

areim

Sustainability Report 2023



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OUR SUSTAINABILITY FRAMEWORK

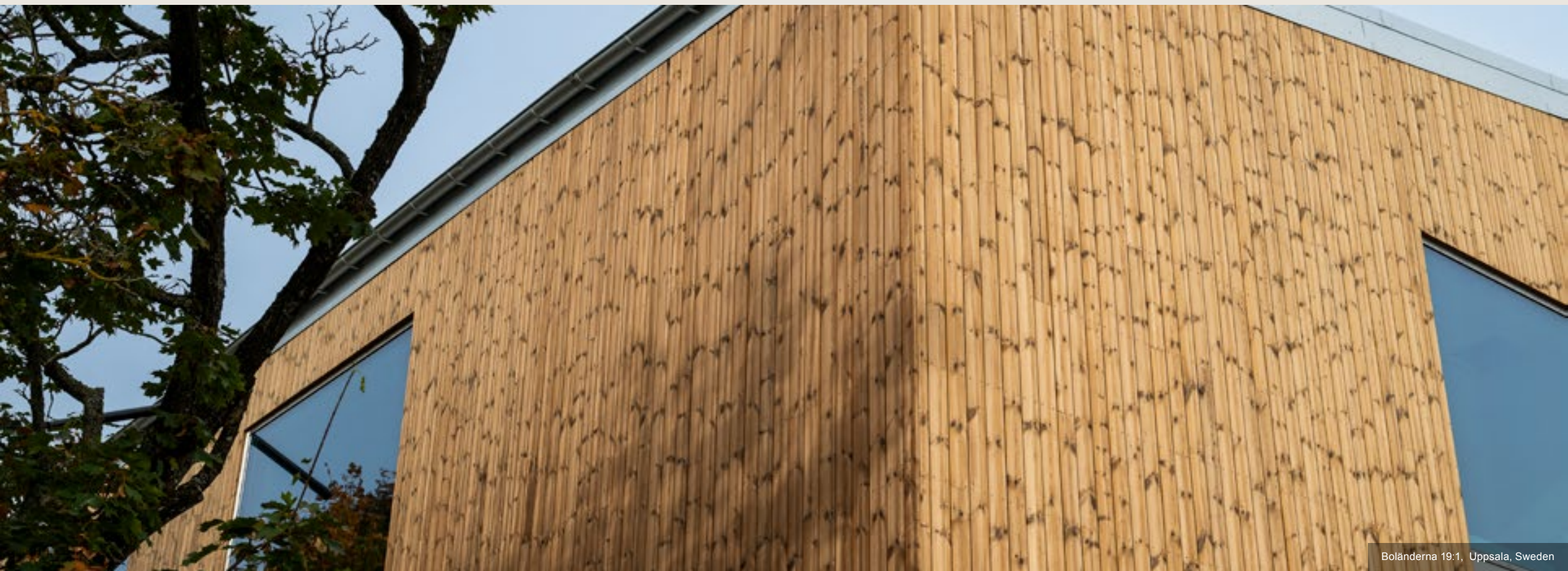
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Introduction

Areim in brief

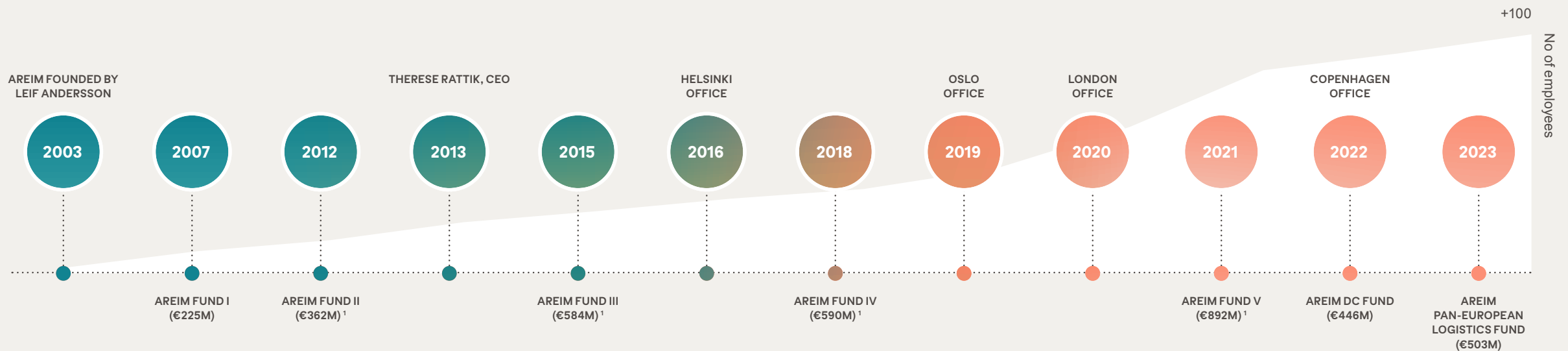
- **Total number of employees:** 100+
- **Net turnover Areim AB:** SEK 330 million
- **Committed capital¹:** EUR 3.7 billion
- **Acquired and advised¹:** EUR 10 billion
- **Real estate:** 92 directly-owned properties
- **Total area:** 597,000 sqm directly-owned
- **Assets under management (GAV)²:** EUR 3.7 billion
- **Offices:** Stockholm (HQ), Helsinki, Copenhagen, Oslo, and London



1) Since inception.
 2) As of 31st of December 2023, including Areim Fund II–V, co-investments, Areim DC Fund and advisory.

Timeline

Deep Nordics investment expertise and loyal investor relationships developed over 20 years



Fund capital represents total commitments and co-investment represents deployed capital. 1)) Includes co-investment capital of €41m (Fund II), €156m (Fund III), €55m (Fund IV), €188m (Fund V).

Our investment expertise

Areim AB (Areim) is an independent Nordic fund manager with the goal 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. Our focus is on the already built environment to reach the highest and best use of every asset while reducing climate impact.

Ruoholahdenkatu 14, Helsinki, Finland

As fund manager, we invest in real estate and companies across the Nordic region (Sweden, Finland, Denmark and Norway) within the light industrial, residential, logistic, office, retail, and data centre sectors. Within the Areim group of companies we provide additional services such as property development and advisory services. Our visionary team of real estate and investment experts has a long and strong track record in evaluating and targeting suitable transactions, executing complex business plans, and developing real estate for maximised and sustainable

returns.

In 2023 our funds, once again, received high ratings in the annual Global Real Estate Sustainability Benchmark (GRESB) assessment earning five stars (Areim Fund III) and four stars (Areim Fund IV) in the standing investments category.

Flagship value-add funds

Areim currently manages four flagship funds, after closing Fund I in 2023, with value-add strategies on behalf of some of the world's largest institutional investors.

- **Areim Fund I:** a 2007 vintage with EUR 225 million of commitments, raised from three of the world's largest institutional investors. Closed in 2023.
- **Areim Fund II:** a 2012 vintage with EUR 362 million of commitments, including EUR 41 million of co-investment capital. The investment focus is residential development, office- and retail properties.
- **Areim Fund III:** a 2015 vintage with of EUR 503 million of commitments, including EUR 156 million of co-investment capital. The investor base includes leading

Swedish and international institutions and the investments focus is office properties and residential development.

- **Areim Fund IV:** a 2018 vintage with EUR 590 million of commitments, including EUR 55 million of co-investment capital. The investor base includes investors from the Nordics, Europe, and Asia. The fund invests in office properties and residential as well as light industrial assets.
- **Areim Fund V:** a 2021 vintage with EUR 892 million of commitments, including EUR 188 million of

co-investment capital. The investor base includes investors from the Nordics, Europe, North America, and Asia. The fund primarily invests in the light industrial, office, and residential sectors.

Focus products

Areim DC Fund: a 2022 vintage with EUR 442 million of commitments. The investor base includes leading international institutional investors. The fund focuses on its Nordic data centre platform, through its ownership in EcoDataCenter, dedicated to enabling the green transition in the

industry. Areim has owned EcoDC since 2018. Read more on page 7.

Areim Pan-European Logistics Fund: a 2023 vintage with EUR 503 million of commitments. The new fund focuses on European logistic properties with a strong environmental profile.

Separate accounts: advisory, JV, and operating partner

Since 2003, we take on advisory assignments at the request of existing investors and partners. Past advisory assignments include:



Ruoholahdenkatu 14, Helsinki, Finland

- Acquisition of a €550 million core residential portfolio in Sweden.
- Strategic analysis, management and sales implementation for a mixed sector Swedish and Finnish portfolio.
- 2003–2007: Local Nordic partner for Blackstone Group, with a transaction volume totalling €400 million.
- 2005–2008: Advisors to Dutch ING Real Estate (now CBRE Global Investors), managing a portfolio of approximately €1.1 billion and assisting in establishing Nordic operations.
- 2017- ongoing: Acquisition of an office asset in central Stockholm on behalf of Allianz / PIMCO Prime Real estate and asset management of the same asset.
- 2023: Acquisition of Grosvenor Estates Fund Management operations in Sweden. The entity includes asset management of Lidingö Centrum and SKHLM Skärholmen shopping centres in Stockholm.

Co-investment opportunities

Since 2014, Areim has offered sizeable co-investment opportunities.

Examples include:

- 2014, €220m Stockholm City office repositioning.
- 2015, €1.3bn acquisition of a 40 property pan-Nordic portfolio,
- 2017, €3.8bn take-private of Finnish mixed-use portfolio.
- 2019, €330m acquisition of Stockholm landmark office building.
- 2021, €135m take-private of Swedish residential development company.

Fund vintage, commitments, and profile¹

On 31 Dec 2023 (EURm)

Fund	Vintage	Tot commitments
JV/Operating Partner	2003-2007	€ 96
Areim Fund I	2007-2023	€ 225
Areim Fund II	2012-	€ 321
Areim Fund III	2015-	€ 428
Areim Fund IV	2018-	€ 535
Areim Fund V	2021-	€ 704
Areim DC Fund	2022-	€ 442
Areim Pan-European Logistics Fund	2023-	€ 503

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

Case: EcoDataCenter

Why did Areim invest in EcoDataCenter?

Managing the growing amount of data and computing in a sustainable way is crucial for the world to achieve a green transition. The interest in the data centre sector in the Nordics remains very strong. Since our acquisition of EcoDataCenter in 2018, we have seen the sector expand, driven by the strong digitisation trend but also by the favourable conditions in the Nordic region thanks to the cold climate, high supply of green electricity, and a generally low carbon intensity in the power sector.

What has been focus areas in 2023?

During the year, EcoDataCenter has completed several important milestones and commenced on several projects. In EcoDataCenter 1, the site situated in Falun, further expansion was initiated with an investment of approximately SEK 2.4 billion to develop two more data centres (2x12 MW), aiming to more than double the facility's size and capacity. This growth is a direct result of the successful deal the company secured with a global client during 2023. It will be partially financed through a loan of SEK 2 billion secured from a consortium of banks. The platform recently earned recognition as a

finalist in the "European Data Center Project of the year" category at the DCD Awards, which acknowledges global and sustainable projects internationally.

EcoDataCenter 1 is currently leveraging an innovative approach to harness excess heat by utilizing surplus energy to produce pellets. This is achieved through integration with combined heat and power plant, enhancing the efficiency and sustainability of energy use.

To meet future demand, which is expected to rapidly increase following the swift advancements in generative AI, the establishment of EcoDataCenter 2 in Östersund has been initiated. Once completed, the facility is expected to be one of the largest data centres sites in Sweden, and the initiative includes ambitious environmental targets already from the start, by leveraging waste heat from EcoDataCenter 2 to support activities like food production in cooperation with WAR3M. Upon estimated completion in 2033, the entire project is anticipated to create approximately 1,000 new job opportunities (FTE).

What is next?

The demand for data usage in society is expected to surge, driven

in part by the growing reliance on artificial intelligence. In this rapidly evolving landscape, secure and sustainable data storage and compute capacity becomes crucial. It is not only essential for maintaining vital societal services and supporting economic growth, but also pivotal in facilitating the green transition. The Nordics is expected to be the next big growth market for data centres, following increased scarcity of powered land in current data centre hubs (e.g. FLAP-D markets). The Areim team is confident that EcoDataCenter, with its state-of-the-art facilities and commitment to sustainability, is strategically positioned to lead this wave of growth.

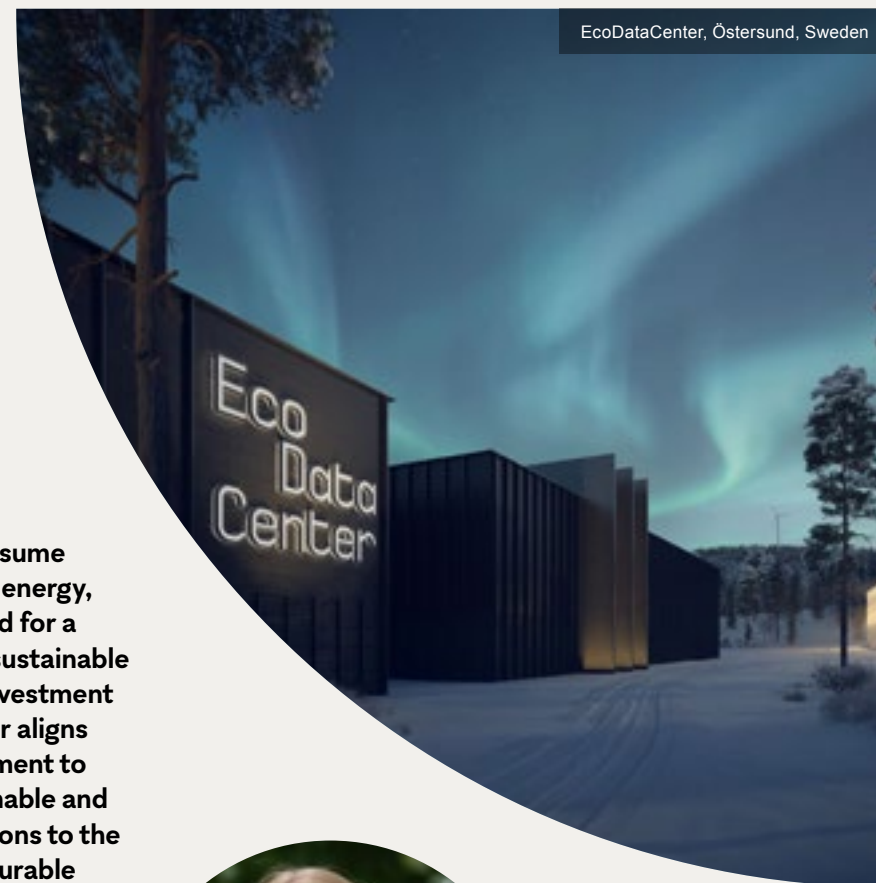
Facts

EcoDataCenter is a fast-growing data centre developer and operator, aspiring to be the Nordic region's leading provider of sustainable and secure data centre solutions. EcoDataCenter operates five data centre facilities at three locations in Sweden.

Acquired: 2018

Fund: Areim DC Fund

Locations: Falun, Piteå and Stockholm.



EcoDataCenter, Östersund, Sweden



Data centres consume large amounts of energy, stressing the need for a responsible and sustainable transition. Our investment in EcoDataCenter aligns with our commitment to delivering sustainable and deployable solutions to the market. The favourable conditions for data centres in Sweden, together with the rapidly increasing growth of the sector, strengthens our strategic rationale to invest in this industry.



Therese Norling
Fund Manager



Our business model from a sustainability perspective

Having worked with active asset management and long-term value creation for over 20 years, we have a strong focus on contributing to the transition to a more sustainable and climate-smart society. Our experience from creating modern, sustainable, and certified assets is the foundation when we continue to broaden our business with additional funds and products.

Our business model is based on long-term value creation throughout our investment cycle: raising and closing funds; acquisition; active asset management; and divestment.

Raising and closing funds

Great business is built on long-term relationships. We are grateful for the trust of investors, as evidenced by the 70 percent re-up rate in our value-add funds (renewed commitments). From inception and throughout the life span of each fund, we provide the following for our investors and partners:

- Good governance;
- A high level of transparency;
- Focus on environmental and social improvements; and;
- Strong financial return.

Acquisition process

Areim benefits from an extensive network with over 70 percent of deals sourced off-market in the Nordics. Our transaction team is active in deal sourcing, underpinned with thorough selection and research. This is critical to our investment strategy,

as in-house sector specialists adopt a cradle-to-grave management approach to drive value at the asset level and incorporate ESG screening during the due diligence process.

This approach enables us to enhance returns and protect downside. Each investment decision presented to our investment committee consider various ESG aspects in addition to the financial targets and business rationale. Our assessment include:

- Evaluating alternative use, retrofit potential, energy efficiency optimisation; on-site renewables and optimising energy efficiency;
- Analysing environmental risks including climate related transition and physical risk;
- Analysing accessibility, safety features and potential social risks within and around our investments;
- Evaluating 1.5-degree Paris alignment with the use of the Carbon Risk Real Estate Monitoring (CRREM) tool and EU Taxonomy alignment; and
- Exploring possibilities to obtain green and sustainability linked financing.

Asset management

During the hold period our objective is to add value through independent and innovative asset management. Environmental and social action points in the business plan, with KPIs that are regularly monitored, include:

- Accelerating each investment's transition to net zero (e.g., improving energy efficiency and increasing the use of renewable energy);
- Green lease agreements and building certificates; and minimising vacancies by renovating, repositioning, creating new lettable space and extending building rights.

Divestment process

As we divest our assets, we remain committed to delivering on our promises, which include:

- Achieving strong financial returns;
- Optimising asset development, aiming to achieve the highest and best use for each property, resulting in environmental, economic, and cultural benefits; and
- Maintaining positive relationships with the next property owner.





CEO comment

Areim remains a strong advocate of ESG, and we see a growing need to strengthen the credibility of ESG by providing greater transparency, with supporting data and clearer communication. This is in line with our way of working. We also see increased uncertainty globally with the pandemic continuing to linger and, not one, but two wars with global consequences coupled with a record number of elections to be held this year, including the USA. Despite these challenges, we expect 2024 to be a year of market stabilisation, maybe even recovery for the real estate market, as interest rates seem to have peaked, inflation is moving downwards, and investor sentiment is on the up.

Not that Areim has stood still in the face of adversity. During 2023 we managed to grow our portfolio significantly, not only within our value-add funds but also by diversifying our offer to our investors. We successfully closed the Areim DC Fund with EUR 442 million in committed capital. This is an expanding sector, where there is a pressing need for a responsible and sustainable transition as digitalisation is growing exponentially, and where we believe we can make a difference. We also expanded into new markets, Areim formed a 50:50 joint venture with VGP, a provider of high-quality logistics and semi-industrial real estate. The joint venture will focus on investment in sustainable prime logistics in Europe. An opportunity to share knowledge and develop our understanding of the sustainability needs in markets outside the Nordics. Furthermore, we agreed to buy the remaining shares in Magnolia Bostad AB, giving us 100 percent control of the company, enabling us to create the best possible conditions for the long-term sustainable growth of the company.

A strong and relevant business cannot thrive without a strong underlying

business model and a healthy corporate culture, allowing our employees to grow and reach their full potential. Doing the right thing starts with the individual and this sets the tone for how we do business in a responsible manner – our people are at the core of everything we do. This also means continuously enhancing standards for our suppliers. Collaboration and relationships remain essential for us, only by learning and sharing our knowledge can we accelerate the transformation into a sustainable society. This is why for example, we continue to work closely with organisations like Friends, Mathivation, and our own Joyful Learning initiative.

Areim remains a strong advocate of ESG, as we have from day one. With growing demand from regulators, investors, tenants, employees, and society, we remain relevant by continuing to actively transition further as a sustainable business. This requires active collaboration. As part of this we continue to focus on innovation and accelerate our transition to net zero through a comprehensive net zero strategy at both the fund and asset levels. This forms the core of our “transition to green” strate-

gy, emphasising energy efficiency, increasing renewables and improving each asset’s EPC-level and primary energy demand.

Looking forward to 2024, as the market is stabilising, highly attractive opportunities are emerging which will help us accelerate within both existing and new structures. Our ability to seize these opportunities is based on our way of working together with a long and solid track record and a strong focus on our existing structures and projects. We remain strong in our belief that the broadened perspectives that uncertainty brings can also be a catalyst for capturing new opportunities through innovation and creative solutions.

Our approach has not changed. We are focussed on futureproofing our properties as liquid assets with quality data and the right ESG profile. We stand together as colleagues, as a Nordic business and as a builder of communities. It remains my firm belief this is the way forward.

Therese Rattik, CEO
March 2024

Corporate Governance

Areim is a licensed Alternative Investment Fund (AIF) Manager, authorised under Swedish law and subject to supervision by Finansinspektionen. Areim has adopted a robust framework that incorporates a three lines of defence model, and a well-structured organisation for the ESG work. To support this framework, Areim continuously develops and adopts effective steering documents. This allows Areim to navigate regulatory challenges and uphold the fiduciary duties and its promises to investors and other stakeholders.

Owners

Areim AB is majority owned by Areim Invest AB (556812-3003).

The Board of Directors

The Board of Directors (The Board) is ultimately responsible for Areim's operations and services, making all significant decisions regarding management agreements, policy documents, budgets, targets, risk limits and reports. As appointed manager of Alternative Investment Funds, the Areim Board ensures that agreed-upon services, including portfolio and risk management, are performed in the best interests of investors. Transparency and sustainability are prioritised, with

sustainability-related risks actively assessed and monitored. The Board is regularly informed about different views of stakeholders, forming the basis for the annual review of Areim's ESG policy. The Board annually reviews and approves Areim's policies including the ESG policy. The Board meets at least six times a year.

CEO

The CEO oversees Areim's day-to-day management, making decisions on recruitment and organisational structure and preparing instructions in line with Board policies. The CEO holds significant decision-making authority on behalf of the company and shall ensure that the accounts

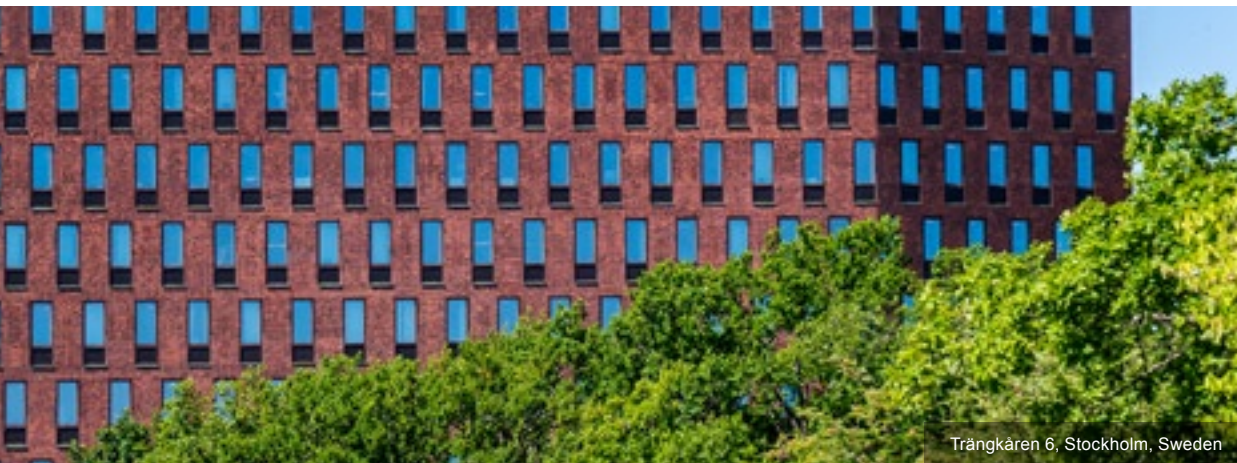
of the Company are properly kept in accordance with applicable laws and that the management of assets is properly managed and supervised. The CEO has the ultimate responsibility for the overall ESG strategy.

Sustainability Team

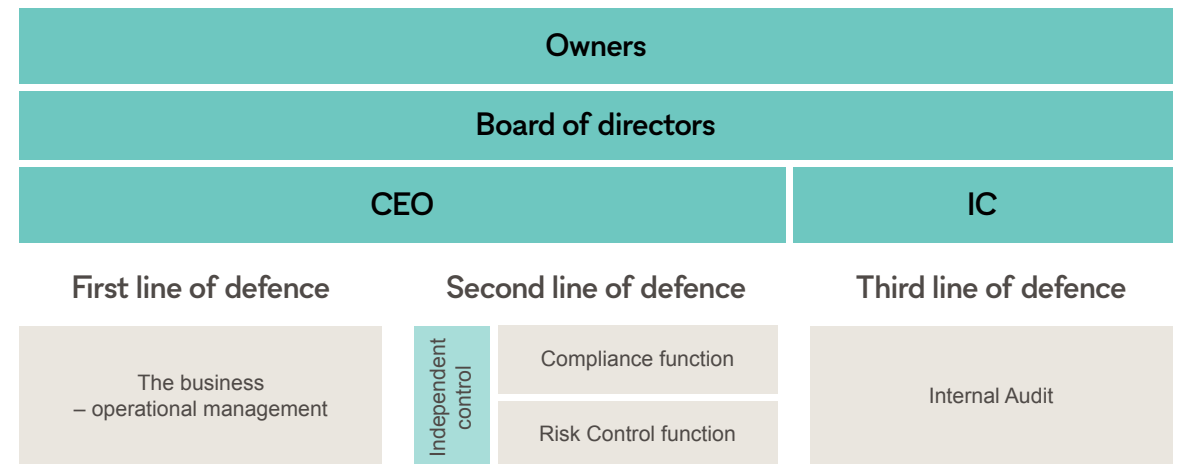
The responsibility of the Sustainability team is to support the development, implementation, and the monitoring of the ESG strategy for Areim AB. The team supports the organisation with ESG expertise through knowledge sharing, business development, in projects or in processes on a risk-based or value-add basis. The Head of Sustainability reports directly to the CEO.

Internal rules

Areim's Internal Rules, our policies and instructions, are vital tools that provide guidance and establish a framework for Areim. The documents outline the overall governance structure, risk management policies, and strategic objectives of the organisation. The internal rules explicitly include provisions for managing ESG risks. The documents outline expectations, responsibilities, and reporting requirements in relation to environmental, social and governance factors including regulatory requirements.



Trångskären 6, Stockholm, Sweden



Fund management

The Investment Committee

Areim AB's Board of Directors has delegated the portfolio management of each fund, managed by Areim AB, to an Investment Committee (IC).

The IC is responsible for portfolio management and makes significant decisions on investments, divestments, major lease agreements, major follow-on investments, capital expenditure, financing, business plans including risks and adverse impacts related to sustainability and corresponding action plans where necessary, budgets and reports. Material ESG related risks and opportunities are included in the business plans after in dept due diligence and analysis, The business plans are approved yearly by IC and throughout the year if there are any major changes.

Organisation

To ensure effective execution, a steering group is formed for each

investment, comprising dedicated resources from the Asset Management, Investments, Finance, ESG, and Fund Management teams. A fund manager is appointed to the respective Fund that Areim manages and is responsible for ensuring both the compliance of a given investment as well as the Fund overall, specifically with respect to the targets, investment strategy, restrictions and risk profile detailed in the Investment Agreement and by the IC. The Fund manager is supported by the Sustainability team to develop, implement, and monitor fund specific ESG strategies. The asset manager is responsible for each investment and is involved throughout the entire investment cycle, including due diligence and business plan strategy at acquisition.

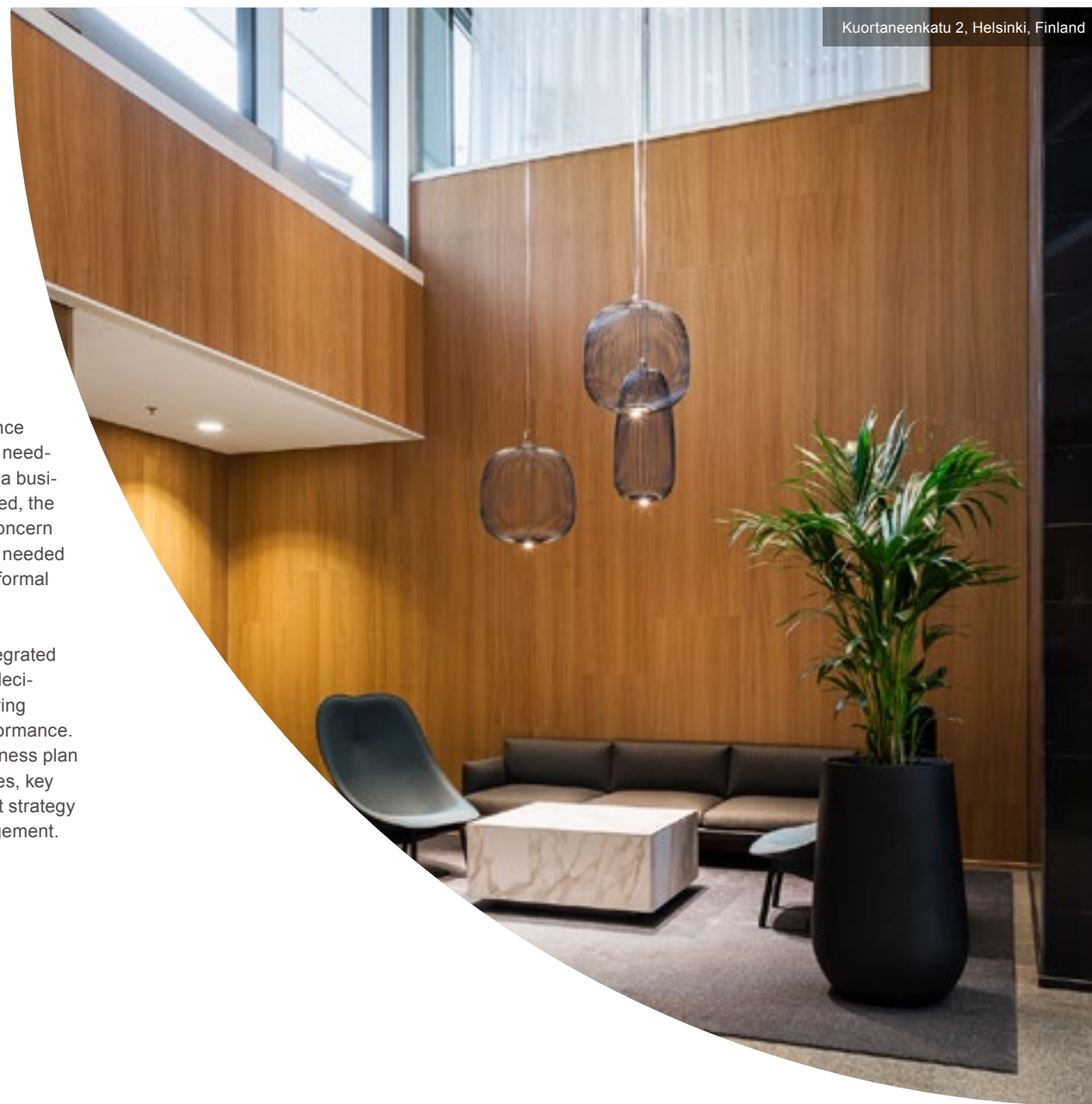
Business plan updates

The business plan includes value-add initiatives, key ESG targets and a clear exit strategy or plan for

long-term management.

The fund manager is responsible for reviewing any proposed changes to the business plan to ensure that they are in line with the fund portfolio and overall fund strategy. The steering group updates the business plan and strategy for an investment at least once a year or more frequently, if needed. If any key targets within a business plan will not be achieved, the asset manager raises the concern to the steering group, and if needed it is elevated to the IC for a formal decision.

ESG considerations are integrated into the overall investment decision-making process, ensuring accountability for ESG performance. Each investment has a business plan including value-add initiatives, key ESG targets and a clear exit strategy or plan for long-term management.



Three lines of defence and external assurance

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.

1 The first line of defence consists of all employees. They are all responsible for overall day-to-day risk management and investment restrictions compliance, i.e., closely monitoring the business plan of an investment through 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.

2 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.

3 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 operations, and to ensure this independence they have been delegated to third parties specialising in monitoring and controls.

The governance structure that has been established for handling various ESG related risks is continuously reviewed by the control functions. The control functions conduct risk analyses and based on the assessments, planned reviews are set out in the annual plans that are adopted yearly by the Board of directors.

In addition to the three lines of defence described above, Areim receives external assurance from the external auditor who review the sustainability report as a part of the annual report. The Financial Supervising Authority (Finansinspektionen) supervise Areim as an AIF manager and receives regular reports on matters relating to among other things capital requirements, and assets held by the AIF. The external parties audit the financial reporting, supervise Areim's compliance with regulatory requirements and evaluates the governance and control structure at the company.

Stakeholder expectations

To create long term results, we recognise the importance of integrating sustainability into our business strategy, values, and culture. We remain committed to staying close to our stakeholders.

By actively participating in ongoing dialogue, networks and round table discussions, we stay up to date with the evolving expectations and concerns of our stakeholders. By understanding our material and financial impact we aim to make sustainable investments, capitalising on upsides, protecting downside risk and making a positive impact in the areas where our role as a fund manager is most significant. Our stakeholders are an important part of our business and are identified throughout the value chain.

Stakeholder engagement

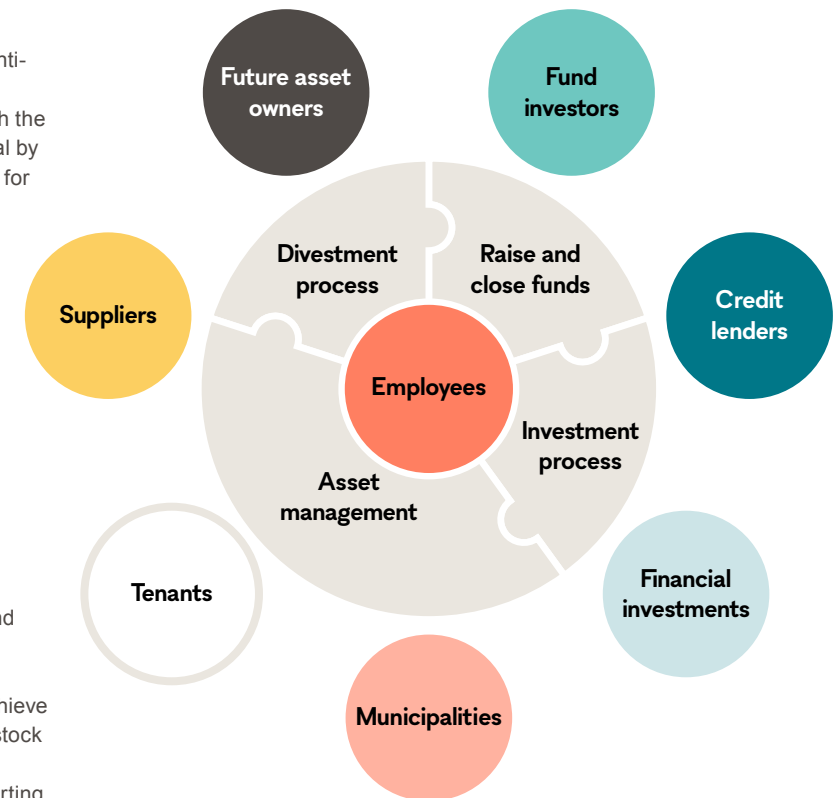
Stakeholder engagement is key in our business and carries important information to our materiality assessment. In 2023, we actively engaged with our stakeholders including the below actions:

- Stay up to date and engage in initiatives driving transition in the real estate market.
- Desktop analysis based on public information from industry peers, regulators and investors.
- Annual questionnaires and requests specifically from investors.
- Personal meetings with banks, tenants, investors, and municipalities.

Driving forces

The strongest driving forces identified during 2023 are:

- The European Green Deal with the aim to make EU climate neutral by 2050 is driving new regulation for financials and the real estate sector which impacts Areim AB and our funds but also many of our stakeholders.
- Sustainable Finance Disclosure Regulation (SFDR); increases the information available about impacts of their investments and the related ESG risk.
- Energy Efficiency Directive (EED) accelerate energy efficiency, including embracing the “energy efficiency first” principle in the energy and non-energy policies.
- Energy Performance Building Directive (EPBD) aiming to achieve a fully decarbonised building stock by 2050.
- Corporate Sustainability Reporting Directive (CSRD), mandatory corporate reporting on the social and environmental risks and opportunities and on how the business impact people and the environment.
- Increased stakeholder focus on ESG, expected to increase even further in the years to come.



Results from stakeholder engagement

Stakeholder	Fund investors	Employees	Suppliers	Credit lenders	Future asset owners	Tenants	Municipalities
Most material topics	<ul style="list-style-type: none"> Climate change Energy and resource efficiency Governance Return on investments 	<ul style="list-style-type: none"> Climate change Energy and resource efficiency Attractive workplace Attracting and retaining talent Health and wellbeing Equality and diversity Governance 	<ul style="list-style-type: none"> Climate change Diversity, equality, and inclusion Health and Safety 	<ul style="list-style-type: none"> Climate change Energy and resource efficiency Governance 	<ul style="list-style-type: none"> Climate change Energy efficiency in assets Resource efficiency Governance 	<ul style="list-style-type: none"> Climate change Energy and resource efficiency Attractive workplace Health and wellbeing 	<ul style="list-style-type: none"> Climate change Energy and resource efficiency Environmental certifications Sustainable urban planning
Dialogue format	<ul style="list-style-type: none"> Interviews Individual meetings Quarterly meetings Questionnaires 	<ul style="list-style-type: none"> Annual performance reviews, development dialogues, Areim Days Engagement survey Workshops, seminars, and trainings 	<ul style="list-style-type: none"> Individual meetings 	<ul style="list-style-type: none"> Interviews Individual meetings 	<ul style="list-style-type: none"> Interviews Individual meetings 	<ul style="list-style-type: none"> Personal meetings Annual tenant surveys 	<ul style="list-style-type: none"> Close cooperation in zoning planning processes Active membership in several organisations Individual meetings
Trends	<p>Investors are aligning reporting practices such as SFDR, Taxonomy, CSRD, or similar. Therefore, increased interest in all three areas of ESG with main focus on governance and climate related issues such as physical and transitional risks, carbon emissions and energy efficiency.</p>	<p>Gen AI, focus on wellbeing, workplace content and culture, up- and reskilling increase collaboration for innovation and speed.</p>	<p>Suppliers of building materials are increasingly focused on reducing the embodied carbon in existing products but also in new solutions and building materials. Also, there is a continued high focus on health and safety among contractors and entrepreneurs.</p>	<p>We see an increased interest in greening financing structures and solutions. During the year a joint initiative was formed by larger Swedish banks to contribute to a sustainable construction industry.</p>	<p>New regulations and stakeholder expectations increases the focus of the future asset owner to understand the ESG-roadmap of the asset.</p>	<p>Increasing interest from tenants to get more information about asset specific ESG activities in general and energy efficiency more specific.</p>	<p>Increased focus on development projects driven by new regulation and net zero targets.</p>

Our response

The expectations of our stakeholders, our fast-moving environment and Areim's ambition are the fundamental drivers of our sustainability work and managed through our sustainability framework and three focus areas.

Material impacts

As a fund manager, we have actual and potential impacts on people and the environment throughout our value chain. In our quest to leave a better world for future generations, we work to minimise the negative impacts of our operations and focus on investments that make a positive contribution to environmental and social improvement. To safeguard our business as well as minimise our impact on communities and the environment, we apply the precautionary principle, specifically with reference to the environment.

Business opportunities

With a purpose-driven organisation and real estate as its starting point, sustainability is at the heart of our strategy. It is integrated into our business decisions and operations and is therefore a natural part of our daily work. Through our business, we show by example how a sustainable approach to doing business creates opportunities and makes us more resilient to changes in the economy. We can influence our tenants and our suppliers and nudge them towards more sustainable practices.

With sustainability as a strong driver from our stakeholders and from regulation we will continue to build our business on the ideas that improve tomorrow.

Sustainability risks

A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative financial impact on Areim AB, our funds, or to the value of the investment. The Risk Management Policy and the Policy on Investment Decisions and Procedures ensures that proactive measures are taken to manage risk exposure. Sustain-

ability is identified as one Key Risk Indicator of Areim and the Funds and therefore presented on a regular basis to the Board.

In our ongoing business, sustainability risks are handled within the risk management framework and assessments are performed regularly on a yearly basis. Sustainability risks are also included in the approval process used for new products and services, business, markets, distribution channels/distributors, processes, IT systems and the organisation and operations in general.

For investments, sustainability risk assessment is included in the basis for the investment decision and in annual reviews of the business plan on fund and investment level, to ensure continued operations during unforeseen events. When significant risks are identified we take measures to mitigate them. This ensures that our risk exposure is kept within given limits for Areim as well as the Funds. In our fund management, we apply an integrated risk assessment and identify and manage ESG related risks along with traditional financial risks to attain more resilient portfolios. Essential sustainability

risks related to our investments are documented and presented to the Investment Committee.

Materiality assessment

Based on stakeholder engagement and our business intelligence, we identify the actual and potential impacts of our operations on the environment and people throughout our value chain. We regularly assess our overall actual and potential impacts, as well as our sustainability risks and opportunities, including trends identified through stakeholder engagement and business intelligence. Based on this materiality analysis, we have selected the key issues that have a material impact on Areim:

- Societal changes that are beyond our control but have a significant impact on us and society;
- Our employees, the people around our assets and the people working within the supply chain;
- The physical environment of our properties, e.g. pollution, waste management, chemicals and noise levels;
- Energy consumption and material use;
- Climate change: the transition to a low-carbon economy brings new regulations, new technologies and

business models, new trends, etc. Climate change also brings extreme weather events with higher temperatures, floods and fires resulting in property damage, higher material and energy costs;

- Changes in regulation affecting market conditions;
- Financial crime and unethical behaviour, including corruption, money laundering, labour rights violations and other business ethics irregularities; and
- Discrepancies between sustainability vision and practice, inaccurate or insufficient ESG disclosure leading to a lack of credibility and trust, i.e. greenwashing.

The materiality assessment serves as the basis for our sustainability framework addressing material risks, opportunities and impacts of our business for us to make a real difference, in our properties, in their surrounding environment, our daily actions, and our contribution to society at large. In 2024, the analysis will be completed, including a double materiality/financial assessment of risks and opportunities.



Our sustainability framework

Our sustainability framework

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

We define sustainability as leaving something better behind for future generations. As a developer of communities, we show by example how a sustainable approach to doing business creates opportunities and makes us more resilient to changes in the economy. We can influence our tenants and our suppliers and encourage them towards more sustainable practices. We believe that the ongoing green transformation and global focus on ESG will drive long-term value for a broad set of stakeholders, with financial returns and sustainable results going hand in hand.

Main achievements in 2023

In 2023, we made significant progress in our sustainability journey and evolved our framework to better align with our ambition and increased focus within ESG. The new framework

includes a revision and renaming of our three focus areas.

Transition to green

Describes our commitment to environmental initiatives and how to achieve net zero emissions for Areim AB and across our funds.

It is all about people

Describes our commitment to our employees and the people in and around our assets.

Delivering on promises

Describes our commitment to creating long-term financial results with transparent governance while staying compliant with existing and emerging regulations.

We developed a comprehensive net zero strategy at both fund and asset levels, focusing on energy efficiency

and increasing the use of renewable energy. To better understand the Paris alignment of our assets we use the CRREM tool and established mandatory ESG due diligence covering climate and social risks. As a part of the net zero strategy, EPC ratings have become a key indicator in our investment decisions, assessing their current level and potential for improvement.

Throughout the year we have further integrated detailed asset-level ESG targets into our business plan process, established an internal and external whistleblowing tool and developed a Code of Conduct for Suppliers.



Sustainable value creation

In our investments we analyse and address sustainability challenges, ensuring that our investments yield not only financial returns, but also deliver positive contributions to society and the environment, while minimising potential negative impacts¹.

Our investments are being analysed not just for immediate returns but also for their long-term contributions to a sustainable society. Over the past year, we have further developed our impact measurement model to measure the environmental and social impact of our investments in a more structured way.

As part of this work, we have identified key steps that will serve as guiding principles to navigate our actions and measure our impact on a broader scale. Initially this value creation model is embedded in our ESG framework and has been defined within our net zero strategy.

1. Act responsibly

Serves as foundation for all investments and included activities that we do at every level to prioritise responsibility. This means ethical considerations are integrated into our day-to-day operations, from discussions at IC meetings to separate projects ensuring we uphold the highest standards of responsibility.

2. Contribute to a sustainable society

We are assessing the extent to which our business operations benefit or impact the communities and environments where we operate. This helps us understand the broader implications of our decisions and actions.

As we move into 2024, these steps will serve as guiding principles to navigate our actions and measure our impact on a broader scale.

¹) In this work, we are guided by the Theory of Change model and the Swedish National Advisory Board for impact investing (www.swedishnab.se)

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.

Signatory of:



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 participant in February 2021 and has reported on progress since then. Our Head of Sustainability, Helena Hagberg, has been a member of the UN Global Compact Network Sweden Board since 2022.

WE SUPPORT



Our contribution to UN Global Compact and UN Sustainable Development Goals

We have aligned our business with the Ten Principles of the UN Global Compact and strive to contribute to 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 the goals that are of most importance, related to our core business:

- 

No 4.
Quality education.
- 

No 9.
Industry, innovation, and infrastructure.
- 

No 11.
Sustainable cities and communities.
- 

No 12.
Responsible consumption and production.
- 

No 13.
Climate action.
- 

No 16.
Peace, justice and strong institutions.
- 

No 17.
Partnerships for the goals.



Our focus areas and main targets

Our sustainability efforts are strategic and focused on the areas where we, as a fund manager, can make the biggest difference and contribute to improving sustainability values by investing in retrofitting and improvement journeys for the built environment. In this section, we summarise our collective goals for our three focus areas.

Our focus areas	Long term target Areim AB	Long term target for our Funds
Transition to green		
Reduce carbon emissions	SBT (Science-based target setting methodologies tool and guidance) for Areim AB will be implemented once the new guidelines are published in 2024.	Strive for net zero Replace use of fossil fuels at site Optimise energy efficiency Increase use of renewables Reduce emissions from construction and tenants
Promotion of circular models and sustainable materials		Increase re-use and re-cycling of materials and minimise waste in retrofits and tenant improvements; Promote the treatment methods of waste according to the waste hierarchy: reduce, reuse, recycle, energy recovery and landfill when relevant
Protection of biodiversity		Ensure that our measures are in line with best practice recommendations Reduce chemical use Improve water use efficiency
It is all about people		
An attractive place	Focus on leadership and personal development Cross team collaboration External perspectives	Safe and inclusive assets and surroundings Ensure measurable positive urban development A place with a positive identity
A place for wellbeing	Promote healthy living and engaged employees. Yearly wellbeing and health and safety initiatives Measure and follow up on engagement on team and organisational level	Maintain satisfied tenants High level indoor environment Enable everyday health for body and mind, indoor and outdoor Access to green spaces
A place to thrive	Maintain an inclusive, diverse and empowering workplace for Areim with a growth mindset in focus	Create social value in and around our assets. Safe, inclusive and effective learning environments Use of local suppliers, preferable our own tenants.
Delivering on promises		
Maintain a compliant, transparent, and effective governance structure	Conducting mandatory annual training on the Policy on Anti-Money Laundering and Counter Financing of Terrorism Procedure;	Efficient management of climate-related risks
Top tier company for international ESG disclosure	Ensure accurate and reliable ESG data, including good quality, coverage and traceability;	Promote Sustainability linked, green or greening financing; Benchmark our asset portfolio using internationally published methods and procedures; and Ensuring investments and development projects are certified with acknowledged and available sustainability certifications.

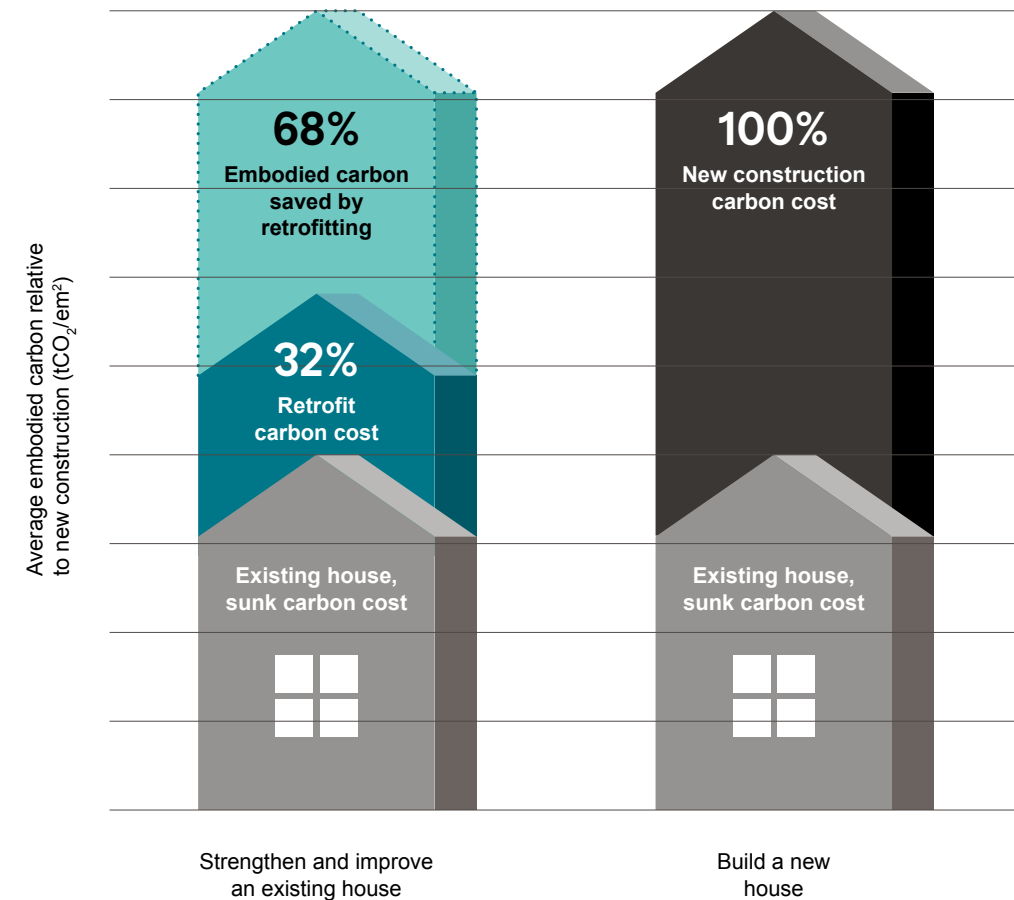
Transition to green

Transition to green defines our commitment to develop environmentally smart and efficient properties and data centres. We focus on reducing climate impact through optimising energy efficiency, increasing use of renewables, a “reduce and reuse” approach during retrofit, and to carefully select materials and services.

We aim to make a difference in all assets that we acquire, converting underdeveloped and outdated properties into modern, sustainable, and certified products and support innovative data centres. Efficient use of the property, resources and energy is a core focus in all our funds, always with considerations to the building’s and datacentre’s entire lifecycle. This includes designing for flexibility, so that buildings and premises easily can be modified or repurposed when needed, rather than being torn down and replaced.

In general, retrofitting existing buildings brings many benefits as it utilises existing infrastructure and the embodied energy already invested in the building’s structure and materials. In contrast, new construction requires a significant number of new materials and energy to build from scratch, contributing to a higher initial environmental footprint and in general a 68 percent higher amount of embodied carbon compared to the retrofit of an existing building.

Data centres play an important role in our digital society, but they also have a large energy consumption, which makes it important that they are designed and operated responsibly.



Source: [Build-Change-Embodied-Carbon-Savings-through-Improving-Housing-compressed.pdf](#) (climateresilienthousing.org)

Net zero target for Areim AB

At Areim, we aim to reach net zero* according to SBTi's definitions by 2030 when aggregating the results from our funds. The process of setting an SBTi intensity target will be formalised when the final version of SBTi's sector specific guide for the real estate industry is published, which will be released during 2024.

Net zero pathways for our funds

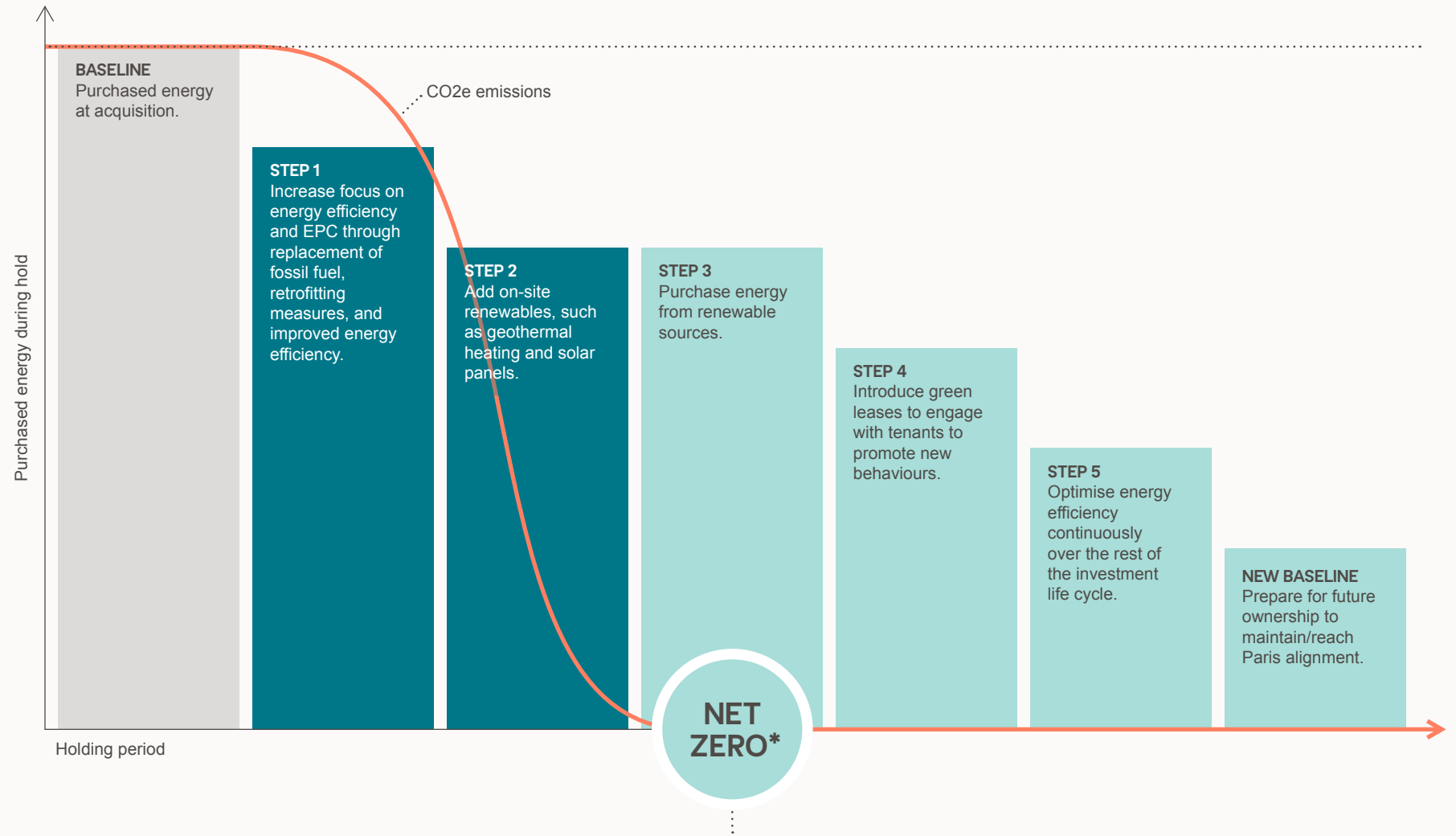
Over the past year, we have made progress in advancing our environmental initiatives, particularly in forming a clear, effective pathway to net zero emissions tailored to our business model for our flagship value-add funds.

The net zero target applies to greenhouse gas emissions in scope 1-2 and is calculated with the market-based method, which reflects emissions from the energy source we have purchased. The next step is to finalise a sharp intensity target of reduced emissions in scope 3 which will be developed during 2024 in line with the SBT industry guidelines.

Our journey towards net zero focuses on energy efficiency, phasing out the use of fossil fuels and completely transitioning to renewable energy sources. These focus areas apply to all our funds, with different funds having different pathways to reaching net zero. For example, Areim Fund V aims to reach net zero within four years from the purchase of a proper-

*Value-add funds II-V, directly-owned assets

Net zero strategy for our funds



When emissions have been reduced as much as possible, offsetting can be used to balance out any remaining emissions.

*Scope 1-2 according to the GHG protocol, market-based method

ty. Areim Fund II, which will soon be wound down, aims to embrace net zero pathways and thus prepare all properties to reach net zero in the next ownership.

The net zero strategy is the result of several workshops, education, insights, and best practices gained from various fora and real estate networks such as the UN Global Compact accelerator programme and round table discussions with industry peers. By integrating these learnings, we ensure that our pathway to net zero emissions is accurate and aligned with our specific investment objectives for the Nordic and broader European markets.

Increased focus on energy efficiency and EPC

We put energy efficiency measures as our top priority. To improve energy efficiency and reduce external energy needs in our assets, we are focusing on improving the EPC of all our assets. As a minimum we improve the EPC rating by one step in our assets. In an existing building, a higher energy efficiency is achieved by retrofitting measures such as upgrading the HVAC systems, LED lighting, optimising performance and synchronising the technical systems, upgrade the building envelope et cetera.

The business plans for all new directly-owned real estate investments include EPC rating targets

and capex plans to get there. To evaluate how each asset's carbon emission performance relate to the Paris Agreement's 1.5-degree goal, the EPC measures are analysed in the CRREM tool. For our Areim DC Fund, new indicators were developed in 2023 to monitor the environmental characteristics of the investment, with a focus on energy and greenhouse gas emission reductions achieved through optimising energy efficiency. Throughout 2023, we also refined CUE and PUE, indicators that are continuously monitored and evaluated, along with other sustainability indicators such as percentage of renewable electricity, energy reuse and water use. Although EcoDC uses renewable electricity, it is vital that they continue to work to reduce energy consumption, ensure that energy is reused, use water efficiently and work continuously to reduce greenhouse gas emissions.

Use of renewables

We aim to use energy from renewable sources, by adding on site capacity to our assets such as geothermal heating and solar panels where appropriate as well as purchasing certified energy from renewable sources. In 2023, our energy consumption from renewable sources amounted to 48%*. We are looking into purchasing renewable electricity through Power Purchasing Agreements (PPA) at fund level.

Green leases

Our commitment to net zero includes incorporating green leases into our new lease negotiations, actively engaging with our tenants, fostering awareness of their environmental impact. By encouraging them to adopt more sustainable practices and increase their use of renewable energy, we are not just making a statement, but spearheading a collective effort towards environmental responsibility. In connection with signing green leases, we aim to continuously educate both ourselves and our tenants about environmental sustainability, encourage sustainable behaviour and share best practices. In properties that offer green leases, 100 percent renewable landlord energy is purchased.

Offset residual emissions

Offsetting should never be used as a substitute for reducing emissions. Our top priority is to reduce emissions at the source. However, once emissions have been reduced as much as possible, offsetting can be used to balance out any remaining emissions.

In 2023, Areim's total offset amounted to 456 tonnes greenhouse gas emissions, corresponding to the emissions from our corporate offices. This will be offset through a high-quality project.

Our approach to climate accounting

Our greenhouse gas emissions calculation and coverage have improved year by year, providing a solid foundation for our journey towards achieving our net zero emissions target.

Climate disclosure methodology

Our climate accounting is based on the Principles of the Greenhouse Gas protocol. Greenhouse gas emissions are reported in metric tons carbon dioxide equivalents (CO₂e), thus accounting for several greenhouse gases. We are disclosing emissions in scope 1-3, including direct emissions from our operations as well as indirect emissions associated with our supply chain and other indirect activities.

Since last year we have changed our primary method for scope 2 emissions from location-based method to the market-based method to align with our net zero strategy. However, we still disclose emissions according to both methods.

We follow industry guidelines for carbon accounting in scope 3 established by the industry forum Fastighetsägarna, based on the principles of the Greenhouse Gas Protocol, and calculate the emissions from the categories with high or medium relevance. This standardised approach ensures that our emis-



Conference room at Lybeck 2, Stockholm, Sweden



Kista Parkstad, Sweden

sions are comparable with industry peers and allows us to benchmark our progress and identify areas for further action.

For embodied carbon from retrofit and new construction, we follow the principle of counting all emissions related to the renovation/new construction in the year the construction is completed. This is industry practice but means that there can be large differences between years, especially if many construction projects have been completed during the same year.

Data coverage

We are striving to improve the data coverage each year, both for our directly-owned assets and our financial investments in order to be able to make the right analyses and make data-driven decisions.

Our focus during next year is improving the data coverage regarding embodied carbon from retrofits as well as the data related to our tenant's energy usage by including data sharing into our green leases.

Promotion of circular models and sustainable materials

Areim is committed to integrating circularity into our development projects, with the aim of substantially augmenting our utilization of circular materials. To enhance reuse and recycling in our projects, addressing these issues early in the design phase is crucial for subsequent follow-up and ongoing monitoring. In the case below Reducing our climate footprint in Tidningskvarteren it is described how we work to reuse as much as possible to create an indoor environment with an elegant feel, a high sense of design and with a lower carbon footprint.

Protection of biodiversity

The biodiversity plays a pivotal role in maintaining ecosystems and supporting the myriad of species that rely on them for survival. As real estate owner, we hold a significant responsibility when it comes to preserving biodiversity within the surroundings of our assets. We are working to increase the area of green space in our assets as well as add ecosystem services such as beehives on roofs in our asset Ängtvätten and DN-Skrapan (Trängkären 7). In new construction, investigations

on how to protect the biodiversity are a part of the zoning process and we are compensating for the eventual loss of greenery through actions such as green roofs and adding greenery close by the buildings.

By using guidelines from the Byggarvedöningen material database and logbook, we make sure to choose materials without unnecessary chemicals in our development projects. During the due diligence process we investigate the occurrence of pollution and screen for hazardous built-in materials and pollutants such as asbestos, PCB, and radon. In case of pollutants, we remove these to make sure our properties are safe and more sustainable for our tenants.

Reducing water usage is an important issue and we are using taps with low water flow for retrofits and new construction as well as looking into new types of smart meters to increase the digitalisation of consumption data.

Case: Reducing our climate footprint in Tidningskvarteren

DN-skrapan (Trängkären 7) in Marieberg was acquired in 2020. Since then we have been committed to improving its sustainability profile and increasing awareness of the surrounding area.

Elevating EPC standards and reducing greenhouse gas emissions

During the year we have turned technical areas into valuable office spaces with potential. A transformation that was possible due to an installation of new, more efficient ventilation units in basement areas that were not used. These units are expected to reduce greenhouse gas emissions by 17 tonnes annually from 2024, contributing to a 10 percent expected reduction in energy consumption of the landlord controlled energy since acquisition. Additionally, a new Building Management system was installed in 2023, to optimise energy consumption further.

These measures are crucial to elevate the building's EPC rating from C to B. This is an ambitious target considering the building's original design as a mixed industrial and office asset. Currently holding a BREEAM In-Use certification, we are strategically working towards achieving a BREEAM Excellent rating by 2024.

Focus on retrofitting

In 2023 we launched a recycling project at the asset, aligning with our net zero target. This project focuses on reducing greenhouse gas emissions through strategic material selection during refurbishments. Our goal is to establish a replicable and cost-effective methodology for sustainable office fittings and renovations within this building, with the intention of applying this model to other buildings and similar future projects in our portfolio. A key aspect of this initiative is the early engagement of tenants in the letting process, ensur-

ing that our sustainability goals are shared and collaboratively pursued.

Innovative project components

- Standardised modelling for streamlined climate impact calculations and linking these to costs considerations.
- Inventory of a typical space in CCBUILD to assess potential reuse and climate savings
- Establishing benchmarks for climate impact and potential greenhouse gas savings
- Providing new and existing tenants with environmentally sustainable office spaces to increase their engagement and awareness of circularity and of their climate footprint



We expect this project to run until 2024, with a projected greenhouse gas emissions savings of around 3.7 tonnes (for one floor and if the tenants agree to suggested alterations). This initiative is more than just a property refurbishment; it represents our commitment to sustainable development and our ambition to reach our net zero target by setting new standards in eco-friendly building management.

Jerker Victor
Head of Asset Management
Sweden, Areim



Facts

DN-skrapan is one of Sweden's most famous landmarks, designed by architect Paul Hedqvist and built between 1960 and 1964 as the head office of Dagens Nyheter.

Fund: Areim IV Fund
Current EPC rating: C
Type of Property: Offices
Built between 1960 and 1964 and located in Stockholm, Sweden

It is all about people

We believe that supporting dynamic communities where health, relations, and wellbeing are essential, is crucial to create social value for our stakeholders beyond just our properties. We truly want to leave something better behind. Our commitment to 'it is all about people', reflects this dedication.

People and culture

Our people and culture are at the heart of everything we do. Our purpose-driven team is united in its mission to overcome challenges and achieve the impossible while maintaining a positive attitude. We promote a growth mindset to encourage and help develop brave and motivated employees who work together to deliver on our promises. We act in line with our core values, guiding us in our behaviour and decision-making. We aim to create attractive workplaces that support both business success and the well-being of employees, as well as positive outcomes such as employee

engagement, retention, and satisfaction.

An attractive place

Our offices have creative spaces that offers high-level service and a welcoming atmosphere to our employees and guests. We are pleased to see that our office spaces and our ability to create meaningful content has resulted in high attendance on time spent together at our workplaces. We want to create a warm and welcoming environment that enhances cross-team collaboration, acknowledging that optimal results arise when employees are empowered to contribute at their best. It

is a space and a place that fosters innovation and collective growth. We offer lunches at the Stockholm office every day for all employees, and we regularly arrange 'Areim Days' where we come together and engage in team building activities and focus on new learnings. We are convinced that creating a workplace where people thrive and want to be together, is a key for our success and continuous growth.

In September, Areim celebrated its 20th anniversary. We hosted an event for all employees and invited guests with the theme "Future to the past." Throughout the day, we

had the opportunity to look into the future through trend analysis, delve into AI, and participate in workshops about the communities of the future. We also explored different senses, gained new perspectives on the present, and revisited Areim's history.

Getting on-board

This year we have welcomed and onboarded 21 new employees. A well-structured onboarding program sets the tone for employee engagement, accelerates the integration of new team members and establishes a foundation for long-term productivity. During two intense days our new employees get to network, meet



different colleagues and get a deep dive into Areim's history, mission, strategic direction, business model and company culture. Our core values are present in all elements, and we emphasise the importance of establishing relationships across the company.

Compensation and benefits

To ensure a fair and transparent remuneration system, our Board of Directors has adopted a comprehensive policy that outlines the system and procedures in place and applies to all employees across countries where Areim operates. The CEO reviews and sets fixed remuneration annually together with each responsible manager. Our compensation and benefits package in all countries are focused on sustainable and market competitive benefits, aligned with employee roles. We have a solid pension contribution, yearly health check and fitness allowance to encourage exercise in various forms. Since 2022 we also have a few additional days off per year close to bank holidays. We have established a framework for variable compensation prioritising transparency and competitiveness in the market while ensuring all employees can participate. The updated framework was implemented during 2023.

Every year, Areim reviews all compensation within the organisation to

identify and address any potential gender-based pay differences and to ensure equal pay for all employees. This includes conducting a survey and benchmarking to assess whether gender has influenced pay in any way. Prior to the 2023 salary review, no significant gaps were found, and we are proud of our ongoing efforts to maintain fair and equal compensation practices.

A place to learn

In the fast-paced world of business, cultivating a culture of continuous learning and development is paramount. Embracing a growth mindset within an organisation not only empowers individuals to adapt to change but also fuels collective progress. This commitment to ongoing learning becomes a catalyst for innovation, resilience, and sustained success. During the year we've had several joint educational opportunities within a variety of areas such as the energy market, health and wellbeing, IT security, anti-money laundering and conflict of interest as well as English classes to name a few. Besides offering several educational opportunities, we encourage employees to set goals on individual learning and development in our yearly development dialogues.

Another of our key initiatives is our coaching and sparring partnerships, where all employees are paired to

meet regularly and discuss individual challenges, goals, and development using a coaching approach.

Management Development Program

Leaders have a significant impact on work culture and engagement. During the autumn we started a management development program at Areim. The program builds on a framework focusing on team and individual development. To take action in between our meetings, we have created supporting groups within the program that will both challenge and accelerate our individual efforts and goals.

We also continue with our bi-monthly meetings for all managers with the purpose to encourage reflection, guidance and inspiration. We believe this is a good way to foster a collaborative environment that allows leaders to support and learn from each other in their pursuit of building effective teams.

Areim Leadership Lab

During 2023 we continued with our internal Leadership Lab. Sixteen employees participated in the program during the year and will continue as ambassadors to implement their learnings within the organisation. The program aims to increase self-awareness, cultivate business creativity, increase courage and

reinforce resilience through personal practice. It provides tools to help handle stress, reflect on complex issues, and develop group dynamics and team spirit. Our goal is to enhance the skills and abilities of our employees while contributing to the success of our organisation.

A place for well-being

Employee well-being is not just a compassionate consideration but a strategic imperative for any forward thinking organisation. Recognising and prioritising the wellbeing of employees is a direct investment in the company's success. At Areim, we prioritise well-being by taking a comprehensive approach that considers the interplay between the mind, body, and environment. We encourage self-leadership and ongoing discussions about health and wellness, and for our employees to pay attention to their own physical well-being. We also offer a generous health care allowance to our employees.



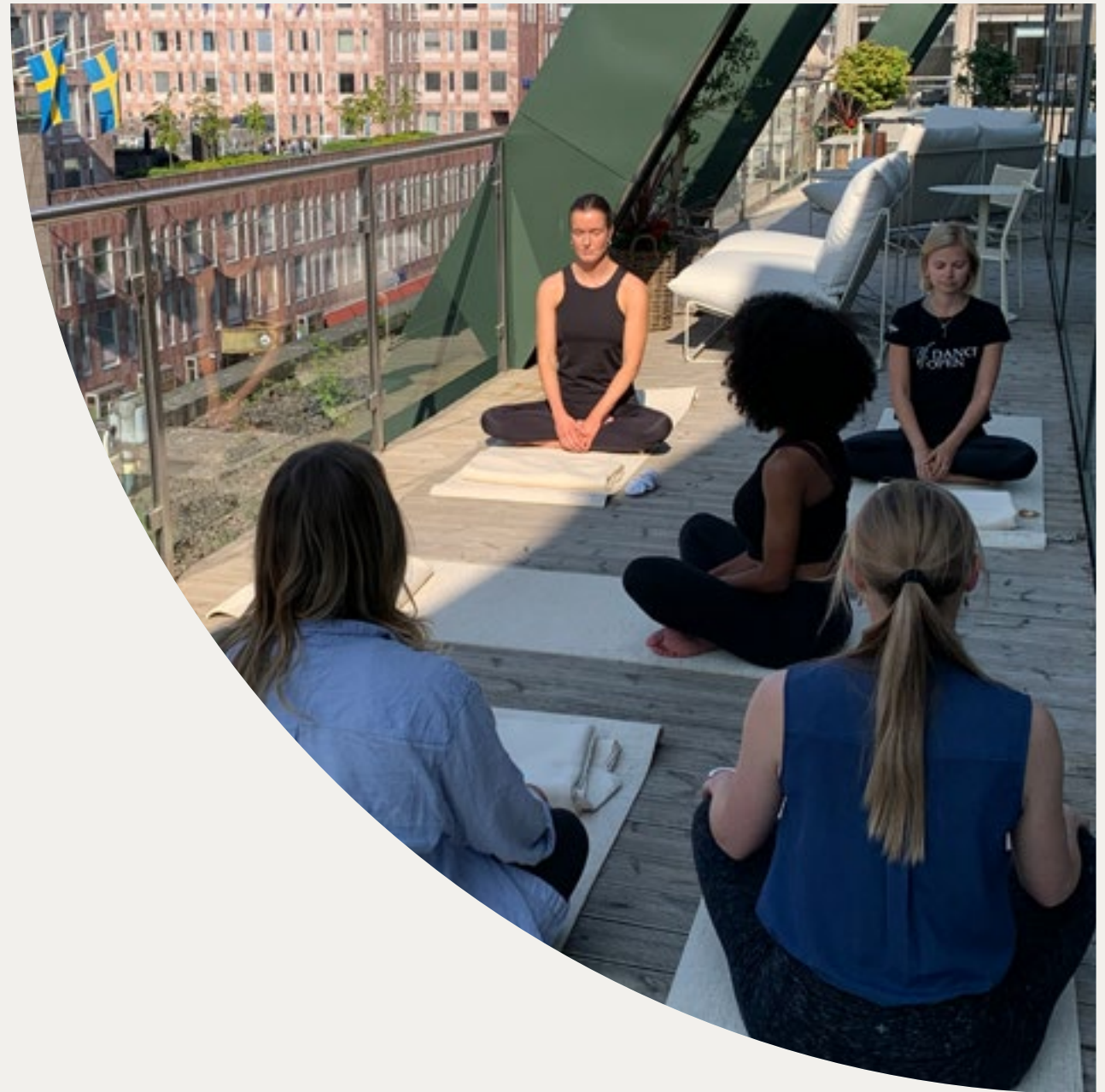
Case: Holistic health initiative

This spring, we launched our first holistic health initiative, a week full of inspiration and energising motivational activities for positive change. The programme presented diverse activities and highlighted that wellbeing starts from within, and that physical health too requires inner motivation. Throughout this week, we invited external lecturers, experts and inspirers and together, we explored everything from nutrition and various physical exercises to mental health insights, ensuring a comprehensive approach that covered different aspects of body and mind in both theory and practice. Continuing on our journey, we arranged focus days for follow-up reflections during autumn, this to remind ourselves of what we learned during the Holistic Health Week. This time, we added a theme on how to benefit from and make the most of winter daylight. Our holistic health program has been very well received and has inspired significant and lasting change for many people within our teams. The program emphasised the importance of personal growth, which often involves stepping out of our comfort zones and accommodating diverse needs and preferences.



It has been really inspiring and rewarding to lead this initiative. It has also been a personal journey of growth, from the small steps like choosing stairs over elevators to gaining deeper health insights.

Anders Lif
Residential Manager and Project Lead for the Holistic health program



Health and safety

Focus on health and safety ensures not only physical wellness but it also fosters a secure and conducive environment for optimal performance. By minimising risks and promoting a culture of preventative care, we want to create a foundation for sustained productivity and employee satisfaction.

We have a Safety Committee with four safety representatives. Their mission is to proactively make sure that we have a safe and sound working environment including looking at wellbeing and physical risks in line with the Work Environment Act. Health and safety at work, including the risks of discrimination, exhaustion, and work safety, is a material concern for us. Our personnel handbook ensures that all employees have access to information about safe and healthy working conditions, and that everyone can work without experiencing any discrimination, harassment, or bullying. In 2023, no incidents of discrimination were reported. Each year we offer and encourage all employees to attend a CPR, defibrillator and first aid course.

Promoting diversity, equality, and inclusion

As we continue to scale our business it is of utmost importance that we embrace diversity and creativity. We engage in close dialogue with

our team to ensure that every voice is heard, and every perspective is valued.

We believe in promoting diversity, equality, and inclusion by providing equal opportunities and rights to all employees regardless of their ethnic origin, gender, age or sexual orientation, and physical and mental ability. We prioritise ethical conduct and expect our employees to act with integrity. We make sure that we have meritocratic recruiting processes and encourage employees to take on new roles within the company as we grow. This year we've had 10 employees that switched roles and took on new responsibilities.

We engage in student career fairs and provide openings for internships. During the year we welcomed two interns. We continue to strive for equal opportunities and an equal workforce and as of today we are 46 percent women and 54 percent men.

Employee engagement

We use Winningtemp, an employee engagement tool that measures the organisation's temperature through weekly questions to all employees. The engagement survey is a good way to share feedback and through this we are able to follow trends on team and organizational well-being, satisfaction and performance. During 2023 we had an overall temperature of 7.5 and an Employee Net

Promoter Score (eNPS) of 39 (above 30 is considered very good) and a high participation rate of 97 percent. Identified areas of improvements relates to the work situation which we believe reflects a busy year in a challenging market. We score above average temperature in areas such as leadership, team spirit, engagement, and meaningfulness.

Development dialogue

We set high value on our performance review and career development processes to ensure that they align with our ESG priorities, business objectives, and core values. During the autumn we have engaged in setting clear strategic goals on a company level that have been distributed to team-, and individual goals to have full effect on what we want to accomplish going forward. Individual goals are set in the beginning of each year and are reviewed during the year together with the manager. Last year all employees who worked during the whole year had development dialogues with their team leaders.



Boländerna 20:1 interior, Uppsala, Sweden

The communities we cultivate

Everything we do in and around our assets, we do for the people to give them the right conditions to develop and succeed with their daily tasks. It is all about people and the communities we care for.

As part of our active asset management, we prioritise place-making, supporting positive urban development, and maintaining long-term relationships and continuous dialogue with tenants to future-proof our assets. While these efforts are successful and are driving the value of our properties, we also recognised the need to do more.

Promoting tenant satisfaction and local business

We take great pride in our close relationships with our tenants which allow us to better understand their needs and priorities. To ensure we continue to meet their expectations, we conduct an annual survey to measure tenant satisfaction, covering topics such as safety, premises pride, and overall satisfaction. By tracking these metrics, we can identify areas for improvement and work on them proactively.

Each asset's business plan includes indicators for annual monitoring and follow-up. For some of our larger investments, we have conducted neighbourhood surveys to identify opportunities for improving accessibility, creating vibrant ground floors, and enhancing outdoor environments. Using the results of the surveys have helped us develop our assets and surroundings in a way that has increased the value for both tenants and residents in the areas.

Under the right conditions, we always prioritise using local suppliers and we are especially proud of our success in supporting local businesses within our light industrial portfolio, recognising their crucial role in the local community. Our light industrial assets in Uppsala are a great example of how services provided by local tenants, such as cleaning, waste management, and flooring installation, are used within the assets.

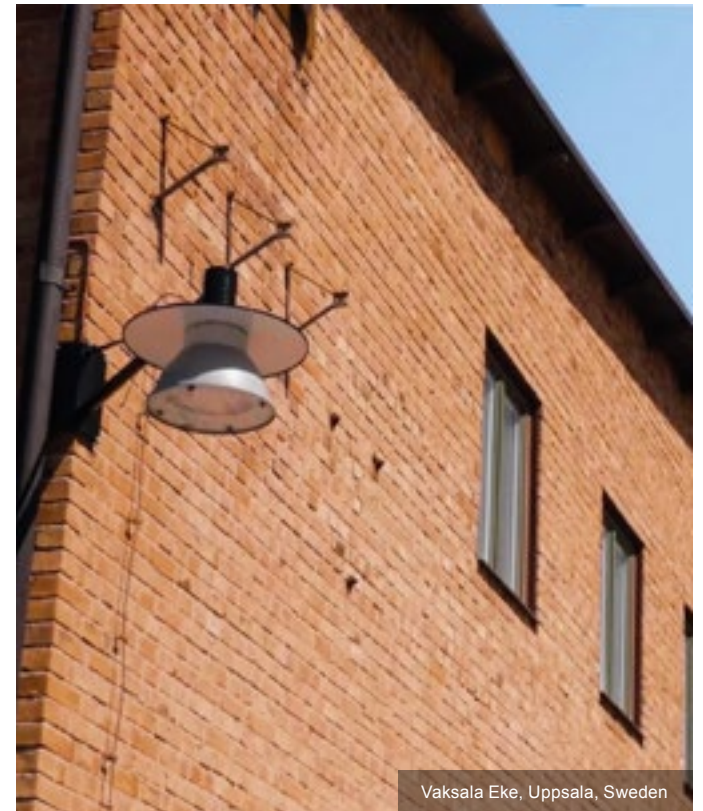
Optimising spaces for better well-being

An essential aspect of our commitment to creating social value is to establish the best possible environment for the well-being of our tenants. This is an ongoing process where, for each asset, we evaluate its potential to create a place that feels safe, inclusive, and positive. This is manifested through various initiatives. Among other things, we have implemented easily accessible bicycle parking slots with charging stations, outdoor gym, rooftop terrace to encourage outdoor gatherings, and strategic lighting to create safer areas. Also, we strive to combine factors for increased well-being, as demonstrated in our property T31, where we have installed a gym in the garage. This not only simplifies daily exercise routines but also enhances security as more people frequent the garage during extended hours of the day.

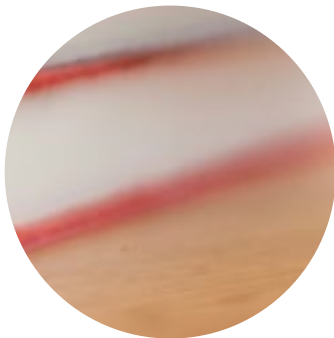
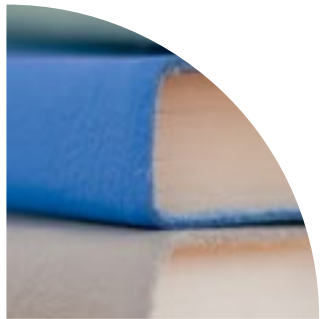
Creating attractive places and smart spaces

By developing a property project, we add value not only to the property itself, but to the tenants, end users and surrounding area as well. We aim to promote positive urban development, support dynamic communities and promote a balance between daytime and night-time activities. We also encourage shared mobility solutions and increased green spaces to create a sustainable and liveable environment.

With our assets comes a history and in many cases we follow the footsteps of a well know architect or a societal milestone. The strong identity of the building is reflected in the details during retrofitting, honoring the past and preserving a piece of history for the future.



Vaksala Eke, Uppsala, Sweden



Areim Joyful Learning

Education plays a vital role in both society and personal development. Despite our core business being in real estate, we acknowledge the profound impact that the design of schools can have on students' academic performance and mental well-being. Therefore, we've initiated Joyful Learning, an initiative aligned with SDG4, with the goal of promoting inclusive and equitable education.

In collaboration with the organisations Friends and, Mathivation we address issues such as inequality and bullying in schools to improve students' mental health and academic skills. Our partnership with UNICEF, initiated in 2016, focuses on supporting children's growth and learning in Malawi. In these partnerships we collaborate with organisations that share our objectives and strive to make a positive difference in the communities where we operate.

Through our "Joyful Learning" initiative, we apply our real estate knowledge to enhance educational environments. We conduct sessions

and develop learning materials that encourage creative problem-solving, offering guidance on how schools can design their spaces to enhance safety and promote effective learning. Importantly, we not only support teachers but also focus on educating ourselves as active owners. This approach aims to continually improve our understanding and implementation of ways to enhance the school environment, ensuring we are constantly learning and evolving in our methods to create better spaces.

Social Lease Appendix

Throughout the year, we have developed a "Social Lease Appendix" for our school assets with the aim of collaborating closer with the schools to build and upgrade inclusive and safe schools and improve educational environments that are suitable for everyone in line with the ambition in SDG 4A. This appendix aligns with the school law and other relevant regulations, emphasising our commitment to enhancing the quality of educational spaces. The social lease appendix will be tested and further developed as we move into 2024.

Supply chain management

Construction work, including new construction and refurbishments, carries in general a high risk for human rights and workplace safety breaches. 2023 saw a record number of accidents in the Swedish construction industry. Areim was affected in December 2023 when there was a severe accident related to one of our investments, Magnolia Bostad, resulting in the death of five people. An investigation has been initiated by the Swedish authorities and is expected to be finalised during 2024.

Measures to mitigate these risks include a solid governance structure including policies, the right knowledge and monitoring and management systems. Areim's suppliers are required to have a certified person covering the working environment responsibility and close monitoring of safety and environmental risks at formal meetings. To reduce risk of unfair working conditions and undeclared work, we require new contractors to comply with UE 2021 conditions. Additionally, for new construction projects, we limit sub-

contractors to two levels to ensure greater accountability for working conditions and fair labour practices.

Our code of conduct applies to all parties which Areim conducts business with, such as suppliers and contractors, including subsidiaries and sub-contractors, service providers, consultants, agents, and advisors. During 2023 Areim AB had around 250 active suppliers, a clear majority were service providers. With the inclusion of all suppliers to our funds, the number is significantly higher. The code of conduct was decided and implemented in all new contractual agreements for entrepreneurs and consultants in late 2023. During Q1 2024 we will further implement our code of conduct for suppliers with the purpose of establishing a common approach to ensure good business ethics and sound business practices to enhance our supply chain management practices.

Case: Revitalising Kravattitehdas in Helsinki

What was the Areim vision behind Kravattitehdas' redevelopment?

– Our vision was to merge contemporary work needs with the building's original architectural charm. The area, historically known for craftsmanship and industrial design, inspired us to position Kravattitehdas towards creative industries like advertising, communication agencies, and TV and film production. Today, Elimäenkatu 9a is predominantly occupied by creative industry operators. We actively incorporate the property's history into its visual identity and marketing strategies. For instance, the history is showcased on the property's website, and we offer ties or scarves to first-time visitors as a nod to our legacy.

What social initiatives have we undertaken for the tenants and the neighbourhood?

– We are always committed to creating safe environments with strong sense of community identity. We engage with tenants through annual surveys and our recently launched interactive app, Areim+, which

improves experience with features like free electric bike-sharing and parking. Areim+ is more than just a way to communicate; it is a platform for tenants to express their views or concerns and quick responses.

What impact has the redevelopment had on the local community?

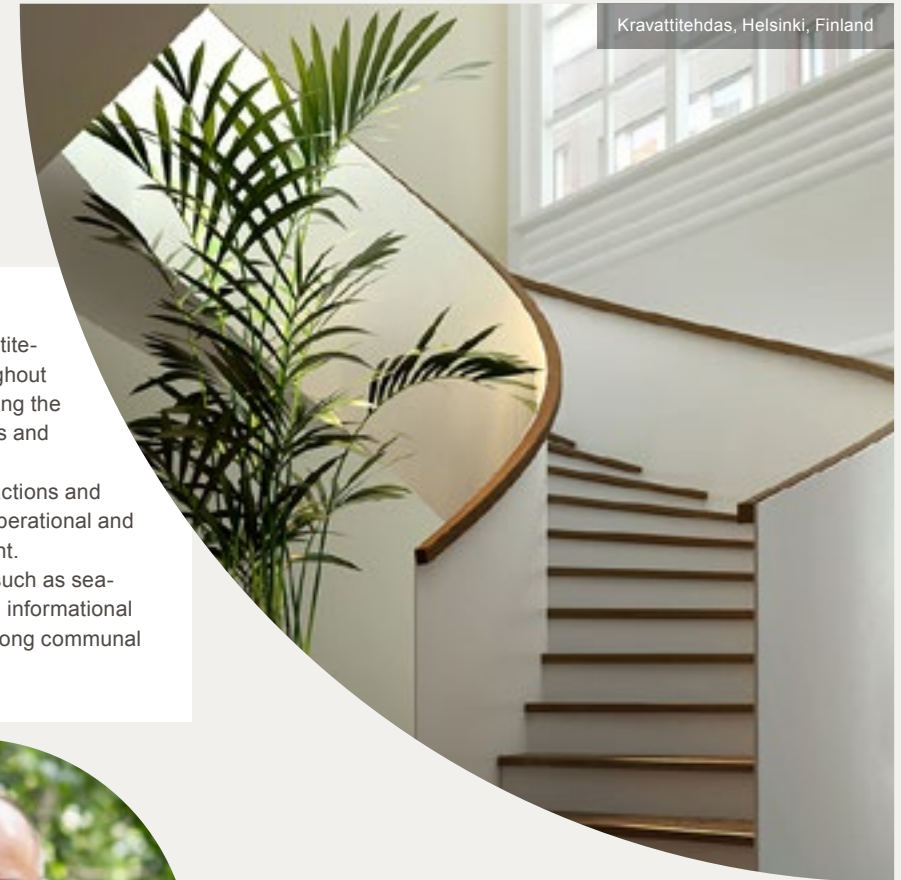
– The redevelopment has successfully enhanced Kravattitehdas' stature in the neighbourhood, making it, once more, a landmark in Vallila. It has revitalised the area, and the asset has become a community hub of innovation, attracting a diverse range of tenants from various industries. By revitalising the community and creating attractive places we future-proof our assets and enhance the long-term value.

Kravattitehdas, also called Ellie, is a landmark property situated at the heart of Vallila, exemplifying a unique blend of historical charm and modern functionality. The property was initially a successful tie factory in the 1930s, which later expanded into scarf production. By the 1950s, it had developed into a bustling hub of 500 employees, exemplifying Finnish quality and innovation. Acquired in 2017, the properties Elimäenkatu 9 and Elimäenkatu 15 have undergone a transformation, aligning with the changing dynamics of today's work life while respecting its rich heritage.

Hannu Tammia
Asset Manager

Main achievements

- The history of Kravattitehdas is shown throughout the premises, enriching the experience of tenants and visitors.
- Regular tenant interactions and feedback drive our operational and strategic improvement.
- Community events, such as seasonal gatherings and informational sessions, foster a strong communal spirit.



Kravattitehdas, Helsinki, Finland

Delivering on promises

We recognise that culture plays an important role in governance, and we work hard to foster a culture of responsibility, accountability and transparency. We strive to create a work environment that encourages open communication and values diverse perspectives. 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. Delivering on promises defines our commitment to creating long-term financial results with transparent governance while staying compliant with and ahead of regulatory requirements.

Delivering sustainable results require 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.

Combating anti-money laundering and corruption

The risk of being exposed to money laundering and the financing of terrorism varies with time and factors such as which customers, geographical areas, delivering channel, product or service we interact with. 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.

Annual training

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 2023, 86 percent of all employees and consultants completed this training. We had no confirmed incidents of corruption during 2023 (no incidents 2022).

With the objective to get a better understanding of the activities required to achieve a transition to a sustainable future and new regulatory requirements several training sessions have been conducted, directed to different parts of the organisation. This included online training with a focus on Sustainable Finance and seminars focusing on climate related risks (the CRREM tool) and the new energy landscape. Areim also holds training sessions on our key policies including conflict of interest and our ethical policy.

Conflict of interest

Conflicts of interest can arise in all lines of business that Areim is involved in. Preventive action to identify and mitigate conflicts of interest is therefore implemented in accordance with Areim's Conflict of Interest Policy. An annual self-assessment is conducted to identify new conflicts of interest and to review measures. Identifying potential conflicts of



interest is the responsibility of all Areim employees where necessary, we will then take mitigative action to manage the conflict to ensure investors' interests are not compromised. All identified conflicts of interest and any mitigative actions are documented and archived. Each investment agreement includes a commitment to inform investors about conflicts of interest that arise during fund raising and management. In addition, the fund's advisory board needs to

approve all identified conflicts of interest and suggested mitigators.

Our Whistleblower channel

Areim has established a whistleblowing process, in line with the new Swedish Whistleblowing Act (2021:890), where the employees, contractors, consultants, suppliers and other stakeholders can anonymously report potential or actual irregularities or failures to comply with external and Areim's internal

rules and regulations regarding financial crimes, business ethics, environmental crimes, violations of human rights, and labour rights. A whistleblowing report will be received by an independent administrator, that provides Areim with an electronic Whistleblower platform, the reporter will be contacted within 7 days and receive confirmation that the report has been received by Areim.

The report will be assessed by the Whistleblowing Committee (WBC), consisting of the Head of People and Culture and Head of Regulatory Affairs at Areim. If the report concerns either of these two people, this person will be replaced with the deputy CEO. All alerts are handled with care and integrity and the process ensures that the reporting individual is protected from any negative impact. Critical alerts are reported to the Board of Directors.

Climate Change

Climate change affects the real estate sector in many ways. Landslides, rising sea levels, extreme weather events and higher temperatures can pose risks to properties and infrastructure. On the other hand, policies to mitigate and adapt to climate change can create new opportunities for green and resilient buildings. As fund manager, we need to be aware of these impacts and factor them into our decision-making processes. Assessing climate-related risks (physical and transition) is therefore an integral part of our

investment screening, due diligence process and business plan process. In 2023, two major climate-related assessments were initiated for directly-owned investments, a physical climate risk assessment and a transition risk assessment using the CRREM tool.

Physical climate related risk

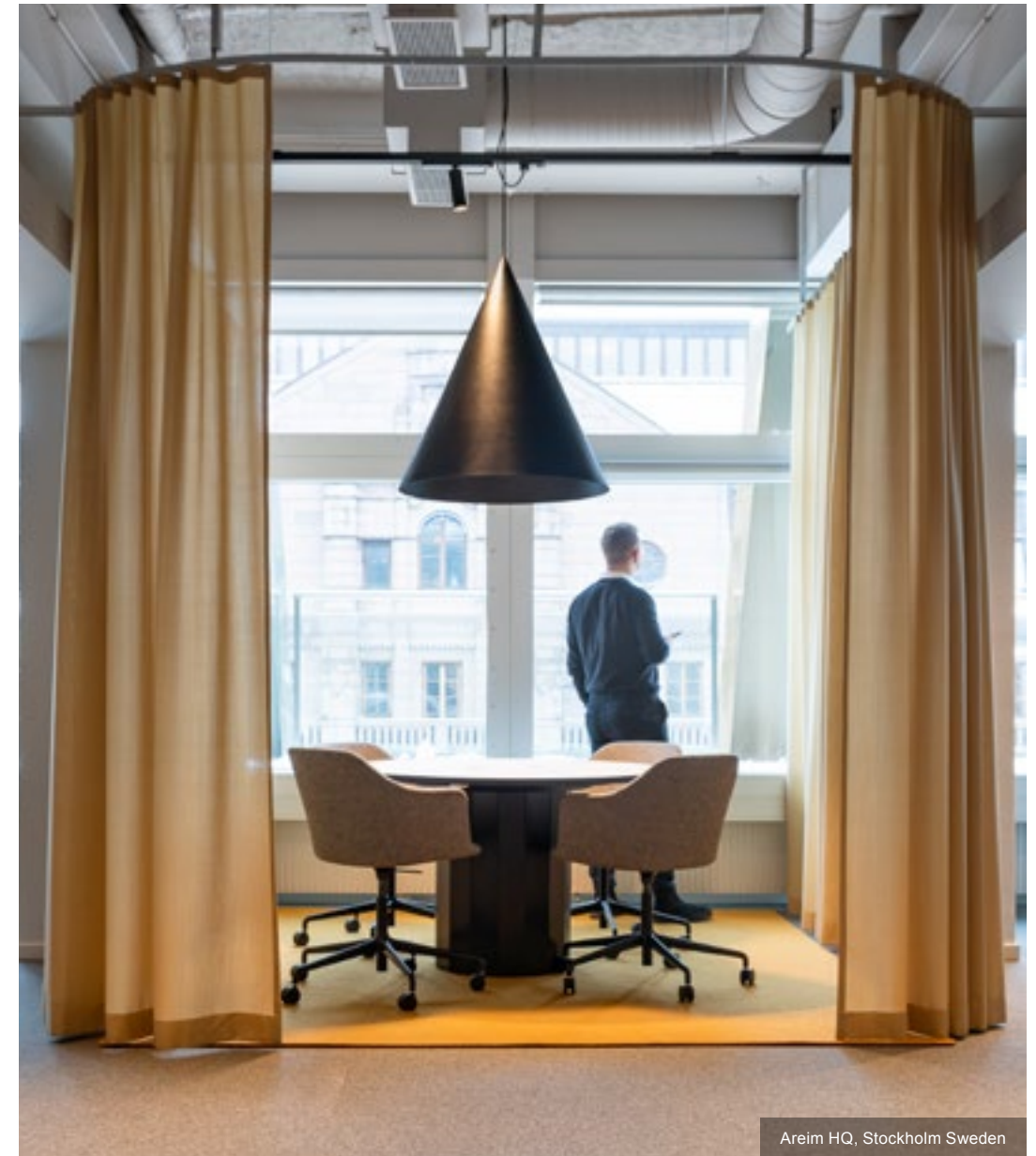
With climate change comes extreme weather events. To assess the asset specific physical climate related risks, we evaluate possible consequences from rising temperature, wind, water and solid mass. In the Nordics, the most material physical risks are water related risk, e.g. coastal flooding, river flooding and extreme rainfall, and risk from solid mass like landslide, rockfall, erosion. The risks are highly dependant on the specific geographical location and must be evaluated on an investment level.

A desktop analysis was conducted in 2021 to determine the level of physical climate-related risk in our funds. An external upgrade of the analysis was initiated in late 2023 and completed in early 2024. The upgrade included ensuring uniform methodology in accordance with current guidelines and developing a risk index to evaluate and categorise our assets into the following categories low, medium and high risk. All directly-owned assets were assessed based on their geographical location. For our taxonomy aligned assets, a complementary vulnera-

bility assessment was conducted. The risk assessment applies a time horizon up to the year 2100 in evaluating physical climate-related risks, following current industry guidelines. RCP 4.5 is applied for simulating future climate scenarios, which is an intermediate climate scenario used by IPCC and projects peak greenhouse gas emissions by 2040.

Transition risks

In 2023 Areim conducted a major screening of the portfolio using the CRREM tool to evaluate the individual assets and Fund III, IV and V (directly-owned investments) portfolio's carbon emission performance against targets in line with the Paris Agreement. The tool identifies the stranding year, defined as when the asset is no longer complying with the decarbonisation pathway for the first time. Four of the assets are currently stranded in the 1.5-degree pathway with the location-based approach. Most of the assets are projected to strand between 2030 and 2050. 15 out of the 76 assets screened will not strand before 2050. The CRREM tool is one way of analysing transition risks at asset and portfolio level. Examples of such risks are shifts in market expectation, stricter regulation, reputation risk, higher costs, decreased demand for assets with high energy consumption and poor greenhouse gas performance, et cetera. The screening included both greenhouse gas performance and energy performance.



Areim HQ, Stockholm Sweden

Top tier in global benchmark

GRESB

GRESB has become the global benchmark and reporting framework for ESG assessments in real estate. Our ongoing participation in GRESB allows us to enhance sustainability practices, contributing to our industry's progress. Our GRESB score has consistently improved since Areim first began reporting in 2011. Our strong GRESB result, reflects our teamwork and commitment to sustainability, all driven by our ambition to drive lasting improvements in the built environment.

Areim Fund III ★★★★★

Standing investments

- Maintained five-star status
- Ranked 3 in the peer group (3 out of 14) compared to 6 of 20 previous year
- Increased score by 3 points to 91/100 (peer group average 84)

Areim Fund IV ★★★★★

Standing investments

- Maintained four-star status
- Obtained a score of 84/100 (peer group average 68)
- Ranked 3 in the peer group (3 of 22) compared to 4 of 27 previous year

Comments: Areim Fund II is approaching the end of fund-life with only one remaining investment and was excluded from the reporting. The fund reached a five-star status in the most recent GRESB reporting in 2021. Areim Fund V will commence reporting to GRESB in 2024.



G R E S B
★★★★★ 2022

Data-driven approach to monitor and review

The requirements for accurate and reliable ESG data are increasing year by year, both regarding data quality and data traceability. This means we need to ensure that the quality and traceability of our ESG data meets the growing requirements for reporting and transparency, also to ensure the best possible analysis.

Digital data platform

In 2022, a process to digitalise the ESG data collection to an ESG platform was initiated. This process was further developed during 2023 with the aim of improving data quality and streamlining internal processes to ensure we meet future reporting requirements. Our data platform is providing us with better conditions for analysis and comparison between assets and will help reduce the risk of inaccuracies, enable better data-tracking as well as increase visibility of selected indicators and KPIs.

The platform includes energy and water consumption data, EPC levels, waste measures, certification levels, data on renovations, refrigerants et cetera. In addition, the data from the Mestro platform will be automatically sent into the ESG platform. In the near future we plan to automate other data flows as well such as waste data.

Most of our systematic environmental work is data-driven and done in our daily operations. Since 2020, we use the data portal Mestro to monitor the energy and water consumption data in our properties. The energy consumption is measured and monitored on a property level and then aggregated to fund level. Mestro collects data automatically from the energy and water providers on a property level.

Reporting

Each asset's ESG data is compiled and made available to the asset's steering group. Aggregated ESG data for Areim as well as the Funds is reported to the Board of Directors on a regular basis. ESG data reporting, including Areim's yearly sustainability report, is handled within our three lines of defence model.

Building certifications

Environmental building 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. Our aim is to certify our assets according to well know building rating systems such as BREEAM, LEED, Svanen, EU Green Building, Miljöbyggnad or Miljöbyggnad iDrift or similar certification.

Greening loan facility

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

We always try to identify green financing solutions when possible and continuously have a dialogue with our financing suppliers of green/ greening or sustainability linked facilities.

Policies and manuals

Areim's internal rules aim to regulate the organisation to ensure business integrity, transparency of activities, control over management and decision making, as well as compliance obligations arising from external regulations.

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 Alternative Investment Fund Manager Act and to manage its risks associated with non-compliance.

Responsibility: Compliance Officer

ESG policy

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. To prevent and reduce negative impact Areim commits to follow the precautionary principle and work for compliance with the Ten Principles of Global Compact, UN Guiding Principles for Businesses and Human Rights, OECD's Guidelines for Multinational Enterprises, including the International Labour Organisation's (ILO) declaration on Fundamental Principles and Rights at Work and ILO's eight core conventions.

*Responsibility: Head of Sustainability
Available on Areim.com*

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 regulatory rules in the area may not provide adequate guidance.

Responsibility: Human Resources

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.

Responsibility: Finance and Transactions

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.

Responsibility: Human Resources

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.

Responsibility: Risk function

Policy on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Procedures

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.

Responsibility: Legal

IT and Information Security Policy

Areim must 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.

Responsibility: Operations

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.

Responsibility: Operations

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.

Responsibility: Human Resources
 Liquidity management policy
 Areim must keep an appropriate liquidity management system and effective procedures to maintain the investment strategy, the liquidity profile and the redemption terms of each alternative investment fund it manages. The policy sets out the rules and basic principles for liquidity management at Areim. It also defines the organisation for liquidity management, including roles and responsibilities.

Responsibility: Fund Management

Accounting & valuation policy

Areim is required to have an accounting policy and a valuation policy to ensure that the net asset value ("NAV") of each AIF is accurately calculated based on applicable accounting rules and standards. The valuation rules determined in the policy are a vital part of fulfilling the accounting requirements.

Responsibility: Finance

Conflicts of Interests Policy

The policy describes and establishes the process within Areim preventing conflicts of interest from adversely affecting the interests of Areim's investors and the alternative investment funds managed by Areim.

Responsibility: Regulatory

Policy on Investment Decisions and Procedures

Areim is obliged to have internal rules to ensure that the investment process is conducted in accordance with laws and regulations. The purpose of the policy is to ensure that investments are in line with objectives, strategy, and risk limits.

Responsibility: Transactions and Fund Management

Code of Conduct for Suppliers

The Code is based on the Ten Principles of the UN Global Compact. It is aligned with our corporate values to uphold the highest ethical standards and provide transparency. The Code applies to parties with which Areim conducts business, such as suppliers and contractors, including subsidiaries and sub-contractors, service providers, consultants, agents, and advisors. The supplier agrees to comply with the Code of Conduct by entering into agreements with us.

Responsibility: Sustainability and Asset Management
 Available on Areim.com





Cooperation

Strategic memberships

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









INREV

We have been a proud and active member of INREV, Europe's leading platform for sharing knowledge on the non-listed real estate industry, since 2003. As one of the earliest members, we have experienced firsthand the benefits of the INREV membership, which includes access to market research, networking opportunities, and industry events. Areim is committed to INREV's goal of improving transparency, professionalism, and best practices across the sector to make the asset class more accessible and attractive to investors. We follow the INREV definitions and guidelines on fund reporting and actively participate in several seminars and training sessions each year to continuously develop our best practices and reporting methods. Leif Andersson, the founder of Areim, was one of the founding members of the organisation.

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. Areim has been reporting to GRESB since 2011.

SGBC

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 ac-

tion 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.

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

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 350 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.

Key partnerships

Areim always aims to find ways to contribute to a society we all want to be part of, working with both accountability and intention in our social partnerships. We contribute to organisations that work with important social objectives. These partnerships are a complement to our social sustainability work as the organisations possess expertise in how to contribute to inclusive and thriving communities.



UNICEF

We have supported UNICEF for many years. Companies for Malawi is a project where Areim together with other Swedish property companies supports UNICEF's work with the vulnerable children in Malawi, one of the poorest countries in the world. Areim has been supporting the project since 2010. The project supports UNICEF's program on protecting children from violence, abuse, and exploitation.

Friends

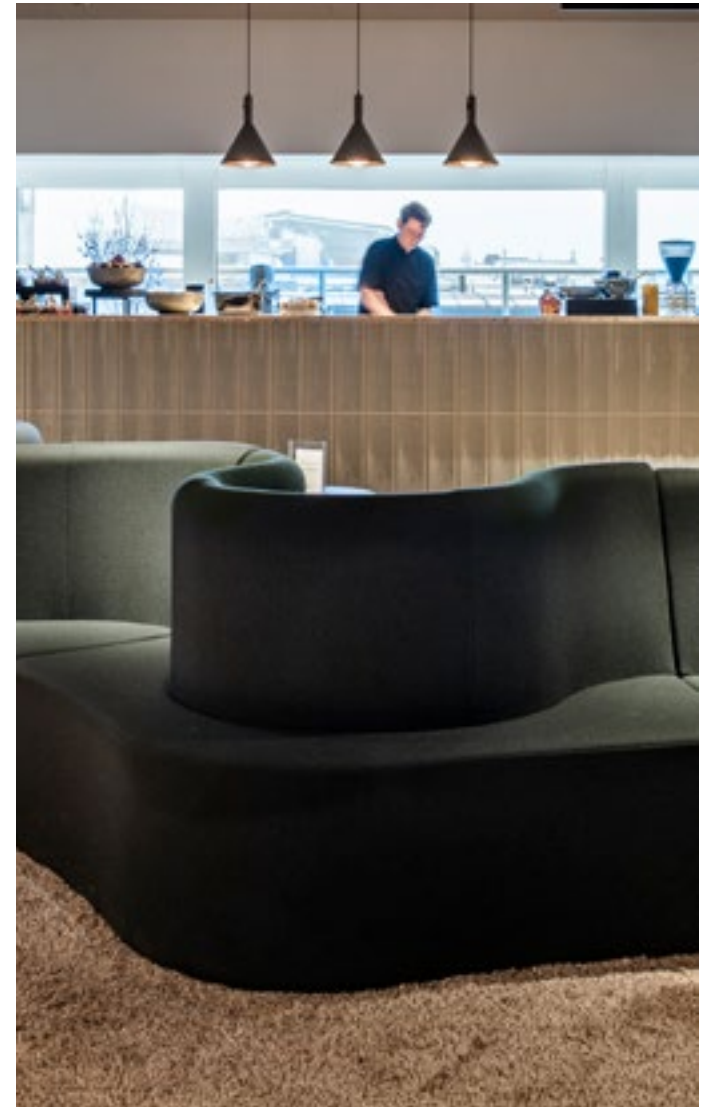
Friends is a well-known and well-reputed children's rights organisation that has been working for over 20 years to prevent bullying and to promote safe environments for children. In partnership with Swedish universities and as part of an international network, Friends initiates, and conducts research 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. Since 2021, Areim has sponsored Friends as part of our Joyful Learning initiative.

Mathivation

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. Through our partnership with Mathivation, we support 20,000 students annually across 17 schools to improve their chances of meeting the requirements for higher education.

Diversity Talks Real Estate (DTRE)

Diversity Talks Real Estate (DTRE) 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. Areim offers employees to participate in various courses provided by DTRE to empower more colleagues to build confidence in public speaking, such as industry events and panel discussions as well as expand their business network.





Sustainability data

Investment list

Including directly-owned properties and financial investments as of 2023-12-31

Fund	Type of investment	Investment name	Property name	Lettable area (sqm)*	Location	Country	Certification and level**	Segment
II	Property	Hansa	Lybeck 10	23,977	Malmö	Sweden	BREEAM In-Use, Excellent	Mixed
II	Property	Hansa	Stadt Hamburg 14	10,698	Malmö	Sweden	BREEAM In-Use, Very good	Mixed
III	Financial	Odde	Stockholm Odde 1	13,399	Stockholm	Sweden	-	Residential development
III	Property	Trängkåren 6	Trängkåren 6	39,875	Stockholm	Sweden	Miljöbyggnad Gold	Office
III	Property	Ellie/Kravattitehdas	Elimäenkatu 9	11,834	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Property	Ellie/Kravattitehdas	Elimäenkatu 15	13,261	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Property	Monopoly	Lemuntie 3-5	4,905	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Property	Monopoly	Lemuntie 7	2,819	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Property	Monopoly	Tekniikantie 4	19,805	Helsinki	Finland	BREEAM In-Use, Very good	Office/Education
III	Property	Monopoly	Poikkikuja 7	5,747	Vaasa	Finland	BREEAM In-Use, Very good	Office
III	Property	Monopoly	Ruoholahdenkatu 14	2,856	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Property	Erottajankatu	Erottajankatu 15-17	2,093	Helsinki	Finland	BREEAM In-Use, Very good	Office
III	Financial	Obligo	1 asset	9,474	Stockholm	Sweden	BREEAM In-Use, Excellent	Office
III	Financial	Sponda	90 assets	43,232	Finland	Finland	62 % BREEAM In-Use, Very good/Excellent	Mixed

Fund	Type of investment	Investment name	Property name	Lettable area (sqm)*	Location	Country	Certification and level**	Segment
IV	Property	Trängkåren 7	Trängkåren 7	32,345	Stockholm	Sweden	BREEAM In-Use, Very good	Office
IV	Property	Ångtvätten	Ångtvätten	35,444	Stockholm	Sweden	BREEAM In-Use, Very good	Office/Education
IV	Property	Vallila Corner	Kuortaneenkatu 2	15,887	Helsinki	Finland	BREEAM In-Use, Excellent	Office
IV	Property	Helene	2 assets	7,395	Helsinki	Finland	-	Office
IV	Property	Haiku	Koy Kaikukatu 3a	5,156	Helsinki	Finland	-	Office
IV	Property	Hartford	Koy Hämeentie 31	7,674	Helsinki	Finland	-	Office
IV	Property	Frederiksberggade 24	Frederiksberggade 24	5,731	Brøndby	Denmark	-	Mixed
IV	Property	Trädgården	Trädgården	-	Stockholm	Sweden	-	Residential development
IV	Property	LI Platform Sweden	29 assets	107,509	Sweden, Finland	Sweden, Finland	38% Miljöbyggnad iDrift Silver/Miljöbyggnad iDrift Bronze	Light industrial
IV	Property	LI Platform Finland	4 assets	11,089	Helsinki	Sweden	-	Light industrial
IV	Property	Opera Portfolio	16 residential assets	50,436	Greater Helsinki	Finland	5% BREEAM In-Use, Very good	Residential
IV	Financial	Ankarhagen	38 assets	23,352	Pan-Sweden	Sweden	20% Miljöbyggnad iDrift Silver	Light industrial
V	Property	Lybeck	Lybeck 2 & Ladugårdsgärdet 1:51	29,305	Stockholm	Sweden		Office
V	Property	LI Platform Sweden	26 assets	97,684	Sweden	Sweden	18% Miljöbyggnad iDrift Silver	Light industrial
V	Property	LI Platform Finland	4 assets	20,398	Finland	Finland		Light industrial
V	Property	LI Platform Denmark	1 asset	15,056	Denmark	Denmark		Light industrial
V	Property	LI Platform Norway	1 asset	5,105	Norway	Norway		Light industrial
V	Financial	Magnolia	16 assets	52,593	Stockholm	Sweden	90% Miljöbyggnad iDrift Silver	Residential
EcoDc	Financial	Data centre	2 assets	24,392	Falun, Piteå	Sweden		Data centre

*for financial investments, the fund's share of the lettable area is reported.

**percentages pertain to the share of lettable area certified

GRI 401-3 Parental leave** Percentage shares are calculated as the number of employees who took parental leave during the year over the number of employees as of year-end	2023										2022									
	Total		Sweden		Finland		Norway		Denmark		Total		Sweden		Finland		Norway		Denmark	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employees who took parental leave	5	4	5	2		1		1				7	2							
Share of employees who took parental leave (%)	11	8	14	5		14		33				18	5							
Number of employees returned to work in the reporting period after parental leave ended	4	3	4	1		1		1				3	2							
Number of employees returned to work after parental leave and still employed 12 months later	2	2	2	1		1						6	7							
GRI 404-3 Proportion of employees who received PDP Personal Development Plan (%) Percentage shares are calculated as the number of employees who received a PDP during the year over the number of employees as of year-end	2023										2022									
	Total		Sweden		Finland		Norway		Denmark		Total		Sweden		Finland		Norway		Denmark	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Management Group	100	100	100	100								100	100							
Managers	100	100	100	100	100	100		100		100		100	100							
Employees	98	100	95	100	100	100		100		100		86	97							
GRI 405-1 Diversity of governance bodies and employees All countries	2023										2022									
	Total		Board of directors		Management Group***		Managers		Employees		Total		Board of directors		Management Group***		Managers		Employees	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Female	50		1		6		12		31	48		1		9		7		31		
Male	55		2		3		10		40	53		2		9		5		37		
Total	105		3		9		22		71	101		3		18		12		68		
<30	22								22	22									22	
30-50	64				6		17		40	60				15		10		35		
>50	19		3		3		5		9	19		3		3		2		11		
Total	105		3		9		22		71	101		3		18		12		68		

***Management group includes some of the managers.

GRI 405-1 Diversity of governance bodies and employees (%) All countries	2023					2022				
	Total	Board of directors	Management Group***	Managers	Employees	Total	Board of directors	Management Group***	Managers	Employees
Female	48	33	67	55	44	48	33	50	58	46
Male	52	67	33	45	56	52	67	50	42	54
Total	100	100	100	100	100	100	100	100	100	100
<30	21				31	22				32
30-50	61		67	77	56	59		83	83	51
>50	18	100	33	23	13	19	100	17	17	16
Total	100	100	100	100	100	100	100	100	100	100

*Based on head-count method.

**Based on permanent employees

***Management group includes some of the managers.

GRI 203-1 Infrastructure investments and services supported (tkr) Organisations:	2023	2022
Friends	700	700
Mathivation	625	625
UNICEF	250	750
Diversity talks real estate	90	90
Total	1,665	2,165



Areim AB – Environmental indicators

The following applies to all environmental indicators tables

The equity share method was used to calculate the indicators. The equity share in Magnolia Bostad AB has increased during 2023. To achieve 100 percent coverage for directly-owned properties, energy data was estimated when actual data was unavailable. To enhance internal reporting processes and align more closely with INREV standards, the classifications of landlord and tenant controlled electricity were modified during the year. The heating data mainly consists of measured data; when unavailable, normalized data was used. Reported water consumption is based on actual meter readings, data is collected regularly via a property monitoring system

for tracking and analysis. There is an degree of uncertainty in the water consumption data since the data is not stored, and there is no other underlying evidence for the consumption. To prevent misstatements a monthly analytical review is performed by the technical manager and/or the energy team.

The 2022 energy-related indicators have been revised from last year's Sustainability Report as the result of an internal review of the underlying data during the second half of 2022. Furthermore, the 2022 GHG intensity indicators have been recalculated using lettable area instead of total area to allow for comparability between the years.

Areim AB						
Total lettable area (sqm)	2023		2022		Change	
Total lettable area	845,534		888,717		-5%	
302-1 Energy consumption within the organization (MWh)	2023		2022		Change	
Cooling	1,466		5,510		-73%	
Electricity total	109,058		71,826		52%	
Electricity purchased by tenant	59,282		23,136		156%	
Electricity purchased by landlord	49,776		48,690		2%	
Heating	57,244		58,033		-1%	
Total energy	167,768		135,369		24%	
Total energy, excl. tenant electricity	108,486		112,233		-3%	
302-3 Energy intensity (kWh/sqm)	2023		2022		Change	
Cooling	1.7		6.2		-72%	
Electricity total	129.0		80.8		60%	
Electricity purchased by tenant	70.1		26.0		169%	
Electricity purchased by landlord	58.9		54.8		7%	
Heating	67.7		65.3		4%	
Total energy per sqm	198.4		152.3		30%	
Total energy per sqm, excl. tenant electricity	128.3		126.3		2%	
303-3 Water withdrawal (m³)	2023		2022		Change	
Coverage of sqm (actual data)	96% (96%)					
Total water withdrawal	348,930		151,356		131%	
Own indicator: Water withdrawal (m³/sqm)	2023		2022		Change	
Total water withdrawal	0.4		0.2		142%	
305-1 - 305-3 GHG Emissions (tCO2e)	2023		2022		Change	
Location/Market-based approach	MB	LB	MB	LB	MB	LB
Scope 1	848	848	194	194	338%	338%
Scope 2	8,805	11,291	10,043	8,847	-12%	28%
Scope 3	23,549	23,836	17,117	17,273	38%	38%
Total emissions	33,202	35,975	27,354	26,314	21%	37%
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023		2022		Change	
Market/Location-based approach	MB	LB	MB	LB	MB	LB
Scope 1	1.0	1.0	0.2	0.2	360%	360%
Scope 2	10.4	13.4	11.3	10.0	-8%	34%
Scope 3	27.9	28.2	19.3	19.4	45%	45%
Total emissions	39.3	42.5	30.8	29.6	28%	44%

The environmental indicators for 2023 take acquisitions and divestments that have taken place during the year into account and are therefore not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are however also contributing factors to the difference in values between the years.

Areim AB		
305-1 - 305-3 GHG Emissions, details per scope (tCO2e)	2023	
	MB	LB
Scope 1		
Own energy - refrigerants	23	23
Own heating	634	634
Own vehicles	191	191
Total	848	848
Scope 2		
District heating	3,825	3,825
District cooling	8	8
Electricity	4,972	7,458
Total	8,805	11,291
Scope 3		
3.1 Purchased goods and services	5,521	5,521
3.2 Emissions from construction projects	8,963	8,963
3.2 Capital goods	4,970	4,970
3.3 Energy and fuel related activities	2,480	2,767
3.4 Upstream transports	347	347
3.5 Waste	78	78
3.6 Business travel	373	373
3.7 Commuting	110	110
3.8 Leased Assets	2	2
3.13 Waste from tenants	38	38
3.13 Tenant electricity	667	667
Total	23,549	23,836
Total emissions		
Total	33,202	35,975

Total directly-owned						
Total lettable area (sqm)	2023		2022		Change	
Total lettable area	590,304		579,124		2%	
302-1 Energy consumption within the organization (MWh)	2023		2022		Change	
Property Energy Coverage of sqm (actual data)	100% (52%)					
Cooling	312		3,089		-90%	
Electricity total	56,811		51,657		10%	
Electricity purchased by tenant	26,402		19,714		34%	
Electricity purchased by landlord	30,409		31,944		-5%	
Heating	41,860		39,036		7%	
Total energy	98,984		93,782		6%	
Total energy, excl. tenant electricity	72,581		74,069		-2%	
302-3 Energy intensity (kWh/sqm)	2023		2022		Change	
Cooling	0.5		5.3		-90%	
Electricity total	96.2		89.2		8%	
Electricity purchased by tenant	44.7		34.0		31%	
Electricity purchased by landlord	51.5		55.2		-7%	
Heating	70.9		67.4		5%	
Total energy per sqm	167.7		161.9		4%	
Total energy per sqm, excl. tenant electricity	123.0		127.9		-4%	
303-3 Water withdrawal (m³)	2023		2022		Change	
Coverage of sqm (actual data)	100% (100%)					
Total water withdrawal	217,253		119,157		82%	
Own indicator: Water withdrawal (m³/sqm)	2023		2022		Change	
Total water withdrawal	0.4		0.2		79%	
305-1 - 305-3 GHG Emissions (tCO2e)	2023		2022		Change	
Location/Market-based approach	MB	LB	MB	LB	MB	LB
Scope 1	657	657	171	171	285%	285%
Scope 2	6,907	7,654	7,854	5,779	-12%	32%
Scope 3	10,341	10,608	3,593	3,693	188%	187%
Total emissions	17,905	18,919	11,617	9,642	54%	96%
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023		2022		Change	
Market/Location-based approach	MB	LB	MB	LB	MB	LB
Scope 1	1.1	1.1	0.3	0.3	278%	278%
Scope 2	11.7	13.0	13.6	10.0	-14%	30%
Scope 3	17.5	18.0	6.2	6.4	182%	182%
Total emissions	30.3	32.0	20.1	16.6	51%	92%

The environmental indicators for 2023 take acquisitions and divestments that have taken place during the year into account and are therefore not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are however also contributing factors to the difference in values between the years.

Total directly-owned		
305-1 - 305-3 GHG Emissions, details per scope (tCO2e)	2023	
	MB	LB
Scope 1		
Own energy - refrigerants	23	23
Own heating	634	634
Own vehicles		
Total	657	657
Scope 2		
District heating	3,697	3,697
District cooling	3	3
Electricity	3,207	3,954
Total	6,907	7,654
Scope 3		
3.1 Purchased goods and services	4,313	4,313
3.1 Emissions from construction projects	4,651	4,651
3.3 Energy and fuel related activities	867	1,134
3.4 Upstream transports		
3.5 Waste		
3.6 Business travel		
3.13 Waste from tenants	37	37
3.13 Tenant electricity	475	475
Total	10,341	10,608
Total emissions		
Total	17,905	18,919

Areim office						
302-1 Energy consumption within the organization (MWh)	2023		2022		Change	
Energy Coverage of sqm (actual data)	100% (100%)					
Cooling	15		14		6%	
Electricity total	98		83		18%	
Electricity purchased by tenant	65					
Electricity purchased by landlord	33					
Heating	54		32		65%	
Total energy	167		130		29%	
Total energy, excl. tenant electricity	101		130		-22%	
303-3 Water withdrawal (m³)	2023		2022		Change	
Coverage of sqm (actual data)	100% (100%)					
Total water withdrawal	525		640		-18%	
305-1 - 305-3 GHG Emissions (tCO2e)	2023		2022		Change	
Location/Market-based approach	MB	LB	MB	LB	MB	LB
Scope 1	7	7	6	6	24%	24%
Scope 2	5	7	2	7	187%	-8%
Scope 3	444	445	161	162	176%	175%
Total emissions	456	459	168	175	171%	162%

Management information



Board of Directors Chairman of the Board

Niklas Johansson is the non-executive chairman of Areim's board since 2015. Before joining Areim's board Niklas was head of the Innovation and State Enterprises Department at the Ministry of Enterprise and Innovation. Niklas has experience from several financial institutions including as group CEO of Carnegie Investment Bank AB and CEO at the Swedish branch of Evli Bank Plc as well as from Skandia and Crédit Agricole Indosuez/Chevreux Nordic.

Executive members of the Board

Elsa Stattin is a non-executive member of Areim's Board of Directors since 2023. Elsa is working as CFO at Euro Accident Livförsäkringsbolag AB, prior to this Elsa worked in various positions within the Skandia Group of Companies. Elsa has previously been a member of the Board of Skandia Fonder AB and Skandia Capital AB.

Leif Andersson is the sole founder of Areim and serves on the Board of Directors and is responsible for strategy and business development. He has 30 years of career experience in the real estate industry.

Assignment and assessment of the Board

The assignment as a member of the Board is valid until the end of the first annual general meeting held the year after the Board member was appointed. The members of the Board of Directors are appointed by the Annual General Meeting. The members of the Board are approved by the Swedish FSA (Finansinspektionen) through a suitability assessment. The Swedish FSA requires that the Board of Directors have the collective competence required to manage and supervise the company. Areim AB have two independent board members that are not dependent in relation to the company or the shareholders. The Board of Directors in Areim AB does not have stakeholder representation. Stakeholder representation is however provided in the funds managed by Areim AB. The Chairman of the Board ensures that the work of the Board is evaluated once a year and that new Board members receive appropriate training. The Board of Directors appoints and evaluates the CEO.

Collective ESG knowledge

The Board receives regular training and information on sustainable development, regulation and practises. Information is further on provided by the Regulatory and Legal team and the Sustainability team in Areim and through the Sustainable Finance Steering group, which monitors regulatory development and suggest implementational measures for the company. The Board also receives information through Areim's collaboration with external sustainability organisations and experts including our external compliance and risk functions, that provide guidance and best practises. The Board receives regular KRI reporting which includes Sustainability indicators developed by Areim.

Delegation to the Investment Committee (IC)

Areim AB's Board of Directors appoints the IC, and its members of the IC terms of reference and discusses the overall strategy for the management of the funds on a yearly basis. Through the IC terms of reference, the Board delegates portfolio management of the funds, managed by Areim AB, to the IC. The IC makes significant decisions concerning investments (including additional investments arising during the hold period), divestments, refinancing and all other matters pertaining to portfolio management. The IC perform its duties in accordance with the IC's terms reference, the funds' investment agreements, the funds' appointment agreements and Areim AB's decision rules. The IC review and monitor all risks, including sustainability risks, relating to the funds' investments. The IC is responsible for issuing fund specific strategies and risk profiles outlining and detailing the mandates and restrictions of each fund's investment agreement, side letters and other relevant documentation, directives, macro-economic factors, and market risks, as well as give guidance and set limits at individual key risk level.

IC value-add funds and Areim Pan-European Logistics Fund

Full members of the investment committees to Areim Fund II, Areim Fund III, Areim Fund IV, Areim Fund V and Areim Pan-European Logistics Fund are Leif Andersson, Therese Rattik, Erika Olsén, Erik Turai and Magnus Eriksson.

Leif Andersson, see above.

Therese Rattik, see below.

Magnus Eriksson is a Senior Advisor to Areim, and has been in leading roles, e.g., with Fourth Swedish National Pension Fund (AP4) as Deputy CEO, during which time he served as a board member of Vasakronan, Hemfosa Fastigheter and Rikshem. Today he is and IC/IAC member of PCP Transition partner fund (Proventus) and EQT Public Value Fund and a senior advisor to IMAS Foundation.

Erik Turai is the Finance Director of Areim. He is also one of the voting members of the Real Estate Investment Committee and the chairman of the valuation committee for Areim DC Fund.

Erika Olsén is Partner at Areim and one of the voting members of the Real Estate Investment Committee. She joined the company in January 2019. Prior to Areim she was CIO at Castellum.

IC Areim DC Fund

Full members of the investment committees to Areim DC Fund are Leif Andersson, Mikael Hesselvall and Johan Dettel.

Leif Andersson, see above.

Mikael Hesselvall is Mikael is a senior member of the Investor relations team and has held the different positions at Areim as CIO and Head of Investment Relations. Prior to Areim, Mikael worked with real estate corporate finance advisory at Catella.

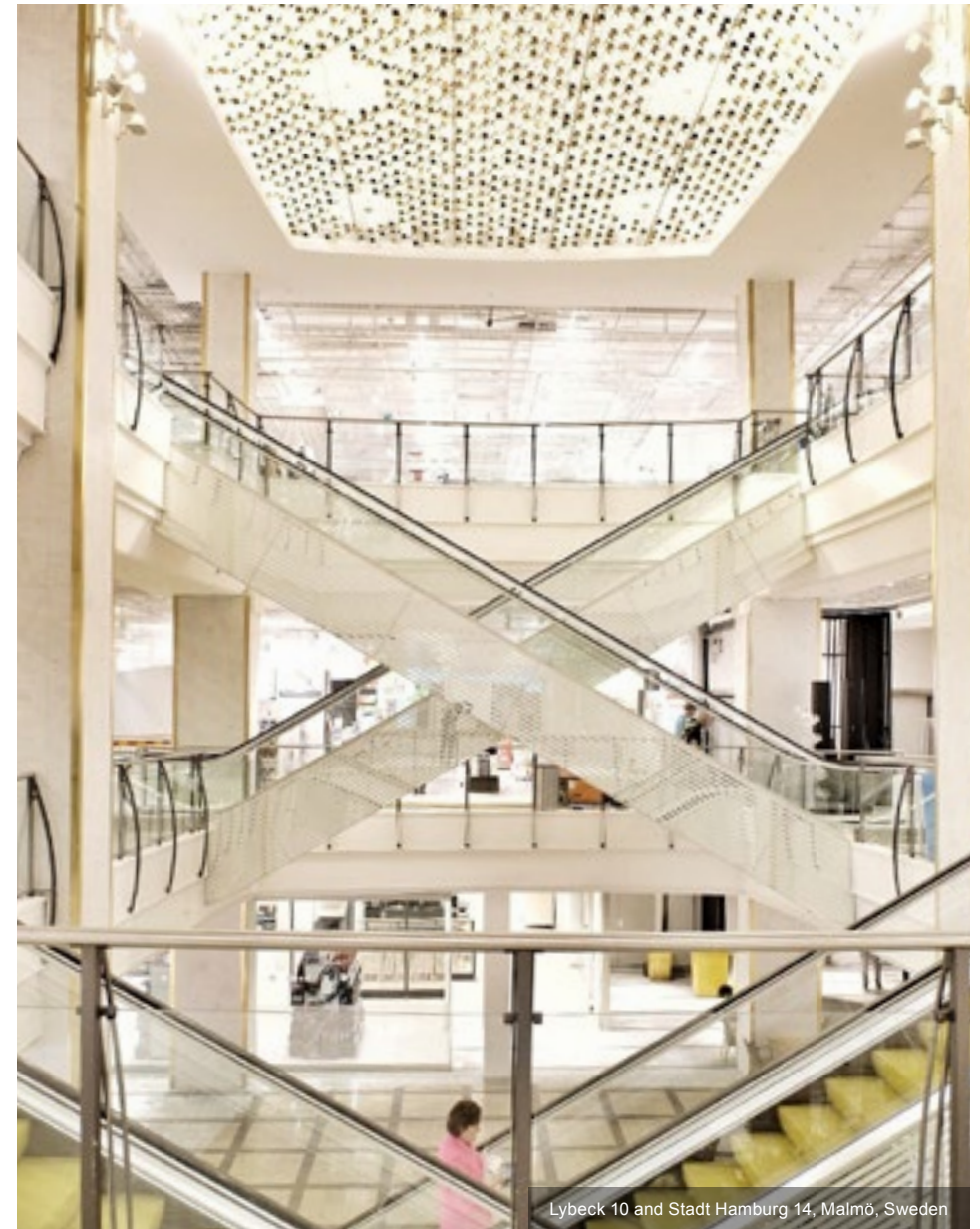
Johan Dettel is a senior advisor to Areim dedicated to the Areim DC Fund, with more than 15 years' experience from private equity and capital markets, focused on the TMT sector. Johan is currently an active board member in Iver, a Nordic provider of cloud-based IT services.

CEO

Therese Rattik is the CEO of Areim. She joined the company in 2003 and has been a partner since 2007. Therese is responsible for the overall business development and organisational changes of Areim. Therese is strongly involved in urban development issues and works towards the cities, municipalities, and politicians. She has 20 years of real estate experience and also serves as a board member of the Swedish Green Building Council.

The CEO oversees Areim's day-to-day management and makes decisions on recruitment and organisational structure and preparing instructions in line with Board policies. The CEO holds significant decision-making authority on behalf of the company and shall ensure that the accounts of the Company are properly kept in accordance with applicable laws and that the management of assets is properly managed and supervised.

In March 2024 Henrik Brinck Landelius will take over as CEO of Areim. Therese Rattik will remain in the organisation as an active partner and will become a member of the Board.

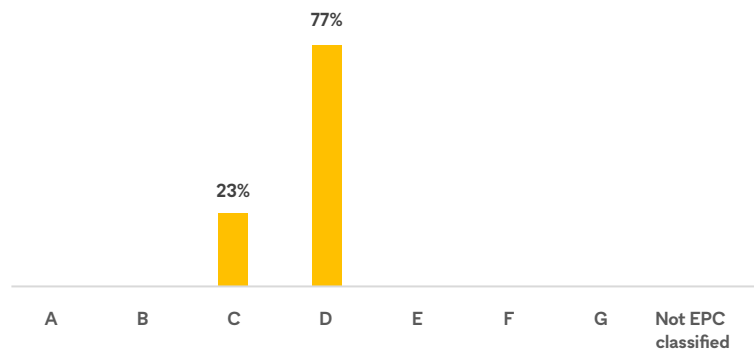


Lybeck 10 and Stadt Hamburg 14, Malmö, Sweden

Fund II Sustainability KPIs

The strategic key performance indicators for environmental improvement have been formulated to monitor and ensure progress in the performance of the assets in the fund in relation to the environmental characteristic of the fund.

Percentage of property value in the fund per EPC class



Fund II						
Total lettable area (sqm)	2023	2022	Change			
Total lettable area	34,675	34,600	0%			
302-1 Energy consumption within the organization (MWh)	2023	2022	Change			
Property Energy Coverage of sqm (actual data)	100% (68%)					
Cooling						
Electricity total	4,810	3,484	38%			
Electricity purchased by tenant	2,320	2,380	-3%			
Electricity purchased by landlord	2,490	1,103	126%			
Heating	2,298	2,171	6%			
Total energy	7,108	5,655	26%			
Total energy, excl. tenant electricity	4,788	3,274	46%			
302-3 Energy intensity (kWh/sqm)	2023	2022	Change			
Cooling						
Electricity total	138.7	100.7	38%			
Electricity purchased by tenant	66.9	68.8	-3%			
Electricity purchased by landlord	71.8	31.9	125%			
Heating	66.3	62.7	6%			
Total energy per sqm	205.0	163.4	25%			
Total energy per sqm, excl. tenant electricity	138.1	94.6	46%			
303-3 Water withdrawal (m³)	2023	2022	Change			
Coverage of sqm (actual data)	100% (100%)					
Total water withdrawal	15,636	14,647	7%			
Own indicator: Water withdrawal (m³/sqm)	2023	2022	Change			
Total water withdrawal	0.5	0.4	7%			
305-1 - 305-3 GHG Emissions (tCO2e)	2023	2022	Change			
Location/Market-based approach	MB	LB	MB	LB	MB	LB
Scope 1						
Scope 2	428	600	640	359	-33%	67%
Scope 3	83	110	341	332	-76%	-67%
Total emissions	510	709	981	691	-48%	3%
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023	2022	Change			
Market/Location-based approach	MB	LB	MB	LB	MB	LB
Scope 1						
Scope 2	12.3	17.3	18.5	10.4	-33%	67%
Scope 3	2.4	3.2	9.9	9.6	-76%	-67%
Total emissions	14.7	20.5	28.4	20.0	-48%	2%

The environmental indicators for 2023 are not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are contributing factors to the difference in values between the years.

Fund III Sustainability KPIs

The strategic key performance indicators for environmental improvement have been formulated to monitor and ensure progress in the performance of the assets in the fund in relation to the environmental characteristic of the fund.

64%

Share of green leases by rental income

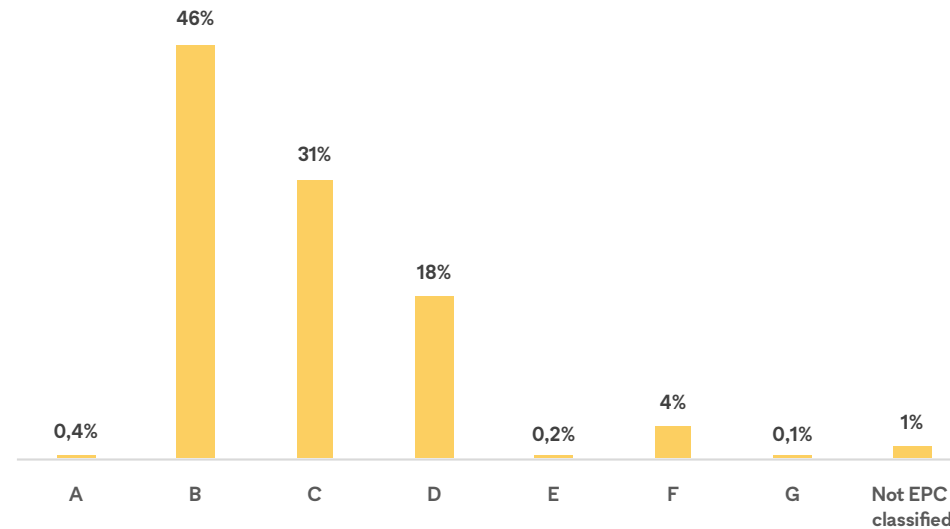
306 kW

Capacity installed geothermal energy

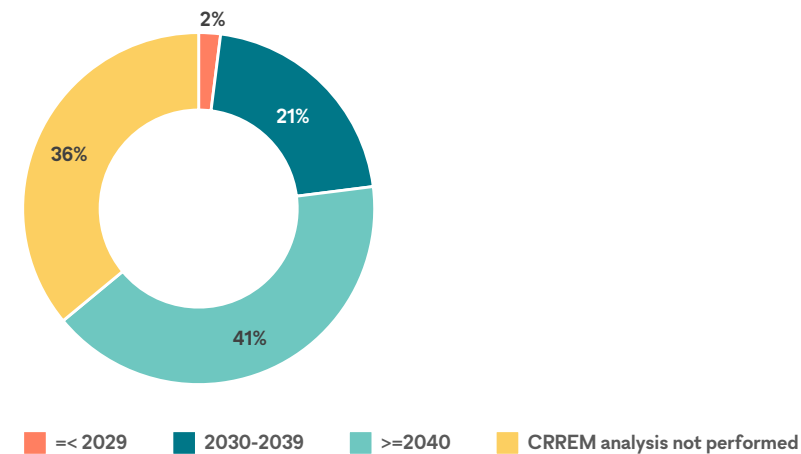
50,592 kW

Installed capacity solar panels

Percentage of property value in the fund per EPC class



Property value in the fund by stranding year according to CRREM tool



Fund III				Directly-owned						Sponda (5%)						Obligo (12.6%)											
Total lettable area (sqm)				2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change									
Total lettable area				169,299	175,125	-3%	116,594	106,121	10%	43,232	58,881	-27%	9,474	10,123	-6%												
302-1 Energy consumption within the organization (MWh)				2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change												
Property Energy Coverage of sqm (actual data)							100% (59%)																				
Cooling				736	373	98%	137	239	-43%	454			146	134	9%												
Electricity total				21,264	20,449	4%	15,604	14,751	6%	5,043	5,110	-1%	617	589	5%												
Electricity purchased by tenant				7,289	4,275	71%	5,007	3,612	39%	1,837	291	532%	445	372	20%												
Electricity purchased by landlord				13,976	16,175	-14%	10,597	11,138	-5%	3,206	4,819	-33%	172	217	-21%												
Heating				16,288	16,657	-2%	9,674	9,175	5%	6,002	6,917	-13%	612	565	8%												
Total energy				38,288	37,479	2%	25,414	24,164	5%	11,499	12,027	-4%	1,375	1,287	7%												
Total energy, excl. tenant electricity				30,999	33,204	-7%	20,408	20,552	-1%	9,662	11,736	-18%	930	915	2%												
302-3 Energy intensity (kWh/sqm)				2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change												
Cooling				4.3	2.1	104%	1.2	2.3	-48%	10.5	0.0		15.4	13.2	16%												
Electricity total				125.6	116.8	8%	133.8	139.0	-4%	116.7	86.8	34%	65.1	58.2	12%												
Electricity purchased by tenant				43.1	24.4	76%	42.9	34.0	26%	42.5	4.9	760%	47.0	36.7	28%												
Electricity purchased by landlord				82.5	92.4	-11%	90.9	105.0	-13%	74.2	81.8	-9%	18.2	21.4	-15%												
Heating				96.2	95.1	1%	83.0	86.5	-4%	138.8	117.5	18%	64.6	55.8	16%												
Total energy per sqm				226.2	214.0	6%	218.0	227.7	-4%	266.0	204.3	30%	145.1	127.2	14%												
Total energy per sqm, excl. tenant electricity				183.1	189.6	-3%	175.0	193.7	-10%	223.5	199.3	12%	98.2	90.4	9%												
303-3 Water withdrawal (m³)				2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change												
Coverage of sqm (actual data)				100% (100%)			100% (100%)			100% (100%)			100% (100%)														
Total water withdrawal				49,096	27,810	77%	32,232	12,344	161%	12,392	11,612	7%	4,471	3,854	16%												
Own indicator: Water withdrawal (m³/sqm)				2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change												
Total water withdrawal				0.3	0.2	83%	0.3	0.1	138%	0.3	0.2	45%	0.5	0.4	24%												
305-1 - 305-3 GHG Emissions (tCO2e)				2023		2022		Change		2023		2022		Change		2023		2022		Change							
Location/Market-based approach				MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB						
Scope 1				14	14							14	14														
Scope 2				2,355	3,123	4,022	2,914	-41%	7%	1,510	1,981	3,017	1,652	-50%	20%	528	1,071	899	1,221	-41%	-12%	317	71	107	41	197%	73%
Scope 3				932	1,028	6,648	6,643	-86%	-85%	334	437	793	790	-58%	-45%	575	575	5,808	5,808	-90%	-90%	23	16	46	44	-50%	-64%
Total emissions				3,302	4,166	10,670	9,556	-69%	-56%	1,844	2,419	3,810	2,442	-52%	-1%	1,117	1,660	6,707	7,029	-83%	-76%	340	87	153	85	122%	3%
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)				2023		2022		Change		2023		2022		Change		2023		2022		Change							
Market/Location-based approach				MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB						
Scope 1				0.1	0.1							0.3	0.3														
Scope 2				13.9	18.4	23.0	16.6	-39%	11%	13.0	17.0	28.4	15.6	-54%	9%	12.2	24.8	15.3	20.7	-20%	19%	33.4	7.5	10.5	4.1	217%	85%
Scope 3				5.5	6.1	38.0	37.9	-85%	-84%	2.9	3.7	7.5	7.4	-62%	-50%	13.3	13.3	98.6	98.6	-87%	-87%	2.4	1.7	4.5	4.3	-46%	-61%
Total emissions				19.5	24.6	60.9	54.6	-68%	-55%	15.8	20.7	35.9	23.0	-56%	-10%	25.8	38.4	113.9	119.4	-77%	-68%	35.9	9.2	15.1	8.4	138%	10%

The environmental indicators for 2023 are not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are contributing factors to the difference in values between the years.

Fund IV Sustainability KPIs

The strategic key performance indicators for environmental improvement have been formulated to monitor and ensure progress in the performance of the assets in the fund in relation to the environmental characteristic of the fund.

57%

Share of green leases by rental income

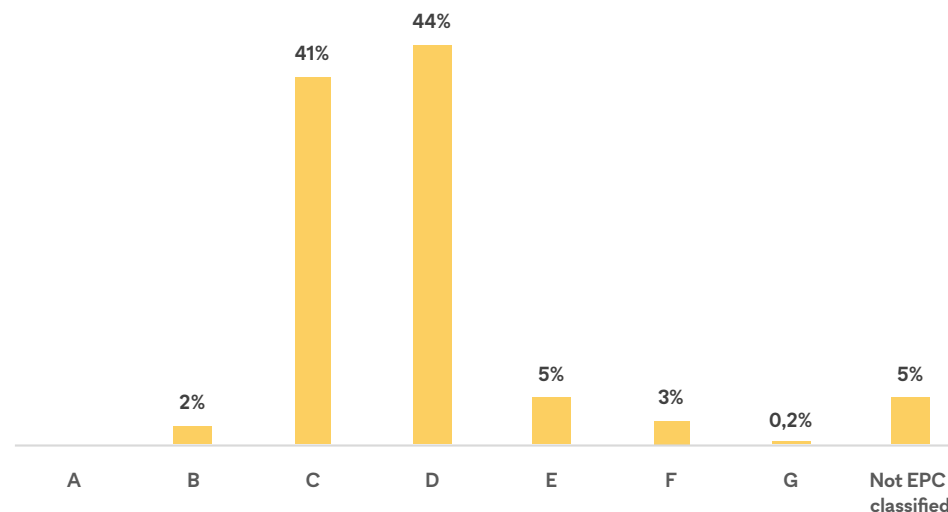
2,233 kW

Capacity installed geothermal energy

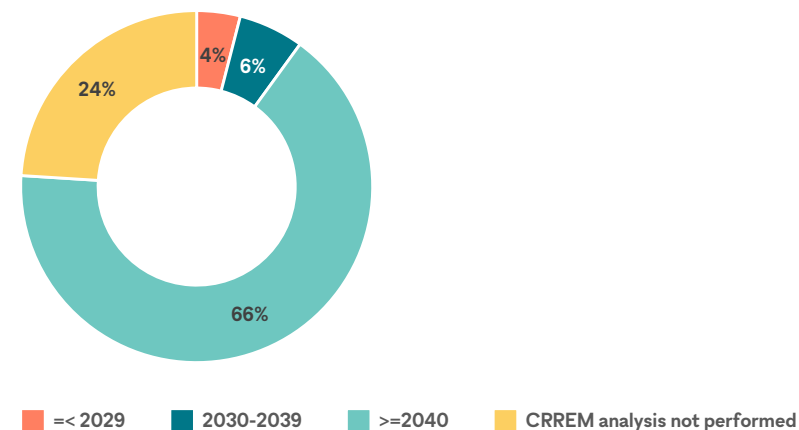
2,106 kW

Installed capacity solar panels

Percentage of property value in the fund per EPC class



Property value in the fund by stranding year according to CRREM tool



Fund IV				Directly-owned						Ankarhagen (20.1%)								
Total lettable area (sqm)	2023		2022		Change		2023		2022		Change		2023		2022		Change	
Total lettable area	294,840		300,259		-2%		271,488		300,259		-10%		23,352					
302-1 Energy consumption within the organization (MWh)	2023		2022		Change		2023		2022		Change		2023		2022		Change	
Property Energy Coverage of sqm (actual data)							100% (42%)											
Cooling	31		2,640		-99%		31		2,640		-99%							
Electricity total	29,642		30,014		-1%		29,512		30,014		-2%		130					
Electricity purchased by tenant	16,008		12,217		31%		16,008		12,217		31%							
Electricity purchased by landlord	13,635		17,797		-23%		13,505		17,797		-24%							
Heating	22,867		23,783		-4%		21,992		23,783		-8%		875					
Total energy	52,541		56,437		-7%		51,536		56,437		-9%		1,005					
Total energy, excl. tenant electricity	36,533		44,220		-17%		35,528		44,220		-20%		1,005					
302-3 Energy intensity (kWh/sqm)	2023		2022		0%		2023		2022		0%		2023		2022			
Cooling	0.1		8.8		-99%		0.1		8.8		-99%		0.0					
Electricity total	100.5		100.0		1%		108.7		100.0		9%		5.6					
Electricity purchased by tenant	54.3		40.7		33%		59.0		40.7		45%		0.0					
Electricity purchased by landlord	46.2		59.3		-22%		49.7		59.3		-16%		0.0					
Heating	77.6		79.2		-2%		81.0		79.2		2%		37.5					
Total energy per sqm	178.2		188.0		-5%		189.8		188.0		1%		43.0					
Total energy per sqm, excl. tenant electricity	123.9		147.3		-16%		130.9		147.3		-11%		43.0					
303-3 Water withdrawal (m³)	2023		2022		Change		2023		2022		Change		2023		2022			
Coverage of sqm (actual data)	97% (97%)						100% (100%)						62% (62%)					
Total water withdrawal	141,234		81,444		73%		138,384		81,444		70%		2,849					
Own indicator: Water withdrawal (m³/sqm)	2023		2022		Change		2023		2022		Change		2023		2022			
Total water withdrawal	0.5		0.3		77%		0.5		0.3		88%		0.1					
305-1 - 305-3 GHG Emissions (tCO2e)	2023		2022		Change		2023		2022		Change		2023		2022		Change	
Location/Market-based approach																		
	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB
Scope 1	23	23	171	171	-87%	-87%	23	23	171	171	-87%	-87%						
Scope 2	4,101	4,297	3,899	3,458	5%	24%	3,998	4,246	3,899	3,458	3%	23%	103	51				
Scope 3	7,452	7,565	2,280	2,377	227%	218%	7,443	7,558	2,280	2,377	226%	218%	9	8				
Total emissions	11,576	11,885	6,349	6,006	82%	98%	11,465	11,827	6,349	6,006	81%	97%	112	59				
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023		2022		Change		2023		2022		Change		2023		2022		Change	
Market/Location-based approach																		
	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB
Scope 1	0.1	0.1	0.6	0.6	-86%	-86%	0.1	0.1	0.6	0.6	-85%	-85%						
Scope 2	13.9	14.6	13.0	11.5	7%	27%	14.7	15.6	13.0	11.5	13%	36%	4.4	2.2				
Scope 3	25.3	25.7	7.6	7.9	233%	224%	27.4	27.8	7.6	7.9	261%	252%	0.4	0.3				
Total emissions	39.3	40.3	21.1	20.0	86%	102%	42.2	43.6	21.1	20.0	100%	118%	4.8	2.5				

The environmental indicators for 2023 are not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are contributing factors to the difference in values between the years.

Fund V Sustainability KPIs

The strategic key performance indicators for environmental improvement have been formulated to monitor and ensure progress in the performance of the assets in the fund in relation to the environmental characteristic of the fund.

24%

Share of green leases by rental income

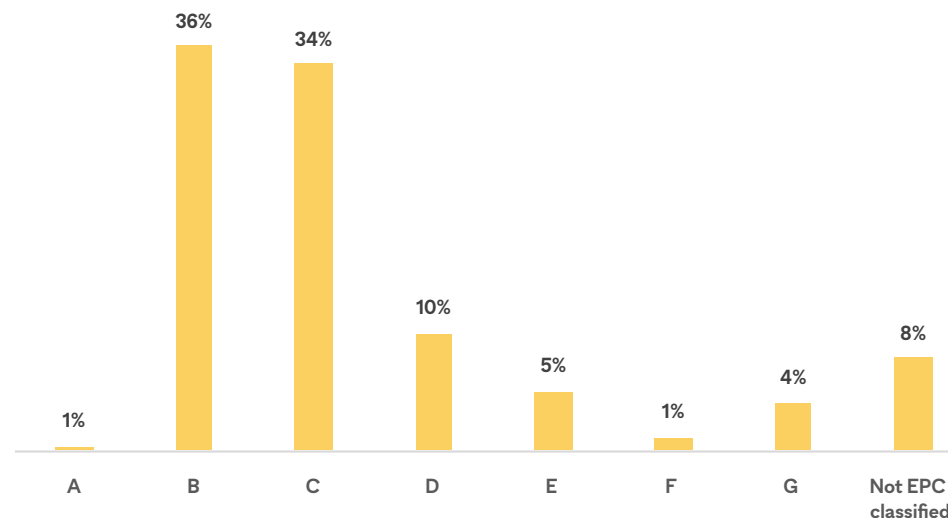
520 kW

Capacity installed geothermal energy

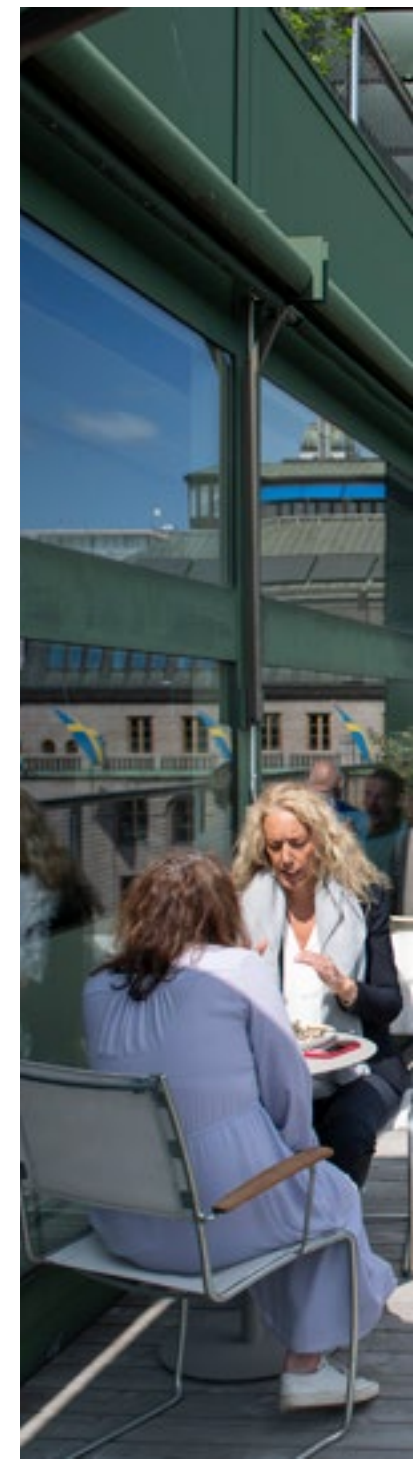
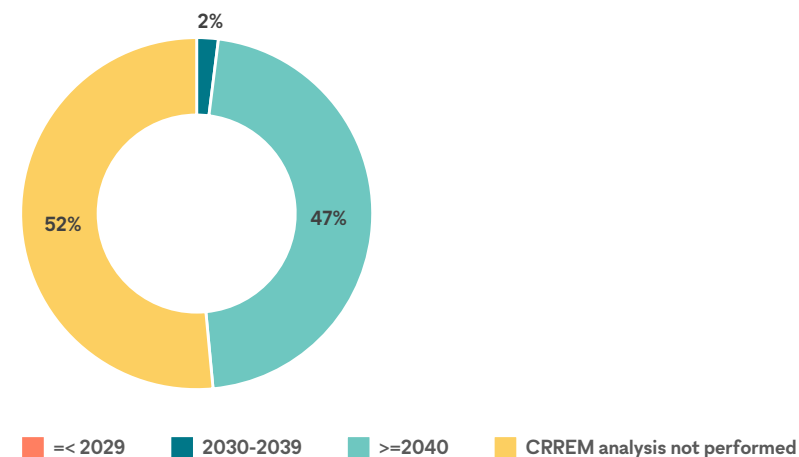
517 kW

Installed capacity solar panels

Percentage of property value in the fund per EPC class



Property value in the fund by stranding year according to CRREM tool



Fund V	Total			Directly-owned						Magnolia (46% 2023 / 27% 2022)								
	2023		2022	Change	2023		2022	Change	2023		2022	Change	2023		2022	Change		
Total lettable area (sqm)	220,141		125,090	76%	167,548		111,899	50%	52,593		13,191	299%						
Total lettable area	220,141		125,090	76%	167,548		111,899	50%	52,593		13,191	299%						
302-1 Energy consumption within the organization (MWh)	2023		2022	Change	2023		2022	Change	2023		2022	Change						
Property Energy Coverage of sqm (actual data)					100% (63%)													
Cooling	144		229	-37%	144		210	-32%			19	-100%						
Electricity total	7,817		4,088	91%	6,886		3,409	102%	931		679	37%						
Electricity purchased by tenant	3,491		1,504	132%	3,068		1,504	104%	423									
Electricity purchased by landlord	4,326		2,584	67%	3,818		1,905	100%	508									
Heating	8,185		4,562	79%	7,896		3,907	102%	289		656	-56%						
Total energy	16,146		8,880	82%	14,926		7,527	98%	1,220		1,353	-10%						
Total energy, excl. tenant electricity	12,655		7,375	72%	11,857		6,022	97%	797		1,353	-41%						
302-3 Energy intensity (kWh/sqm)	2023		2022	Change	2023		2022	Change	2023		2022	Change						
Cooling	0.7		1.8	-64%	0.9		1.9	-54%	0.0		1.4	-100%						
Electricity total	35.5		32.7	9%	41.1		30.5	35%	17.7		51.5	-66%						
Electricity purchased by tenant	15.9		12.0	32%	18.3		13.4	36%	8.0									
Electricity purchased by landlord	19.6		20.7	-5%	22.8		17.0	34%	9.7									
Heating	37.2		36.5	2%	47.1		34.9	35%	5.5		49.7	-89%						
Total energy per sqm	73.3		71.0	3%	89.1		67.3	32%	23.2		102.6	-77%						
Total energy per sqm, excl. tenant electricity	57.5		59.0	-3%	70.8		53.8	31%	15.2		102.6	-85%						
303-3 Water withdrawal (m³)	2023		2022	Change	2023		2022	Change	2023		2022	Change						
Coverage of sqm (actual data)	91% (91%)				100% (100%)				64% (64%)									
Total water withdrawal	64,780		11,920	443%	31,000		10,722	189%	33,780		1,198	2720%						
Own indicator: Water withdrawal (m³/sqm)	2023		2022	Change	2023		2022	Change	2023		2022	Change						
Total water withdrawal	0.3		0.1	209%	0.2		0.1	93%	0.6		0.1	607%						
305-1 - 305-3 GHG Emissions (tCO2e)	2023		2022	Change	2023		2022	Change	2023		2022	Change						
Location/Market-based approach	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB		
Scope 1	649	649	4	4	14523%	14523%	634	634			15	15	4	4	243%	243%		
Scope 2	991	847	347	336	186%	152%	971	827	298	309	226%	167%	20	20	49	27	-59%	-25%
Scope 3	3,964	3,987	935	949	324%	320%	2,481	2,504	179	193	1284%	1196%	1,483	1,483	755	755	96%	96%
Total emissions	5,605	5,483	1,286	1,290	336%	325%	4,086	3,965	477	503	757%	689%	1,518	1,518	809	787	88%	93%
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023		2022		Change		2023		2022		Change		2023		2022		Change	
Market/Location-based approach	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB	MB	LB
Scope 1	2.9	2.9	0.0	0.0	8209%	8209%	3.8	3.8			0.3	0.3	0.3	0.3	-14%	-14%		
Scope 2	4.5	3.8	2.8	2.7	62%	43%	5.8	4.9	2.7	2.8	118%	78%	0.4	0.4	3.7	2.0	-90%	-81%
Scope 3	18.0	18.1	7.5	7.6	141%	139%	14.8	14.9	1.6	1.7	824%	766%	28.2	28.2	57.3	57.3	-51%	-51%
Total emissions	25.5	24.9	10.3	10.3	148%	142%	24.4	23.7	4.3	4.5	472%	427%	28.9	28.9	61.3	59.7	-53%	-52%

The environmental indicators for 2023 take acquisitions and divestments that have taken place during the year into account and are therefore not like-for-like to 2022, which makes it difficult to compare the absolute values between the years. Improved data coverage, a reduced share of estimated data, and modified reporting standards for electricity are however also contributing factors to the difference in values between the years.



DC Fund Sustainability KPIs

The strategic key performance indicators for environmental improvement have been formulated to monitor and ensure progress in the performance of the assets in the fund in relation to the environmental characteristic of the fund.

1

Power usage effectiveness ("PUE")

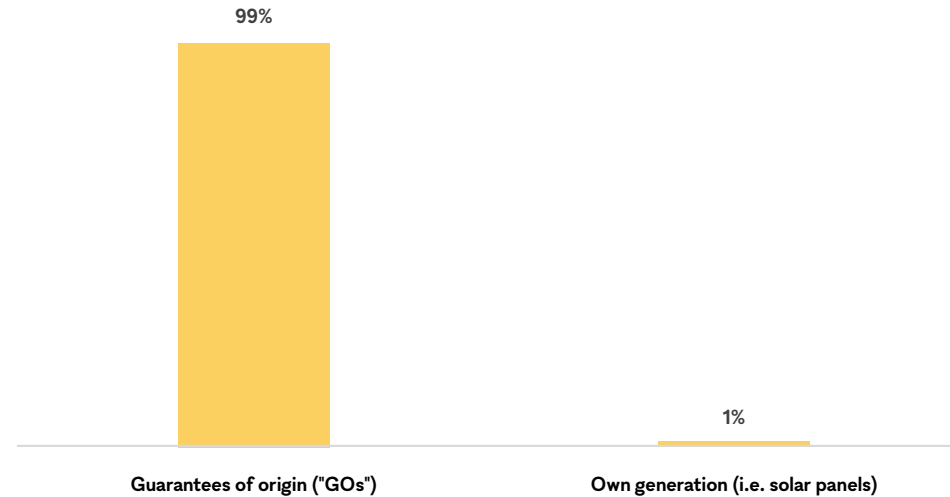
10%

Energy reuse factor ("ERF")

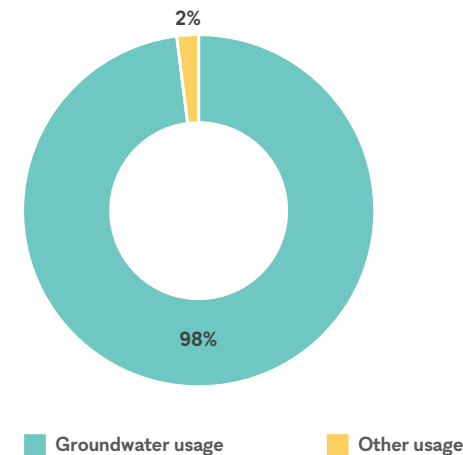
5 gCO₂e/kWh

Carbon usage effectiveness ("CUE")

Share of renewable electricity from different sources



Share of groundwater use



DC Fund		
Total lettable area (sqm)	2023	
Total lettable area	24,392	
302-1 Energy consumption within the organization (MWh)	2023	
Property Energy Coverage of sqm (actual data)	100% (100%)	
Cooling		
Electricity total	34,033	
Electricity purchased by tenant		
Electricity purchased by landlord		
Heating	617	
Total energy	34,650	
Total energy, excl. tenant electricity	34,650	
302-3 Energy intensity (kWh/sqm)	2023	
Cooling		
Electricity total	1,395.2	
Electricity purchased by tenant		
Electricity purchased by landlord		
Heating	25.3	
Total energy per sqm	1,420.5	
Total energy per sqm, excl. tenant electricity	1,420.5	
303-3 Water withdrawal (m³)	2023	
Coverage of sqm (actual data)	100% (100%)	
Total water withdrawal	22,391	
305-1 - 305-3 GHG Emissions (tCO2e)	2023	
Location/Market-based approach	MB	LB
Scope 1	132	132
Scope 2	1	890
Scope 3	9,264	9,264
Total emissions	9,397	10,287
305-1 - 305-3 GHG Emissions (kg CO2e/sqm)	2023	
Market/Location-based approach	MB	LB
Scope 1	5.4	5.4
Scope 2	0.0	36.5
Scope 3	379.8	379.8
Total emissions	385.3	421.7

Disclosure according to SFDR

The Sustainable Finance Disclosure Regulation (SFDR) mandates the disclosure of sustainability-related data and policies at both entity and fund level with the intention of increasing transparency and comparability between financial market participants.



Lybeck 2 interior, Stockholm, Sweden

This disclosure includes Principal Adverse Impact indicators, a set of metrics intended to demonstrate the negative impacts investments have on various sustainability factors, as well as alignment with the EU taxonomy, a classification system for identifying sustainable economic activities.

Principal Adverse Impact (PAI) indicators

Areim considers the principal adverse impacts by identifying, assessing, measuring, and monitoring PAIs as part of the investment process, taking due account of Areim's size, the nature and scale of its activities and the types of financial products

PAI Indicator	Areim AB
Exposure to fossil fuels through real estate assets	0%
Exposure to energy-inefficient real estate assets	74%
Energy consumption intensity	0.00020 GWh/sqm

Further information on the PAI indicators is available under the following link: www.areim.se/sustainability/disclosures/

it makes available. For properties with a heightened risk of potential adverse impact, mitigative actions are considered in the business plan.

Areim reports on PAI indicators applicable to investments in real estate assets.

Given the nature of the assets in which the value-add funds invest, wherein the energy efficiency generally is low, a majority of the assets have an EPC class of C or below. Improving the energy performance through retrofitting and property development is central to our sustainability strategy.

EU Taxonomy

All Areim funds are classified as Article 8 which means that the funds promote environmental and social objectives, but do not have sustainable investment as the overarching objective. Article 8 funds are required to disclose to what extent the investments of the fund are aligned with the EU Taxonomy.

The following economic activities within the taxonomy were applicable when calculating the alignment in Areim's funds for the fiscal year 2023. The first activity being related

to the value-add funds, and the three latter activities to the Areim DC Fund.

- Acquisition and ownership of buildings;
- Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- Production of heat/cool using waste heat; and
- Data processing, hosting, and related activities.

EU Taxonomy	Eligibility	% taxonomy alignment Turnover	% taxonomy alignment CapEx	% taxonomy alignment OpEx
Areim Fund II	100%	0%	0%	0%
Areim Fund III	100%	54%	54%	54%
Areim Fund IV	100%	10%	10%	10%
Areim Fund V	100%	31%	31%	31%
Areim DC Fund	100%	0%	0%	0%

Screening process

1. Contribute to at least one of six environmental objectives listed in the EU Taxonomy

An evaluation of whether the buildings, turnover, CapEx and/or OpEx in the respective funds meet the defined substantial contribution criteria (linked to Climate change mitigation) is conducted.

2. Do No Significant Harm (DNSH) to any of the other objectives

Value-add Funds: Climate and vulnerability analyses of the buildings that meet the substantial contribution criteria are then undertaken. The results of the analyses are integrated into the business plans of the buildings.

DC Fund: Turnover, CapEx and OpEx that meet the substantial contribution criteria are evaluated against the Do Not Significantly Harm criteria for the respective economic activity.

3. Compliance with minimum safeguards on human rights

Areim follows the precautionary principle and complies with applicable laws and regulations as a bare minimum. The company has signed the Global Compact and follow the UN's guiding principles for businesses and human rights, as well as the OECD's guidelines for multinational enterprises, including the International Labour Organisation's (ILO) declaration on fundamental rights and principles at work, ILO's eight core conventions, and the International Convention on Human Rights.

Calculation method

Value-add Funds: When a building is aligned with the EU taxonomy, 100 percent of that building's turnover, CAPEX and OPEX is also considered to be aligned with the taxonomy. The alignment of the fund as a whole is thus calculated, in all three categories, as the sum of the market value of the aligned buildings over the total market value of the fund.

DC Fund: The alignment of the fund is calculated, in all three categories, as the sum of aligned turnover/CapEx/OpEx over the total amount of turnover/CapEx/OpEx of the fund.



About the report

This sustainability report covers the period from 1 January to 31 December 2023. The report has been prepared with reference to GRI standards.

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 are deemed material and serve as a basis for our sustainability strategy. 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 sustainability report is decided by the CEO and presented by the Board of Directors. The previous report was published in May 2023.

The report covers Areim AB as well as all Areim Fund I-V, Areim DC Fund and Areim Pan-European Logistics Fund with reference to sustainability, assessing our wider impacts on society and the areas where we believe we can add wider economical, societal and environ-

mental value, as well as reducing our negative impact. No restatements of information have been made compared to previously reported"

To assure environmental data quality, our environmental consultancy, delivered a comprehensive climate statement, which is produced in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; the Corporate Accounting

and Reporting Standard, including the Greenhouse Gas Protocol Scope2 Guidance. The Greenhouse Gas Protocol is considered the current best practice for corporate greenhouse gas emissions reporting. Additionally, Greenhouse gas emissions have been reported by the three WBCSD/WRI Scopes. The employee data is based on the GRI's definitions.

Contact details

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GRI Index

Statement of use Areim AB has reported the information cited in this GRI content index for the period 1 January 2023- 31 December 2023, with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures	1. The organization and its reporting principles	
	2-1 Organizational details	4, 10
	2-2 Entities included in the organization's sustainability reporting	64
	2-3 Reporting period, frequency and contact point	64
	2-4 Restatements of information	64
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	2. Activities and employees	
	2-6 Activities, value chain and other business relationships	5-6, 8, 13, 30
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	3. Governance	
	2-9 Governance structure and composition	10-11, 51-52
	2-10 Nomination and selection of the highest governance body	51
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	2-17 Collective knowledge of the highest governance body	51
	2-20 Process to determine remuneration	26, 35
	4. Strategy, policies	
	2-22 Statement on sustainable development strategy	9
	2-23 Policy commitments	10, 17-19, 35
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	2-26 Mechanisms for seeking advice and raising concerns	32-33
	2-28 Membership associations	38
	5. Stakeholder dialogue	
	2-29 Approach to stakeholder engagement	13-14

GRI STANDARD	DISCLOSURE	LOCATION
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	3-2 List of material topics	17-19
	3-3 Management of material topics	8, 19-30, 32-36, 38-39
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GRI 203: Indirect Economic Impacts 2016		
	203-1 Infrastructure instments and services supported	45
GRI 205: Anti-corruption 2016		
	205-2 Communication and training about anti-corruption policies and procedures	32
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GRI 302: Energy 2016		
	302-1 Energy consumption within the organisation	46-61
	302-3 Energy intensity	46-61
GRI 303: Water and effluents 2018		
	303-3 Water withdrawal	46-61
GRI 204: Biodiversity 2016		
	304-2 Significant impacts of activities, products and services on biodiversity	19, 23
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	46-61
	305-2 Energy indirect (Scope 2) GHG emissions	46-61
	305-3 Other indirect (Scope 3) GHG emissions	46-61
	305-4 GHG emissions intensity	46-61

**Specific disclosures GRI 400: Social**

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	GRI
401-3	Parental leave	44

GRI 403: Occupational Health and Safety 2018

403-1	Occupational health and safety management system	28
403-5	Worker training on occupational health and safety	28
403-6	Promotion of worker health	27

GRI 404: Training and Education 2016

404-3	Percentage of employees receiving regular performance and career development reviews	44
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GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	44-45
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GRI 406: Non-discrimination 2016

406-1	Incidents of discrimination and corrective actions taken	28
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TCFD Index

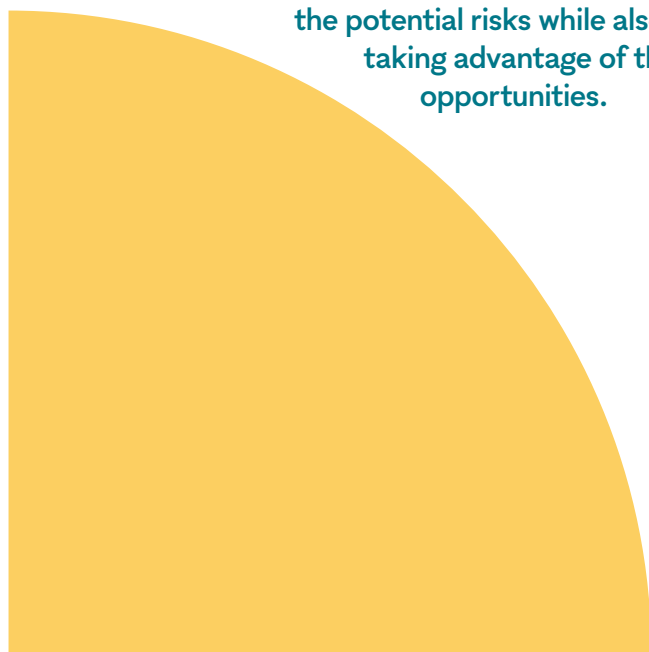
The following section is Areim’s third annual disclosure of climate change issues management in line with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) on governance, strategy, risk management and targets and metrics. Climate change is considered a principal risk and as such is governed and managed in line with our risk management process. This reporting is a key component of understanding the impact of climate change is strategic planning how to manage the potential risks while also taking advantage of the opportunities.

Governance	
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B. Management’s role in assessing and managing climate-related risks and opportunities	10-11

Strategy	
Topic	Pages
A. Climate-related risks and opportunities that the organisation has identified	15, 33
B. Impact of risks and opportunities on the organisation’s business, strategy and financial planning	21, 33
C. Resilience of the organisation’s strategy taking into consideration different climate-related scenarios	21-22, 33

Risk management	
Topic	Pages
A. The organisation’s processes for identifying climate-related risks	8, 15, 17, 33
B. The organisation’s processes for managing climate-related risks.	17, 21-22, 33
C. Integration of the above processes into the organisation’s overall risk management 3	10-12, 35

Metrics and targets	
Topic	Pages
A. The metrics used by the organisation to assess climate-related risk and opportunities	53,54,56,58,60
B. Scope 1,2 and 3 GREENHOUSE GAS emissions	46-61
C. Targets for managing climate-related risks and opportunities	19



Auditor's limited assurance report on Areim AB's Sustainability Report

To Areim AB, Corp. id. 556719-4203

Introduction

We have been engaged by the Board of Directors of Areim AB to undertake a limited assurance engagement of Areim ABs (as the organization is defined on page 64) Sustainability Report for the year 2023.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report in accordance with applicable criteria, as explained on page 64 in the Sustainability Report, that 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 mistakes.

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 (Revised), Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design,

implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Areim AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Chief Executive Officer as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

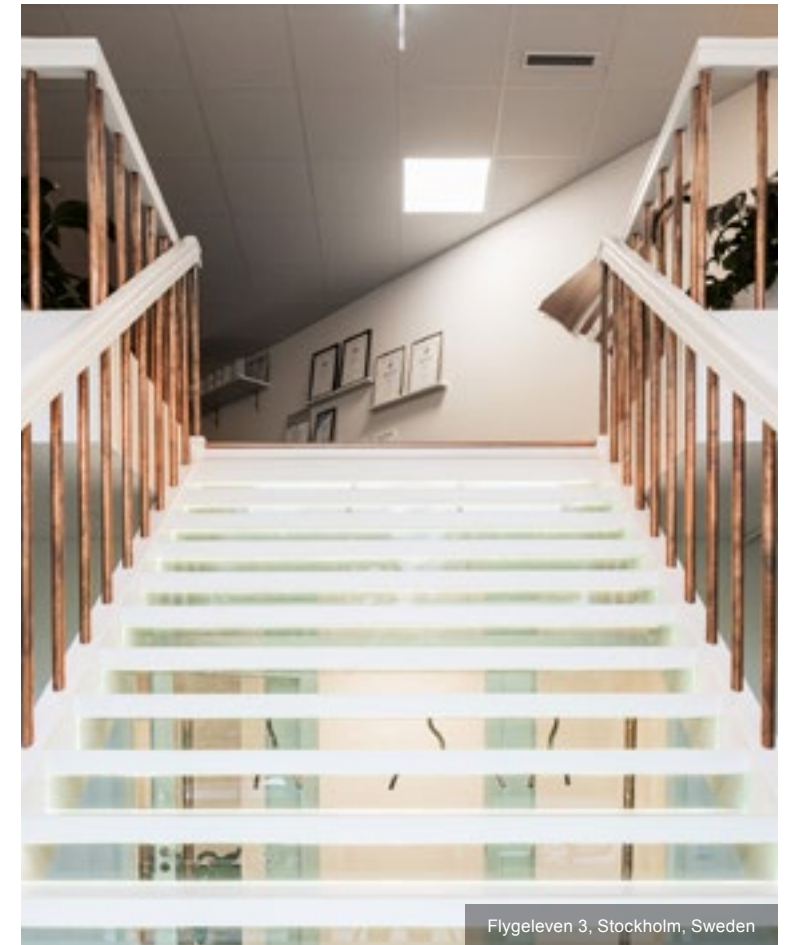
Conclusion

Based on the limited assurance procedures 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 Chief Executive Officer.

Stockholm, May 13, 2024

KPMG AB
Peter Dahllöf
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR



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areim