survey concerning the physical and the psychological workplace.

We work systematically from different perspectives based on issues identified in risk assessments through our systematic work environment management efforts (SAM).

### Governance

The work environment is ultimately the responsibility of the CEO, but work environment efforts are led by the HR function, which formulates targets and frameworks for the area. Operative implementation is carried out by managers in the organisation and by work environment committees in Sweden and Denmark on which all work groups are represented. The managers together with all of the work environment committee representatives have completed work environment training encompassing legal requirements, regulations and procedures for SAM and how we work with incident reporting.

The work is conducted in accordance with SAM. Governing documents for the area include:

- The Swedish Work Environment Act and AFS provisions (e.g. AFS 2015:4 and AFS 2001:1)
- Work environment policy
- Policy & action plan to combat discriminatory treatment
- Policy & action plan to combat at-risk use and abuse
- SAM in Sweden and Action plan for work environment committees in Denmark

We investigate, measure and follow up physical and psychological work environments through safety inspections, ergonomic checks, career development reviews, employee surveys and health checks. The latter are performed by the occupational healthcare provider and encompass physical checks as well as individual discussions regarding healthy lifestyles, stress and the work/life balance. The occupational healthcare provider also provides advice and support for work-related injuries and covers all employees.

Accidents, work-related ill health and near-accidents are reported to HR and addressed by the work environment committees, which also complement the risk assessment of the affected employee with one of their own. The work environment committees prepare action plans to minimise the risks of similar situations arising again. For example, this could be a roof hatch that is blown down onto the head of an employee. In this case, a risk inventory is made of other roof hatches and adjustments are subsequently made to work routines. In the roof hatch example, this could be that at least two people must now be present during work on the roof. A written instruction is put up and better hatch locking devices are installed.

To check that faults and risks are rectified, work environment meetings conduct follow-ups (from safety inspections and near-accidents/accident reporting) as well as regular checks and inspections. Feedback on accidents and ill health is reported to Group Management, which takes decisions on initiatives to minimize future risks.

To further promote employees' personal health and provide access to care, we offer free private health insurance that provides quick access to medical information, counselling, care planning and specialist care for work-related and other types of illnesses and accidents. The preventive health care efforts also encompass a wellness contribution and the Wihlborgs Classic wellness initiative described on page 71 of the 2019 Annual Report.

### Targets

The workplace should be perceived as safe by our employees (100 percent in the employee survey).

Absence due to sick leave should be low (under 3 percent).

The majority of employees should use the wellness allowance (called the fitness and massage arrangement in Denmark) and participate in the company's other wellness initiatives.

### Follow-up

403-8 Workers covered by an occupational health and safety management system

403-9 Work-related injuries

Trust Index© according to Great Place to Work

Sick leave

Work-related accidents

Near-accidents

**403-8 Workers covered by an occupational health and safety management system**

All employees are represented in our work environment committees that are established in Denmark and Sweden. The committee comprises representatives for blue- and white-collar employees and representatives from all groups of employees.

**403-9 Work-related injuries**

In 2019, the sick leave rate was 2.22 percent (2.35) in Sweden, with the corresponding figure for Denmark totalling 3.42 percent (2.98).

In 2019, we had 4 (5) near-accidents, 5 (5) accidents, 2 (2) work-related illnesses and no (0) fatalities.

Work-related injuries are defined as injuries (physical or mental) that have occurred at the workplace as a result of the physical or psychosocial work environment. The most usual type of injury is from a minor fall or tripping. The greatest risk of a serious injury has been identified as traffic-related injuries.

**Work injuries at property management suppliers**

Over the year, two near-accidents were reported to the work environment committee in Sweden that involved subcontractors at our properties. In both cases an action plan was prepared and we have implemented measures to prevent future accidents.

**Work injuries at project suppliers:**

With respect to our project activities, we had no accidents or near-accidents in 2019 and no near-accidents where we were responsible for reporting an injury.

In 2019, our contractors reported three near-accidents/events as part of tenant improvement and maintenance projects. None of these led to any serious personal injury. In addition, 68 near-accidents/events were reported pertaining to our larger new-build projects. Again, none of these led to any serious personal injury. In all projects where near-accidents have occurred, we follow up any deficiency in our or the contractor's work to continuously progress our work environment efforts.

In all of the projects we carry out, the contractor bears full responsibility for acting as the construction work environment coordinator (BAS-U), which also entails responsibility for preparing an occupational health and safety plan as well as for training and follow-up. As the purchaser, we are deeply engaged in work environment efforts and clearly communicate our expectations of partners and suppliers. In our larger redevelopment, new-build and extension projects, we also meet with the respective site organisations and present Wihlborgs' perspective on work environment efforts. Even if responsibility for reporting preventive work is incumbent on the contractor, we follow up the work environment and work continuously to improve preconditions for a good work environment in our projects.

## 404 Training and Education

See page 70 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

**404 – TRAINING AND EDUCATION**

**Description and Boundaries**

It is important to work with corporate culture and engagement to ensure that we have a climate that supports development and skills supply for the future. Developing employee talents is essential for the employees themselves if we are to deliver good quality to customers and to create value for society and the region. Skills development is about how we leverage new know-how and transform it into new or more well-developed skills.

Reporting is limited to our employees even if, in several areas, we work together with other players to develop jointly, for example, through supplier days and customer networks.

**Risks**

**Risk description:** Our skills, abilities and motivation to meet customer needs, identify the right deals, and negotiate and deliver the right services in an efficient manner provide key competitive advantages and if we do not develop these skills, we could jeopardise our market position, our profitability and, in the long term, our very existence. Not working with objectives, expectations, priorities and feedback would also increase the risk of employees leaving Wihlborgs to move to competitors to enjoy more meaningful and challenging work conditions.

There are also business risks linked to this area. If we fail to convey our desired image of Wihlborgs as an expert and advisor to our stakeholders, confidence in us may decrease and thus we may lose out on business or risk being unable to recruit qualified competence in the external market.

**Risk management:** We work continuously with developing skills in a number of defined key areas. This is given visual form through our digitalised Wihlborgs Academy – a skills portal with all training programmes, both implemented and planned. This also means that we ensure that all certificates (such as Systematic Fire Safety, Hot Works and lift training) are up-to-date and that the base training that everyone should complete (in the environment, GDPR and business ethics, etc.) is conducted when employees start their employment.



#### 404 – TRAINING AND EDUCATION (CONT.)

##### Governance

Securing the skills supply and developing employees' talents in different areas is led by the Group Management. Needs are identified through the company's strategy process and through the annual career development reviews.

Operating plans for the coming year are decided by the Group Management and are implemented by the HR Department. The framework and policy for this work is on the intranet, as are the procedures for when and how different activities are conducted. Based on the company's overall goals, objectives are set at regional and Group level in the strategy process, and each manager is responsible for ensuring that their respective employees have the resources and skills required to meet their performance and behavioural targets.

Governance documents: Code of Conduct, ethical guidelines, guide for business ethics, guidelines for career development reviews. The career development reviews encompass both performance targets and behavioural targets and document what employees need to reach these targets.

Our digital skills portal – Wihlborgs Academy – enables each employee to follow their own training and managers can gain an overview of how decided development initiatives are implemented.

##### Targets

Each employee has one career development review per year (Q1) and is also offered a follow-up (Q3). Our employees always/almost always recommend Wihlborgs' products and services, and as an employer. (>90%)

##### Follow-up

404-3 Percentage of employees receiving regular performance and career development reviews  
Own indicator: The respective percentage of employees who would recommend Wihlborgs as an employer and who would recommend Wihlborgs' products and services.

#### 404-3 Percentage of employees receiving regular performance and career development reviews

In 2019, 98 percent of permanent employees in Sweden and Denmark had career development reviews. Those who missed their dialogues were on paternity leave or on sick leave during the period the dialogues were held (February to April). Only permanent employees are included in these statistics. Hourly and temporary employees do not have these types of documented career development reviews.

\* We consider it irrelevant to report details regarding frequency or to break information down by gender/region/employment category.

#### Ambassadorship (Own indicator)

Percentage of employees who would recommend Wihlborgs to others often or almost always

	2019	2018	2017	2016
I would recommend my employer to others. Often/almost always (4 or 5)	96%	95%	96%	93%
I feel I can recommend our products and services. Often/almost always (4 or 5)	98%	98%	98%	97%

## 405 Diversity and equal opportunity

See page 71 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### 405 – DIVERSITY AND EQUAL OPPORTUNITY

#### Description and Boundaries

We believe that a diversity of perspectives, experience and culture enriches an organisation. We are therefore working on different approaches for inclusion and equal opportunities within the company. We use gender and age to measure diversity but, for the present, have chosen not to measure diversity based on ethnicity. Based on the GDPR and more privacy factors, we have balanced interests and chosen not to share personal information (social security numbers) with third parties to measure this type of diversity.

#### Risks

**Risk description:** One-track thinking when recruiting risks generating work groups that become too homogeneous and which cloud entail a lack of creativity and dynamism. Moreover, there is the risk that competent candidates could be missed if we do not act proactively to prevent discrimination.

**Risk management:** Equality and diversity issues are addressed on an ongoing basis by Group Management and in all recruitment processes. Having our own policies in the area clarifies focus and direction in the area.

#### Governance

The work is led by the Group Management and the HR Department sets goals and activities. We comply with applicable legislation such as AFS 2015:4 Organisational and social work environment provisions and the Gender equality in the labour market law (Denmark). Wihlborgs also has its own policies on areas such as equality and discriminatory behaviour.

#### Targets

Equal pay for equal and equivalent work – salary survey  
 Equal opportunities for development (i.e. gender distribution of managers)

#### Follow-up

405-1 Diversity of governance bodies and employees

### 405-1 Diversity of governance bodies and employees

See page 3 in this Appendix and page 70–71 of the Annual Report.

## Commitment to the region and its community

We focus on two topics in this area: local investments and purchasing, and societal commitment. The framework for commitment to regions and communities is established by the Group Management. Day-to-day work in terms of local invest-

ments is managed by the Procurement Director and in terms of societal commitment by the Director of HR and CSR, and the sponsoring business developer. Read more under the respective topic below.

### 204 Procurement Practices

See page 73 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

#### 204 – PROCUREMENT PRACTICES

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##### Description and Boundaries

This topic pertains to Wihlborgs, as far as possible, prioritising local purchases. By engaging local suppliers, we help the business community grow and develop, thereby creating new business opportunities for Wihlborgs. Another positive effect can also be a reduction in transportation.

This topic is limited to Wihlborgs, suppliers to operations in Sweden and society in general. Wihlborgs' definition of a local supplier or contractor is that the company has an office or operations in the Öresund region, but does not need to have its head office located there.

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##### Risks

**Risk description:** Wihlborgs is a major player and purchases products and services for significant sums. If we do not choose local suppliers, we risk negatively indirectly impacting development for business and for enterprises in the region. There is also a risk that the transportation of goods and people will be longer, which could be more expensive and negatively impact the environment.

**Risk management:** By always preferring local suppliers, we contribute to the development of companies and business in the region. We also reduce the risk of transporting goods long distances and negatively impacting the environment.

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##### Governance

The Procurement Director is responsible for ensuring that Wihlborgs prioritises local suppliers in procurements and when signing framework agreements. The Procurement Director reports to Wihlborgs' CEO and reports on an ongoing basis to the Group Management.

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##### Targets

The share of local suppliers is to be over 90 percent

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##### Follow-up

204-1 Proportion of spending on local suppliers, measured as the share of local suppliers with framework agreements.

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## Societal commitment (own topic)

See pages 72–73 of the Annual and Sustainability Report 2019.

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

### SOCIETAL COMMITMENT (OWN TOPIC)

#### Description and Boundaries

Socially prosperous cities together with positive and vibrant urban environments are vital in terms of creating healthy and sustainable development for both individuals and companies. Through sponsorship and other forms of support, we promote initiatives within the areas of work, education, diversity, equality and regional development. We also take our own initiatives in these areas. It is also important for the region to have the right preconditions for business start-ups and for entrepreneurs to receive help when setting up dynamic businesses. This topic is limited to Wihlborgs and the partners we have collaboration agreements with. The goal is for our activities to have a positive effect on society at large.

#### Risks

**Risk description:** It is important to set clear requirements for our business partners in terms of ethics, morals and values. Sponsorship partnerships where such requirements are not set risk promoting unsound behaviour or increasing the risk of adverse events that may negatively impact both Wihlborgs and the association/partner concerned.

Another aspect is that new generations are setting more stringent requirements on employers in terms of commitment and values. If we do not clearly communicate our values and the kind of initiatives we support and contribute to, Wihlborgs risks becoming less attractive as an employer.

**Risk management:** Through a clear sponsorship policy and clear follow-up in the area, we reduce the risk of supporting initiatives that are not focused on societal commitment or other forms of community involvement. When we sign collaboration agreements with partners, we clearly state in the agreement which part of the organisation's operations our contribution is to be used for. As far as possible, we also formulate and set requirements in terms of ethics and values for our collaboration partners.

#### Governance

Wihlborgs' sponsorship policy comprises the governing document for this area. Responsibility rests with the Group Management. The sponsoring business developer drives efforts together with the Director of HR and CSR.

#### Targets

The target is for a majority of our investments in sponsorship activities to be directly connected to societal commitment or other forms of community involvement by the end of 2022.

#### Follow-up

Our own indicator is used to measure this topic: "Share of sponsorship initiatives directly linked to societal commitment/community commitment."

From 2019, we measure this topic in monetary terms instead of, as previously, in numbers of initiatives.



[wihlborgs.se](http://wihlborgs.se)