

areim

Sustainability Report 2021





INTRODUCTION

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Our business model

Areim in brief

CEO Comment

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THIS IS AREIM

A better future begins today

Areim is an independent Nordic property owner and fund manager with the vision to invest in new shapes of progress, for society and beyond.

This is Areim

Our goal is to deliver value to all stakeholders by balancing strong financial results with sustainable developments, whilst taking care of our communities. Since the company started in 2003, we have invested in underdeveloped real estate where we can add lasting value during our ownership.

Areas of expertise

Today, we own and develop real estate across the Nordic region (Sweden, Norway, Denmark, and Finland) within the light industrial, residential, office, retail, and data centre segments valued at EUR 1,789 million. We offer three areas of expertise: fund management, property development, and advisory. Our visionary team of real estate and investment experts has a strong

track record in evaluating and targeting suitable projects, implementing complex business transactions, and developing real estate for maximum returns. Our main customers are investors and tenants.

Areim's head office is in Stockholm and additional offices are in Copenhagen, Helsinki, Oslo, and London. Our founder and principal owner is Leif Andersson.

Four funds under management

We currently manage four funds on behalf of some of the world's largest institutional investors:

- **Areim Fund I:** a 2007 vintage with a commitment of EUR 225 million in capital, raised from three of the world's largest institutional investors. The Fund is in the process of being wound down.

- **Areim Fund II:** a 2012 vintage with a capital base of EUR 321 million and an investment focus on residential development, office- and retail properties.
- **Areim Fund III:** a 2015 vintage with a capital base of EUR 428 million, backed by leading Swedish and international institutions with an investment focus on office properties, residential developments, and data centres.
- **Areim Fund IV:** a 2019 vintage with EUR 685 million of commitments, including EUR 150 million of co-investment capital. A diverse group of institutional investors from the Nordic region, Europe, Asia, and the Middle East is committed to the Fund. The Fund invests in office properties and residential developments, light industrial assets, and data centres.

FUND	Vintage	Total commitments (millions) ¹	INREV index ²
JV / Operating Partner	2003-2007	€106	N/A
Areim Fund I	2007	€225	Ranked 1 st
Areim Fund II	2012	€321	Ranked 1 st
Areim Fund III	2015	€428	Median
Areim Fund IV	2018	€535	N/A

¹ Calculated with FX-rate SEK/EUR as of inception date

² Non-Core Real Estate Fund Benchmark (All Europe) – June 2021; Fund level performance data as of 31 December 2021; past performance is not necessarily a guide to future returns



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Our business model

Long-term value creation throughout our investment cycle.

Our value-add approach

Areim's value-add approach is based on long-term value creation throughout our investment cycle raise and close funds, acquisitions, active asset management, and divestment process. Our goal is to deliver value to all stakeholders by balancing strong financial results with sustainable developments, whilst taking care of our communities. We have structured this into three well defined areas to focus our efforts:

- We turn brown to green
- We care for people and
- We deliver sustainable results.

Raise and close funds

Great business is built on long-term relationships. We are grateful for the trust of investors, as evidenced by the 83 per cent re-up rate (renewed commitments). From the fund raising,

inception and throughout the life span of each fund, we provide for our investors and partners:

- Good governance
- A high level of transparency
- Stringent compliance and
- Strong financial return.

Acquisition process

Areim benefits from an extensive local Nordic network with over 70 per cent of deals sourced off-market. We have an entire team active in deal sourcing and carrying out a comprehensive selection and research process. Research is critical to the investment process, as in-house sector specialists take a cradle-to-grave management approach in order to drive value at the asset level. During the deal due diligence process, we incorporate ESG screening to better manage risks, improve returns and protect downside. All investment decisions presented to our investment committee take into consideration ESG, in addition to the financial targets and business rationale. We assess and evaluate these through:

- Climate risks
- Energy performance certification
- Green financing
- Embedding social benefits within and around our investments

Active asset management

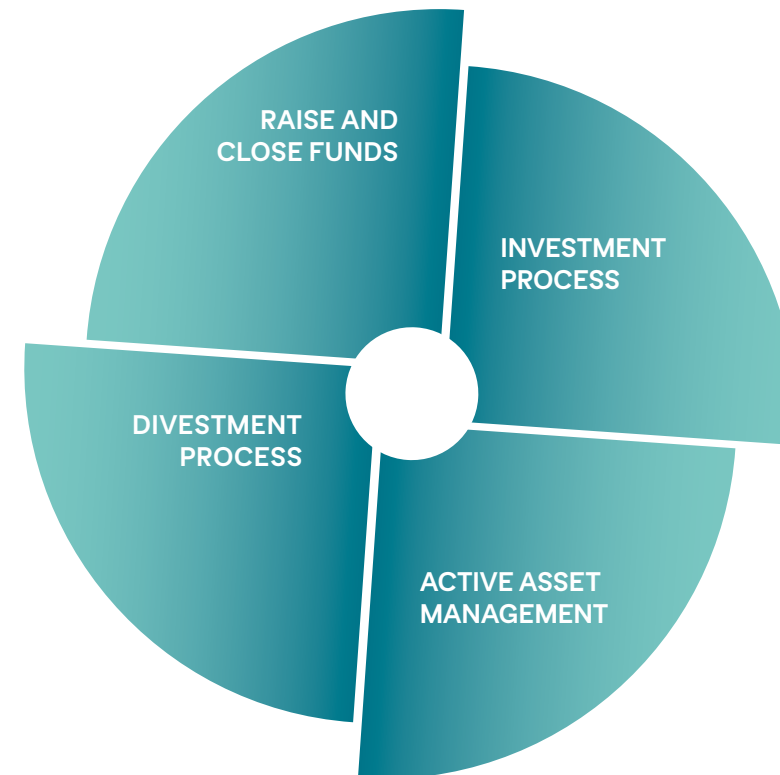
During the hold period, often around 5 to 10 years, our objective is to add value through independent asset management and innovative property management. Each property has a dedicated steering group including members of the fund management, asset management, investment and ESG teams focused on:

- Environmental and social action points included in the business plan with KPIs for follow-up and regular monitoring
- Energy efficiency and purchasing fossil-free electricity
- Renovating, repositioning, creating new lettable space and building rights, and managing vacancies
- Recycling, reuse, and minimising waste
- Building certifications
- Green leases and
- Reducing chemical use and using eco-friendly materials.

Divestment process

As we divest the assets, we focus on:

- Delivering strong financial return
- Passing on our assets as better places and
- Maintaining relationship with local property owners.



83%

re-up rate from existing investors

€10 billion

acquired and advised across the Nordics

24%/2.0x

realised gross returns on 85 assets with strong performance across cycles



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Areim in brief

- Total number of employees: 75
- Environmentally certified properties: 31¹
- Net turnover Areim AB: SEK 173.8 million
- Committed capital: EUR 1.7 billion
- Real estate: 61 directly owned properties
- Total area: 430,000 sqm²
- Assets under management, Fund II-IV: EUR 1,789 million (GAV)

Figures as of 31 December 2021
¹ Certified properties under management and properties certified by time of divestment
² Including directly owned properties



AREIM TIMELINE

FOUNDED BY
Leif Andersson

Founding member of
INREV

2007-2012 OPERATING PARTNER

- Areim Fund I (€225m)

- Certified by Swedish Environmental Base
- First GRESB reporting

- Areim Fund II (€321m)
- Co-investment capital (€41m)

- AIFMD certified

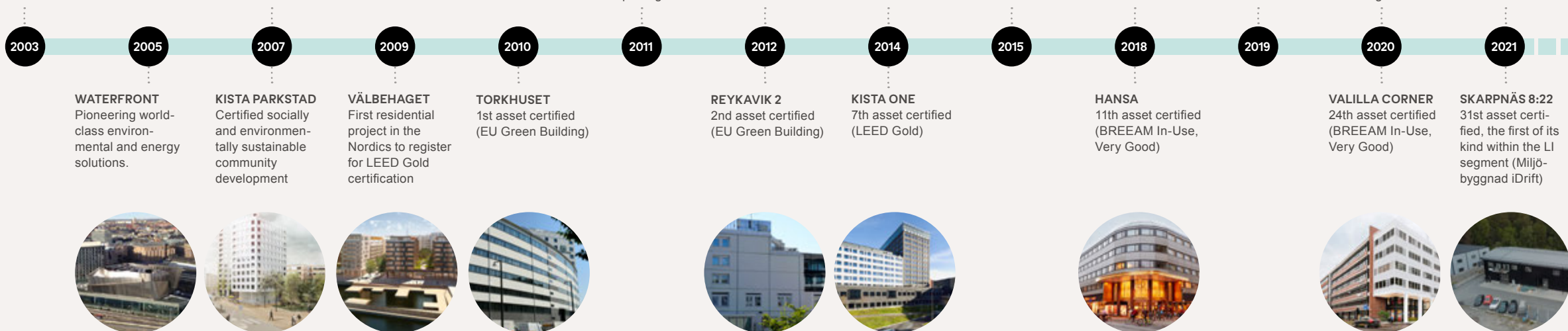
- Areim Fund III (€428m)
- Co-investment capital (€100m)

- Areim Fund IV (€535m)
- Co-investment capital (€55m)

- Asset level GHG emission audit
- Green leases implemented

- Implementation of DMS on energy and water consumption
- First green financing

- Areim Fund II awarded GRESB 5 star in development



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It is essential we are all committed to leave something better behind.

CEO COMMENTS

On track with our ambitious ESG strategy

The past year has been one of growth for Areim, despite the continuing uncertainty in the world. We recruited 21 employees, opened an office in Denmark, and increased our number of green leases. Areim acquired 15 investments in 2021 for a total value of SEK 940 million¹. We continued to implement our ESG strategy and remain committed to develop environmentally smart properties, create social value, beyond just our properties, and to deliver sustainable results.

I'm happy to see how ESG is so much higher on investor, bank, partner, and tenant agendas than ever before. During the year, almost all our new tenant leases were green leases, and we achieved our first-of-kind environmental certification for the light industrial segment. This has brought significant green focus on this property segment. We look forward to certifying the rest of this portfolio in the coming years.

Value-creating investments

In 2021, we received approval for the largest single roof-mounted solar panel installation in Stockholm, put into operation at our co-owned Tomtebodavägen property. The 1,465 solar panels will generate approximately 300,000 renewable kilowatt-hours per year, which is equivalent to powering 150 homes for a year². This clearly proves it is possible to produ-

¹ Within Areim Fund IV

² Based on statistics from [SCB.se](https://www.scb.se)

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ce renewable energy and make it a worthwhile investment. We hope our example will inspire others to install solar panels.

We also started a pilot project for an innovative battery storage system. This will enable us to accelerate the transition to a more renewable energy system by adding energy storage capacity to the grid, while creating a new tool for value creation in our assets. The installation will increase the potential volume as well as the share for self-consumption of locally produced renewable solar electricity.

A committed and inspiring workplace

We have a unique team of people who have all contributed to the successful and ongoing delivery of our sustainable strategy. It is essential we are all committed to leave something better behind, and that we are proactive and thoughtful in our self-leadership. Caring for society also means caring for ourselves.

That's why Areim works with self-leadership, driving change from within. We encourage our employees to pay attention to their own well-being whether it's through physical health activities, efforts to develop a psychologically safe workplace, or breathwork to practice mindfulness and breathing to alleviate stress.

Covid and continued restrictions have been real challenges during the year whilst growing our business. But at the same time, it has opened up new opportunities and forced us to speed up our drive and become more innovative in our way of driving the business forward.

I am sure one success factor in this transition has been our continuous focus on team development and I would like to thank all colleagues for outstanding efforts over the past year.

Enhanced social engagement

Along with environmental actions, we are intensifying our efforts to deliver social impact by investing in the communities where our properties are based.

Our most recent involvement with Friends, a non-profit organisation with a mission to prevent bullying among children and young people, is just one example. As a landlord, we are actively working with our school tenants on ways to create better indoor and outdoor environments at our schools.

At the time of writing, the world continues to be shaken by uncertainties, as we are in the middle of a war in Europe and a lingering pandemic. For us, this has caused us to pause and think about how we can help people who are in need, where we, together with our partners, hope to deliver social impact both in the short and long term.

Accelerating the transition

New legal requirements and new sustainable finance regulations are being introduced at a fast pace, such as the EU Taxonomy³ which came into effect in March 2021. The EU Taxonomy provides everyone with

the same foundation to work from and gives investors the opportunity to make informed investment decisions.

The turnover, capex, and opex from Areim's funds is covered by the new Taxonomy and we have therefore worked proactively during the year to understand how to navigate in the new reporting framework and how this will impact us.

With our long track record and value-add approach we are well positioned to meet these regulatory challenges.

It is equally important to join forces with others to generate change and we participate in several associations such as the UN Global Compact, and UN PRI. I look forward to a closer interaction with the industry, tenants, and other stakeholders on sustainability efforts.

I believe it is our responsibility to leave something good behind. We can make real change when we engage in sustainability efforts together – and when we remember to breathe!

Therese Rattik, CEO

May 2022



We can make real change when we engage in sustainability efforts together.

³ The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.





Strategic direction



STRATEGIC DIRECTION
Sustainability strategy

Strategic direction

Areim is an active asset manager that continuously builds on its sustainability track record, investing in environmental and social improvements to ensure we are shaping the future society we all want to be a part of.

We define sustainability as leaving something better behind for future generations. We have set ambitious objectives for our sustainability strategy to create value for our investors, tenants, and our employees. Fundamentally, we are a business that delivers sustainable development, and this is reflected in the day-to-day actions of our employees. With the right resources, reporting structures and robust monitoring systems in place, we believe that we are on the right path to becoming a sustainability leader in our industry.

Our approach to sustainability

We have aligned our business with the Ten Principles of the [UN Global Compact](#) and the [UN Sustainable Development Goals \(SDGs\)](#). The Ten Principles is an initiative to coordinate matters of human rights, labour conditions, the precautionary principle and responsibility concerning the environment, anti-corruption, and relevant legislation in the geographies where Areim operates.

By mapping our business to the global identified challenges, represented by the SDGs, we can ensure our efforts are within areas that provide the most impact. We have selected four goals that are of most importance to Areim:

- No 8. Decent work and economic growth
- No 11. Sustainable cities and communities
- No 12. Responsible consumption and production
- No 13. Climate action

Three focus areas

We have structured our ESG work into three well defined areas:

We turn brown to green

Defines our approach to develop environmentally smart properties, reducing their climate impact through a “reduce and reuse” approach, and careful selection of materials and services.

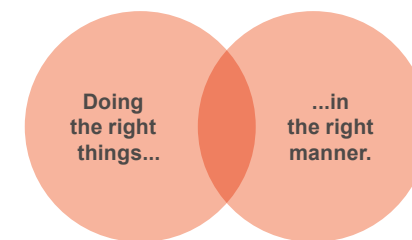
We care for people

Defines our commitment to caring for all stakeholders as well as creating social value beyond our properties. During the course of 2021, we have further refined our strategy to add additional focus to this area by introducing two perspectives; - the external perspective with the aim to create social benefit within and around our investments and; - the internal perspective with the aim to continuously develop the best possible work place for our employees.

We deliver sustainable results

Defines our commitment to creating long-term financial results with transparent governance.

The foundation of our sustainability strategy



Three focus areas

to ensure the greatest possible impact



We turn brown to green



We care for people



We deliver sustainable results

Our commitment to Agenda 2030

The most important Sustainable Development Goals for Areim, related to our core business.



No 8.
Decent work and economic growth



No 12.
Responsible consumption and production



No 11.
Sustainable cities and communities



No 13.
Climate action

Vision

We invest in new shapes of progress. For society and beyond.

Societal focus

We believe in a future where new is built with the old, and where health and good social relationships are essential to build diverse and thriving communities.

Value proposition

We revive local neighbourhoods by turning brown properties into green and creating smart and inclusive spaces, where people matter, share and care.



Focus areas



FOCUS AREAS

We turn brown to green

We care for people

Social value creation

Attractive workplace

We deliver sustainable results



We turn brown to green is Areim's approach to sustainable development. We strive to develop environmentally smart properties, trying to reduce their climate impact as much as possible through a "reduce and reuse" approach, as well as making environmentally sensible material choices.



**We turn
brown
to green**



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FOCUS AREA:

We turn brown to green

Outlook

The reports from the Intergovernmental Panel on Climate Change (IPCC) in 2021 and early 2022 made clear that the world has little over a decade to radically reduce carbon emissions to avoid the worst extremes of global warming.

The climate challenge has big implications for the built environment. It is important to acknowledge that buildings and construction activities represent 38 per cent of global greenhouse gas emissions. Concrete alone is responsible for 8 per cent of global emissions.

In general, the awareness around sustained carbon reduction is increasing, and the default is no longer to build new. Substantial energy savings can be achieved when repurposing

existing buildings, in preference to the higher costs of demolition and construction.

Improving the built environment

Areim, as part of the real estate sector, has a huge responsibility to be part of the solution.

As a value-add fund manager, our focus has always been to develop the already built environment. We aim to make a difference on all properties we acquire, converting underdeveloped and outdated properties into modern and sustainable products.

To future proof our properties, we utilise new technologies, sustainable materials and certification schemes. We define clear environmental targets for all our properties and track performance in energy, water, waste, resource use, circularity, transportation, indoor air quality, toxic-free environment, occupant satisfaction, greenhouse gas emissions reduction and other metrics.

By adding more workstations in our properties, we are also reducing the environmental footprint per capita by increasing the efficiency and lowering

costs for everything from fire-fighting services to energy and water consumption, while developing a more dynamic and safer environment.

Our impact

Our largest environmental impact arises from energy use, the purchase of construction materials and waste management from our renovation and reuse projects. Since 2011, Areim's environmental management system has been certified according to the national standard, [Swedish Environmental Base](#) (based on the same requirements as ISO14001)

Our aggregated environmental impact has been assessed against the 16 Swedish environmental quality objectives, such as reduced climate impact, clean air, a pollutant-free and good building environment, as well as a rich fauna and flora. We put great emphasis on continuous improvements and work actively to reduce the environmental footprint of our assets. The initiatives vary depending on the specific characteristics of each asset, but we always include improvements in our projects.

LONG-TERM OBJECTIVES

- Net zero emissions by 2030 – Scope 1, 2 & 3
- 100% renewable electricity
- 100% certified properties no later than three years after acquisition
- 100% green leases by time of divestment
- Promoting circular models, sharing economy, and maximising reused, recycled, or renewable material

MAIN ACHIEVEMENTS 2021¹

- Increased data coverage of our Scope 3 emissions
- -16% reduced GHG emissions scope 1-3 per sqm since 2020²
- On site production of 800 MWh (31 MWh) from solar panels
- Environmental training for all employees and workshops to ensure inclusion of ESG targets in the business plan for each property
- 54% of purchased energy to our assets from renewable sources
- First carbon net-zero agreement on district heating signed for Tietolinja 5, residential property in Oulu, Finland
- 61 (52)% certified letting area in Fund II-IV³
- 17 properties (including 273,000 m²) certified
- The light industry property Skarpnäs 8:22 was certified with Miljöbyggnad iDrift
- 43 green leases signed which corresponds to 66% of rent and 40% of area⁴
- Recycling of floor and ceiling through cooperation with supplier
- Re-use of waste materials for exterior art project at Angtvätten 22, Stockholm
- Re-use of furniture and building material in and between properties

¹ Figure in brackets refers to previous year

² Marked-based approach

³ 100% of directly owned properties in Fund II and III certified, and 38% of directly owned properties in Fund IV certified.

⁴ Garage, antennae, ground, and sign leases excluded.

-16%

Reduced GHG emissions per sqm since 2020

61%

Certified letting area

94%

Renewable electricity in our assets

**FOCUS AREAS****We turn brown to green**

We care for people

Social value creation

Attractive workplace

We deliver sustainable results

Green initiatives within light industry

What is most exciting about developing these properties?

We meet many different property owners and tenants in this segment, and they are not found in just one industry. It is almost like being in contact with a cross-section of the entire Swedish industry and service sectors. Historically, these tenants have not been spoiled when it comes to quality of premises. This enables us to come in with a type of management and mindset that is appreciated and multi-faceted.

From a sustainability perspective, what is most interesting about the segment?

Light industrial has for a long time been overlooked when it comes to sustainability. This means that there is so much left for us to do to make a difference. I don't want us to only go for the low-hanging fruit. It is good to be able to work with both easy fixes and more complex and long-term investments.

What challenges do you see?

Light industrial premises often have quite low rent levels, which is challenging when financing large investments that don't have a direct impact on the rent level. We are, however, convinced that in a longer perspective, all sustainability investments do pay off, since it is all about future-proofing both our properties and our business as a whole.

How does Areim create value in the segment?

We renegotiate leases to market rent levels and invest in the premises to suit our tenants' needs as well as cater to them so they can stay with us for a long time. We do a fair amount of sustainable

ground-up development on existing properties in strong locations where we see an over-demand for light industrial premises.

What commercial goals do you see linked to Areim's sustainability activities?

A major goal is that our light industrial portfolio should stand out in terms of sustainability. This goes hand in hand with our general value-add approach. Examples of how we work within this are:

- Environmental certification
- Solar panels on properties which we see as suitable
- Convert to 100 per cent renewable energy
- Reduce the energy and water consumption in our assets
- Negotiate green leases

Julia Mejegård

Nordic Head of Light Industrial



Pilot project to deliver smart energy storage

In 2021, a pilot project to deliver smart energy storage at one of our assets was initiated. What is purpose of this project?

By adding battery storage, we are hoping to accelerate the shift to renewable energy while creating a new platform for value creation in our assets. The targets include to:

- Increase the share of renewable electricity production
- Reduce up-time of reserve capacity (often fossil fuels)
- Prevent oversizing of electrical infrastructure
- Reduce cost due to peak shaving (managing demand to eliminate short-term demand spikes, which set a higher peak)

What's next?

We are hoping to see both environmental and financial savings from the project and are looking into similar opportunities in other assets. The results will be closely investigated and presented in a joint MSc study with KTH Royal Institute of Technology on the topic of Environmental Life Cycle Analysis.

Viktor Charpentier
Investments

Angvävten 22, Stora Essingen, Stockholm

The light industry segment is an enormous part of the total stock, and we can make a difference in it.

Boländerna 19:1, Slakthusområdet, Uppsala

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Data-driven approach to monitor and follow up

Most of our integrated and systematic environmental work is data-driven and done in our daily operations. Since 2020, we use the data portal Mestro to follow up on the consumption data of our properties.

The system collects data automatically from the energy providers, whilst water and waste consumption are collected manually via a smartphone app. The system is flexible and is a good working tool, both for daily operations and for the aggregated follow-up and reporting.

The energy consumption is measured and followed up on asset level and aggregated to fund level. Total energy consumption and energy efficiency depend on the lifecycle of each fund. During the execution of the business plan, total consumption normally increase due to renovation projects and tenant fittings etc. and decrease later in the asset management phase when energy efficiency initiatives have been carried out.

In addition to Mestro, we use the platform "Our impact" to calculate and report emissions from all seven greenhouse gases, based on the Greenhouse Gas (GHG) Protocol, and other sustainability aspects.

This simplifies comparisons over time and provides opportunities to measure other sustainability indicators in addition to climate, e.g., in accordance with the legal requirement for mandatory sustainability reporting.

Our climate impact

What gets measured gets managed. Therefore, our plan towards net zero emissions starts with measuring and understanding the carbon footprint of our business. Since 2019, Areim has reported greenhouse gas emissions using the [GHG Protocol](#), and its method helps us understand Areim's responsibility for direct and indirect emissions.

We are making steady progress and see reduced emissions as well as increased data coverage of our Scope 3 emissions. In 2021, more data regarding our properties was available, especially for the new properties within the light industry platform.

Still, we see major challenges to becoming climate neutral when it comes to assessing value chain impact. We continuously investigate innovative solutions and refine our analysis of Scope 3 emissions to ensure a bold carbon reduction. Renovation and tenant improvement projects are main drivers to our Scope 3 emissions. We have therefore, since 2020, measured these emissions using a lifecycle approach. With the lifecycle approach we not only measure emissions, but can also analyse in what phase of the project we have the most impact and where we have the biggest potential to decarbonize in upcoming projects.

Scope 1:

Direct emissions from company owned and controlled resources (released to the atmosphere as a direct result of a set of activities)

Including emissions from our own corporate offices. These make up less than 1 per cent of total emissions.

Scope 2:

Indirect emissions from purchased energy

Including electricity and heating within our assets. Scope 2 emissions are the greatest proportion of our reported emissions.

Scope 3:

Indirect emissions – upstream and downstream

Our most significant emissions upstream in the value chain derived from purchased goods, materials, and services, often in connection with tenant improvement or refurbishment projects. Downstream emissions are predominantly from our tenants' use of the premises. transport of building waste. We will continue to increase the extent of Scope 3 emissions reported.

	Areim office	Areim funds
Purchased goods and services	Paper & IT equipment	Materials in connection with projects
Waste	Recycled waste, Waste incineration and hazardous waste	Waste from projects
Fuel and energy related activities	Upstream emissions from electricity and district heating	Upstream emissions from electricity and district heating
Business trips	Trains, flights, taxis, rental cars, and hotels	
Commuting	Home to work	
Transports	Disposal of waste	Disposal of waste

Total GHG emissions	2021		2020		% Chg	
Location/Market-based approach ¹	LB	MB	LB	MB	LB	MB
Total emissions, tCO ₂ e	12,848	11,654	11,859	14,768	8%	-21%
Total emissions, kgCO ₂ e/sqm	19.00	17.00	19.00	21.00	2%	-16%

¹ The location-based method applies average emissions factors corresponding to the grid where consumption occurs, whereas the market-based method applies emission factors that correspond to the energy purchased.



Posten 1, Tomtebodan, Stockholm

Large-scale solar panel installation

Stockholm's largest single roof-mounted solar panel installation was installed at our asset in Tomtebodan in 2021. In total, 1,465 solar panels were installed on a roof area of approximately 4,000 square metres, which will generate approximately 400,000 renewable kWh per year. This project shows there is no longer doubt about the profitability of solar panels: it is possible to both produce renewable energy and at the same time make financial savings.



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8%

Concrete counts for 8% of the global emissions.

13%

The average share of fossil fuel and peat in the district heating in Sweden in 2020. This is expected to be zero in the near future.¹

40%

The real estate industry stands for around 40 per cent of the global energy consumption. Working with energy efficiency and energy sources used in our assets are an essential parts of future-proofing our investments.

¹ Source [Energiforetagen.se](https://www.energiforetagen.se)

Key steps to reach our net zero target

1 REDUCE DEMAND AND INCREASE ENERGY EFFICIENCY

An energy efficiency analysis and pre-study on building certification are always included in the asset-level business plan. Energy efficiency projects differ from asset to asset but some common activities are:

- On-site production of energy such as solar or geothermal energy;
- Upgrades on ventilation systems;
- Conversion to LED lightning;
- Installation of electrical car chargers; and
- Building automation systems.

2 INCREASE RESOURCE EFFICIENCY

Circularity, reusing, and recycling are high on our agenda. By using the [Byggvarubedomningen](#)¹ material database, we make sure to choose eco-friendly materials in our projects.

We, and many of our Nordic industry peers, all want to find better solutions to scale up reuse and to minimise waste going to landfill and incineration. The main challenge is that old materials do not always meet the new regulations and standards and contractors are not always willing to give warranties on reused materials. To increase reuse and recycling in projects, new procurement routines are needed. These topics need to be addressed early in the design phase for follow-up and regular monitoring.

A second life with circularity

Areim strives to include circularity in developing projects and several initiatives are ongoing. As an example, floors and ceilings are given a second life by being recycled instead of demolishing as waste to be incinerated. We expect a big shift in material usage in the industry, with new materials coming out on the market, and our goal is to significantly increase our share of circular materials.

Network initiatives for efficient waste management

We see several interesting recycling opportunities for construction materials. One such initiative is the network initiative [CC Build](#), that Areim joined in 2021 with the aim of using their services in future projects. The network educates and promotes large-scale circularity, reuse, and recycling in the construction and real estate industry, and provides services such as a marketplace for recycling and a digital recycling inventory tool. In 2021, we also made progress to improving our waste management. Some of the waste and recycling activities include:

- Reused building materials and furniture in tenant improvements;
- Added waste sorting fractions within the light industry platform;
- Added food waste sorting in our office assets; and
- Achieved net-zero carbon waste management in our Finnish office

assets (as the carbon offset from waste is included in the waste contractor agreement) and are now investigating a similar solution that could be applicable for the remaining portfolio.

3 INCREASE RENEWABLES: CONVERSION TO FOSSIL FREE SOLUTIONS

We always investigate the possibilities of adding on-site energy solutions to convert to renewable electricity, heating and cooling for our assets whenever possible.

In 2021, we converted a large share of our electricity to renewable electricity sources. For newly acquired assets we always convert to green electricity as well as investigate various energy efficiency solutions to optimise energy solutions.

4 EDUCATION AND CONVERSATION

To capture the urgency and to understand what is driving our emissions, it is crucial to participate regularly in education and to push for an ongoing conversation internally across all teams. During the year, Areim gained new knowledge through its membership in the UN Global Compact and UN PRI, amongst others. One important training programme was the Climate Ambition Accelerator, by the UN Global Compact, a six-month programme on how to set science-based emissions reduction targets aligned with the 1.5°C pathway.

In addition, several internal workshops were arranged with all teams on various ESG aspects, particularly circularity, how to ensure bold carbon reductions in our projects, and how to improve the environmental data collection. During one of the workshops with our Asset Management team, the drivers of Scope 3 emissions were discussed to set an action plan for each asset. One important take-away was how much steel and glass drives Scope 3 emissions. It is also clear that most emission savings are done when we do as few changes as possible to the existing floor plans. Our plan for 2022 is to further educate and engage with employees to increase internal knowledge and share best practices and ideas on carbon reduction, technologies, innovation, and strategic development, etc.

5 OFFSET RESIDUAL EMISSIONS

Although the emissions from our own corporate offices are minor, it is important to walk the talk and encourage sustainable behaviour. We do this by purchasing fossil free electricity, Fairtrade consumables and eco-friendly goods. We also recycle our waste and have a business travel policy in place amongst other actions.

Areim's total offset for 2021 amounted to 57 tonnes CO₂ emissions (corresponding to the emissions from our corporate offices) through the project Bagepalli biogas in Chickballapur, India. The project has a Fairtrade Carbon Standard certification and was selected together with [Zero Mission](#), our climate accounting business partner.

¹Byggvarubedomningen is a digital log with environmentally assessed and approved building materials.

The Science Based Target Initiative (SBTi) was launched in 2015 and has rapidly evolved to influence investment decisions and corporate thinking towards reducing carbon emissions in line with the Paris Agreement. At Areim, we are committed to reducing carbon emissions, from our own operations and from our asset portfolio. We are engaged with SBTi as guidance for the real estate sector will be developed over the next 12-18 months and plan to increase our commitment over this same timescale.

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EcoDC, main site, Falun

**The Nordic data centre market is set to grow 25% compared to 5% globally in five years.**

Award-winning data centre

The company operates five data centre facilities at three locations in Sweden, with the main site located in Falun.

What makes EcoDC unique?

EcoDC is fully vertically integrated, with expertise in design, development and operation of centres. The company builds high-quality data centres while maintaining an efficient expansion capex deployment. Historic capex is as much as 20 per cent lower per MWh compared to the industry average.

EcoDC was awarded "Most Sustainable Data Centre" in early 2022. In what way is EcoDC leading the way in sustainable data management?

EcoDC has rapidly grown with a sustainability-first approach and has several innovative sustainability solutions including:

- a unique heat re-usage solution in Falun
- re-capturing the energy to power the district heating system and produce wood pellets
- a 100 per cent renewable energy commitment for existing and future operations

In addition, the data centres are built in wood, and by doing so, the usage of steel and concrete is avoided.

What's next?

By 2030, the Nordic region is estimated to account for more than half of the annual development in the European data centre market. This will create good fundamentals for EcoDC to continue its growth and pioneering of the sustainability agenda of the data centre industry.

Mikael Hesselvall

Director Internal Developments and Operations



EcoDataCenter

A green joint commitment

Signing green leases with our tenants is a joint commitment to develop a common sustainability programme including action points such as buying 100 per cent renewable electricity, green cleaning, using eco-friendly materials and aiming for building certification. In connection with signing green leases, we aim to continuously educate both ourselves and our tenants about environmental sustainability and encourage sustainable behaviour. Our goal is to include a green appendix to all new lease agreements and to all renegotiations.

Building certifications

Certifications help us focus on sustainability aspects in project development, including energy performance, indoor air quality, lighting, pollution, mobility and biodiversity.

The certification process starts with an inventory against one of the preferred certification schemes to find out the asset's status and where to put our efforts in the project.

In 2021, the property Skarpnäs 8:22 was successfully certified, according to the new certification standard Miljöbyggnad iDrift, a Swedish national standard designed for existing buildings. We are now rolling out this certification for all assets within the Swedish light indu-

stry platform. Other environmental certifications in our portfolio include: BREEAM, BREEAM-in-Use, LEED, The Nordic Swan, EU Green Building and Miljöbyggnad.

Reduce pollution

We continue working to reduce chemical use through annual monitoring of the use of chemicals in our properties. The aim is to identify hazardous chemicals and to replace them with more environmentally friendly alternatives.

Inventories of hazardous built-in materials and pollutants such as asbestos, PCB and radon are included in the environmental due diligence in the transaction process. Identified issues are taken care of in the development of the property.

Biodiversity

In development projects we are cautious and make sure we do no significant harm to the existing wild-life and fauna in the outdoor areas connected to our assets. When changing land use and adding new buildings we add new green landscaping to compensate for the green losses. As an example, we have installed green sedum roofs and gardens in our residential project in Hammarby Sjöstad in Stockholm. Another example is our long-term cooperation with the City of Stockholm in Kista Parkstad (JV project with Skanska) where we have considered unique environmental values by keeping tree stumps in playgrounds and pre-school areas, adding green fauna to safeguard bat habitats and delaying water runoff by leading water into the existing marsh-lands.

Prop-tech collaboration

In December 2021, Areim¹ invested in Taronga, a real estate technology venture capital fund. The fund is managed from Australia but invests globally, with focus on companies that make a difference in the built environment. Taronga prioritises merging companies that align with the SDGs and can deliver reduced carbon emissions, energy savings, waste reduction, water reduction, the creation of new jobs, community resilience, health and wellbeing and diversity. In this strategic partnership, we will work closely to identify opportunities. We will also be testing new technologies coming into the Nordics and believe this will improve returns within our portfolios, and help us achieve our ESG targets.

¹ Areim Invest AB

WWF's 2018 Living Planet Report found an average 60 per cent decline in the global population of mammals, fish, birds, reptiles, and amphibians since 1970. The 2019 landmark Global Assessment Report by the Intergovernmental Platform on Biodiversity and Ecosystem Services, reported one million animal and plant species are now threatened with extinction – the highest number in human history.



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We care for people



We care for people is our commitment to caring for all stakeholders as well as creating social value for them, beyond just our properties. We want to support dynamic communities, where good health, social relations, and wellbeing are essential.

At Areim, we are authentic and purpose-driven individuals, united in our mission to add potential to impossible and smile while doing it. We promote a growth mindset and aim to develop brave and motivated leaders and individuals who team up to deliver on our promises.

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Social value creation

Outlook

How to create socially sustainable and resilient places has always been discussed by property developers, yet there is no standardised method on how to measure impact in either the short or long-term. Many NGOs now strongly support the EU in developing a Social Taxonomy based on global social and human rights norms and the impact of both products and practices on affected stakeholder groups. This will provide an opportunity to set a clear global standard and KPIs on social benefit in addition to the financial and environmental aspects. In many ways, the property sector is ripe for disruption, and those willing to adapt to new norms will thrive.

Change, when fully embraced, is an opportunity for progress. New technologies, prop-tech, urban innovation and services as well as pandemic rewiring, are also expected to rapidly change the view on the "S" in ESG.

What is social value?

Ideas to support local development are translated into actions by identifying strategic memberships, initiating projects with clear social benefits and by donating to non-governmental organisations.

Our overall goal within this focus area is to have happy tenants by promoting wellbeing and creating measurable social impact in and around our assets. What creates value and strengthens the community can seem abstract, but often it is usually very concrete. In larger projects, a neighbourhood survey to get to know the area and current challenges better is implemented. This provides valuable input on how to add social benefit in various ways such as through:

- Improved outdoor environment and increased accessibility
- Active and vibrant ground floors
- Strengthening the identity and image
- Increased balance between daytime/nighttime activity and footfall

- Reduced parking and increased green areas by shifting to shared solutions for mobility and by encouraging sustainable travel
- Enhancing greenhouses and communal gardening, plantations and running water.

LONG-TERM OBJECTIVES

- Maintain happy tenants and promote wellbeing
- Develop a structured way of working with social impact to ensure positive urban development in the communities where Areim is active
- Support to organisations working with important social objectives

MAIN ACHIEVEMENTS 2021

- Initiated process to implement tenant surveys to measure perception, feeling of safety and reputation
- Became national partner to Friends
- Launched the Joyful learning initiative to promote health and wellbeing in our school premises

6

Supported six organisations working with important social objectives in 2021.

1

SEK 1 million donated to organisations working with important social objectives

12 years

Since 2010, Areim has supported UNICEF in its mission to improve the situation of vulnerable children in Malawi



Engaging with UNICEF for Malawi



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Including our tenants

In October 2021, Areim enabled an alumni meeting for Mitt Livs Val (My Life Choices) in the Pulitzer meeting room in the DN Building. One of our tenants hosted the meeting and our restaurant operator provided food and drinks for the attendees.

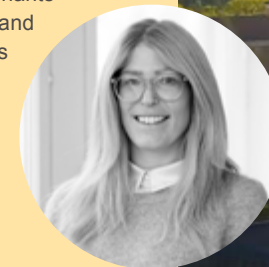
Mitt Livs Val is a foundation working for an inclusive society with a mission to ensure that newly arrived refugees, unaccompanied children, and youth have the best potential and possibilities to impact their own future. One of the most important ways for the

young new arrivals to avoid social exclusion is to graduate from school and to find employment.

Mitt Livs Val motivates young people between the ages of 16 and 20 to engage in their own education and to equip students with knowledge and networks.

"This is a good example of how we can walk the extra mile and cooperate with our tenants in doing good for society and beyond – the meeting was highly appreciated by all parties involved!"

Anna Persson
Asset Manager



Trångskären 7, DN-skrapan, Marieberg, Stockholm



We walk the extra mile and cooperate with our tenants in doing good for society and beyond.



Teknikantie 4, Aallonharja, Espoo

Revitalising the Aallonharja office complex, Espoo, Finland

Aallonharja is located in the developing Otaniemi area, near the Aalto University metro station. The property offers modern office space and meeting facilities, inspired by Alvar Aalto's architecture, which is characteristic for the area.

Achievements

- Repositioning – successfully created a clear identity and image of the asset that highlights

- safety and strengthening of the community
- Refurnished office space, lobby, conference and sauna facilities
- Certified in line with BREEAM Very Good
- Climate neutral waste management through efficient and smart sorting system and carbon offsetting
- High level of retained original materials such as brick floors,

- glass walls and wooden details
- Promoted circular behaviour among our tenants through shared car and bike pooling, sauna and wellness facilities
- 100 per cent renewable electricity

Can you mention some success factors to our value creation?

An office has to be appealing, employee-oriented and geared towards facilitating teamwork, joint



efforts and good health. I am especially proud that we managed to renovate Aallonharja while respecting the history and unique architectural design of the building and retain so much of the existing materials.

Hannu Tammia, Asset Manager



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Joyful Learning Initiative with Friends

School is the place where children spend most of their time. It is therefore of great importance to optimise the conditions both socially and academically and ensure a safe environment for them to learn in.

At Areim, education has always been in our hearts. We believe nothing evens out injustices like fair education. In our efforts to provide social impact, we seek opportunities in the intersection between our core business and where we believe we have the best potential to push for societal change.

Our children will outlive our lifespans just like our real estate assets. In this intersection, between school real estate assets and children, we investigate opportunities to create lasting social values for society and beyond, for our assets and students. And at the same time, we can learn and smile while doing it.

In the Joyful Learning Initiative, we are exploring possible programmes, standards, and measurements that improve the synergies between the physical and social school environment in a way that supports positive, thriving joy and inclusion. The purpose of this initiative is to create lasting social value and make sure we leave something good behind.

Together we can make a real change for children!

The purpose of the joyful learning initiative is to create lasting social value and make sure that we leave something good behind.

Social initiatives

Areim contributes to organisations that work with important social objectives. These donations are a complement to our social sustainability work as the organisations possess expertise in how to contribute to inclusive and thriving communities.



Friends is a well-known and well-reputed children's rights organisation that has been working for over 20 years to prevent bullying and to promote safe environments for children.

In partnership with Swedish universities and as part of an international network, Friends initiates, and conducts research projects related to bullying, discrimination, sexual harassment, online abuse and other issues. Among other things, Friends provides surveys, education, support and practices for adults responsible for children's safety and free advice and support to children, parents, and professionals.



Stockholms Stadsmission works for a more humane society through social care, work integration and education. As a "friend company" to the Stockholm City Mission we contribute to helping individuals in vulnerable situations. Our donations are used for emergency and long-term support such as housing and meals, financial support to families with children, creating safe and sound study places for students, therapy sessions and providing meals for elderly in need.

Before the 2021 Christmas holidays, we sent around 26 boxes with t-shirts, first-aid kits, toiletries, nail care kits, shoe polish kits and more to Stockholms Stadsmission. This means more than 1,000 items will either be sold in their second-hand stores or go directly to people in need.



Mathivation is a project in which the business world, schools and academia are working together. The objective of the project is to offer educational programmes to motivate, inspire and challenge students in the field of mathematics and programming. Areim has been Mathivation's proud partner since 2016 and occasionally participates in teaching at different schools to inspire and be inspired but, most importantly, to provide a bridge between school and the business world.



Helsinki Missio is the Finnish equivalent to Stockholms Stadsmission, focusing on supporting exposed and vulnerable people of all ages.



UNICEF for Malawi

A group of Swedish property companies have supported this project since 2006. Together we actively support UNICEF in its mission to improve the situation of vulnerable children in Malawi, one of the world's poorest countries, through access to quality education and healthcare. Areim support UNICE since 2010.

DIVERSITY TALKS REAL ESTATE

Diversity Talks Real Estate started in 2017 and is a non-profit organisation aimed at increasing the visibility of under-represented groups in the European built environment industry, with a particular focus on women and ethnic minority professionals.



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Outlook

The world continued to be threatened by the Covid-19 pandemic, with people needing to lead themselves to a greater extent through self-leadership both mentally and physically, at work and in private.

The pandemic has also led to an accelerated need for digitalisation, even though most organisations had started to invest in modern technology to improve the digital workplace and enable smarter ways of working through collaborative and innovative experiences before the pandemic.

Growth mindset with a focus on what and how

To develop both the organisation and our people, we have adopted a growth mindset where we reflect and act on both what we do and how we do it. This growth mindset enables us to meet challenges with a "nothing is impossible" attitude.

Research shows that psychological safety is what creates the most high-performing teams, where members build, learn, and grow together, pushing back against the status quo. Since 2017, our work has therefore been supported by an organisational psychologist whose objectives include installing this growth mindset to the Areim way of working, where increased motivation and drive to change overrides the fear of failing

One important initiative is our coaching and sparring partnership. All employees were divided into sparring pairs where they met regularly and talked about individual challenges, goals and development based on a coaching approach.

Attract, recruit, and retain

As an employer, we want to attract and recruit the right employees as well as to develop and retain our talents long-term. Our low and stable employee turnover over time, together with number of employees on parental leave¹ are solid indicators of a healthy work environment where people grow and thrive over time.

We promote fair employment practices and work to recruit, employ and promote employees based solely on their ability. We recognise the importance of building a solid foundation based on our values and cultural DNA and aim for a heterogeneous mix of individuals across all teams. When recruiting, team members from different backgrounds are involved in the process as unconscious bias influence decision making including unbiased recruitment ads.

Introduction days

In 2021, we further developed our introductory programme to onboard new employees. Given the pandemic and the significant number of new recruits during this time we extended

LONG-TERM OBJECTIVES

- Ensure an inclusive and diverse workspace
- Promote wellbeing and happy employees
- Measure employee engagement on regular basis
- Remain a cohesive and consistent team, annual turnover rate below 10%
- Focus on leadership and development

MAIN ACHIEVEMENTS 2021

- Continued focus on self-leadership, team development, and leadership programmes together with individual coaching sessions
- Introduction of a structured process for feedback and after action reviews in our daily work
- Implementation of a digitalisation project to streamline and improve our way of working, collaboration, and communication
- In early 2022, a wider health and wellbeing programme for employees was implemented

9%

Employee turnover rate (FTE)

100%

Individual coaching opportunities

50/50

Equal gender split since day one

¹ More details on page 45.



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our introductory programme to a two-day onboarding event where we introduced employees to our history, business model, compliance and regulations, important IT systems and provided a basic course on environmental issues. Newly recruited colleagues were also introduced to different team leaders and specialist functions in an event to ensure a smooth onboarding process and to get to know each other. We were especially happy to have managed to carry out the event in a safe way under pandemic restrictions and got

a chance to meet physically. We conducted one environmental base course and discussed health and wellbeing aspects as described in our personnel handbook.

Engagement with academia

In 2021, Areim participated in the student fairs LAVA at the Royal Institute of Technology and Handelsdagarna at The Stockholm School of Economics. We also had students from Aalto University in Helsinki visiting our office in Stockholm. We employed two interns supporting our operations in Stockholm and one intern in Finland.

Performance and career development

We continue to improve the processes for regular performance and career development reviews, to include culture development, clear goals and

specific ESG targets. These reviews are offered to all full-time employees. In 2021 we initiated a modern digital employee engagement survey to further support team performance.

Promoting diversity, equality and inclusion

Research shows that successful efforts for diversity and inclusion generate higher financial returns. Inclusive and diverse workplaces create higher motivation, productivity, creativity and innovation. Thus, through working successfully with diversity, we create conditions for improving our innovative capabilities that enable us to be an attractive employer.

To us, promoting diversity, inclusion and equality means that all employees have equal value, opportunities and rights regardless of ethnic origin, gender, age and sexual orientation. We aim to create an inclusive and non-discriminatory organisation. Areim's personnel handbook is designed to provide employees with knowledge on safe and healthy working conditions, and to enable everyone to work free from discrimination, harassment or bullying of any kind. In return, Areim expects its employees to act with integrity and maintain high ethical standards. We identified health and safety at work as a material risk, including topics such as discrimination, exhaustion and work safety. These risks were mitigated through providing regular performance and career reviews, offering health insurance and benefits, adapting the recruit-



Digital transformation

What does digital transformation mean to Areim?

The pandemic continues to drive the digital shift. Digitalisation is not only about using the right technology in a smarter way but also to use digital transformation to facilitate collaboration, inclusion, behaviours, leadership and motivation. It is about putting people, behaviours and leadership first.

How did Areim adapt into a more digital working environment during the year?

It became very clear how important digitalisation has been to enable us to work and communicate more effectively with simple and creative tips that improve the working environment and allow us to reach our full potential. We have also tried to close the gaps between the possibilities in modern technology and how we use it, by bringing in a digital coach who is available for our employees in their daily work.

What are the most important things to consider going forward?

We need to focus and talk more about the purpose. The digital issues are no longer dedicated to technology only, but issues related to anything from HR and business to strategic issues related to the direction of the organisation. The technical landscape will continue to develop and improve, and we as an organisation must acknowledge where technology is today, continue to learn from mistakes and take pride in our digital achievements.

Anna Drozdowska
Office Manager



Research shows that successful efforts for diversity and inclusion generate higher financial returns.

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Areim as an employer

During the year, we merged the IR and FM teams, and expanded and grew both, geographically and with regards to number of employees. What have you learned?

I think it's all about teamwork across the entire company. We have different backgrounds, nationalities and come from different cultures. This gives us the opportunity to learn from each other, to try new approaches and have a lot of laughs in the process. Over many years, Areim has worked on and developed an inclusive and nurturing culture.

This includes working with team development and leadership programmes to strengthen teams and broaden overall leadership. Building up trust between team members has been my approach to successfully merging the two teams. We ask for and provide honest and direct



feedback, share best practices, and have open discussions. The main lesson I have learned is to not be afraid to try new ways of working – the advantages in terms of different perspectives and synergies being present in one team has strengthened us and our deliverables.

How would you describe our culture?

Our culture is built on trust and that you as an employee take the responsibility for your tasks, and behaviour to our stakeholders and colleagues. We are a flat organisation with an inclusive atmosphere. We highly value and encourage innovation and perseverance to complete and long-term relationships with our stakeholders, for example, investors, tenants, partners, and society.

Helena Ekström
Head of Investor Relations and Fund Management

ment processes to a gender-inclusive language and by introducing a stress management programme.

Given that we are a middle-sized company, the ethos is to work closely together as colleagues. Areim has faith that an environment of trust has been created. Should there be an issue of any kind, our colleagues should feel able to reach out to a colleague, their team leader, or if needed, directly to our CEO. During 2021 no incident of discrimination was reported (no incidents reported 2020). In addition to our current whistleblowing process as defined in our policies on in relation to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), we are in the process to implement a wider online whistleblowing tool during the year.

Fixed and variable remuneration

To safeguard a fair remuneration system, our Board of Directors has adopted a remuneration policy outlining the remuneration system and procedures. In short, the objectives are to promote good performance and favourable long-term behaviour, to stimulate cooperation, to prevent excessive risk taking, and to stimulate sound and effective risk management, as well as to comply

with policies and procedures. This includes assessing potential sustainability risks on the investment decision making process.

The policy consists of fixed and variable remuneration. The fixed remuneration is reviewed annually and set by the CEO and applies to all of Areim's employees. It consists of several parts including salary, pension, insurance and health benefits. The variable remuneration is defined as remuneration that is based on the fulfilment of pre-defined financial and non-financial goals (linked to development within self-leadership, culture and business innovation, etc). Some employees are also given the option to invest in new funds. Variable remuneration needs to be approved annually by the Board of Directors.

Closing the pay gap

Every year, Areim reviews all compensation within the organisation with the purpose to discover, remedy and prevent unfair gender differences in pay and other terms of employment in the workplace. To assess whether gender has been of significance to setting pay in any way Areim conducts both a survey and an analysis. For 2021 no major gaps were found. We are proud of our record and our work to ensuring equal pay is maintained.



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We deliver sustainable results is our commitment to creating long-term financial results with transparent governance whilst empowering our people to do the right things in the right manner.

Good governance is the foundation of a responsible business, and an important part of this work is to be financially sustainable and responsible for the long term.



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Outlook

There is increasing integration of sustainability within business decision making, driven by growing awareness and the need for regulatory compliance. One example is the EU Taxonomy that is now part of the EU Green Deal aiming to make the EU climate neutral by 2050.

The Taxonomy is interlinked with other regulations and initiatives, all with the common aim of increasing transparency when it comes to sustainability and its integration into investment decisions. Using the Taxonomy as a reference framework enables companies that are proactive

in this area to further enhance their focus and drive to provide better value to investors and leave a more sustainable society behind.

Proactive governance

We believe that an ethical business culture is a fundamental part of our commitment to making a positive social impact as a responsible business. Delivering sustainable results requires a greater understanding of ESG issues across the organisation. With the right resources, priorities, people, and reporting structures in place, supported by reliable data, robust monitoring systems and effective communication, we believe that we are on the right path to becoming a sustainability leader in our industry.

Business plan process

A asset manager is responsible for each investment and is involved throughout the entire investment cycle, including due diligence and business plan strategy during the transaction phase, execution of the business plan with primary responsibility and in the divestment phase. The asset manager is reporting to the fund manager and fund control-

ler on a regular basis. In addition, the asset manager is responsible for forming a steering group, which consists of dedicated asset management resources, one member of the transaction team, the fund controller and the fund manager.

The steering group meets on a regular basis and the aim is to have a forward-looking approach, where different experiences and competences develop the investment and business plan in the best possible way. Together, the steering group updates the business plan and strategy for an investment at least once a year or more frequently if needed. The business plan includes value-add initiatives, key ESG targets and a clear exit strategy or plan for long-term management.

If any key activities within a business plan will not be achieved, the asset manager raises it to the steering group who together defines a proposed solution which is then recommended to the Investment Committee. The fund manager is responsible for reviewing any proposed changes to the business plan to be in line with the fund portfolio and overall fund strategy.

LONG-TERM OBJECTIVES

- Develop and digitalise reporting and decision-making data to measure progress
- Maintain a compliant, transparent and effective governance structure
- Increase our share of green or greening financing

MAIN ACHIEVEMENTS 2021

- Became a signatory of UN PRI and UN Global Compact
- Policy package including a new ESG policy reviewed and approved by the Areim Board
- Improved GRESB score for each fund

Five

Areim Fund II awarded GRESB 5 stars in development

1st

Funds I & II top performers INREV Non-Core Real Estate Fund Benchmark, all Europe

Zero

Losses to date



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A top tier position for international ESG disclosures

Areim is a fully authorised Alternative Investment Fund Manager (AIFM) in accordance with Swedish Law and, as such, is supervised by Finansinspektionen (SFSA) under Regulatory Code and governed in accordance with EU Directive 231/2013/EU. The board of directors (the "Board") is ultimately responsible for the management of the company, its business, and the services it provides. The Board makes all significant decisions in relation to new management agreements, policy

documents, budgets and reports.

As the company is appointed manager of alternative investment funds, it is the Board's responsibility that the agreed services, including portfolio and risk management, are performed in the best interest of the funds' investors. In line with our increased transparency and effort within sustainability, we also assess and monitor sustainability (ESG) related risks and are in the process of implementing new regulations within Sustainable Finance.

Portfolio management is dele-

gated to the investment committee, which makes all the significant decisions for the funds in relation to investments, divestments, major lease agreements, major follow-on investments, capital expenditures, financing, business plans, budgets and reports.

Our CEO is responsible for the day-to-day management of the company, making decisions on recruitments and the organisation, and prepares instructions in line with policies decided by the Board. A substantial authority to make

decisions on behalf of the company is delegated to the CEO.

Three lines of defence and internal control functions

Areim's operations and internal controls are organised under the three lines of defence model, with risk management, compliance and internal audit functions all outsourced to an independent third party.

The first line of defence consists of all employees. They are all responsible for overall day-to-day risk management and investment

Policies and manuals

COMPLIANCE POLICY

The policy states and clarifies Areim's obligation to establish, implement and maintain an independent compliance function, as well as compliance policies and procedures designed to detect any risk or failure by Areim to comply with its obligations under the AIFM Act and to manage its risks associated with non-compliance.

ESG POLICY

In 2021, a new ESG policy was reviewed and approved by the Areim Board. The policy addresses topics such as respecting human rights and freedom of association, as well as describing how we work with constant improvements in our focus areas.

ETHICAL POLICY

The policy sets Areim's internal rules for how the company will deal with ethical issues in its business including anti-bribery related issues. It guides employees on how to act in situations where the appropriate action may seem unclear from an ethical perspective, or where the legal rules in the area may not provide adequate guidance.

POLICY ON INDUCEMENTS

The policy stipulates the internal rules on inducements. Inducements refer to payments, fees, commissions, or non-monetary benefits paid or received in relation to activities performed, for example portfolio management and other services.

REMUNERATION POLICY

The purpose of the policy is to describe the requirements of a remuneration system that is sound, effective and prevents risk taking, including sustainability risks that are not in line with the risk profile and investment objectives of the managed funds, to protect the interests of the manager, the managed fund, and the investors.

RISK MANAGEMENT POLICY

The policy states the obligation of Areim to implement and maintain an adequate and documented risk management framework. The aim of the framework is to identify all the relevant risks to which the funds are or may be exposed to. It further sets out the rules and basic principles of our risk management system, as well as how risks are identified,

monitored, mitigated and disclosed. The policy also outlines key aspects of the risk management process employed by the Board to evaluate the effectiveness of Areim's risk management systems.

POLICY ON ANTI-MONEY LAUNDERING (AML) AND COUNTERING THE FINANCING OF TERRORISM (CFT)

Areim is obliged to prevent money laundering and financing of terrorism by complying with governing regulations, recommendations, and general guidelines on AML and CFT. It is of high importance to us to combat money laundering and the financing of terrorism both to meet regulatory obligations but also to maintain our good reputation. The policy sets out the requirements and internal rules and instructions for Areim in relation to such, including Areim's whistleblowing process. Areim has had no reported cases of corruption, or any complaints that led to an investigation.

IT AND INFORMATION SECURITY POLICY

Areim is obliged to have internal rules on information security. Information security refers to ensuring confidentiality, availability, correctness and traceability of information and data, and to reduce the risk of damage to the business regardless of cause or attacker. The rules require Areim to identify, analyse, classify, prevent, manage, and report on information security. Areim's IT and Information Security Policy is based on ISO/IEC 27001 and it is GDPR compliant.

BUSINESS CONTINUITY PLAN (BCP)

Areim is obliged to have a BCP in place. The BCP includes roles and responsibilities as well as an Incidents Response Team (CEO, CFO, COO and Risk Officer) that will lead the handling of any significant incident. Significant incidents are incidents that could cause serious damage to Areim's business, and they are assessed based on how critical they are to our operations or employees.

PERSONNEL HANDBOOK

Our Personnel Handbook sets out the basic terms of employment for all Areim staff, stating both the legal and ethical requirements. We understand the importance of training our employees to enhance their understanding of our values and policies.

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We deliver sustainable results

restrictions compliance, i.e., closely monitoring the business plan of an investment via asset management meetings and quarterly reporting of key risk indicators to the Investment Committee and the Board. All material deviations from the business plan are approved by the Investment Committee.

The second line of defence comprises the risk control function and the compliance function, which provide advice and monitor risk management and compliance on a regular basis, reporting directly to the Areim Board.

The third line of defence, the internal audit function, ensures that internal controls, risk management and compliance are appropriate and effective. Both the second and third lines of defence are required by law to be independent from the firm's ope-

rations, and to ensure this independence they have been delegated to third parties specialising in this type of monitoring and controls.

Combating anti-money laundering and corruption

The risk of being exposed to money laundering and the financing of terrorism varies across different risk factors such as customers, geographic areas, delivery channels, products, services and over time. The guiding principle is that resources shall be directed in accordance with priorities, so that the greatest risks receive the highest attention.

Areim has implemented anti-money laundering and counter terrorism financing procedures. We are committed to ensuring effective mitigation of the risks associated with money laundering, terrorist financing activities, bribery, and corruption. We comply with governing regulations, recommendations and general guidelines, including the Act on measures against money laundering and terrorist financing, and SFSA regulations. Areim conducts annual training as part of our regulatory requirement for all employees in relation to anti-money laundering and counter-terrorism financing compliance. In 2021, 95% (95% in 2020) of all employees and consultants completed this training. We had no confirmed incidents of corruption during 2021 (no incidents 2020).

Greening loan facility

It is important that our real estate solutions, projects and funds are efficient and viable from an environmental, social and long-term financial

perspective. Therefore, we always consider green financing solutions when possible and continuously have a dialogue with our suppliers of debt to try to find green/greening facilities

In 2020, a pioneer greening loan facility was signed with regards to our light industrial platform. The loan facility includes requirements of steady progress for improving the assets from an environmental perspective with third-party annual audits and green business plans on asset level – including energy efficiency, reduced carbon footprint, and circularity among others. The loan facility is one important measure to support our progress in turning brown assets into green and to work towards certification of all properties.

In 2021, the first property within the segment was certified and the aim is now to roll out the certification to all properties in Sweden by 2023.

Workplace safety for our partners and suppliers

Ensuring workplace safety and security together with our suppliers and partners is important in our development projects. The Work Environment Act mandates that the party that has building or construction work carried out is obliged to consider and mitigate safety aspects during the whole project. Therefore, we appoint building work environment coordinators for planning and design (BAS-P) and for project implementation (BAS-U). It is the contractor who reports on a project basis if injuries occur. As Areim does not collect data on injuries on an aggregated level, there is potential to improve the collection of this data.



The global ESG benchmark and reporting framework for Real Estate Assessments, GRESB, has become the leading measure for our industry. Being part of GRESB helps us as well as the whole industry to improve and push ourselves to develop into a more sustainable industry aligned with the Paris Agreement.

Our score has improved significantly since we started GRESB reporting in 2011, demonstrating our consistent efforts. All Areim funds are performing above their peer group average clearly showing that our efforts across all teams are showing and being validated¹. This is a great achievement for all funds and in particular for Fund IV which is reporting for the first time. Fund II and Fund III have reached the four-star status and both funds increased their scores from the previous year.

Another great accomplishment is the excellent five-star status received for the development investment within Fund II (Sjöstadsbo). With several ongoing projects and identified improvement potential, we expect further improvements to our score next year.

Fund II (standing investment)

- Performance score for standing investments (Hansa, Kardanen)
- Yearly improvements since start, with four-star status since 2019
- Ranked 1 (of 6) in peer group
- Placed within the 25% best performing non-listed, value-add closed-ended entities (15th of 61)

Fund II (resi. development)

- Performance score for residential project (Sjöstadsbo)
- Gained an additional green star, reached five-star status in 2021
- Ranked 2 (of 8) in peer group
- Placed within the 8% best performing non-listed, value-add closed-ended entities (3rd of 39)

Fund III (standing investments)

- Gained an additional green star, reached four-star status in 2021
- Ranked 6 (of 14) in peer group
- Placed within the 16% best performing non-listed, value-add closed-ended entities (10th of 61)

Fund IV (standing investments)

- First year of GRESB reporting, further improvements to the score is expected. Ranked 6 (of 14) in the peer group
- Currently on three-star status
- Ranked 6 (of 14) in peer group
- Placed within the 38% best performing non-listed, value-add closed-ended entities (23rd of 61)

¹ Areim Fund I is in the process of being wound down and thus excluded from our GRESB reporting.



Ratakatu 1, Gloria, Helsinki



FOCUS AREAS

We turn brown to green

We care for people

Social value creation

Attractive workplace

We deliver sustainable results

Facts about the taxonomy

The EU Taxonomy is primarily a classification system for sustainable economic activities. An economic activity is classified as environmentally sustainable in accordance with the taxonomy when the economic activity meets the following requirements:

- 1 Contribute to at least one of six environmental objectives listed in the EU Taxonomy
- 2 Do No Significant Harm (DNSH) to any of the other objectives
- 3 Comply with minimum safeguards on human rights

The six environmental objectives of the EU Taxonomy:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For more details on Areim Taxonomy alignment, see pages 39-40.

Sustainable Finance Disclosure Regulation (SFDR)

In March 2018, EU launched its Sustainable Finance Action Plan, which entails ambitious goals for financing sustainable growth. The first part of this plan, the Disclosure Regulation, started to apply on 10 March 2021.

Areim's funds are subject to SFDR.

This means Areim will disclose and classify its funds in accordance with Article 8 of the Disclosure Regulations which means the funds promote environmental or social characteristics.

Areim AB does not need to report in accordance with the taxonomy. However, we see the taxonomy as a framework that enables us to be transparent towards our stakeholders, as well as help us to be proactive in understanding the areas of our operations where we can become more sustainable. We will continue to work with the taxonomy as more guidelines and instructions are developed regarding its practical application.

In addition, this means the investments in Areim's funds are subject to the new EU Taxonomy Regulation. Thus, we are to report the share of green Turnover, Opex and Capex in our funds. It is worth noting that there are ongoing discussions on how the EU Taxonomy applies to redevelopment as opposed to new build given redevelopment is, in most cases more sustainable if done properly.

During the year the EU taxonomy regulation (EU 2020/852) entered into force. The taxonomy is a harmonized classification and criteria for sustainable economic activities. This will help investors and businesses to identify which investments contribute to a

low-carbon, resilient and resource-efficient economy

Environmental objectives

Real estate investments are exposed to the two climate-related environmental objectives of the EU Taxonomy Regulation:

- 1) Climate change mitigation
- 2) Climate change adaptation

For each economic activity within the EU Taxonomy, thresholds are specified for the activity to be considered environmentally sustainable, as well as requirements on how the activity must Do No Significant Harm.

The following economic activities concern investments in our funds:

- Acquisition and ownership of buildings;
- Renovation of existing buildings;
- Installation, maintenance and repairs for energy efficient equipment, charging infrastructure for electric vehicles, measuring, control and monitoring of energy use in buildings and renewable energy technologies.

Our assessment and approach

In 2021, Areim, with support from PwC, conducted an assessment on how and to what extent certain funds and investments qualify as environmentally sustainable. The work focused on Areim Fund II-IV.

- 1 We identified activities and related screening criteria applicable to each of the funds' investments. Relevant economic activities (as described in the Climate Delegated Act to the Taxonomy Regulation) were identified per

property and investment with focus on activities that qualify as contributing substantially to climate change mitigation.

- 2 We evaluated each investment's fulfilment of the relevant screening criteria by, for example, using energy declarations.

- 3 We assessed the percentage of alignment for each investment according to the below methodology¹.

- Properties that were classified to be taxonomy-aligned, were assessed to have Turnover, Capex and Opex in accordance with the screening criteria.
- For properties determined to not be related to taxonomy-aligned Turnover, an assessment of the occurrence of taxonomy-aligned individual measures that correspond to other economic activities described was conducted. Additional taxonomy-aligned Capex and Opex were then added when these individual measures fulfilled the relevant screening criteria.
- For the co-investments, Obligo and Magnolia, information of taxonomy-alignment was received from an external party.

¹ In accordance with The EU Taxonomy, Economic activity 7.7



We are well positioned to meet regulatory challenges.

Working proactively for further regulatory changes

What's on the agenda within sustainable finance and the upcoming EU Taxonomy Regulation?

We are under increasing pressure to be more sustainable. A constant flow of new regulations is bringing compliance challenges to our sector. It's important to understand not only climate risks, but also opportunities. This will include more complex data management, analysis and forecasting.

What challenges and opportunities do you foresee within Areim from a reporting perspective?

The real estate industry is engaged in an important dialogue to improve sustainability through ESG and taxonomy. Given the delays in finalising the EU Taxonomy and Disclosure Regulation, and the amendments that concern the AIF regulation, I believe this will be the main challenge from a compliance perspective. In terms of opportunities, it has become clear that everyone

profits in the long-run from working with sustainability.

Given the new sustainable finance regulations, what would you say are the most important things to act on now?

Interest in sustainability and ESG has increased profoundly among investors, banks and tenants, and the demand for green investments has accelerated dramatically. We need to provide market participants with relevant information. This will give investors the opportunity to make well-informed investment decisions. We are well positioned to meet regulatory challenges.

Dennis Anaje,
Controller



**FOCUS AREAS**

We turn brown to green

We care for people

Social value creation

Attractive workplace

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Strategic membership

Areim acknowledges the importance and strategic value of maintaining memberships of industry associations, national and international organisations and other bodies.

INREV – European Association for Investors in Non-Listed Real Estate Vehicles

INREV is Europe's leading platform for sharing knowledge on the non-listed (unlisted) real estate industry. The goal is to improve transparency, professionalism, and best practices across the sector, making the asset class more accessible and attractive to investors. Areim is a founding member of INREV. We follow the INREV definitions and guidelines on fund reporting, and we participate in several seminars and training sessions each year to constantly develop our best practices and reporting methods.

GRESB – Global ESG Benchmark for Real Assets

GRESB is a global ESG benchmark for the real estate and infrastructure industry. Its assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks such as GRI, PRI, SASB, DJSI, TCFD recommendations, the Paris Climate Agreement, UN SDGs, and region and country specific disclosure guidelines and regulations.

SGBC – Sweden Green Building Council

SGBC is Sweden's leading non-profit member organisation that aims to transform the building and construction sector across three areas – climate action, health and wellbeing, and resources and circularity. Through certification, education and opinion forming, SGBC works for clear and quality assured information on the environmental performance of buildings. SGBC is part of the World Green Building Council, a global action network comprised of around 70 Green Building Councils around the globe. Our CEO, Therese Rattik, has been a member of the SGBC Board since 2019.

GBC Finland – Green Building Council Finland

Green Building Council Finland is a non-profit association that gathers and refines the know-how of sustainable development in the building and construction industry. GBC Finland brings together knowledge and expertise in sustainable development as well as represents its members in the field both domestically and internationally. The core functions of GBC Finland are advancing the policies of sustainable development linked to the built environment and environmental classifications of the building industry, sharing, and forwarding know-how, activating the dialogue and discussion, and connecting Finland to the international Green Building Council network.

Fastighetsägarna

The Swedish Property Federation, Fastighetsägarna, is an industry organisation that works for a sustainable and functioning property market. Its mission is to improve the conditions for the real estate industry in Sweden, so that the housing and premises market can be developed. Its ambition is to create good conditions for growth.

The Stockholm Chamber of Commerce

The Stockholm Chamber of Commerce works with regional growth and development issues and conducts extensive networking and meeting activities.

Klimatpakten i Stockholm

Klimatpakten is a climate network for the City of Stockholm, organisations and companies, where we work together to reduce climate impact. Today, Klimatpakten has over 250 members from the entire Stockholm region. The city's goal is a fossil-free Stockholm by 2040. In that work, Klimatpakten is an arena for the exchange of knowledge and experience between the city, politicians and the network's members. The aim is to together create a climate network and a meeting place for discussions, new ideas and collaborations.

UN PRI – UN Principles for Responsible Investment

The six Principles for Responsible Investment is a voluntary and aspirational set of investment principles that outline possible actions for incorporating ESG issues into investment practices. Areim joined as a signatory in February 2021.



Trångkären 6, Marieberg, Stockholm

UN Global Compact

The UN Global Compact is a voluntary initiative and network-based initiative where CEOs commit to implement universal sustainability principles and to take steps to support UN goals. Its, and our ambition through joining, is to align our strategies and operations to the universal principles on human rights, labour, environment and anti-corruption as well as taking actions that advance societal goals. Areim joined as a signatory in February 2021.



Sustainability information



SUSTAINABILITY INFORMATION

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Risks and opportunities including TCFD

In close dialogue with our stakeholders

It is important to integrate sustainability with our business strategy, values, and culture. To ensure our current strategy is aligned with our stakeholder's view on ESG, a full materiality assessment, with Areims most relevant stakeholders in relation to Areims business model and value chain, was carried out in 2019 and we have continued the dialogue in various ways and forums to different stakeholders since then. Sustainability and "the Areim Way" was the key topic at our annual investor meeting in 2021.

Result from stakeholder dialogues

STAKEHOLDER



Investors



Employees



Municipalities



Tenants



Suppliers

MOST MATERIAL TOPICS

- Climate change
- Energy and resource efficiency
- Governance

- Climate change
- Energy and resource efficiency
- Attractive workplace
- Attracting and retaining talent
- Health and wellbeing
- Equality and diversity
- Governance

- Climate change
- Energy and resource efficiency
- Environmental certifications
- Sustainable urban planning

- Climate change
- Energy and resource efficiency
- Attractive workplace
- Health and wellbeing

- Climate change
- Diversity, equality, and inclusion

DIALOGUE FORMAT

- Interviews
- Personal meetings

- Annual performance reviews
- Workshops
- Seminars
- Trainings

- Close cooperation in zoning planning processes
- Active membership in several organisations

- Individual meetings

- Individual meetings



SUSTAINABILITY INFORMATION

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Risks and opportunities including TCFD

An important part of our sustainability work and strategy is to analyse and mitigate risks and opportunities. The greatest risks are those where both probability and impact are high. We continuously work on identifying, evaluating, and managing sustainability risks as part of our overall risk management process to manage these as conscientiously and efficiently as possible.

We apply the precautionary principle, specifically with reference to the environment, to safeguard our business from environmental impacts as well as to ensure that we impact the environment as little as possible.

We have illustrated our main sustainability risks and outlined our mitigating activities. We believe that all risks can be converted to opportunities through being proactive, responsible and solution oriented. Working with our risks will make us a better, more responsible and future-proof company and make us a safer and profitable investment.

Our real opportunities lie in working with sustainability proactively and in integrating it into everyday business decisions as well as our everyday work, making sustainability a natural part of our business.

TCFD – Task Force on Climate-related Financial Disclosures

From 2021, Areim has committed to providing reporting in line with the recommendations of TCFD. This implies a responsibility to manage material risks, including climate-related risks, in our assets.

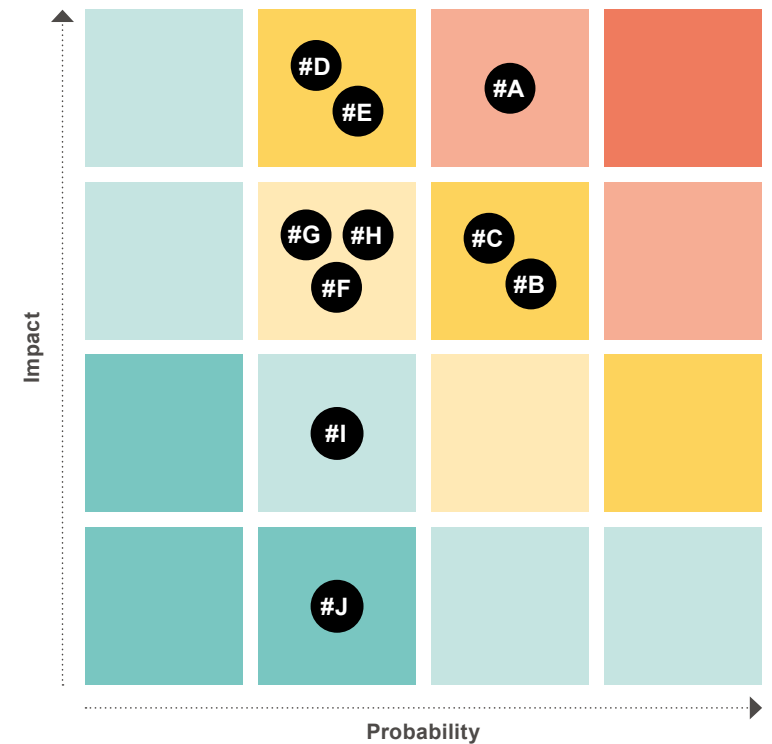
Several internal workshops were therefore conducted during the year to refine strategies for climate change mitigation actions, adaptation, and resilience to incorporate these into our overall business processes and regulatory reporting.

Complementing our climate change mitigation actions is a recognition of the need for risk identification and risk adaptation with regards to the projected potential impacts of physical and transition risks on our properties.

The TCFD Recommendations are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD Recommendations are structured around four content pillars: Governance, Strategy, Risk Management, Metrics & Targets, and eleven recommendations to support effective disclosure under each pillar. This report is focused on climate-related risks and opportunities from an asset manager's perspective.

RESULT OF RISK ASSESSMENT

Risk category, description and management are explained on page 32.



Risk Categories

- #A Societal risk
- #B Climate risk
- #C Regulatory risk
- #D Governance
- #E Irregularities
- #F Organisational
- #G Brand risk
- #H Financial risk
- #I Environmental risk
- #J Value-driven risk

**SUSTAINABILITY INFORMATION**

Stakeholder engagement and materiality analysis

Risks and opportunities including TCFD

#	Risk category	Risk description	Risk management
#A	Societal risk	Risks linked to major social, political, and economic changes in society. For example, social unrest, violent conflicts, and pandemics. These are risks beyond our control, but with a major impact on society. Political risk consists of risks related to changed conditions as a result of political decisions.	<ul style="list-style-type: none"> Monitor potential threats and take preventive measures when needed and possible. Continually monitor economic conditions and geopolitical and societal events on the markets where we are present to be prepared to make quick business decisions when needed.
#B	Climate risk	Acute and chronic physical risk as well as transition risk, see page 33. Higher temperatures, floods, fires, loss of biodiversity etc. may result in increased costs for materials and energy when coping with extreme weather (as torrential rains and floods).	<ul style="list-style-type: none"> Climate risk assessment as part of investment screening and due diligence processes. TCFD reporting from 2021. Measures to reduce energy and water consumption and to lower GHG emissions. Increase use of renewable energy. Establish processes for decision-making and guidelines for preventive efforts.
#C	Regulatory risk	Risks related to changes in national and international sustainability frame-works, legislation and regulations. May influence in different ways such as increased costs or weaker reputation and brand.	<ul style="list-style-type: none"> Compliance with legislation and regulations. Continuously monitor proposals for changes in legislation and regulations to take measures and adapt business. Internal control and quality assurance in several stages, well-documented processes. Establish Code of Conduct for employees and suppliers, as well as additional supplier requirements as needed. Sustainability aspects included in the investment process and in regular risk assessments to the Board.
#D	Governance	Risks linked to deficiencies in corporate governance including funds and investment management. May lead to financial losses as well as reduced confidence in the company, which in the long run affects profitability.	<ul style="list-style-type: none"> Communicate expectations related to governance and sustainability at large towards the funds and investments. Ensure sufficient risk management systems on either Fund level or investment level as appropriate.
#E	Irregularities	Risks linked to corruption, money laundering, wage dumping/illegal work and other business ethics irregularities. Fraud can lead to financial losses and fines as well as damage credibility and brand.	<ul style="list-style-type: none"> Regarding fraud, Areim internal controls are organised under the three lines of defence model and the “four eyes principle”. Strict decision-making process which commands disciplined monitoring and control of all investments throughout the entire investment process. Other risk mitigating measures include careful monitoring of performance vs. budget, joint approval of all invoices and joint signing of all bank accounts. Secure sufficient due diligence and authorisation guidelines and routines. Ensure availability, quality, and training on whistleblowing system.
#F	Organisational	Risks associated with employee wellbeing, both mental and physical, affected by factors such as workload, working hours and abusive discrimination. In addition to problems for the individual employee, it may lead to negative consequences for the overall productivity, quality, continuity, and talent attraction.	<ul style="list-style-type: none"> Annual employee surveys (and more frequently from Q1 2022), active work with competence development. Preventive healthcare and wellbeing initiatives for employees. Education and inspiration linked to healthy workplaces. Gender equality plan, education in diversity, bias in recruitment, etc. Personnel Handbook. Establish Code of Conduct for employees and suppliers.
#G	Brand risk	Reputational risks related to gaps between sustainability vision and practices, not walking the talk. Normally as a result of discrepancies between marketing and operational efforts, often referred to as greenwashing, leading to reduced credibility and attraction.	<ul style="list-style-type: none"> Establish quantitative targets and report on a yearly basis. Transparent reporting of challenges and where we are on our sustainability journey. Within marketing, identify concrete results that are expected as a result of sustainability efforts as basis for communication.
#H	Financial risk	Financial risks connected to the sustainability of investments, asset development and operations. E.g., negative financial impact of the new EU disclosure regulations and taxonomy.	<ul style="list-style-type: none"> Sustainability mapping and evaluation of existing and new properties, aligned with new disclosure regulations and taxonomy. Moderate leverage (50 per cent on average) to limited operational and development risk. Include sustainability aspects in the investment process and regular risk assessments to the Board.
#I	Environmental risk	Risks linked to the physical surroundings of properties, e.g., water pollution, waste management and noise levels.	<ul style="list-style-type: none"> Establish action standards for decision making and guidelines for preventive efforts. Environmental certifications. ESG Policy. ESG targets in each asset’s individual business plan.
#J	Value-driven risk	Risks associated with changes in external trends and values related to sustainability, which may develop in a different direction than our business and efforts.	<ul style="list-style-type: none"> Continuous monitoring of external trends. Ongoing dialogue with relevant stakeholders. Participate in sustainability forums and debates to learn and engage others in our sustainability agenda.



SUSTAINABILITY INFORMATION

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Risks and opportunities including TCFD

Climate report according to TCFD

From 2021, Areim has committed to providing reporting in line with the recommendations of TCFD and our aim is to continue to develop this reporting.

By implementing climate change mitigation actions we recognise the need for risk identification and risk adaptation with regards to the projected potential impacts of physical and transition risks on our properties.

The TCFD Recommendations are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD Recommendations are structured around four content pillars: Governance, Strategy, Risk Management and Metrics & Targets and eleven recommendations to support effective disclosure under each pillar.

Case climate scenario

As an initial step, Areim has focused on the implications of the low and high pathways of RCP 2.6 and RCP 8.5 respectively at portfolio level as described in next session.

RCP 2.6: Business as usual, best case climate scenario

The low pathway of RCP 2.6 indicates that the greenhouse gas emissions are decreased in line with the Paris Agreement commitment to cut emissions in half and limit the temperature increase to below 2°C with a target of 1.5°C. This is considered a very stringent pathway requiring emissions to have started to decrease already in 2020.

- Great efforts to reduce emissions, compared to date.
- The emissions peaked in 2020 and then they decrease.
- After the year 2100, emissions are negative.
- During the reference period 1971–2000, the average temperature for Sweden was 2.3°C. If the climate develops according to the scenario, the average temperature will increase with 1.9°C for the period 2071-2100 compared with the reference period.
- Low energy intensity and reduced use of oil.
- The earth's population increases to 9 billion.
- No significant change in the area of pasture.
- Increase in the area of agricultural land due to bioenergy production.
- Methane emissions reduced by 40 percent.

RCP 8.5: Aggressive mitigation, worst case climate scenario

The high pathway of RCP 8.5 indicates that the greenhouse gas emissions continue to increase at the current rate throughout the 21st century and is usually used as the basis for worst-case climate change scenarios based on what proved to be an overestimation of projected coal outputs, and thus RCP 8.5 has become increasingly implausible but nevertheless, remains useful as worst-case scenario modelling.

- More than 4°C in warming above pre-industrial levels
- Rising emissions
- Hundreds of millions of people being forced to migrate

- Big increase in forested area prone to wildfires (due to a phenomenon dubbed the “moisture deficit”).
- Greenhouse gas emissions continue to increase at the current rate
- Continued high dependence on fossil fuels in the world
- Continued high energy intensity
- Temperature increase in Europe is around 2-5°C by 2050
- Rising sea levels of up to around 0.5 metres (the city of Malmö as a reference point), taking into account land elevation

- Increased risk of flooding, water intrusion, erosion, etc.
- More days of extreme weather; rain, storms, heat, and drought
- Reduced snowfall in the mountains
- No revolutionary change of political and legal requirements or regulations
- No revolutionary changes

RCP = Representative greenhouse gas Concentration Pathways, by The Intergovernmental Panel on Climate Change (IPCC) most recent assessment report (AR5). **Climate impact to year 2100** as shown by the IPCC's Fifth Assessment Report (AR5) EEA, Gisstemp/NASA and KNMI Climate Explorer.

RCP 8.5 Emissions continue to rise at current rates

RCP 2.6 Emissions peak around 2020, then decline and become net negative before 2100

BUSINESS AS USUAL

With no major climate action measures, global warming is predicted up to 4.9°C but over land in northern areas of the globe an up to 11°C increase is predicted. With this scenario there will be large areas with annual average temperatures >29°C.

Business impact by physical risk and climate change:

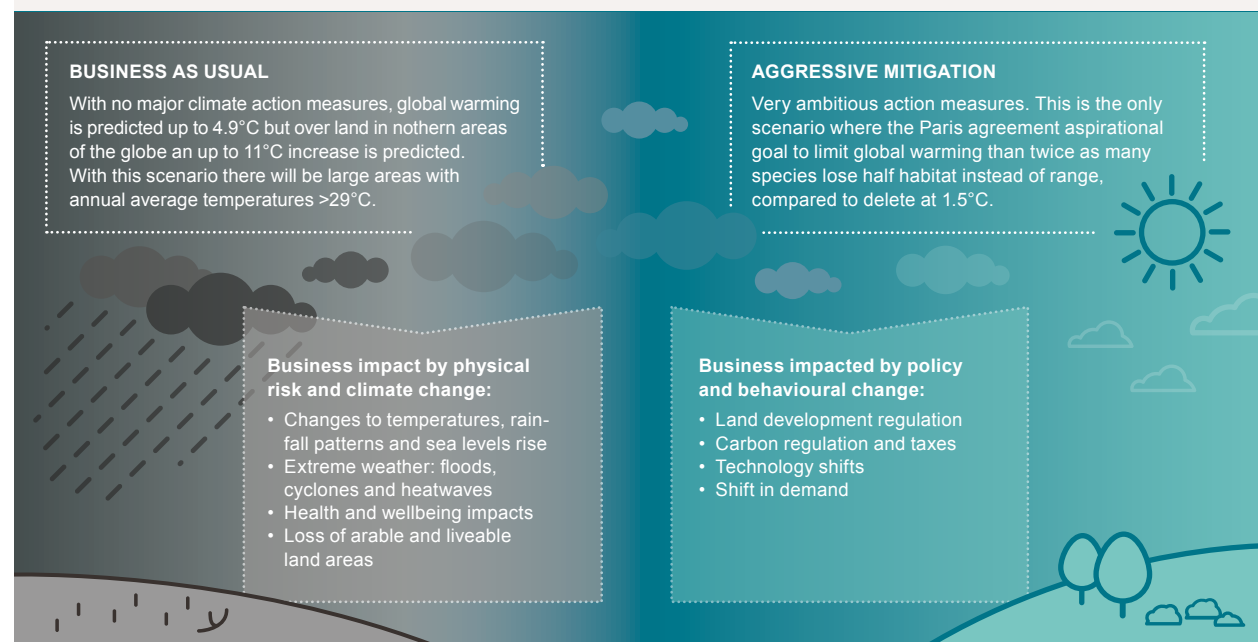
- Changes to temperatures, rainfall patterns and sea levels rise
- Extreme weather: floods, cyclones and heatwaves
- Health and wellbeing impacts
- Loss of arable and liveable land areas

AGGRESSIVE MITIGATION

Very ambitious action measures. This is the only scenario where the Paris agreement aspirational goal to limit global warming than twice as many species lose half habitat instead of range, compared to delete at 1.5°C.

Business impacted by policy and behavioural change:

- Land development regulation
- Carbon regulation and taxes
- Technology shifts
- Shift in demand



**SUSTAINABILITY INFORMATION**

Stakeholder engagement and materiality analysis

Risks and opportunities including TCFD

Risk category	Risk description	Impact (financial and strategic)	Mitigation
Acute physical risk	<p>Temperature-related Extreme weather: heat wave, cold wave/frost, wildfire</p> <p>Water-related: Drought, heavy precipitation (rain, hail, snow/ice) and flood risk coastal, ground water impact</p> <p>Solid mass-related: Landslides</p>	<p>Direct damage to properties from primarily extreme rain and flooding.</p> <p>Could increase insurance costs and in turn increase service charge costs for tenants.</p> <p>Intense rainfall and increased risks for damage due to inability of drainage system to cope.</p>	<p>Assessment of climate risks as part of investment screening and due diligence processes.</p> <p>A desktop screening according to taxonomy criteria for DNSH objective Climate adaptation conducted in 2021.</p>
Chronic physical risk	<p>Temperature-related Changing temperature (air, freshwater, marine water) and heat stress</p> <p>Wind-related Changing wind patterns</p> <p>Water-related Changing precipitation patterns and types (rain, hail, snow/ice), increased sea level, water stress</p> <p>Solid mass-related Soil erosion</p>	<p>Increase overheating risk in buildings.</p>	<p>Climate risk aspects considered in zoning processes including storm-water assessments, changed wind and heat patterns.</p>
Transition risk	<p>Transition risks relate to the changes to our market and the demands of our customers. Transition risks drivers arise because of transitioning an economy that is reliant on fossil fuels to a low-carbon economy.</p>	<ul style="list-style-type: none"> Higher temperatures, floods, fires, loss of biodiversity, etc. may result in increased costs for materials and energy when coping with extreme weather. Also, more sustainable materials may be in greater demand and therefore, priced at higher costs. Costs of reducing emissions and to transition to lower emissions technology Increased pricing of GHG emissions Energy regulations and other regulatory and policy changes Increased maintenance costs Transition risks also brings opportunities as more tenants want to live in or rent more sustainable properties, etc. 	<p>Implementing an ambitious ESG strategy to ensure we are well positioned to meet environmental, social and governance obligations as well as new regulatory challenges.</p>
Market risk	<p>Changed investor preferences, customer preferences and increased stakeholder concern</p>	<p>Failure to manage and report on climate risks.</p>	<p>Increased reporting on climate risks. Committed to TCFD guidance.</p>

**SUSTAINABILITY INFORMATION**

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Risk and opportunities including TCFD

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Lybeck 10 (Hansa), Malmö



Sustainability data



SUSTAINABILITY DATA

Objectives and achievements

EU Taxonomy

Investment list 2021

Social


Environmental

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GRI Index

Auditor's report

Objectives and achievements

Focus area and material topic	Long-term objective	2021 achievements ¹
 We turn brown to green		
Climate change	<ul style="list-style-type: none"> Net zero emissions by 2030 – Scope 1, 2 and 3 	<ul style="list-style-type: none"> Increased data coverage of our Scope 3 emissions. -16% reduced GHG emissions scope 1-3 per sqm since 2020 (market-based approach). Environmental training for all employees and workshops to ensure inclusion of ESG targets in the business plan for each asset.
Energy	<ul style="list-style-type: none"> 100% renewable electricity 	<ul style="list-style-type: none"> On site production of 800 (31) MWh from solar panels. 54% of purchased energy to our assets comes from renewable sources, whereof: <ul style="list-style-type: none"> – 94% of bought electricity – 15% of district heating is renewable – 92% of district cooling An agreement signed with electricity supplier on renewable electricity for all assets. Offer to our tenants in Sweden to sign renewable electricity agreements on the same terms as we have. First carbon net-zero agreement on district heating signed for Tietolinja 5, residential property in Oulu, Finland.
Green leases	<ul style="list-style-type: none"> 100% green leases by time of divestment 	<ul style="list-style-type: none"> 51% green leases for Fund III and IV in relation to rental income. 43 green leases signed which corresponds to 66% of rent and 41% of area.
Building certification	<ul style="list-style-type: none"> 100% certified properties no later than three years after acquisition 	<ul style="list-style-type: none"> 17 properties (including 273,000 m²) were certified³. 100% certified letting area in Fund II and III, and 38% certified letting area in Fund IV². It corresponds to 61 (52)% certified letting area in Fund II-IV. The light industry property Skarpnäs 8:22 was certified with Miljöbyggnad iDrift, level Silver.
Waste, building materials and hazardous substances	<ul style="list-style-type: none"> Promoting circular models, sharing economy, and maximising reused, recycled, or renewable material 	<ul style="list-style-type: none"> Recycling of floor and ceiling through cooperation with supplier. Re-use of waste materials for exterior art project at Ångtvätten 22, Stockholm. Re-use of furniture and building material in and between our assets. Chemical inventory on asset level. Implemented Byggvarubedömningen⁴ for development projects.
Water	<ul style="list-style-type: none"> Water efficiency 	<ul style="list-style-type: none"> Continued measuring and follow up in the Mestro system. Initiated a pilot project with smart digital water metering in our Finnish properties.

¹ Figure in brackets refers to 2020

² Directly owned assets

³ Certifications included in our statistics are BREEAM, LEED, Svanen, EU Green Building, Miljöbyggnad and Miljöbyggnad iDrift

⁴ Byggvarubedömningen is a digital log with environmentally assessed and approved building materials.



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Focus area and material topic	Long-term objective	2021 achievements ¹
 We care for people		
Attractive workplace	<ul style="list-style-type: none"> Ensure an inclusive and diverse workspace. Promote wellbeing and happy employees Measure employee engagement on regular basis Remain a cohesive and consistent team, annual turnover rate below 10% Focus on leadership and development 	<ul style="list-style-type: none"> Areim grew by 21 new employees. Continued to instil a "growth mindset" in our corporate culture as well as strengthen our initiatives for cultural development through continued focus on self-leadership, team development, and leadership programmes. Introduced individual coaching sessions for employees to encourage individual development. Introduced process for feedback and after-action reviews to ensure continuous learning, improvement and to integrate the feedback in our daily work. Continued to link our ESG targets in our performance review process and improved the process by linking our cultural, team, and individual development to it. Implementation of a digitalisation project to streamline and improve our way of working and collaborate. In early 2022, a wider health and wellbeing programme for employees was implemented. Provided learning opportunities to students by offering internships.
Social value creation	<ul style="list-style-type: none"> Maintain happy tenants and promote wellbeing Develop a structured way of working with social impact Support to organisations working with important social objectives 	<ul style="list-style-type: none"> Implemented a process of tenant surveys in Sweden and Finland. Became national partner to Friends. Launched the Joyful Learning initiative to promote health and wellbeing in our school premises. Continued support to organisations working with social objectives. Workshops and trainings to ensure social KPIs are included in each investment business plan at underwriting.
 We deliver sustainable results		
Reporting and governance	<ul style="list-style-type: none"> Digitalize reporting and decision-making data to measure progress Maintain a compliant, transparent, and effective governance structure Develop, implement and ensure commitment to Areim's Code of Conducts for suppliers and employees 	<ul style="list-style-type: none"> Policy package including a new ESG policy reviewed and approved by the Areim Board. Continued with our yearly training in AML¹ and CFT². Conducted a desk top risk assessment on climate risks for each investment and a desktop screening according to EU taxonomy.
Benchmark	<ul style="list-style-type: none"> Among the top tier companies for international ESG disclosure 	<ul style="list-style-type: none"> Became a signatory of UN PRI and Global Compact. Improved GRESB score for Areim Fund II and III. First year of reporting for Areim Fund IV.

¹ Anti-Money Laundering² Combating the Financing of Terrorism Compliance³ Do No Significant Harm

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Methods for calculations for Areim's funds

Areim's funds are subject to SFDR¹. Under the SFDR, financial market participants and financial advisers are required to disclose product information related to sustainability. The information on the taxonomy provided in this section represents an overview of the taxonomy reporting for Areim's funds.

Areim's funds are subject to SFDR. All properties in Areim's funds are assessed to be eligible with the EU taxonomy for turnover, opex and capex KPI. For each fund, the proportion of the turnover of the investment portfolio is reported, as well as operating expenses and investments that can be considered compatible with the taxonomy. The activities of the portfolio investments consist primarily of the economic activity 7.7 "Acquisition and ownership of real estate".

To calculate the percentage of taxonomy-alignment on a fund level, the market value of each property was used for real estate investments and the market value of equities was used where relevant for other investments. This led to a conclusion on the aggregated Taxonomy-alignment per Turnover, Capex and Opex on a fund level to be included in the relevant fund disclosures.

To consider real estate investments to be taxonomy-aligned, we have considered the criteria described on page 27. The reported result of taxonomy-alignment for the Areim funds should be seen in the view of Areim's overall value-add investment strategy which is to reposition assets by putting in place broad improvement programmes lead by certifications standards, upgrading outdoor areas and increasing the overall attractiveness in and around the assets. Hence, most of Areim's fund assets will not be taxonomy-aligned by the time of the initial investment, but during the ownership period Areim will implement improvement programmes likely to bring the investments closer to fulfilling the screening criteria for taxonomy-alignment.

Industry practise

In April 2021, the final criteria were published for the two climate-related environmental targets and in December, Fastighetsägarna Sverige, together with some of the major Swedish property owners, agreed on common limit values to determine which existing properties are considered to belong to the best 15 per cent from an energy point of view.

This will form the basis for determining whether an existing building can be considered to meet the first environmental objective of the EU taxonomy. For newly built buildings, the threshold is for the building to have a primary energy performance that is 10 per cent better than the requirements for near-zero energy buildings. In Sweden this corresponds to 10 per cent better than the national building codes. No conclusions have been drawn yet for the four remaining environmental objectives, as that work is still underway.

Accounting principles

The proportion of the investment portfolio's activities that are environmentally sustainable according to the EU's taxonomy regulation should be reported, among other things, through three financial key figures broken down by each of the six EU environmental objectives. To calculate the three figures, each portfolio investment must identify turnover, capital expenditure and operating expenditure consistent with activities that are environmentally sustainable according to the taxonomy. As the approach to evaluate the alignment criteria are still under development, we have made an estimation of the proportion of aligned activities based on the currently available technical screening criteria for climate adaptation and climate mitigation.

The tables below set out the provisionally assessed taxonomy alignment at the portfolio level for the Areim funds.

Areim's funds are 100 per cent eligible for turnover, opex and capex KPI's.

¹ Sustainable Finance Disclosure Regulation, (EU) 2019/2088

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cont. EU Taxonomy

Fund II

Taxonomy alignment on fund level	2021
% taxonomy alignment Turnover	26%
% taxonomy alignment Opex	26%
% taxonomy alignment Capex	26%

Portfolio information	2021
Number of investments	2
- of which properties	2
- of which financial investments	-
Investments aligned with the EU taxonomy	1
- of which properties	1
- of which financial investments	-

Fund IV

Fund IV has a financial investment in EcoDC. The investment is subject to the EU Taxonomy regulation. As of 31 December 2021, Areim estimates that the investment, or parts of the investment, could be compatible with the EU Taxonomy regulation during 2022.

Taxonomy alignment on fund level	2021
% taxonomy alignment Turnover	61%
% taxonomy alignment Opex	61%
% taxonomy alignment Capex	62%

Portfolio information	2021
Number of investments	54
- of which properties	53
- of which financial investments	1
Investme aligned with the EU taxonomy	13
- of which properties	13
- of which financial investments	-

Fund III

Taxonomy alignment on fund level	2021
% taxonomy alignment Turnover	66%
% taxonomy alignment Opex	66%
% taxonomy alignment Capex	67%

Portfolio information	2021
Number of investments	13
- of which properties	9
- of which financial investments	4
Investments aligned with the EU taxonomy	6
- of which properties	5
- of which financial investments	1

Magnolia Bostad AB

Taxonomy share aligned	2021
% taxonomy alignment Turnover	96%
% taxonomy alignment Opex	100%
% taxonomy alignment Capex	94%

Portfolio information	2021
Number of investments	1
- of which properties	-
- of which financial investments	1
Investments aligned with the EU taxonomy	1
- of which properties	-
- of which financial investments	1



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Including directly owned properties and financial investments as of 2021-12-31

Type of investment	Name	Area	Location	Country	Certification	Comment
Fund II						
Property	Lybeck 10	22,600	Malmö	Sweden	BREEAM In-Use, Excellent	Retail
Property	Stadt Hamburg 14	7,950	Malmö	Sweden	BREEAM In-Use, Very Good	Retail
Fund III						
Property	Elimäenkatu 9	11,700	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Elimäenkatu 15	12,900	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Lemuntie 3-5	5,100	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Lemuntie 7	3,500	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Ruoholahdenkatu 14	3,000	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Tekniikantie 4	19,100	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Poikkikuja 7	7,500	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Trängkären 6	40,100	Stockholm	Sweden	Miljöbyggnad, Gold	Office
Property	Erottajankatu	4,200	Helsinki	Finland		Office
Financial investment	Sponda	1,010,000	-	Finland	BREEAM In-Use, Very Good/ Good; LEED Gold	Residential, retail, office. 113 properties in portfolio
Financial investment	Obligo	145,700	-	Sweden, Norway	BREEAM In-Use, Very Good/ Excellent	4 properties in portfolio
Financial investment	EcoDC	8,800	-	Sweden	-	Data center
Financial investment	Odde	N/A	Stockholm	Sweden	-	Residential development project
Fund IV						
Property	Fredriksberggade 24	5,818	Copenhagen	Denmark	-	Office
Property	Vallila Corner	16,400	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Property	Trängkären 7	58,000	Stockholm	Sweden	BREEAM In-Use, Very Good	Office
Property	Hämeentie 31	6,700	Helsinki	Finland	-	Office
Property	Helsingin Piispantalot	2,000	Helsinki	Finland	-	Residential
Property	Helsingin Tähtisaranpolku 3	1,950	Helsinki	Finland	-	Residential
Property	Helsingin Viulutie 9	7,800	Helsinki	Finland	-	Residential



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Type of investment	Name	Area	Location	Country	Certification	Comment
cont. Fund IV						
Property	Hyvinkään Kankurinkatu 5	3,050	Hyvinkää	Finland	-	Residential
Property	Järvenpään Sahankaari 1-3	2,650	Järvenpää	Finland	-	Residential
Property	Lappeenrannan Kauppatori	6,900	Laapeenranta	Finland	-	Residential
Property	Lappeenrannan Kievarinkatu	4,800	Laapeenranta	Finland	-	Residential
Property	Oulun Tietolinja 5	2,600	Oulu	Finland	-	Residential
Property	Tampereen Ankkarinraitti 4	2,400	Tampere	Finland	-	Residential
Property	Turun Asentajankatu 4 B	2,050	Turku	Finland	-	Residential
Property	Vantaan Helmikuja 2	2,400	Vantaa	Finland	-	Residential
Property	Vantaan Helmikuja 4	3,600	Vantaa	Finland	-	Residential
Property	Vantaan Solkikuja 4	2,900	Vantaa	Finland	-	Residential
Property	Vantaan Valtimotie 2 F	2,350	Vantaa	Finland	-	Residential
Property	Vantaan Valtuustokatu 6	3,000	Vantaa	Finland	-	Residential
Property	Ångtvätten 22	35,400	Stockholm	Sweden	BREEAM In-Use, Good	Office, education
Property	Bägsågen 3	2,500	Stockholm	Sweden	-	Light Industrial
Property	Boländerna 19:1	9,350	Uppsala	Sweden	-	Light Industrial
Property	Boländerna 20:1	6,800	Uppsala	Sweden	-	Light Industrial
Property	Boländerna 27:3	1,900	Uppsala	Sweden	-	Light Industrial
Property	Boländerna 27:4	4,800	Uppsala	Sweden	-	Light Industrial
Property	Boländerna 32:2	2,300	Uppsala	Sweden	-	Light Industrial
Property	Vaksala-Eke 3:2	20,800	Uppsala	Sweden	-	Light Industrial
Property	Cirkeln 1	4,100	Stockholm	Sweden	-	Light Industrial
Property	Diagonalen 1	9,300	Stockholm	Sweden	-	Light Industrial
Property	Froja Söderby 1:821, 1:825	800	Stockholm	Sweden	-	Light Industrial
Property	Froja Söderby 1:826	1,200	Stockholm	Sweden	-	Light Industrial
Property	Librobäck 3:2	4,700	Uppsala	Sweden	-	Light Industrial
Property	Librobäck 3:4	1,500	Uppsala	Sweden	-	Light Industrial
Property	Lindris 2:19	200	Norrälje	Sweden	-	Light Industrial
Property	Ösby 1:234	500	Stockholm	Sweden	-	Light Industrial
Property	Ösby 1:249	3,400	Stockholm	Sweden	-	Light Industrial
Property	Ösby 1:250	1,800	Stockholm	Sweden	-	Light Industrial
Property	Rosersberg 11:83	6,700	Sigtuna	Sweden	-	Light Industrial
Property	Skarpnäs 8:22	1,100	Stockholm	Sweden	Miljöbyggnad iDrift, Silver	Light Industrial
Property	Skarpnäs 8:25	1,400	Stockholm	Sweden	-	Light Industrial
Property	Skarpnäs 8:26	700	Stockholm	Sweden	-	Light Industrial

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Type of investment	Name	Area	Location	Country	Certification	Comment
cont. Fund IV						
Property	Solkraften 20	2,900	Stockholm	Sweden	-	Light Industrial
Property	Stillbilden 2	1,850	Stockholm	Sweden	-	Light Industrial
Property	Blixtljuset 4	2,400	Stockholm	Sweden	-	Light Industrial
Property	Landningsbanan 5	2,700	Stockholm	Sweden	-	Light Industrial
Property	Strömbrytaren 7	N/A	Stockholm	Sweden	-	Light Industrial
Property	Kiilto	4,400	Helsinki	Finland	-	Light Industrial
Property	Porttikaari 7, 16	2,300	Helsinki	Finland	-	Light Industrial
Property	Pieni Roobertinkatu 12-14	7,100	Helsinki	Finland	-	Light Industrial
Property	Värmdö Gustavsberg 1:477	N/A	Stockholm	Sweden	-	Development project
Financial investment	EcoDC	8,800	-	Sweden	-	Data center
Magnolia Bostad						
Financial investment	Magnolia Bostad AB	N/A		Sweden	Miljöbyggnad Silver and/or Nordic Eco-label Swan	Estimated 24,737 building rights and 10,452 units in production (at year-end)
Sold Fund II						
Property	Kardanen 12, 13	11,500	Örebro	Sweden	-	Retail
Sold Fund III						
Property	Atomitie 5	26,500	Helsinki	Finland	BREEAM In-Use, Very Good	Office
Financial investment	Obligo, Lysbomben	31,300	Stockholm	Sweden		Office
Financial investment	Obligo, Gustavsberg 1:179	11,600	Stockholm	Sweden		
Financial investment	Obligo, Midtåsen	8,100	Oslo	Norway	BREEAM In-Use, Very Good	Office



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GRI 102-8. Information on employees

2021			
Head count employees	Female	Male	Total
Permanent	38	35	73
Temporary	2	0	2
Total	40	35	75
Permanent full-time	38	35	73
Permanent part-time	0	0	0
Total	38	35	73

GRI 203-1 Infrastructure investments and services supported

Support and donations				
Organisation	2019	2020	2021	2022
Friends	-	-	-	700
Mathivation	625	625	625	625
Stadsmissionen ¹	-	111	-	-
Helsinki Mission ¹	-	38	-	-
UNICEF	250	250	250	750
Diversity talks real estate	75	75	75	75
Total	950	1 099	950	2 150

¹ Other support to Stadsmissionen and Helsinki Mission is hygiene products, food and clothing.

GRI 405-1: Diversity of governance bodies and employees.

2021 Split by gender	Board of Directors		Management Group		Managers		Employees	
	Number	%	Number	%	Number	%	Number	%
Female	1	33%	7	50%	7	58%	31	51%
Male	2	67%	7	50%	5	42%	30	49%
Total	3	100%	14	100%	12	100%	61	100%

Comments:

- Management Group includes Managers (except CIO), Head of Areim Norway, Sustainability Manager and Director Internal Development and Operations

- Managers include employees with employee responsibility

- Employees include Full Time Equivalents (FTE) without direct reports

2021 Age	Board of Directors		Management Group		Managers		Employees	
	Number	%	Number	%	Number	%	Number	%
<30	-	-	-	-	-	-	15	24%
30-50	-	-	12	86%	10	83%	37	61%
>50	3	100%	2	14%	2	17%	9	15%

Comment:

- Data is based on FTE

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GRI 401-1 New employee hires

	2021	2020
Split by gender		
Female	9	13
Male	12	3
Total	21	16
Split by age		
<30	9	3
30-50	11	13
>50	1	0
Total	21	16

Comment:

- Data is based on permanent employees

GRI 401-1 Employee turnover

	2021	2020
Split by gender (%)		
Female	2.9	8.2
Male	15.6	3.7
Total	9.1	5.8

Comment:

- Data is based on FTE

GRI 401-3 Parental leave

	2021			2020		
	Female	Male	Total	Female	Male	Total
Employees who took parental leave	10	7	17	4	5	9
Share of employees who took parental leave	26%	20%	23%	7%	9%	16%
Employees returned to work in the reporting period after parental leave ended	7	7	14	-	-	-
Employees returned to work after parental leave ended, and were still employed 12 months later	1	1	2	-	-	-

Comment:

- Data is based on permanent employees

- All employees are entitled to parental leave

GRI 404-3 Proportion of employees who received PDA

	2021			2020		
	Female	Male	Total	Female	Male	Total
Management Group	100%	71%	86%	75%	100%	75%
Managers	100%	80%	92%	100%	100%	100%
Employees	87%	97%	92%	52%	63%	70%



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302-1 Energy consumption within the organisation, MWh

	2021	2020	2019	Change, %	% share of renewable energy
Cooling	1,450	1,175	1,476	23%	92%
Cooling like for like	1,259	1,132	-	11%	-
Electricity	42,645	44,012	44,916	-3%	94%
out of tenant electricity	17,119	18,645	19,949	-8%	-
out of building electricity	25,526	25,368	24,968	1%	-
Electricity, like for like, total	37,354	37,125	-	1%	-
Electricity, like for like, excl. tenant electricity	21,970	20,865	-	5%	-
Heating, measured	46,166	38,849	40,826	19%	15%
Heating, measured like for like	38,876	32,238	-	21%	-
Heating, normalised	44,953	45,742	41,112	-2%	-
Heating, normalised, like for like	38,387	38,437	-	0%	-
Total Energy normalised	89,048	90,929	87,504	-2%	54%
Total Energy normalised, like for like	76,999	76,694	-	0%	-
Total Energy measured, excl. tenant electricity	73,142	65,392	67,269	12%	-
Total Energy normalised, excl. tenant electricity	71,929	72,285	67,555	0%	-
Total like for like, excl. tenant electricity	61,616	60,434	-	2%	-

	2021	2020	Change, %	% share of renewable energy
Cooling	-	-	-	-
Electricity	17,838	12,059	48%	100%
Heating, measured	72	68	6%	1%
Total Energy	17,910	12,127	48%	99%

For comments and details about our work to develop environmentally smart properties, please read section "We turn brown to green" on pages 10-15. In general, the total energy consumption and energy efficiency depend on the lifecycle of each fund. In the investment phase the total consumption normally go up and stabilise when entering the asset management phase followed by a decrease as energy efficiency initiatives have been carried out.

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.

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302-1 Energy consumption within the organisation, per fund MWh

	Areim Office				Fund II			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	100%	100%	100%	-	100%	100%	100%	-
Cooling	-	-	-	-	-	-	-	-
Cooling like for like	-	-	-	-	-	-	-	-
Electricity	28	30	36	-6%	3,836	3,901	9,738	-2%
tenant electricity purchased by landlord	28	30	36	-6%	2,076	2,053	6,725	1%
electricity consumption common areas	-	-	-	-	1,760	1,848	3,013	-5%
Electricity, like for like, total	28	30	36	-6%	3,818	3,856	-	-1%
Electricity, like for like, excl. tenant electricity	-	-	-	-	1,742	1,803	-	-3%
Heating, measured	63	71	74	-11%	2,621	2,370	5,500	11%
Heating, measured like for like	63	71	-	-	2,509	2,207	-	14%
Heating, normalised	63	71	-	-11%	2,652	2,805	6,028	-5%
Heating, normalised, like for like	63	71	-	-	2,528	2,611	-	-3%
Total Energy normalised	91	100	36	-9%	6,488	6,706	15,766	-3%
Total Energy normalised, like for like	-	-	-	-	6,346	6,467	-	-2%
Total Energy measured, excl. tenant electricity	91	100	110	-9%	4,381	4,219	8,513	4%
Total Energy normalised, excl. tenant electricity	-	-	-	-	4,412	4,653	9,041	-5%
Total Energy normalised like for like, excl. tenant elec.	-	-	-	-	4,270	4,414	-	-3%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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cont. 302-1 Energy consumption within the organisation, per fund MWh

	Fund III, Directly owned				Fund III, Sponda, share 5%				Fund III, Obligo, share 12.6%			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	100	100	100	-	99	87	97	-	100	91	73	-
Cooling	138	141	323	-2%	508	432	576	17%	133	107	-	25%
Cooling like for like	138	141	-	-2%	455	411	-	11%	133	107	-	25%
Electricity	11,235	15,201	18,203	-26%	4,721	4,828	6,582	-2%	868	815	998	151%
tenant electricity purchased by landlord	5,563	7,233	8,724	-23%	1,462	1,496	1,684	-2%	171	-	-	-
electricity consumption common areas	5,672	7,968	9,479	-29%	3,259	3,333	4,898	-2%	697	815	998	-15%
Electricity, like for like, total	10,415	10,603	-	-2%	4,509	4,708	-	-4%	831	743	-	-
Electricity, like for like, excl. tenant electricity	5,137	5,296	-	-3%	3,112	3,250	-	-4%	660	743	-	-11%
Heating, measured	11,565	12,675	16,005	-9%	6,676	5,279	7,494	26%	1,601	1,547	1,690	3%
Heating, measured like for like	10,017	8,067	-	24%	6,315	5,119	-	23%	1,360	1,095	-	24%
Heating, normalised	11,190	14,762	16,745	-24%	6,693	6,303	8,334	6%	1,580	1,858	-	-15%
Heating, normalised, like for like	9,649	9,692	-	0%	6,329	6,108	-	4%	1,343	1,355	-	-1%
Total Energy normalised	22,564	30,104	35,271	-25%	11,922	11,564	15,492	3%	2,581	2,780	-	-
Total Energy normalised, like for like	20,203	20,437	-	-1%	11,346	11,248	-	1%	2,307	2,204	-	-
Total Energy measured, excl. tenant electricity	17,375	20,784	25,808	-16%	10,442	9,044	12,968	15%	2,431	2,469	2,689	-2%
Total Energy normalised, excl. tenant electricity	17,000	22,871	26,547	-26%	10,460	10,068	13,808	4%	2,410	2,780	998	-13%
Total Energy normalised like for like, excl. tenant elec.	14,925	15,129	--	-1%	9,896	9,768	-	1%	2,136	2,204	-	-3%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.

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cont. 302-1 Energy consumption within the organisation, per fund MWh

	Fund III, EcoDC, share 36%				Fund IV, EcoDC, share 58%			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	100	100	-	-	-	100	-	-
Cooling	-	-	-	-	-	-	-	-
Cooling like-for like	-	-	-	-	-	-	-	-
Electricity	6,832	4,618	-	48%	11,007	7,441	-	48%
tenant electricity purchased by landlord	-	-	-	-	-	-	-	-
electricity consumption common areas	-	-	-	-	-	-	-	-
Electricity, like for like, total								
Electricity, like for like, excl. tenant electricity	-	-	-	-	-	-	-	-
Heating, measured	27	26	-	6%	44	42	-	6%
Heating, measured like for like	-	-	-	-	-	-	-	-
Heating, normalised	-	-	-	-	-	-	-	-
Heating, normalised, like for like	-	-	-	-	-	-	-	-
Total Energy normalised	-	-	-	-	-	-	-	-
Total Energy normalised, like for like	-	-	-	-	-	-	-	-
Total Energy measured, excl. tenant electricity	6,859	4,644	-	48%	11,051	7,483	-	-
Total Energy normalised, excl. tenant electricity	-	-	-	-	-	-	-	-
Total Energy normalised like for like, excl. tenant electricity	-	-	-	-	-	-	-	-

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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cont. 302-1 Energy consumption within the organisation, per fund MWh

	Co-invest, Sponda, share 5%				Co-invest, Obligo, share 7.4%				Co-invest, Magnolia Bostad, 42%			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	99	87	97	-	100	91	73	-	100	-	-	-
Cooling	508	432	576	17%	78	63	-	25%	86	-	-	-
Cooling like for like	455	411	-	11%	78	63	-	25%	-	-	-	-
Electricity	4,721	4,828	6,582	-2%	510	479	586	6%	13	-	-	-
tenant electricity purchased by landlord	1,462	1,496	1,684	-2%	100	-	-	-	-	-	-	-
electricity consumption common areas	3,259	3,333	4,898	-2%	409	479	586	-15%	13	-	-	-
Electricity, like for like, total	4,509	4,708	-	-4%	488	436	-	12%	-	-	-	-
Electricity, like for like, excl. tenant electricity	3,112	3,250	-	-4%	388	436	-	-11%	-	-	-	-
Heating, measured	6,676	5,279	7,494	26%	940	909	993	3%	203	-	-	-
Heating, measured like for like	6,315	5,119	-	23%	799	643	-	24%	-	-	-	-
Heating, normalised	6,693	6,303	8,334	6%	928	1,091	-	-15%	-	-	-	-
Heating, normalised, like for like	6,329	6,108	-	4%	788	796	-	-1%	-	-	-	-
Total Energy normalised	11,922	11,564	15,492	3%	1,516	1,632	586	-7%	99	-	-	-
Total Energy normalised, like or like	11,293	11,227	-	1%	1,355	1,295	-	5%	-	-	-	-
Total Energy measured, excl. tenant electricity	10,442	9,044	12,968	15%	1,428	1,450	1,579	-2%	302	-	-	-
Total Energy normalised, excl. tenant electricity	10,460	10,068	13,808	4%	1,415	1,632	586	-13%	99	-	-	-
Total Energy normalised like for like, excl. tenant elec.	9,896	9,768	-	1%	1,255	1,295	-	-3%	-	-	-	-

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.

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cont. 302-1 Energy consumption within the organisation, per fund MWh

	Fund IV			
	2021	2020	2019	Change, %
Coverage, % of m²	96	96	100	-
Cooling	-	-	-	-
Cooling like for like	-	-	-	-
Electricity	16,713	13,931	2,191	20%
tenant electricity purchased by landlord	6,256	6,338	1,095	-1%
electricity consumption common areas	10,457	7,593	1,095	38%
Electricity, like for like, total	12,755	12,041	-	6%
Electricity, like for like, excl. tenant electricity	7,817	6,088	-	28%
Heating, measured	15,820	10,718	1,575	48%
Heating, measured like for like	11,498	9,916	-	16%
Heating, normalised	15,153	12,549	1,671	21%
Heating, normalised, like for like	11,358	11,697	-	-3%
Total Energy normalised	31,866	26,480	3,862	20%
Total Energy normalised, like for like	24,113	23,737	-	2%
Total Energy measured, excl. tenant electricity	26,277	18,311	2,670	44%
Total Energy normalised, excl. tenant electricity	25,610	20,142	2,766	27%
Total Energy normalised like for like, excl. tenant elec.	19,175	17,785	0	8%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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302-3 Energy intensity total kWh/m²

	Total Real Estate				Fund II			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	654,328	614,767	543,120	6%	59,101	59,101	171,473	-
Coverage like for like, m²	481,980	481,980	-	-	47,586	47,586	-	-
Cooling	2	2	3	9%	-	-	-	-
Cooling like for like	3	2	-	11%	-	-	-	-
Electricity	65	72	83	-9%	65	66	57	-2%
tenant electricity purchased by tenant	39	41	46	-5%	35	35	39	1%
electricity consumption common areas	26	30	37	-14%	30	31	18	-5%
Electricity, like for like, total	78	77	-	1%	80	81	-	-1%
Electricity, like for like, excl. tenant electricity	46	43	-	5%	37	38	-	-3%
Heating, measured	71	63	75	12%	44	40	32	11%
Heating, measured like for like	80	67	-	20%	53	46	-	14%
Heating, normalized	69	74	76	-8%	45	47	35	-5%
Heating, normalized, like for like	80	80	-	0%	53	55	-	-3%
Total Energy normalised	136	148	161	-8%	110	113	92	-3%
Total Energy normalised, like for like	160	159	-	0%	133	136	-	-2%
Total Energy measured, excl. tenant electricity	111	106	124	5%	74	71	50	4%
Total Energy normalised, excl. tenant electricity	110	118	124	-7%	75	79	53	-5%
Total Energy normalised like for like, excl. tenant elec.	128	125	-	2%	90	93	-	-3%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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cont. 302-3 Energy intensity total kWh/m²

	Fund III, Directly owned				Fund III, Sponda, share 5%				Fund III, Obligo, 12.6%			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, % of m²	153,802	177,619	185,187	-13%	61,208	57,840	64,671	6%	23,706	23,706	25,679	-
Coverage like for like, m²	119,823	119,823	-	-	56,511	56,511	-	-	19,196	19,196	-	-
Cooling	1	1	2	13%	8	7	9	11%	6	5	-	25%
Cooling like for like	1	1	-	-2%	8	7	-	-	7	6	-	-
Electricity	73	86	98	-15%	77	83	102	-8%	37	34	39	6%
tenant electricity purchased by tenant	36	41	47	-11%	24	26	26	-8%	7	-	-	-
electricity consumption common areas	37	45	51	-18%	53	58	76	-8%	29	34	39	-15%
Electricity, like for like, total	87	88	-	-2%	80	83	-	-4%	43	39	-	12%
Electricity, like for like, excl. tenant electricity	43	44	-	-3%	55	58	-	-	34	39	-	-11%
Heating, measured	75	71	86	5%	109	91	116	19%	68	65	66	3%
Heating, measured like for like	84	67	-	24%	112	91	-	-	71	57	-	24%
Heating, normalised	73	83	90	-12%	109	109	129	-	67	78	-	-15%
Heating, normalised, like for like	81	81	-	0%	112	108	-	-	70	71	-	-1%
Total Energy normalised	147	169	190	-13%	195	200	240	-3%	109	117	39	-7%
Total Energy normalised, like for like	169	171	-	-1%	201	199	-	1%	120	115	-	5%
Total Energy measured, excl. tenant electricity	113	117	139	-3%	171	156	201	9%	103	104	105	-2%
Total Energy normalised, excl. tenant electricity	111	129	143	-14%	171	174	214	-2%	102	117	39	-13%
Total Energy normalised like for like, excl. tenant elec.	125	126	-	-1%	175	173	-	1%	111	115	-	-3%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.

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cont. 302-3 Energy intensity total kWh/m²

	Co-invest, Sponda, share 5%				Co-invest, Obligo, share 7.4%			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, of m²	61,208	57,840	64,671	6%	13,923	13,923	15,081	-
Coverage like for like, m²	56,511	56,511	-	-	11,274	11,274	-	-
Cooling	8	7	9	11%	6	5	-	25%
Cooling like for like	8	7	-	-	7	6	-	-
Electricity	77	83	102	-8%	37	34	39	6%
tenant electricity purchased by tenant	24	26	26	-8%	7	-	-	-
electricity consumption common areas	53	58	76	-8%	29	34	39	-15%
Electricity, like for like, total	80	83	-	-4%	43	39	-	12%
Electricity, like for like, excl. tenant electricity	55	58	-	-	34	39	-	-11%
Heating, measured	109	91	116	19%	68	65	66	3%
Heating, measured, like for like	112	91	-	-	71	57	-	24%
Heating, normalised	109	109	129	0%	67	78	-	-15%
Heating, normalised, like for like	112	108	-	-	70	71	-	-1%
Total Energy normalised	195	200	240	-3%	109	117	39	-7%
Total Energy normalised, like for like	200	199	-	1%	120	115	-	5%
Total Energy measured, excl. tenant electricity	171	156	201	9%	103	104	105	-2%
Total Energy normalised, excl. tenant electricity	171	174	214	-2%	102	117	39	-13%
Total Energy normalised like for like, excl. tenant elec.	175	173	-	1%	111	115	-	-3%

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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cont. 302-3 Energy intensity total kWh/m²

	Fund IV				Co-invest Magnolia Bostad			
	2021	2020	2019	Change, %	2021	2020	2019	Change, %
Coverage, of m²	281,381	224,738	16,359	25%	6,871	-	-	-
Coverage like for like, m²	171,078	171,078	-	-	-	-	-	-
Cooling	-	-	-	-	12	-	-	-
Cooling like for like	-	-	-	-	-	-	-	-
Electricity	59	62	134	-4%	2	-	-	-
tenant electricity purchased by tenant	22	28	67	-21%	-	-	-	-
electricity consumption common areas	37	34	67	10%	-	-	-	-
Electricity, like for like, total	75	70	-	6%	-	-	-	-
Electricity, like for like, excl. tenant electricity	46	36	-	-	-	-	-	-
Heating, measured	56	48	96	18%	30	-	-	-
Heating, measured like for like	67	58	-	-	-	-	-	-
Heating, normalised	54	56	102	-4%	-	-	-	-
Heating, normalised, like for like	66	68	-	-	-	-	-	-
Total Energy normalised	113	118	236	-4%	-	-	-	-
Total Energy normalised, like for like	141	139	-	2%	-	-	-	-
Total Energy measured, excl. tenant electricity	93	81	163	15%	44	-	-	-
Total Energy normalised, excl. tenant electricity	91	90	169	2%	14	-	-	-
Total Energy normalised like for like, excl. tenant elec.	112	104	-	8%	-	-	-	-

Own indicator – Solar energy produced, kWh	2021	2020	2019
Trångkåren 6	7,493	8,203	7,807
Industrifastigheter Uppsala, Vaksala Eke	9,030	7,996	8,020
Posten 1, Obligo	347,540	-	-
Gullbergsvass, Obligo	165,440	-	-
EcoDC	253,917	3,583	
Total	783,420	16,199	15,827

Own indicator – Sold energy, kWh	2021	2020
EcoDC, sold heat energy, kWh	1,599,000	-
Total	1,599,000	-

Comment:

- The operational controlled method used

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303-1 Water withdrawal, m³

	2021	2020	2019	Change, %	2021, Like-for-like	2020, Like-for-like	Change %
Areim office	496	342	429	45%	370	342	8%
Fond II	13,555	15,305	37,339	-11%	13,485	15,166	-11%
Fond III	39,378	50,859	71,496	-23%	35,919	40,627	-12%
Fund III, directly owned assets	22,548	32,777	50,859	-31%	21,468	25,915	-17%
Fund III, Sponda	10,625	11,350	18,150	-6%	9,821	10,271	-4%
Fund III, Obligo	6,206	6,732	2,488	-8%	4,631	4,442	4%
Fond IV	128,648	120,739	3,084	7%	96,926	96,203	1%
Co-invest Sponda 5%	10,625	11,350	18,150	-6%	9,821	10,271	-4%
Co-invest Obligo 7.4%	3,645	3,954	1,461	-8%	2,720	2,609	4%
Co-invest Magnolia 42%	1,636	-	-	-	-	-	-
Total, water consumption	197,983	202,550	131,959	-2%	159,241	165,218	-4%

Own indicator: Water withdrawal, m³/m²

Real Estate	2021	2020	2019	Change, %
Fond II	0.23	0.26	0.22	-11%
Fond III	0.16	0.20	0.26	-16%
Fund III, directly owned assets	0.15	0.18	0.27	-21%
Fund III, Sponda	0.17	0.20	0.28	-12%
Fund III, Obligo	0.26	0.28	0.10	-8%
Fond IV	0.45	0.57	0.19	-21%
Co-invest Sponda 5%	0.17	0.20	0.28	-12%
Co-invest Obligo 7.4%	0.26	0.28	0.10	-8%
Co-invest Magnolia 42%	-	-	-	-
Total, water consumption	0.33	0.38	0.28	-12%

Data Center	2021	2020	2019	Change, %	2021, Like-for-like
EcoDC	3,167	1,484	0	113%	-

Comments:

- Minority share in Trianon excluded.
- The equity-share method used.



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305-1 - 305-3 GHG Emissions, tCO₂e (Location/Market-based approach)

Total	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	6	6	-	-	-	-
Energy indirect (Scope 2)	8,815	7,632	9,653	12,501	-9%	-39%
Other indirect (Scope 3)	4,027	4,017	2,207	2,267	82%	77%
Total emissions	12,848	11,654	11,859	14,768	8%	-21%

Areim AB	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	4	6	8	9	-49%	-37%
Other indirect (Scope 3)	50	51	71	71	-29%	-28%
Total emissions	54	57	79	80	-31%	-29%

Fund II	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	229	205	294	251	-22%	-18%
Other indirect (Scope 3)	18	39	37	58	-51%	-32%
Total emissions	247	244	331	309	-25%	-21%

Fund III, Directly owned	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	2,329	2,053	2,916	2,320	-20%	-12%
Other indirect (Scope 3)	1,547	1,477	1,392	1,330	11%	11%
Total emissions	3,876	3,530	4,308	3,650	-10%	-3%

Fund III, Sponda, 5%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	1,590	1,377	1,729	2,566	-8%	-46%
Other indirect (Scope 3)	363	294	147	147	147%	100%
Total emissions	1,953	1,671	1,876	2,713	4%	-38%

Fund III, Obligo, share 12.6%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	52	49	118	119	-56%	-59%
Other indirect (Scope 3)	8	10	14	21	-41%	-53%
Total emissions	61	59	132	140	-54%	-58%

Fund III, EcoDC, share 36%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	93	7	108	1,564	-14%	-100%
Other indirect (Scope 3)	25	55	15	15	67%	267%
Total emissions	118	62	123	1,579	-4%	-96%

Fund IV, EcoDC, share 58%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	149	11	173	374	-14%	-97%
Other indirect (Scope 3)	40	88	24	24	67%	267%
Total emissions	189	99	197	398	-4%	-75%

Comments:

- Trianon excluded.



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cont. 305-1 - 305-3 GHG Emissions, tCO₂e

Co-invest, Sponda, share 5%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	1,590	1,377	1,729	2,566	-8%	-46%
Other indirect (Scope 3)	363	294	147	147	147%	100%
Total emissions	1,953	1,671	1,876	2,713	4%	-38%

Co-invest, Obligo, share 7.4%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	23	21	-	-	-	-
Other indirect (Scope 3)	7	8	-	-	-	-
Total emissions	30	29	-	-	-	-

Co-invest Magnolia Bostad 42%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	4	4	-	-	-	-
Energy indirect (Scope 2)	48	61	-	-	-	-
Other indirect (Scope 3)	20	20	-	-	-	-
Total emissions	72	85	-	-	-	-

Fund IV, excl EcoDC	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Direct (Scope 1)	-	-	-	-	-	-
Energy indirect (Scope 2)	2,708	2,465	2,577	2,732	5%	-10%
Other indirect (Scope 3)	1,586	1,681	360	454	341%	270%
Total emissions	4,294	4,146	2,937	3,186	46%	30%

Comments:

- Scope 1 includes direct GHG emissions from sources that are owned or controlled by the company such as natural gas combustion and company owned vehicles.
- Scope 2 purchased electricity, heat and steam generated off-site.
- Scope 3 includes all other indirect emissions such as waste disposal, business travel and staff commuting. The Scope 3 emissions from our own corporate offices are not reported as the emissions make up less than 1 per cent of our total emissions. We are investigating the possibility of starting to report the emissions from building materials purchased and from the building production stage in the future as well.
- Method: location-based (LB) and market-based (MB)



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305-1 - 305-3 GHG Emissions, CO2e/m²

Total	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	655,212	655,212	615,651	615,651		
305-1 Direct (Scope 1)	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	13.0	11.5	15.2	17.2	-15%	-33%
305-3 Other indirect (Scope 3)	6.0	5.9	3.5	3.6	71%	63%
Total emissions	19.0	17.4	18.7	20.8	2%	-16%

Areim AB	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	884	884	884	884		
305-1 Direct (Scope 1) GHG emissions	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	5	6	9	10	-49%	-37%
305-3 Other indirect (Scope 3)	57	58	80	80	-29%	-28%
Total emissions	61	64	89	90	-31%	-29%

Fund II	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	59,101	59,101	59,101	59,101		
305-1 Direct (Scope 1) GHG emissions	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	3.9	3.5	5.0	4.3	-22%	-18%
305-3 Other indirect (Scope 3) GHG emissions	0.3	0.7	0.6	1.0	-51%	-32%
Total emissions	4.2	4.1	5.6	5.2	-25%	-21%

Fund III, Directly owned	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	153,802	153,802	177,619	177,619		
305-1 Direct (Scope 1)	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	15	13	16	13	-8%	2%
305-3 Other indirect (Scope 3)	10	10	8	7	28%	28%
Total emissions	25	23	24	21	4%	12%

Fund III, Sponda, 5%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	61,208	61,208	57,840	57,840		
305-1 Direct (Scope 1) GHG emissions	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	26	22	30	44	-13%	-49%
305-3 Other indirect (Scope 3)	6	5	3	3	133%	89%
Total emissions	32	27	32	47	-2%	-42%

Fund III, Obligo, share 12.6%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	25,628	25,628	25,628	25,628		
305-1 Direct (Scope 1) GHG emissions	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	2	2	5	5	-56%	-59%
305-3 Other indirect (Scope 3) GHG emissions	-	-	1	1	-41%	-53%
Total emissions	2	2	5	5	-54%	-58%

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cont. 305-1 - 305-3 GHG Emissions, CO₂e/m²

Co-invest, Sponda, share 5%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	61,208	61,208	57,840	57,840		
305-1 Direct (Scope 1)	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	26	22	30	44	-13%	-49%
305-3 Other indirect (Scope 3)	6	5	3	3	133%	89%
Total emissions	32	27	32	47	-2%	-42%

Co-invest, Obligo, share 7.4%	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	13,923	13,923	13,923	13,923		
305-1 Direct (Scope 1)	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	2	2	-	-	-	-
305-3 Other indirect (Scope 3)	1	1	-	-	-	-
Total emissions	2	2	-	-	-	-

Fund IV, excl EcoDC	2021		2020		Change, %	
	LB	MB	LB	MB	LB	MB
Area, m ²	281,381	281,381	224,738	224,738		
305-1 Direct (Scope 1)	-	-	-	-	-	-
305-2 Energy indirect (Scope 2)	10	9	11	12	-16%	-28%
305-3 Other indirect (Scope 3)	6	6	2	2	252%	196%
Total emissions	15	15	13	14	17%	4%

Comments:

- Scope 1 includes direct GHG emissions from sources that are owned or controlled by the company such as natural gas combustion and company owned vehicles.
- Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat and steam generated offsite.
- Scope 3 includes all other indirect emissions such as waste disposal, business travel and staff commuting. The Scope

3 emissions from our own corporate offices are not reported as the emissions make up less than 1 per cent of our total emissions. We are investigating the possibility of starting to report the emissions from building materials purchased and from the building production stage in the future as well.

- Method: location and market based

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Building certifications

	Fond I				Fond II				Fond III			
	At acquisition	As of 2021	By divestment	Total fund-life	At acquisition	As of 2021	By divestment	Total fund-life	At acquisition	As of 2021	By divestment	Total fund-life
Certified, lettable area m ²	-	-	116,484	116,484	38,234	30,544	188,744	219,288	265,583	645,297	160,782	806,079
Total area, lettable area m ²	24,5423	-	245,423	245,423	310,955	30,544	280,411	310,955	2,163,391	1 270,121	893,270	2,163,391
%, m ²	0%	0%	47%	47%	12%	100%	67%	71%	12%	51%	18%	37%

	Fond IV				Total			
	At acquisition	As of 2021	By divestment	Total fund-life	At acquisition	As of 2021	By divestment	Total fund-life
Certified, lettable area m ²	58,321	111,224	-	111,224	362,138	787,065	466,010	1,243,075
Total area, lettable area m ²	287,570	285,694	1,876	287,570	3,007,339	1,586,359	1,420,980	3,007,339
%, m ²	20%	39%	0%	39%	12%	50%	33%	42%

Comments:

- Table shows the total share of building certifications over each funds lifecycle

Including co-investments

- Fund III: Obligo-Logicoore & Odde excluded; Fund IV: Trianon & EcoDC excluded

Own indicator: Building certifications, directly-owned assets

	Fund I	Fund II	Fund III	Fund IV
Certified, m ²	116,484	219,288	129,360	111,224
Total area, m ²	245,423	310,955	164,554	287,570
%, m ²	47%	71%	79%	39%

Table shows the total share of building certifications over each fund's lifecycle

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Boundaries and scope

This is Areim AB's third annual sustainability report, and the second report to be prepared in accordance with the GRI Standards: Core Option and covers the period from 1 January until 31 December 2021. The previous report was published 1 May 2021.

The report boundary has been defined by using the global reporting initiative (GRI) boundary protocol and completeness principle to reflect Areim's significant economic, environmental and social impacts.

The report includes information and data on directly owned assets and operations and Areim's share of minority owned investments. Information relating to financial data is found in Areim's separate annual financial report.

The report's content has been defined by the topics which were deemed material in our materiality assessment conducted in 2019 and served as a basis for our revised sustainability strategy. In 2021 report GRI 303 Water and effluents have been added. The sustainability strategy was updated in 2021 and

implementation is ongoing.

It has additionally taken into consideration the requirements for sustainability reporting as stipulated by the Annual Accounts Act (ÅRL) although this is not a requirement for Areim AB.

The report covers Areim's performance with reference to sustainability, assessing our wider impacts on society and the areas where we believe we can add wider economical, societal and environmental value, as well as reducing our negative impact. 2021 is the first year we included GRI 303 water and effluents in the rapport.

The reporting scope for our environmental data referring to assets facilities directly owned by Areim, a control approach is used. For the Sponda, Obligo and Magnolia portfolio, the equity share approach is used. This approach means that we measure emissions from assets where we have a shared ownership. The remaining co-investments are excluded due to no reporting processes for data collection. When exceptions are made in reporting on environmental data, the reporting

scope is defined together with the table. For GHG emissions, we apply a location-based and market-based method. The location-based method applies average emissions factors that correspond to the grid where consumption occurs, whereas the market-based method applies emission factors that correspond to the energy purchased.

To assure environmental data quality, Zero Mission, our environmental consultancy, delivered a comprehensive environmental report, which is produced in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) GHG Protocol; the Corporate Accounting and Reporting Standard, including the GHG Protocol Scope2 Guidance. The GHG Protocol is considered current best practice for corporate greenhouse gas emissions reporting. Additionally, GHG emissions have been reported by the three WBCSD/WRI Scopes.

The employee data is based on the GRI's definitions. Therefore, we present data based on permanent employees in Areim AB.

Contact details

Please send feedback or questions concerning this report or sustainability in general to:

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GRI 101 Foundation 2016 – general disclosures

Organisational Profile	Location of disclosure	Comment
102-1 Name of the organisation	Page 2	
102-2 Activities, brands, products, and services	Page 2	
102-3 Location of headquarters	Page 2	
102-4 Location of operations	Page 2	
102-5 Ownership and legal form	Page 2	
102-6 Markets served	Page 2	
102-7 Scale of the organisation	Page 2, 7	
102-8 Information on employees and other workers	Page 44	
102-9 Supply chain	Page 2-3	
102-10 Significant changes to the organisation and its supply chain		No significant changes
102-11 Precautionary Principle or approach	Page 8, 31	
102-12 External initiatives	Page 28	
102-13 Membership of associations	Page 28	

Strategy	Location of disclosure	Comment
102-14 Statement from senior decision-maker	Page 5-6	
102-15 Key impacts, risks, and opportunities	Page 31-34	

Ethics and integrity	Location of disclosure	Comment
102-16 Values, principles, standards, and norms of behaviour	Page 8, 25	
102-17 Mechanisms for advice and concerns about ethics	Page 24-26	

Governance	Location of disclosure	Comment
102-18 Governance structure	Page 24-25	

Stakeholder engagement	Location of disclosure	Comment
102-40 List of stakeholder groups	Page 30	
102-41 Collective bargaining agreements		No collective bargaining is done
102-42 Identifying and selecting stakeholders	Page 30	
102-43 Approach to stakeholder engagement	Page 30	
102-44 Key topics and concerns raised	Page 30	

Reporting practices	Location of disclosure	Comment
102-45 Entities included in the consolidated financial statements	Page 62	
102-46 Defining report content and topic boundaries	Page 62	
102-47 List of material topics	Page 8,30	
102-48 Restatements of information	Page 62	
102-49 Changes in reporting	Page 62	No changes in the reporting were made
102-50 Reporting period	Page 62	
102-51 Date of most recent report	Page 62	
102-52 Reporting cycle	Page 62	
102-53 Contact point for questions regarding the report	Page 62	

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102-54 Claims of reporting in accordance with the GRI Standards	Page 62
102-55 GRI content index	Page 63-65
102-56 External Assurance	Page 66

GRI 200 Economic standard series - material topics

GRI 203 Indirect Economic Impacts 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8,17,62	
203-1 Infrastructure investments and services supported	Page 44	

GRI 205 Anti-corruption 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 24-26, 38 Page 24-26	
205-2 Communication and training about anti-corruption policies and procedures	Page 26	
205-3 Confirmed incidents of corruption and actions taken	Page 26	

GRI 300 Environmental standards series – material topics

GRI 302 Energy 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 11-15 Page 37, 46-55	
302-1 Energy consumption within the organisation	Page 46-51	No reporting on fuels
302-3 Energy intensity	Page 52-55	

GRI 303 Water and effluents 2018	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 11-13, 15 Page 37, 56	
303-1 Interactions with water as a shared resource	Page 56	

GRI 305 Emissions 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8,30-32, 62 Page 11-15 Page 37, 57-60	
305-1 Direct (Scope 1) GHG emissions	Page 57-60, 13	
305-2 Energy indirect (Scope 2) GHG emissions	Page 57-60, 13	
305-3 Other indirect (Scope 3) GHG emissions	Page 57-60, 13	

GRI 400 Social standards series – material topics

GRI 401 Employment 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 20-22, 38 Page 41	
401-1 New employee hires and employee turnover	Page 45	
401-3 Parental leave	Page 45	

GRI 404 Training and Education 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page8, 30-32, 62 Page 20-22, 38 Page 45	
404-3 Percentage of employees receiving regular performance and career development reviews	Page 45	

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GRI 405 Diversity and Equal Opportunity 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 21-22, 38 Page 44	
405-1 Diversity of governance bodies and employees	Page 44	
GRI 406 Non-discrimination 2016	Location of disclosure	Comment
103-1 to 103-3 Management approach	Page 8, 30-32, 62 Page 21-22, 38 Page 22	
406-1 Incidents of discrimination and corrective actions taken	Page 22	

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Auditor's Limited Assurance Report on Areim AB's Sustainability Report

To Areim AB, corporate identity number 556719-4203

Introduction

We have been engaged by The Board of Directors and the Executive Management of Areim AB to undertake a limited assurance engagement of Areim AB's Sustainability Report for the year 2021. Areim AB has defined the scope of the Sustainability Report on page 62.

Responsibilities of The Board of Directors and the Executive Management

The Board of Directors and the Executive management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria. The criteria are defined on page 65 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited

assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Consequently, the procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion. Our procedures are based on the criteria defined by The Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusions

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

Stockholm, 5 May 2022

KPMG AB

Peter Dahllöf
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR