



Samhällsbyggnadsbolaget i Norden AB (SBB) creates sustainable environments in which people want to live, work and spend time well into the future. Being the largest Nordic player in social infrastructure, SBB's local efforts contribute to general societal development that is socially, environmentally and economically sustainable. SBB's locally based property management provides close and direct customer contacts, while SBB's size provides opportunities for making the necessary investments in the properties.

SBB's business model is to own and manage rent regulated residentials in Sweden and community service properties in the Nordic region in the long term and that are developed in collaboration with municipalities in the Nordics. The long-term dividend target is to generate a steadily increasing annual dividend. The loan-to-value ratio shall not exceed 50 percent.

SBB manages the company's operations in line with the UN's global goals for sustainable development. SBB has chosen to focus on goals (1), (3), (4), (5), (7), (8), (9), (10), (11), (13), (15) and (16). Through the company's sustainable financial framework, SBB secures financing, focus and follow-up in the work of contributing to these goals.

SBB stands behind the Paris Agreement's climate goals and is a member of the UN Global Compact, a worldwide initiative for sustainable business. In dialogue with its stakeholders, the company has identified energy efficiency, reduced climate impact, development of sustainable cities and communities, economically sustainable development, business ethics and being an attractive employer as areas of focus for its operations. To be in line with the Paris Agreement and Sweden's national goal of climate neutrality, SBB has raised its targets for reducing its energy consumption. To achieve this target, SBB invests in its properties long-term, cutting emissions and costs for both SBB and its tenants.

Sustainability strategy and targets for 2030

Sustainability is a natural part of SBB's business model and SBB strives to be the world's most sustainable property company. At the UN summit in September 2015, the world's national leaders adopted 17 global sustainable development goals.

For the period until 2030, the countries of the world have undertaken to lead the world towards a sustainable and fair future. The agenda covers the three dimensions of sustainability: social, environmental and economic. SBB has established a long-term strategy and vision for the year 2030 and a Sustainability Policy for the concrete implementation of the goals and vision describing the work in the short and medium term. The action plan to get there, with concrete targets and risk assessments within the various focus areas, has been formulated and described in detail under "Targets, results and follow-up". SBB's sustainability vision, targets and policy are

adopted by the Board of Directors and followed up on an ongoing basis by the CEO together with the Sustainability Manager. In September 2021, SBB's Board of Directors updated Vision 2030, clearly sharpening the requirements in terms of the company's own sustainability objectives.

- Govern the company's operations in line with the UN's global sustainability goals: (1), (3), (4), (5), (7), (8), (9), (10), (11), (13), (15), (16) and (17).
- 100 percent climate positive by 2030 (refers to the entire value chain).
- At least 90 percent social assets in the property portfolio.
- Climate-adapted property portfolio capable of standing up to climate risks (such as regulatory and physical risks).
- Regularly improve, follow up and report on the company's sustainability work.
- The company's Code of Conduct must of course be understood and followed by all employees and partners.



Focus areas 2022

- Increase the proportion of sustainable financing.
- Sustainable cities and communities.
- Sustainability assessment of existing portfolio.
- Reduced environmental impact: electricity, consumption of water and heating, waste management, environmentally hazardous substances, energy efficiency, climate impact with CO₂ emissions and environmental improvements in property renovations.
- Attractive employer: developing work environment for employees.

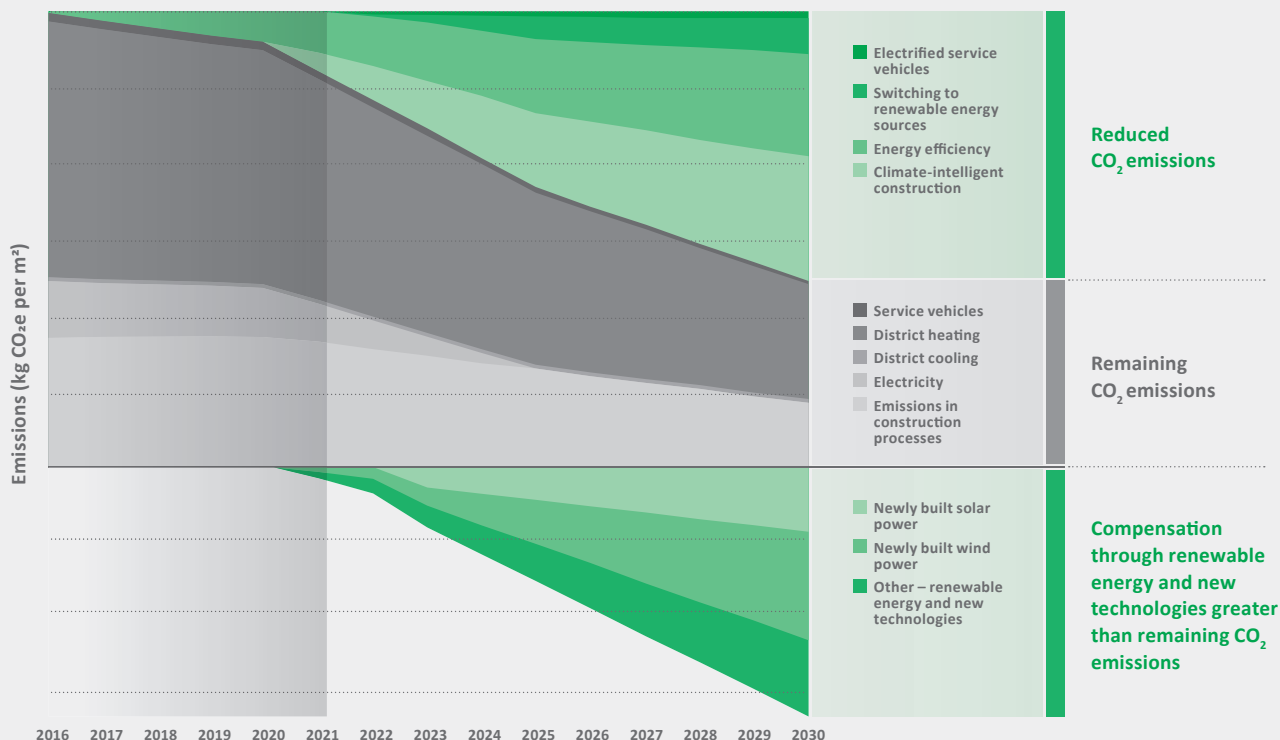
About the Sustainability Report

This constitutes SBB's statutory Sustainability Report and covers all of the Group's companies. SBB reports sustainability per financial year running from January to December. The report describes SBB's sustainability work and follow-up in 2021. The Sustainability Report includes SBB's property development and management, as well as wholly owned subsidiaries. Joint ventures and associated companies are responsible for their own sustainability reports and are not included in the Group's Sustainability Report. The most recent report was published on 7 April 2021 and referred to the financial year 2020. The

report has been reviewed by EY. The statutory Sustainability Report, which covers the areas in SBB's Annual Report whose contents are stated on page 34, has been approved for publication by the Board of Directors. The report has been designed in accordance with GRI's basic standard, Level Core. The contact person for the Sustainability Report is Marika Dimming, IR & Sustainability Manager, marika@sbbnorden.se. The contact person for the Annual Report is Ilija Batljan, CEO, ilija@sbbnorden.se and Marika Dimming, IR & Sustainability Manager, marika@sbbnorden.se. [GRI 102–45, 46] [GRI 102–48, 49, 50, 51, 52, 53, 54]

Climate road-map

SBB's Vision 2030 was updated in 2021. The goal of climate neutrality was upgraded to climate positivity and a concrete road map was drawn up. The picture below schematically illustrates SBB's path to climate sensitivity.



Internal routines and regulations

SBB works on issues of sustainability in a structured manner. The Board has established a Sustainability Committee, which reviews continuity, management and progress in the sustainability work. The management team has, in turn, established a Sustainability Council comprising key individuals from different parts of the company.

Governance and responsibility [GRI 102–18] [GRI 103–2] [TCFD-GOVERNANCE]

SBB's Board of Directors has an overall responsibility for the governance of sustainability issues. SBB's management team is responsible for preparing proposals on policies, targets and strategies within sustainability, which the Board approves.

Sustainability Committee

The Sustainability Committee is tasked with preparing and following-up matters to be addressed by the company's sustainability agenda. The sustainability agenda includes setting targets and objectives, managing sustainability risks and compliance with the Sustainability Policy and Code of Conduct. Follow-up includes reviewing the continuity, management and progress of the work with the sustainability agenda, as well ensuring transparency and reliability in the sustainability reporting. The CEO is ultimately responsible for following up the continuous sustainability work, including the fulfilment of sustainability targets.

Sustainability Council

For the operational work on the implementation of Vision 2030, the management team has

appointed an internal Sustainability Council with key individuals from various parts of the company including representatives from the management team. The Sustainability Council holds minuted meetings every two months and works in a focused way with preparing and following up on interim targets and strategies for achieving these.

Environmental and quality management system

To ensure that sustainability work is conducted in a structured and uniform manner, SBB applies an environmental and quality management system. The management system describes the division of roles and responsibilities, among other aspects. SBB has a well-functioning property management organization with technical property management experts who are assigned an important role in the implementation of the ambitious energy target. Their role includes monitoring energy performance throughout the property portfolio and studying the measures best suited to each individual property, such as: heat pumps, supplemental insulation, LED lighting and improvements to ventilation systems. SBB's agreements with operations providers regulate the follow-up

of several quality and sustainability aspects, such as energy consumption, ventilation, indoor climate, occurrence of Legionella, etc. Our technical property management experts regularly follow up on compliance with these agreements.

Risk management

Sustainability-related risks are a central part of SBB's sustainability work and are integrated into the ordinary risk management, which is handled by the management team, with the CEO being ultimately responsible. Sustainability risks include: environmental risks, health risks, safety risks, regulatory risks, ethical risks, etc. The Board of Directors is responsible, through the Sustainability Committee, for the company's management and continuity in the management of these risks. Properties embody large values, which are at risk of being lost if the risks are not managed in a structured manner. Such as damage due to physical risks or transition risks caused by climate changes. During 2021, a thorough risk analysis was completed with regard to climate-related risks at the property level, with both physical and regulatory risks being assessed. The risk analysis is described in detail in the Climate and environment section.



In 2021, an independent report on climate-related risks and opportunities was also produced in accordance with the TCFD recommendations. The report will be revised annually and the most current version is available on SBB's website.

Sustainability Appendix

In new production, SBB's Sustainability Appendix is applied, which ensures structured work with economic, environmental and social sustainability in all major projects. The Sustainability Appendix serves both as a working method for the projects and as a contractually binding document. The Sustainability Appendix includes documentation that is to be discussed in the early project development phases before project planning and contracts are completed. This includes compulsory requirements on SBB's part, such as compliance with the Code of Conduct and the Sustainability Policy, project planning for low energy consumption, requirements for inventory-taking and assessment of building materials and waste management

during construction. There are also voluntary commitments for projects that want to go further in their sustainability work.

Sustainability assessment of existing portfolio

Considerable focus is placed on minimizing risks and maximizing the performance of the existing portfolio. Climate-related risks are assessed annually, procedures are in place to ensure legal and regulatory compliance, energy measures are followed up and reported on quarterly. New for this year is that SBB has developed an assessment tool for identifying the status of a number of sustainability dimensions to gain an overview and prioritize appropriate measures. Testing of the tool will commence in 2022, with the tool including the assessment of, among other things: energy consumption, power needs, climate impact, water use, waste, ecosystem services and biodiversity, user interaction, meeting places, security, cultural environment, indoor environment and other risks. SBB has also signed an agreement with

SGBC on the certification of a larger part of the existing portfolio, initially 500 buildings, to be certified in accordance with Miljöbyggnad iDrift (environmental building in operation) with an option for another 500 certifications.

Social bonds

Social sustainability is becoming an increasingly important issue for financiers who want to ensure that their money contributes to socially beneficial activities. The considerable social values to which SBB's properties contribute permit sustainable financing. In 2021, more than 63 percent of SBB's newly issued bonds were sustainable, a majority of which were social bonds. The societal benefits of SBB's assets are described in a framework that is aligned with Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Green Loan Principles and reviewed by an independent rating institute focusing on sustainability.

Stakeholder analysis

- 1 Energy consumption in properties
- 2 Renewable energy use
- 3 Research and innovation for sustainable properties
- 4 Healthy and safe premises and residences
- 5 Sustainable building materials
- 6 Sustainable urban development
- 7 Water management
- 8 Waste and recycling in premises
- 9 Waste and recycling in construction projects
- 10 Impact on biodiversity
- 11 Direct and indirect greenhouse gas emissions
- 12 Jobs for young people (summer jobs)
- 13 Accessibility
- 14 Diversity and equal opportunities in the workplace
- 15 Safe and healthy workplace
- 16 Fair working conditions under favourable terms for earning a living for employees and suppliers
- 17 Investments in social infrastructure
- 18 Sustainable supply chain
- 19 Human rights
- 20 Anti-corruption, and business ethics
- 21 Product selection in own operations



Stakeholder dialogue

SBB continuously engages stakeholders and local communities in its operations. Interest groups include tenants, investors, employees, local communities, suppliers and financiers [GRI 102–40]. SBB treats all stakeholder groups with respect and dignity; particular focus is placed on the collaboration with the stakeholders who share SBB's vision of a long-term and sustainable social infrastructure in the Nordic region [GRI 102–42]. Dialogues are conducted through multiple forums, including open consultations in the detailed planning process, continuous contacts between customers and management, finance market days, employee interviews and questionnaires [GRI 102–43]. In 2020, efforts were undertaken to identify areas of sustainability of significance for SBB's stakeholders. The analysis was updated in 2021 to take new stakeholder groups into account. Stakeholder groups have been involved through, among other things, questionnaires and in-depth interviews, which have then been analyzed and related to an internal analysis of the company's capacity for influence within each area of sustainability. The results are summarized below [GRI 102–47, 103–1] [TCFD-Risk Management] and indicate a number of sustainability areas that are particularly important to follow up and report on: direct and indirect greenhouse gas emissions, sustainable urban development, renewable energy use, energy consumption in buildings, water management, research and innovation for sustainable properties and sustainable building materials [102–44].

In 2021, SBB expanded its focus areas with three new categories: fair working conditions under favourable terms for earning a living for employees and suppliers, investments in social infrastructure and a sustainable supply chain. The choice of new focus areas is based on the 2021 materiality analysis and places even greater emphasis on SBB's stakeholders' priority areas.

The principles and values that are fundamental to SBB's operations and sustainability work are described in the policies that are adopted by the Board of Directors [GRI 102–16, 103–2 & 205–2]. All of the policies below are publicly available on SBB's website.

- Fair Employment Practices Policy
- Human Rights Policy
- Anti-Corruption Policy
- Data Protection Policy
- Code of Conduct
- Supplier Code of Conduct
- Sustainability Policy
- Sustainability Policy for Suppliers
- Whistle-Blower Policy

SBB promises to always:

- Act ethically, openly and transparently
- Foster human rights
- Foster employees' right to organize (ILO C87) and to bargain collectively (ILO C98)
- Respect and protect employee representatives (ILO C135) and actively combat discrimination

against employee representatives

- Guarantee trade unions' right to conduct their work effectively at SBB's workplaces
- Strive for zero injuries and incidents at workplaces and to prevent sickness absences. Follow-up of outcomes will be reported annually in the Annual Report.
- Always actively oppose and never engage in any form of corruption, fraud, money laundering, tax evasion, extortion, bribery or illegal financing of political organizations and to always actively oppose these
- Apply the precautionary approach when there is uncertainty regarding the business' ethical aspects or effects on people and the environment [102–11]

Business ethics and anti-corruption

The Code of Conduct, Sustainability Policy, Anti-corruption Policy and Policy Against Tax Evasion are to guide responsible and ethical behaviour among employees. Among other sources, the Code of Conduct builds on the ten principles of the UN Global Compact, including human rights and anti-corruption. Guidelines are also included regarding gifts, entertainment, appropriate and inappropriate benefits, as well as examples of what are viewed as bribes and the penalties applied when these regulations are violated. All employees and suppliers are obliged to understand, sign and comply with these regulations. In 2021, training was provided in the Code of Conduct, Sustainability Policy, Anti-Corruption and Whistle-Blower Policy, with all employees being required to take a test and sign that they had read and understood the contents of these policies. In addition, all central suppliers have participated in a follow-up of sustainability at the supplier level. Comprehension of the Code of Conduct and Sustainability Policy has also been tested in this follow-up. A briefing on SBB's regulations is mandatory on commencement of all projects valued at more than SEK 10m. Since 2017, an external whistle-blower service is provided to which deviations can be reported anonymously. SBB's vulnerability regarding risks of deviations from these undertakings and internal regulations is assessed and handled by the management team in routine work with risk management headed by the CEO. The extensive dialogue with stakeholder groups provides valuable perspectives on management's work with risk management.

SBB partners with a security company to counteract undeclared work and labour-related crime among contractors and subcontractors in SBB's construction projects. The work will begin in 2022 with an inventory and current situation analysis in which attendance ledgers are inventoried and unannounced visits are made to verify legal and regulatory compliance. Procedures and verification plans are then developed to counteract labour-related crime and undeclared work in a structured and long-term manner.

SBB applies a policy of always offering vacant apartments through the Group's digital rental platform, where existing tenants have priority access to vacancies throughout the portfolio. Illegal trade in rental contracts is commonplace

in Sweden, particularly around Stockholm where queueing times are long. SBB applies procedures to counteract this trade in contracts. In leasing, the applicant's identity, for example, is verified via Bank-ID. SBB informs all tenants of their rights and obligations in connection with lease signings. During the contract period, SBB maintains an ongoing dialogue with tenants, in which complaints, comments, suggestions for improvement, etc. are handled to contribute to increased security and customer satisfaction. Reporting of faults and other communications are easily achieved through the housing app, which is available to all residential tenants.

External partnerships and frameworks [GRI 102–12] [GRI 102–13]

To safeguard transparent, accessible and consistent reporting in accordance with the ESG criteria, SBB has resolved to adhere to a number of local and global frameworks and to apply recognized standards. It is in SBB's interests to provide stakeholders with sustainability data meeting the best standards available. Examples of external partnerships and frameworks that SBB has joined and/or supported are listed below:

- UN Global Compact
- OECD guidelines for basic social protection measures
- UN Guiding Principles on Business and Human Rights
- ILO core conventions on rights in working life
- UNHCR
- Mentor, Lärhjälpen, Swedish Childhood Cancer Fund, and others
- The Paris Agreement
- The Global Goals
- GRI
- EPRA's guidelines on sustainability reporting
- CDP
- TCFD recommendations
- Sweden Green Building Council
- Green Building Council Finland
- Byggarbetsdömningen (construction product assessment)
- LFM30 – Climate-neutral construction and civil engineering sector in Malmö 2030
- HS30 – Sustainable Stockholm 2030
- Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Green Loan Principles

Biodiversity in property development

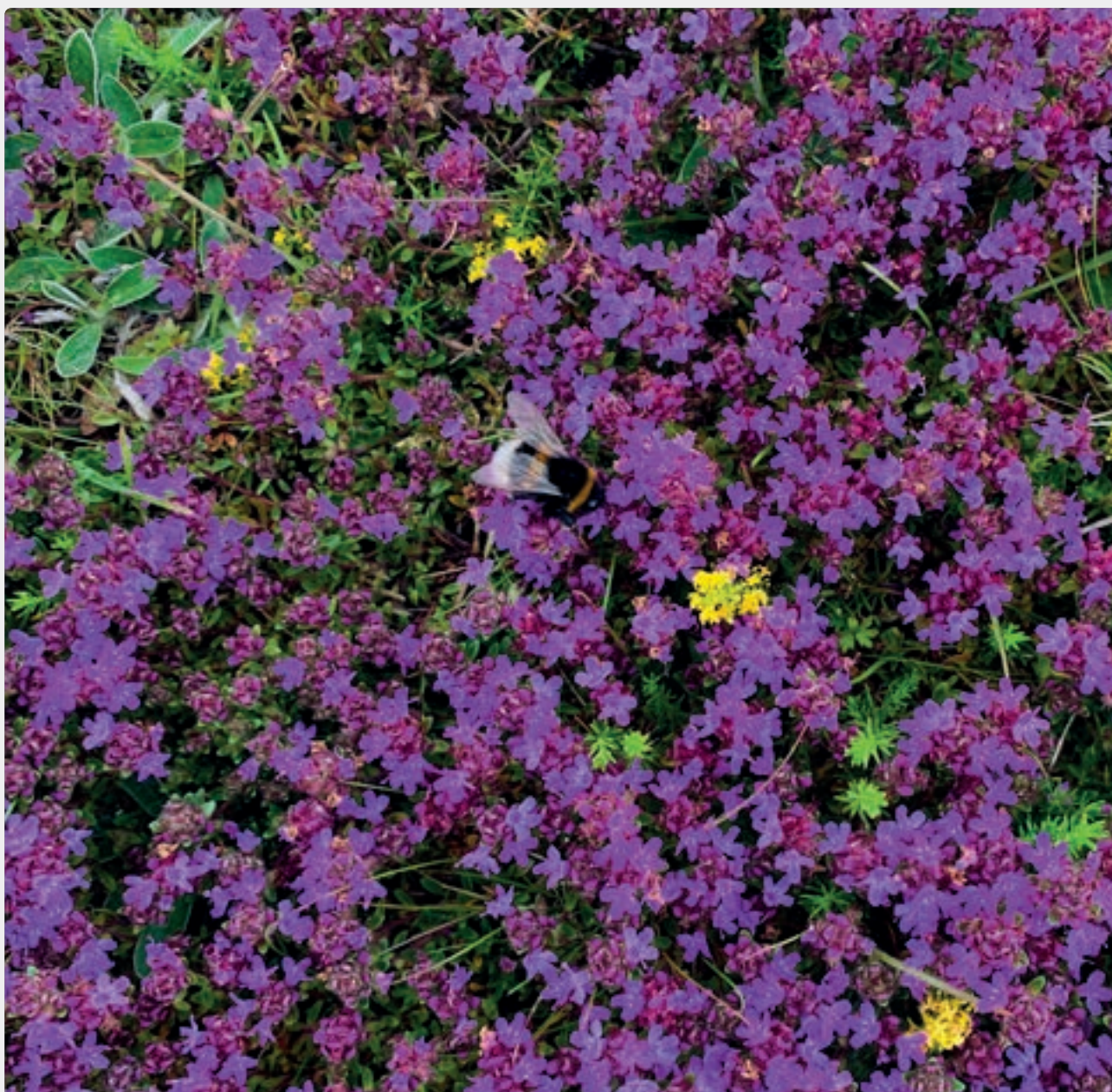
Biodiversity is one of the most acutely threatened planetary frontiers. There are great opportunities to contribute improved biodiversity in the areas that SBB develops. All places are unique and require different types of efforts. What they all share, however, is that a breadth of different plants with different lifespans is needed to attract insects. When developing property, the local conditions and needs of the site are always taken into account, as well as the local community's prioritization of focus areas. The well-being of the place can often increase, resilience to climate risks such as extreme rain and heat waves is improved at the same

time as biodiversity is strengthened. Some examples of SBB's work with biodiversity are given below.

SBB's wholly owned subsidiary Sveafastigheter has built a pond on the Focken property in Västerås and built insect logs to catch surface and drainage water from roofs and hard surfaces. Water is pumped up to the dam where the water can slowly infiltrate into the ground and thus dispose of any contaminants on site. In close proximity to the dam, a fence has been built comprising logs that can become a home to insects. Insect hotels have also been installed on the fence. The property is adjacent to a steep slope on which meadow

flowers are sown in the spring. This is to bind the soil and contribute to biodiversity.

Another way to increase biodiversity is through permaculture. Permacultivation is about mimicking natural ecosystems, such as having plant oases rather than lawns. In November 2021, when Sveafastigheter broke ground for 103 rental apartments in Enköping, this was done with a promise to increase the biological diversity on the site with the help of permaculture. This was manifested by planting an apple tree, a walnut tree and a chestnut tree.



Targets, results and follow-up

SBB has established a sustainability vision for 2020–2030 and a Sustainability Policy for the concrete implementation of its targets and vision. SBB's sustainability vision, targets and policy are adopted by the Board of Directors and followed up on an ongoing basis by the CEO together with the Sustainability Manager.



The climate issue is one of humanity's great challenges and SBB bears a responsibility towards future generations to contribute solutions and to mitigate its own climate impact. Properties account for nearly 40 percent of total energy needs in Sweden. Accordingly, reducing energy consumption in the properties is a high-priority environmental issue. SBB seeks to act vigorously on climate change and has therefore adopted a target of climate positivity throughout the value chain by 2030, with this being an important element in SBB's promise to build a better society. And SBB seeks to achieve this together with its tenants, customers, suppliers and other stakeholders. The action plan for achieving these climate and environment goals includes concrete targets to be achieved in the near future. These include reducing climate impact by 5 percent annually, encompassing the entire value chain, from production of materials to management. In the management phase, a target of reducing energy consumption by 5 percent annually is applied, resulting in reduced climate emissions. In the production phase,

wooden construction is an important part of the strategy for reducing climate emissions. As a building material, wood has low climate impact and also binds carbon when built-in. The target of at least 50 percent wooden construction is followed up annually. In addition to its long-term visions and goals, SBB also sets minimum climate and environment requirements for all new construction through a Sustainability Appendix. The targets are described in detail in the table "Progress and initiatives in Climate and Environment in 2021".

SBB has signed an agreement with SGBC on the certification of 500 properties in accordance with Miljöbyggnad iDrift with an option for a further 500. The work has commenced and a plan has been drawn up for the certification of the first 210 properties. These correspond to 15 percent of SBB's portfolio in terms of property value.

Climate change and climate adaptation entail risks for societies and for properties. Physical risks include rising sea levels, more extreme weather events and more heat waves, causing

risks for particularly vulnerable groups. Risks in adaptation include amended regulations, shifting demand for premises and residential, as well as changing modes of transport and travel habits. A negligible part of the property portfolio is located in areas with a higher risk profile, but, apart from this, no significant climate risks have been identified. More information about the risk inventory conducted during the year is given in the table "progress and goals in climate and environment". Other environmental risks, such as radon, asbestos, PCBs, legionella, etc. are handled through sampling and studies in connection with property acquisitions and through regular inspections in the property management process. Demolition and decontamination are always performed in line with legal requirements and in partnership with certified decontamination contractors. In renovation and new production, SBB strives never to use environmentally risky materials, with materials being assessed and documented in accordance with approved assessment systems, such as Byggsvarubedomningen. As a long-term property

owner, it is important that we plan our property development processes and the portfolio to minimize all of these risks. Ultimately, the CEO is responsible for identifying and addressing these risks, which is part of Management's ordinary risk management. SBB has, for several years, performed general inventories of climate-related risks in the property portfolio. In 2021, additional commitments were initiated to analyze sustainability risks thoroughly for each property in collaboration with experts in the area from MSCI. The extensive dialogue with stakeholder groups provides valuable perspectives on management's work with risk management. More in-depth climate-related data in accordance with the TCFD recommendations are detailed in a separate report that is available on SBB's website and annually through CDP.

In 2021 a total of about SEK 400 million was invested in 110 energy-related projects contributing to energy savings and energy production of about 29 GWh annually and with an average ROI of 6.6 percent. Some examples of upgrades completed or initiated in 2021:

- Borehole thermal energy storage and heat pump adjacent to a property in Stockholm, estimated energy savings of 5.6 GWh annually.
- Recycling of exhaust air and waste water using heat exchangers, plus upgrading of control and regulation technology at a property in Sundsvall, resulting in estimated energy savings of about 2 GWh annually.
- Installation of exhaust air heat pumps at a property in Borlänge, with estimated energy savings of about 1 GWh annually.
- Installation of solar cells when replacing waterproofing layers at a property in Uddevalla, with an estimated energy production 300 MWh annually.
- Window replacement, LED lighting, additional insulation, upgrading of ventilation systems and installation of control and regulation technology in about 60 properties. Estimated savings of about 7.8 GWh annually.

Quarterly follow-up and reporting of energy projects commenced in 2021. A compilation of all energy projects in progress at the start of the year, as well as projects completed during the year, shows an estimated reduction in SBB's total energy consumption of approximately 5.6 percent.

SBB's largest source of greenhouse gas emissions is from energy consumption in the properties. Thereafter are emissions occurring in the construction process: from the raw material extraction, manufacture of construction products, transport, energy consumption, waste and spillage at the construction site. Emissions also derive from, for example, travel with company cars, landscaping and waste management during operation. SBB conducts

structured efforts to reduce CO₂ emissions in all of these areas.

Energy consumption and its climate impact for all properties are monitored and analyzed centrally in an energy-monitoring system that makes it easier to detect deviations and potential improvements in the portfolio. All emissions from construction are inventoried through life cycle analyses. The work with life cycle analyses is regulated in SBB's Sustainability Appendix, which is used in all new construction and redevelopment projects valued at more than SEK 10 million. The sustainability targets in Vision 2030 cover the entire value chain and three key components of the strategy to reduce emissions from construction are 1: investing in improvements to existing properties rather than demolishing them and building new ones, 2: working with wooden construction in new production. SBB targets 50 percent of new production having a wooden frame. 3: Efforts to climate optimize building frame through, for example, slimmed-down designs and materials with lower climate impact, such as green concrete.

SBB also uses local suppliers, coordinated transport and reused building materials in its own construction operations to reduce CO₂ emissions and the environmental impact of new construction and redevelopment.

SBB's direct emissions from travel with service vehicles, company cars and pool cars correspond to about 1 percent of the emissions from the operation of the properties. At the same time, these emissions can be directly influenced by the company's behaviour and SBB is working to reduce these emissions, among other things, through its Car Policy.

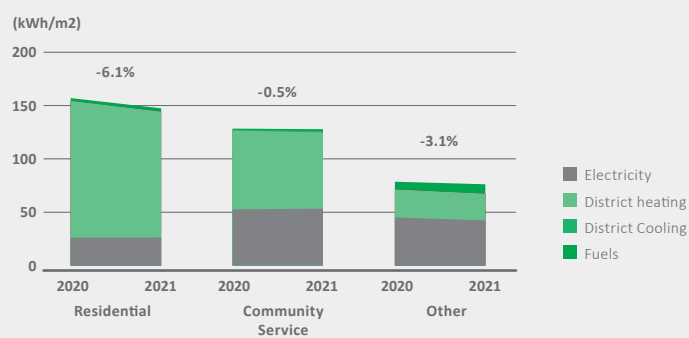
SBB targets reducing CO₂ emissions by 5 percent annually between 2018 and 2023.

Water consumption is measured and monitored in the same system used to monitor energy consumption. In this way, a good understanding of the property's environmental impact is derived from several perspectives. Water consumption derives primarily from SBB's tenants' use of water. Extraction occurs through municipal drinking water systems, water is returned through municipal sewage systems where it is thoroughly purified before being returned to the natural cycle. Waste water is thoroughly purified of particles, drugs, harmful chemicals and other substances, such as phosphorus, that should be kept separate from the natural cycle. Different municipalities apply different methods for waste water treatment and sewage sludge treatment, but all follow the water authorities' strict requirements. SBB does not manage any sewage treatment plants of its own – all waste water is handled through municipal sewage systems.

All SBB properties are located in countries with an average low load on water reserves in accordance with WRI. Small parts of the portfolio are located in areas with an up-to-low average load on the water reserves in accordance with WRI (Gotland, Skåne, Sörmland, Östergötland and Denmark).

Low-flush toilets, showers and mixer taps are installed in connection with renovations. SBB's target is to reduce water consumption by 1 percent annually. In residential unable to achieve limits on primary energy performance, 180 kWh/m² and 200 kWh/m², respectively, depending on the region, individual metering and debiting of domestic hot water will be introduced.

Energy consumption per business area, degree day corrected, Like-for-Like (kWh/m²)



Summary of SBB's work in Climate and Environment in 2021

Zero-net climate emissions and reduced environmental impact	
Energy consumption	<p>100-percent renewable electricity from hydroelectric, wind and solar power through an agreement with Skellefteå Kraft. SBB monitors energy consumption for the entire property portfolio. Energy consumption in new properties is calculated based on templates. SBB targets reducing energy consumption by 5 percent annually throughout the property portfolio. The target refers to kWh per m², as well as absolute figures in comparable portfolios. Measures in properties with high energy consumption per m² and in absolute numbers are prioritized. SBB's green bonds finance many initiatives for energy efficiency in SBB's properties, including: additional insulation, energy-efficient heaters, geothermal heat pumps, energy-efficient lighting.</p> <p>Outcome 2021: -3.3 percent energy consumption (Like-for-Like and degree day corrected)</p>
Renewable energy	<p>As of the second quarter of 2021, SBB reports ongoing and completed projects contributing newly developed renewable energy, with both the number of projects and the number of kWh annually being reported. In 2021, SBB initiated work on a solar park that is expected to contribute 10 GWh of renewable electricity annually, the park is scheduled for completion in the second half of 2022.</p> <p>Outcome 2021: Ongoing and completed energy projects (savings + new production) corresponding to 29 GWh or approximately 5.6 percent of total energy consumption</p> <p>Outcome 2021: 78 percent renewable energy (share of total energy consumption)</p>
Carbon dioxide emissions	<p>SBB targets reducing its carbon dioxide (CO₂) emissions by 5 percent annually. As of 2020, the monitoring and reporting of CO₂ emissions was expanded to include the entire portfolio. The climate impact for newly acquired properties is calculated based on templates. Numerous initiatives have been implemented to reduce emissions. SBB considers the climate impact of its properties from a life cycle perspective. All new construction projects commenced in 2022 and onwards will calculate and declare their climate impact applying a life cycle analysis.</p>
Sustainable property management	<p>SBB invests in further development of existing properties rather than demolishing them and building new ones. Adequate spaces for waste management and sorting at source must be located in, or adjacent to, the properties. The operation and maintenance agreements that are signed are adapted to meet requirements in accordance with certification systems, such as Miljöbyggnad, even for the properties that are not certified. In 2021, SBB signed an agreement for the certification of 500 existing buildings in accordance with the Miljöbyggnad iDrift (environmental building in operation) certification, with the agreement including an option for the certification of a further 500 properties. The certification of the first properties covered by the initiative began in December 2021.</p>
Certified buildings [Cert-Tot]	<p>In 2021, SBB initiated Sweden's largest process of certification in accordance with Miljöbyggnad iDrift. In an initial stage, a total of 500 properties will be certified, after which there is an option for another 500 certifications. Of these, about 20 certifications had begun in 2021, with another 210 planned for certification. Including these initiated and planned certifications, the equivalent of 23 percent of SBB's total portfolio, in terms of market value, will have been certified. Excluding certifications yet to commence, 12.1 percent of the property portfolio has been certified. A more detailed account of all certifications can be found on page 60 of the Sustainability Report.</p>
Number of green leases	<p>Several new "green leases" were signed in 2021, these follow the template for green leases provided by Fastighetsägarna (Swedish association of property owners). A formal system for monitoring the number of green leases is being developed.</p>
Environmental and climate risks	<p>In 2021, SBB conducted a thorough review of the property portfolio, assessing climate-related risks, including energy efficiency, floods, extreme weather, natural disasters and regulatory risks at the property level. The analysis provides a basis for management's risk management work. The analysis shows that less than 1 percent of the property portfolio has a high or very high physical risk and that only 1 percent has a high or very high regulatory risk. A total of seven properties are in the risk zone for coastal flooding. Eighteen properties have a high energy consumption and/or high CO₂ emissions. In total, 94 percent of the portfolio is classified as very low risk or better in terms of physical risks, and 97 percent is classified as low risk or better in terms of regulatory risks. The analysis is conducted by MSCI and builds on established and scientifically founded scenarios, such as IAM, GCAM4, SSPs and ECMWF.</p> <p>The risks in the operations are mainly managed by SBB's management team supported by the Board of Directors, with SBB's CEO being responsible for leading this work. All of SBB's properties are fully insured.</p>
Environmental inventory and decontamination	<p>Healthy indoor environments are of the utmost importance for SBB. All new properties are environmentally inventoried and these inventories are updated at intervals of at most ten years. Among other aspects, the inventory includes any asbestos, radon or PCBs, as well as energy consumption, decontamination of substances hazardous to health and the environment (including asbestos). In new construction projects, all construction products are inventoried and registered using Byggsvarubedomningen, an online service for the assessment of construction products in terms of environmental and health risks, among other aspects. This reduces risks by aiding favourable choices of materials and improving knowledge of how and where risky materials have been used if they need to be replaced in the future. In connection with the extensive certification process in accordance with miljöbyggnad iDrift currently in progress, existing buildings will be inventoried by experts to detect the presence of hazardous substances such as mercury, lead, cadmium, PCBs, asbestos and radioactive substances.</p>
Biological diversity	<p>SBB focuses on the continued development of previously developed sites and, at the same time, increasing the biological diversity of these sites in dialogue with local communities. All new development projects include a dialogue in which the conditions and needs of the site are taken into account and integrated into the development process. Where it is uncertain what the effects on biodiversity could be, an environmental impact assessment is performed. The damage mitigation hierarchy (avoid, minimize, recreate and compensate) and the precautionary principle are applied in connection with activities close to specially protected areas, such as cultural heritage sites (for example World Heritage and IUCN I-IV sites), key biotopes, nature reserves, green areas, arable land, etc. All wood construction projects initiated by SBB use wood from certified forestry (FSC and PEFC), ensuring a high richness of species and biological diversity. By using internationally recognized certification systems in markets with well-developed control systems, it is easy to verify and monitor the use of certified forest products in your own projects.</p> <p>Outcome 2021: 100 percent of all projects initiated by SBB use wood from certified forestry.</p>
Water consumption [Water-Abs] [Water-Int]	<p>Targets: reduce water consumption by 1 percent annually</p> <p>Outcome 2021: 392,000 m³, approximately 0,07 m³/m²</p>
Sustainable building materials [102-9]	<p>Of SBB's projects in progress during 2022, 36 percent, measured as the share of the completed gross area, had a wooden frame. The target is 50 percent. SBB is a pioneer in the area and has built one of the world's tallest wood buildings in Skellefteå. SBB assesses and registers building materials regarding environmental and climate risks to achieve a sustainable supply chain. As part of that work, SBB is a member of Byggsvarubedomningen, a non-profit economic association of actors in the public construction sector seeking to foster development towards a non-toxic and favourable built environment.</p>
Waste	<p>SBB strives to minimize waste, both in property management and the construction process. In property management, SBB partners with tenants, making space available for sorting at source. In the construction process, SBB sets requirements for waste minimization and sorting through its Sustainability Appendix. SBB also conducts environmental rounds, through which compliance is monitored and documented by a third party. All materials left over after our apartment renovation projects are kept for use in the next project, and this also applies to smaller items such as opened paint cans. In 2021, SBB commenced efforts to inventory waste at the property level.</p>

Engage tenants in sustainability work	<p>A guide has been produced for tenants, making it easier for them to contribute to the sustainability work. For example, advice is given on what tenants can do to reduce energy consumption. Information is also provided on possible areas of collaboration, where the tenant can make a big difference in collaboration with SBB.</p> <p>A good way to achieve progress in sustainability work is through collaboration between tenant and landlord. The green leases that are signed contain contractual sustainability requirements for both SBB, as the landlord, and for the tenant.</p> <p>SBB has negotiated a favourable electricity trading agreement with 100 percent renewable electricity, which is offered to all of SBB's residential tenants, simply through the housing app.</p>
Proximity to public transport	<p>SBB seeks to foster opportunities for a sustainable lifestyle and therefore invests in properties close to public transport hubs, and the proportion of properties close to public transport locations is monitored on an ongoing basis.</p> <p>> 98 percent of SBB's properties are less than a ten-minute walk from public transport.</p>
Innovations in environmental technology	<p>SBB is a partner in several innovative start-up companies that work for a more sustainable construction and property sector. These companies develop technologies in areas including solar cells with integrated battery storage (Watts2U), flexible and modular construction with solid wood (Sizes), IoT connection of properties (Netmore), recycling and storage of thermal energy (Ecoclimate) and automated monitoring of ESG data at the property level (Mestro).</p>

SBB's investments in innovation and technology development for a sustainable property sector

Part of SBB's sustainability vision is to be a pioneer in innovation and technology development that can help the industry become more sustainable. As Europe's leading player in social infrastructure, SBB has great opportunities to invest in technological development and test new solutions that have the potential to contribute to the core business and a sustainable society. SBB has therefore invested in a number of start-up companies. For example, SBB has early invested in companies such as Amido, Avy, Ecoclimate, Mestro, Netmore and Watts2U. Below is a brief introduction of the companies:

Netmore

IoT player that develops sensors and technologies for connecting properties. By connecting properties and thereby gaining

access to real time data, managers and property technicians can optimize operations and quickly detect and correct errors. There is great potential for reduced energy and resource use.

Ecoclimate

Systems for recovery, charging, storage, extraction and distribution of recycled and renewable thermal energy. There are large amounts of energy in, among other things, waste water, this energy can be recovered with the help of intelligent technology.

Mestro

Develops and sells a cloud-based platform that helps property owners keep track of their energy consumption. By making energy data available in real time, property owners can,

among other things, detect and correct errors while also analyzing their entire property portfolio and discovering potential for improvement.

Avy

A tool that facilitates, among other things, rent notifications, supplementary options, neighbourhood cooperation and communications for both property owners and residents.

Amido

Handling of digital keys regardless of which accessory brand is used.

Watts2U

Innovative technology to solve solar energy's problems with energy generation and demand through integrated energy storage solutions.





Social sustainability



Social sustainability is an important part of SBB's promise to build a better society. The increasing differences in health and living conditions between different social groups and residential areas is one of the major challenges currently facing Sweden. The property sector has a great impact and thus considerable potential to contribute solutions for increased cohesion, confidence in the future, health and trust.

SBB manages, acquires and develops properties for important societal functions in

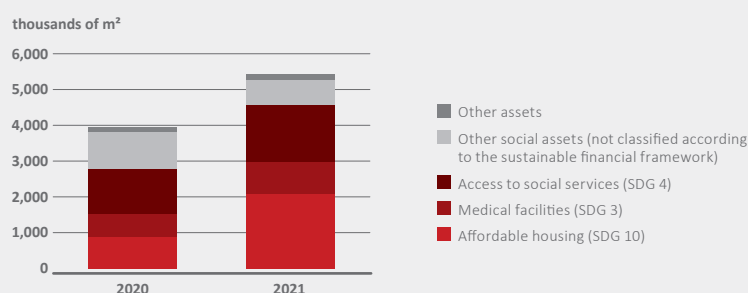
areas offering long-term development potential. Major investments are being made to upgrade and develop the portfolio by renovating apartments, premises, common areas and facades. Outdoor environments, such as playgrounds and green spaces, are also being refurbished and new outdoor lighting is being installed to do away with dark and unsafe places and to help increase biodiversity. People's homes and local environments are made more pleasant and security is improved throughout the area.

In some areas with SBB properties, security is a priority focus. For this reason, an important part of the business model is to invest in improving these areas' social conditions, thereby contributing to favourable and socially sustainable development. Among other things, this is achieved by creating meaningful activities, such as summertime jobs, for young residents and by collaborating with local organizations on projects to improve the social environment in various ways.

A basic objective of the operations is to continuously develop the properties and the residential environment, bringing well-being and security, as well as a positive local identity. As a long-term property manager, working with social sustainability and counteracting marginalization in the areas in which SBB operates is a matter of course.

Risks and opportunities related to social sustainability, such as working conditions in the supply chain, security in the local community, etc., are handled by the management team. Ultimately, the CEO is responsible for identifying and addressing these risks, which is part of Management's ordinary risk management. The extensive dialogue with stakeholder groups provides valuable perspectives on management's work with risk management.

Compilation of social infrastructure, thousands of m²



Summary of SBB's work in social sustainability in 2021

Leading in social infrastructure	
Social values at the core of our business	The inventory taking of social values in SBB's product portfolio is fully integrated into SBB's financial reporting, with data being reported quarterly. Social infrastructure generates 98 percent of SBB's rental income. SBB's operations build on an understanding of, and development in line with, the long-term demographic trends. SBB's CEO and founder Ilija Batljan is an expert in the field with a doctorate in demography and planning for elderly care.
Social bonds	The societal benefits of SBB's business model have been demonstrated through steadily increasing social financing. Since the launch of SBB's updated sustainable financing framework in the fourth quarter of 2020, social financing has increased significantly, the target is 100 percent sustainable financing by 2030. Green and social financing has been reported on a quarterly basis since the second quarter of 2021. At the end of the year, social financing accounted for 21.8 percent of SBB's total loan financing, and 63,6 percent of all new bond financing during the year took the form of social bonds.
Responsible enterprise	
Health and safety in SBB's assets [H&S-Asset] [H&S-Comp] [GRI-416-1]	<p>SBB's responsibility for health and safety extends to all of SBB's assets and workplaces, including construction sites. Safety inspections are organized regularly by the employer at the company's own workplaces and those of its subcontractors, in connection with which risks are listed, assessed and addressed. Employees, contractors and safety representatives appointed by the union are invited to participate in these safety rounds.</p> <p>SBB wants to provide optimum conditions for its tenants and aims for all tenants to enjoy good physical, social and mental health. To examine how SBB can best contribute to tenants' health, annual tenant surveys are conducted. The results provide the basis for SBB's work for tenants' health. Among other things, regular ventilation inspections are conducted to assure good air quality, inspections of lifts, doors and alarms are also conducted regularly to safeguard a favourable working environment. Some young residents are offered summertime jobs in SBB residential neighbourhoods. This has a positive effect on the living environment and increases inclusion and security for tenants.</p>
Dialogue with, and development of, local communities [Comty-Eng]	SBB develops local communities, applying a holistic perspective with regard to social, environmental and economic sustainability. SBB maintains a locally-based property management organization with close contact with customers. Risks and opportunities are analyzed. Dialogues with municipalities and residents are a mandatory part of SBB's detailed planning processes. Project-specific conditions and requirements, including local objectives, ecosystems, sound environment, etc. are noted and integrated into the continued project development.
Indoor environment and accessibility	Healthy indoor environments are of the utmost importance for SBB. All new properties are environmentally inventoried and these inventories are updated at intervals of at most ten years. In connection with apartment renovations, the presence of any asbestos, radon or PCBs, is inventoried, as well as energy consumption and decontamination of substances hazardous to health and the environment (including asbestos). SBB places high demands on accessibility in all of its newly built properties and implements initiatives for increased accessibility in the buildings it renovates. SBB owns and manages apartments that even those with limited financial resources can rent. Customer satisfaction is measured annually through a tenant survey.
Number of summer workers in SBB's residential areas	<p>SBB provides jobs for young people each summer. By providing summer jobs, young people gain an initial experience of the labour market, while their commitment to their neighbourhood is enhanced when they are personally involved in caring for it. In this way, SBB improves over time the attractiveness and social inclusion of its residential areas and young people gain a positive start to adult life.</p> <p>Targets 2021: 150 summer workers Outcome 2021: 175 summer workers Targets 2022: 200 summer workers</p>
Support for refugees	<p>According to the UNHCR, almost 80 million people in the world are in flight. SBB's core business is to provide high-quality social infrastructure and housing. For this reason, SBB contributes every year to UNHCR to improve the housing situation for people in flight.</p> <p>Targets 2021: Contribute at least 110 homes for refugees. Outcome 2021: SBB has provided the UNHCR with 10 Better Shelter refugee shelters and 130 family tents. In total, this has provided shelter, security, integrity and comfort for 980 people.</p>
Supporting Lärhjälpen and Mentor Sverige	SBB sponsors Lärhjälpen (which provides free help with homework) for 15 pupils in grades 7–9 at the Guldhedsskolan school in Gothenburg. SBB is also a member of Mentor Sverige (which provides mentors four young people entering the labour market). SBB sponsors "Noll Tolerans mot Mobbing" (zero tolerance of bullying) in its work to counteract bullying and grooming at Sweden's primary and secondary schools.





Employee [GRI 102–8]



In recent years, SBB has grown through a number of acquisitions. As the organization grows, coordination needs also increase and the demands imposed on communications and leadership are raised. It is important to attract and retain competent employees.

SBB guarantees all personnel a workplace characterized by equal opportunities, dignity, respect and justice, free from discrimination and harassment. The principles that form the basis for working conditions at SBB are described in an HR Policy adopted by the Board of Directors. All employees have the opportunity to participate in a long-term incentive programme based on warrants, enabling employees to share in the value they generate in the long term without needing to adventure their personal finances. In addition, all employees are covered by a short-term incentive programme that is designed on equal terms for all. SBB does its utmost to retain skills and expertise and allows employees to develop in their roles or to further develop in other ways within the company. SBB has identified development paths for employees within residential and community service properties, with HR being able to provide support and training initiatives for further development. At the same time, each employee's situation is unique, and every

year an individual development plan is therefore formulated for each employee in consultation with their immediate manager.

Recruitment decisions shall always be based on clearly defined criteria and all applicants must be treated and assessed on these grounds, without discrimination. Based on their individual capacity, all employees shall be afforded opportunities for optimal professional and personal development to enhance the success of the organization and the employee. This is also our starting point when we consider concepts of equality, diversity and equal treatment, which for us means that all people have the same value and must be treated with respect and dignity. SBB does not tolerate any form of bullying, harassment or discrimination. The notion of discrimination includes, but is not limited to, the grounds against which Swedish law provides protection: gender, transgender identity or expression, ethnicity, religion or other belief system, disability, sexual orientation and age. This is regulated by SBB's Sustainability Policy and Code of Conduct, which all employees must read, understand, sign and adhere to. SBB also contributes to work against discrimination and for equal treatment by having signed up to support the ten principles of the UN Global Compact. All new employees must participate in

SBB's introductory programme, which includes policies including the Code of Conduct and the Sustainability Policy. In 2021, training was provided in the Code of Conduct, Sustainability Policy, Anti-Corruption and Whistle-Blower Policy, with all employees being required to take a test and, at the same time, sign that they had read and understood the content of these policies. In addition, all central suppliers have participated in a follow-up of sustainability at the supplier level. Comprehension of the Code of Conduct and Sustainability Policy has also been tested in this follow-up.

SBB's organization is structured to be able to manage, develop and maintain the company's properties. The company's comprehensive management organization is considered to be strategically important in guaranteeing a good living and working environment. It is also important that employees have local roots. For this reason, the company employs young people who spend their summer break working in the residential areas where they live. A personal commitment like this brings continued development of the residential environment while also providing favourable social side effects.

A long and deeply-rooted tradition of respect for agreements between the social partners, trade unions and employers' organi-

zations pervades SBB's markets. SBB values this model and also safeguards respect for human rights, the freedom of association and the ILO Declaration on Fundamental Principles and Rights at Work. SBB is also a member of the UN Global Compact.

Health and safety are key issues for SBB and the company conducts regular safety rounds at its offices, at its properties and at its construction sites. SBB's responsibilities include employees, contracted personnel, operating staff, tenants and contractors. This is a self-evident part of SBB's promise to be the world's most sustainable property company, but also a consequence of the well-developed legal requirements applicable in the company's markets. Without a correct risk analysis and preparatory work, many of the tasks performed at SBB's workplaces and those of its contractors could be risky. SBB always takes responsibility for safety and assesses in an appropriate way the risks associated with all tasks at its own facilities and those of its contractors. SBB also conducts regular safety rounds. All of this is regulated

in SBB's internal regulations and procedures, mainly in SBB's Management System for Health and Safety at Work and in the Environmental and Quality Management System.

All staff are covered by a training plan. This training plan includes education in quality, ethics, anti-corruption, behaviour, environment, work environment and skills development. Each professional group within SBB is offered a training package tailored for that particular group. Planning and status for staff training is coordinated by a training council with representatives from the management team, the training councils hold regular minuted meetings led by the HR Manager.

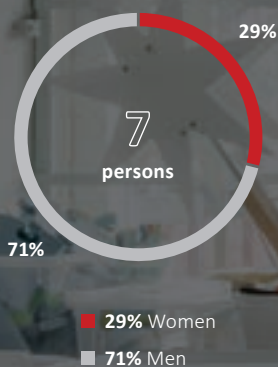
Annual wage surveys are conducted to identify and eliminate any unfair structural differences between groups. SBB's fundamental view is that wage differences attributable to, for example, gender should not occur.

Remuneration of senior executives is determined by the Board of Directors' Remuneration Committee. All employees are offered an opportunity for co-ownership in the form of

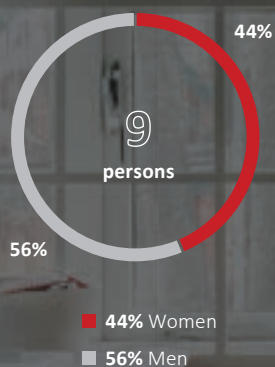
an options programme, which is a long-term incentive programme that fosters commitment to the company. All employees are also offered a wellness allowance of SEK 2,500 annually, which may be used for activities that promote the employee's health. In 2022, the wellness allowance will increase to SEK 5,000 annually.

SBB wants to adapt the workplace to the conditions of its employees, the scheduling of working hours and location of workplace must, as far as possible, be adapted to the individual's circumstances. For example, SBB wants to make it possible to adapt meeting and conference locations and the like to meet the needs of parents. SBB also maps sick leave and the mental and physical health of the entire workforce and specific groups to avoid any group being disadvantaged by the design of the workplace or work formats.

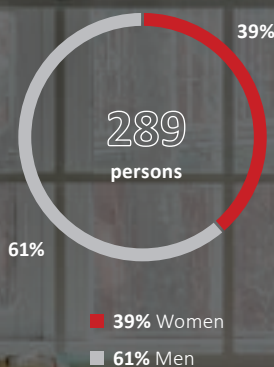
**Gender distribution
Board of Directors**



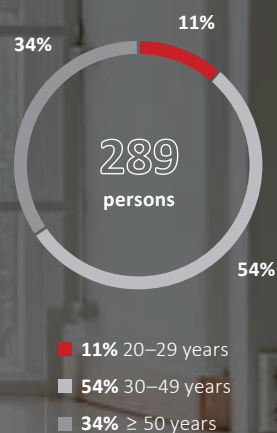
**Gender distribution
management team**



**Gender distribution all
personnel**



**Age distribution,
all personnel**



Area	Summary of SBB's work on HR issues in 2021
The best employees	
Attracting and retaining talent	<p>Market-based terms of employment</p> <p>Collective agreements</p> <p>Skills development</p> <p>Beneficial working environment</p> <p>Flexible working hours and geographical postings adapted to our employees' circumstances</p> <p>Parental leave and parental benefit</p> <p>SBB maintains a short-term incentive programme covering all employees on equal terms: SBB's target fulfilment and the individual employee's performance</p> <p>Long-term incentive programme in which all employees are offered co-ownership by subscribing for options with a term of three years.</p> <p>Annual development interviews, personal development and skills enhancement</p> <p>Employees enjoy health insurance and occupational pension benefits</p> <p>Membership in MERC Talent Network, which aims to expand the members' network and offer talented young people insight into potential career paths ahead.</p>
Long-term incentive programme	100 percent of SBB's employees, regardless of role, have the opportunity to participate in a long-term incentive programme in the form of warrants allowing employees to share in the long-term (three years) development in the value of SBB's shares without having to adventure their personal finances.
Short-term incentive programme	100 percent of SBB's employees are covered by a short-term incentive programme that is designed on equal terms for all, including the management team and the CEO. The bonus target has three components, an individual target adapted to the employee's capacity to contribute to SBB's goals and two shared targets for the entire company.
Proportion of employees covered by collective agreements [GRI 102–41]	70 percent of all employees are covered by collective agreements, employees are covered by collective agreements whether they are union members or not.
Employee benefits	Wellness allowance, eyeglasses, paid vacation, company car, parental leave, occupational pension and health insurance.
Flexibility and balancing work and life	Flexible working hours and geographical postings adapted to SBB's employees' circumstances.
Encouraging diversity and equality	Initiatives to increase diversity and equality awareness in connection with personnel meetings and training.
Gender pay ratio [Diversity-Pay]	Salary surveys are conducted annually to detect any differences in salary and ensure that the company's salaries are equal. Provisions and practices for salaries and terms of employment are documented in SBB's HR Policy and Salary Policy. This states that salaries shall reflect employees' skills, productivity, responsibilities and development. SBB's CEO leads the work with salary mapping and immediately adjusts any differences that are discovered between women and men who perform equal work.
Improving well-being at work and fostering a balance between work and leisure [H&S-Emp] [GRI 403–2]	<p>Opportunities for teleworking, flexible working hours and taking the employee's personal situation into account.</p> <p>All employees are offered a wellness allowance of SEK 2,500 annually, which may be used for activities that promote the employee's health. As of 2022, the wellness allowance will increase to SEK 5,000 annually per employee.</p>
Training and development [Emp-Training] [Emp-Dev]	<p>All employees undergo at least five days of training, education and development annually.</p> <p>A training plan is applied to ensure that all employees keep abreast of their specific areas of responsibility. Training includes role-specific topics, as well as mandatory elements on the environment, work environment, the Code of Conduct, climate risks and risks in the supply chain. The HR Manager is responsible for the planning and implementation of the training plan. All employees have been tested and approved regarding their understanding of the Code of Conduct, Sustainability Policy, anti-corruption and the Whistle-Blower service.</p>
Education in anti-corruption, anti-discrimination, the Code of Conduct, the Sustainability Policy and the Whistle-Blower function [GRI205–2]	<p>All employees (with the exception of those on parental leave, long-term sick leave, trainees and hourly employees) have undergone training in anti-corruption, anti-discrimination, the Code of Conduct, the Sustainability Policy and the Whistle-Blower function. The employees' command of the codes and policies was tested online, with employees also agreeing that they will comply with SBB's codes and policies.</p> <p>271 (out of 289) employees had completed the test and were approved as of 31 December 2021.</p>
Employee interviews and assessment	Employee interviews are conducted annually for all employees. The employee's immediate manager is responsible for employee interviews supported by the HR Manager. Employee interviews include a mutual assessment of the manager's and the employee's performance over the year, as well as strengths, weaknesses and development opportunities. Individual targets and an individual development plan are also set out at employee interviews. All employee interviews are documented and followed up one year later in connection with the next employee interview. Employee interviews include mutual assessment of the performance of both the manager and the employee.

Area	Summary of SBB's work on HR issues in 2021
Training managers in working environment and business acumen	All managers must be able to identify and address risks in the work environment, such as noisy environments, heavy lifting, work at height, ergonomic aspects, etc. SBB's work environment responsibility includes both SBB's own personnel, as well as contracted personnel and consultants. Training in working environment and business acumen is mandatory for all managers in the property management operations. Training is arranged on an ongoing basis to keep skills and awareness up to date.
Career paths within SBB	SBB is a fast-growing company with many opportunities for employees to develop within their roles or by changing roles. In property management there are opportunities to switch between areas of responsibility – by switching from property manager to area manager, or from area manager to regional manager, for example. There are also opportunities for specialization, for example by switching from being a technician to being a technical manager or by undergoing further development in other ways, by taking on a different portfolio as a manager, for example, or by changing business area. SBB also encourages employees seeking to grow through further training.
Leasing agents trained in tenancy law	All leasing agents are trained in tenancy law. New training opportunities will be arranged in 2022 to keep skills updated.
Internal recruitment	Number of employees who have been recruited to a new role internally in 2021: 9
Health and safety	
Health and safety and working conditions for employees, operational personnel and contractors	<p>SBB's responsibility for health and safety extends to all of SBB's assets and workplaces, including construction sites. Safety inspections are conducted regularly at the company's own workplaces and those of its subcontractors, in connection with which risks are listed, assessed and addressed.</p> <p>All of SBB's markets have the highest rating in Global Rights Index run by the International Trade Union Confederation.</p> <p>All managers are trained in health and safety. Health and safety are also included in the training plan for all employees with relevant content adapted to each role.</p> <p>Outcome 2021: short-term sick leave: 0.9 percent (2.7), long-term sick leave 1.9 percent (4.8).</p> <p>SBB supports the long tradition of respect for agreements between trade unions and employers' organizations that exist in all of SBB's markets. All of SBB's employees, except those at the head office, are covered by collective agreements (70 percent). Employees are covered by collective agreements regardless of whether they are union members or not. Union representatives are involved in negotiations in connection with reorganization meetings or in connection with risky tasks.</p>
Number of workplace accidents	<p>Targets: zero serious workplace accidents (in accordance with the Swedish Work Environment Authority's definition of a serious accident), refers to both employees and contractors.</p> <p>Number of serious workplace accidents and incidents reported in 2021: 0</p> <p>Serious accidents and incidents are reported to the Swedish Social Insurance Agency and the Swedish Work Environment Authority, as well as to AFA försäkring (insurance provider).</p>
Absence due to illness	<p>Targets: 0 percent sick leave caused by inadequate work environment or safety.</p> <p>In 2021, short-term sick leave amounted to 0.9 (2.7) percent and long-term sick leave to 1.9 (4.8) percent.</p>
Lost Time Injuries Frequency (LTIR)	<p>Number of injuries resulting in absence per million hours worked.</p> <p>SBB's employees: 0</p>
New employees and employee turnover	
New employees during the year [GRI 401–1]	<p>64 new employees in 2021</p> <p>About 60 percent of these are new employees in property management.</p>
Employee turnover [Emp-Turnover] [GRI 401–1]	<p>16.3 percent (20.3)</p> <p>SBB continued to grow strongly in 2021, with most employee turnover being linked to acquisitions.</p>



Governance and financial sustainability



SBB's objective is to achieve good economic growth which engenders conditions for investing in the climate and the social environment. Being profitable provides opportunities to drive and develop sustainable property management and construction. Through low financial and operational risk and robust management, SBB shall deliver strong, risk-adjusted value growth with increasing cash flows and an increasing dividend to shareholders. In terms of business ethics, all employees, partners and suppliers act in line with SBB's Code of Conduct. Being a financially stable landlord with robust management means professional property management and security for tenants.

Workers' rights

Only 11 countries have the highest rating in the Global Rights Index, which is run by the ITUC – International Trade Union Confederation and which monitors workers' rights worldwide. All of SBB's markets: Sweden, Norway, Finland and Denmark are among these 11 countries. The criteria assessed include the right to association, the right to collective bargaining, the right to strike, access to legal representation for workers, the prevalence of supervision and oppressive legislation. SBB's operations are physically tied to the domestic markets. This means that most of the work is conducted on site by local suppliers in the property management and construction operations. Only a small part of the supply chain is in other markets.

These are mainly specific material suppliers for construction projects, many of the basic products used in construction are produced in the domestic markets. One of SBB's main partners in construction, in which SBB also holds a 14 percent share, is based in Oskarshamn.

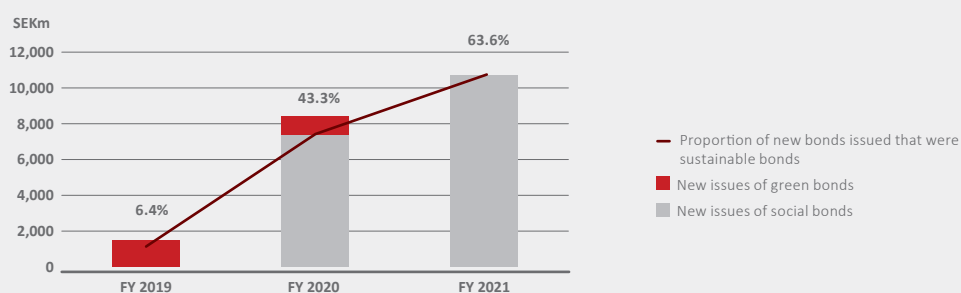
SBB partners with a security company to counteract undeclared work and labour-related crime among contractors and subcontractors in SBB's construction projects. The work will begin in 2022 with an inventory and current situation analysis in which attendance ledgers are inventoried and unannounced visits are made to verify legal and regulatory compliance. Procedures and verification plans are then developed to counteract labour-related crime and undeclared work in a structured and long-term manner.

Summary of SBB's work in Governance and financial sustainability in 2021

Industry leader in ESG	
Reducing CO₂ emissions caused by SBB's employees	Our company car policy offers opportunities for plug-in hybrids or fully electric models. Opportunities to work both locally and remotely reduces travel needs.
Involving all employees in sustainable development	Regional managers have been assigned with setting bonus targets linked to SBB's sustainability targets, e.g. reduced energy consumption and green leases. Initiatives in connection with personnel meetings and training to increase awareness of sustainability issues in general and of SBB's sustainability targets in particular.
Involving all employees in the company's targets and commitments	Involvement through exchanges of experience during training. Incentive programs also enable participation by all employees.
Effective governance	
Board of Directors with the sector's deepest skills and experience [GRI 103–2]	Skills-enhancing initiatives are included on the agenda of every second Board meeting, including further training in a particular area of the operations. The Board has a Sustainability Committee that holds minuted meetings in connection with all regular Board meetings, and has, as of this year, included an external member with special competence and experience within ESG. Annual assessment of the Board of Directors performed in connection with the audit.
Composition of the Board of Directors [Gov-Board] [GRI 102–22]	See the Corporate Governance Report and information on Board members on pages 76–79.
Process for nomination and election of the Board of Directors [Gov-Selec] [GRI 102–24]	The 2021 Annual General Meeting resolved that the Nomination Committee should comprise representatives of at most the three largest shareholders and the Chairman of the Board. The Chairman of the Board was tasked with contacting the three largest registered shareholders in terms of votes as of 30 September 2021, requesting that each appoint one member to the Nomination Committee. SBB applies the Swedish Code of Corporate Governance.
Process for managing conflicts of interest [Gov-Col] [GRI 102–25]	SBB applies the Swedish Code of Corporate Governance. The Board of Directors, Remuneration Committee and Audit Committee are elected in accordance with the Code – additional information is provided in the Corporate Governance Report.
Leading the sector in transparent reporting	We apply industry-leading standards and frameworks in our reporting: IFRS, Swedish Code of Corporate Governance, GRI, EPRA, CDP etc.
Management assessment [GRI 103–3]	The Board of Directors assesses the CEO annually.
Customer satisfaction	Tenant surveys are conducted annually. In 2021, 683 tenants of community service properties (CS) were invited to participate in the survey for community service properties and 8,102 tenants to participate in the survey for residential tenants (RE). 229 responses were obtained in the survey for community service properties, 2,144 responses were obtained in the survey for residential tenants. Some of the lessons that have been learned are that a majority of tenants would recommend SBB as a landlord and are satisfied with their homes as a whole and a majority are satisfied with the information that SBB provides (78 percent of tenants) and how easy it is to get hold of the landlord (69 percent of the tenants in community properties). One area for improvement was the tenants' knowledge of SBB's sustainability vision (32 percent of tenants in community service properties, 37 percent of residential tenants state that they are aware of the vision) while a majority state that sustainability is important (82 percent of tenants in community properties and 90 percent of residential tenants). The focus areas that have been identified are continued work with energy consumption, standard-raising apartment renovations and information and accessibility for tenants.
Sustainable supply chain [GRI 102–9] [GRI 308–1] [GRI 414–1]	All suppliers are required to comprehend, sign and comply with SBB's Code of Conduct and our Sustainability Code for Suppliers. 770 suppliers have signed the Codes digitally as of 31 December 2021. SBB does not tolerate any anomalies in the supply chain. SBB works in close contact with local actors with regard to operation, maintenance and contracting alike. The local knowledge and procurement of suppliers in the property management operations makes it easier to detect and remedy any irregularities compared with large-scale, centrally procured contracts where those placing the orders have no direct connection to the place of work or those doing the work. To enable an overview and facilitate follow-up, property managers are urged to limit the number of procured suppliers. All centrally procured suppliers have undergone an in-depth review and verification of their understanding of the Code of Conduct and Sustainability Policy, as well as a screening regarding significant sustainability parameters and focus areas. Targets: 100 percent of centrally procured suppliers must undergo an in-depth review at least every three years Outcome 2021: 93 percent of the centrally procured suppliers were reviewed
Human rights	SBB shall always respect human rights and the ILO Declaration on Fundamental Principles and Rights at Work. We support the UN Global Compact. More information can be found in SBB's Human Rights Policy. The biggest challenge in this area is to safeguard human rights and fair working conditions throughout the value chain when purchasing electronics for the properties. Raw material extraction and manufacture occur at many stages in many markets and are difficult to overview. SBB conducts a dialogue on these issues with SBB's major suppliers of electronics.
Remuneration of senior executives	Remuneration of senior executives is determined by the Board of Directors' Remuneration Committee
Ethics and anti-Corruption	
Disseminating awareness of ethics and fostering anti-corruption among all employees [GRI 205–2]	SBB's work for ethical and anti-corrupt behaviour is described in the Code of Conduct and in the Anti-Corruption Policy. Initiatives to increase awareness of ethics and anti-corruption, as well as the possibility of using the whistle-blower service in connection with personnel meetings and training events. These topics were addressed at 100 percent of training events in 2021.
Number of incidents reported to the whistle-blower function [GRI 205–3]	Number of cases reported: Discrimination: 0 Harassment: 0 Corruption: 0 Other: 1 The matter has been investigated and reported to the Board. The Board of Directors has decided to leave the matter with no action being taken.

Zero corruption	SBB does not tolerate any form of corruption, bribery, fraud, money laundering, tax evasion, extortion, or illegal financing of political organizations and acts vigorously to prevent and counteract these. The purpose of SBB's insider policy is to reduce the risk of insider trading and other prohibited acts. The insider rules affect different positions to varying degrees, but all employees must be aware of and comply with the provisions included in the insider policy. Anti-corruption is included in all training courses conducted for SBB employees. More information can be found in the Anti-Corruption Policy and the Code of Conduct. All of SBB's markets hold top-10 rankings from Transparency International's anti-corruption index CPI. No cases of corruption were detected in 2021.
High risk markets	SBB does not operate in any high-risk markets with regard to workers' rights (Global Rights Index, ITUC) or corruption (CPI, Transparency International). Labour crime does nonetheless occur in the community service property sector and SBB has therefore initiated a partnership with a security company to counteract undeclared work and labour-related crime among contractors and subcontractors in SBB's construction projects. See page 52 for more information.
Lobbying	SBB does not support any political parties, political campaigns or lobbying and only participates as members of established and recognized industry organizations such as Fastighetsägarna (Swedish property owners association), the Sweden Green Building Council and Public Housing Sweden. Total contributions to political parties, political campaigns and lobbying 2021: SEK 0
Number of suppliers who have digitally signed the Code of Conduct and Sustainability Policy	As of 31 December 2021, a total of 770 suppliers have digitally approved SBB's Sustainability Policy and Code of Conduct. Of these, 508 signed the Codes in 2021 while 262 signed in 2020.
Innovation and digitization	
Developing SBB's properties for a high level of connectivity and control	The energy usage in all of SBB's properties is registered online in SBB's energy monitoring system. A fully digitized leasing process for rental apartments. SBB has also initiated projects to connect water meters and invested in a company that develops sensors and technology for connecting properties.
Innovation and new technology – R&D	Part of SBB's Vision 2030 is to be a pioneer in new technology and set the standard for sustainability in the property sector. Part of that work is to invest in innovative solutions with potential for complementing the core business and contributing to a sustainable society. SBB has invested in a number of innovative start-up companies, including: Mestro, Netmore, Ecoclime, Watts2U, Amido and Avy.
IT security	SBB is a pioneer in digitalization. A robust system for IT security is thus necessary to minimize the risk of security incidents. SBB has a dedicated IT Security Manager, who reports to the individual responsible for IT security in the management team. The company has an IT council comprising the IT Manager and the CFO, who also has a responsibility for risk management. On the Board, Lennart Schuss is particularly responsible for reviewing the company's IT security efforts.
Economic sustainability	
Customer value	Targets: Contribute to more efficient management and free up capital for SBB's customers.
Rating	Achieve an investment grade rating of BBB+ in the short term and of A- in the longer term.
Sustainable financing	Continued growth and development of SBB's green and social portfolio with financing and target fulfilment in accordance with SBB's sustainable financial framework. Targets: 100-percent sustainable financing in the longer term Outcome 2020: 26.3 percent of all bond loans were sustainable, 43.3 percent of all new bond loans in 2020 were sustainable (green or social in accordance with our sustainable financing framework) Outcome 2021: 39.1 percent of all bond loans were sustainable, 63.6 percent of all new bond loans in 2021 were sustainable (green or social in accordance with our sustainable financing framework)
Green Share	Targets: SBB is to be classified as a green share on NASDAQ Stockholm in accordance with Vision 2030
Risks and opportunities	The risks and opportunities in the operations are mainly managed by SBB's management team supported by the Board of Directors, with SBB's CEO being responsible for leading this work. Risks and opportunities in areas such as technological development, competitors, demographic development, climate (physical, regulatory, transition risks) are managed. SBB's management team and board are composed to maximize breadth and depth with experts in a number of different areas, as well as leading industry experts.

Newly issued bonds



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Sustainability tables

Personnel – tables

Number of employees [Diversity-Emp] [GRI 405–1]

	Number (individuals)	Share, %	20 – 29 years	30 – 49 years	50 – years
All employees	289		33	157	99
Share, %			11	54	34
Women	113	39	19	68	26
Men	176	61	14	89	73
Managers	52		1	25	26
Share, %			2	48	50
Women	17	33	0	7	10
Men	35	67	1	19	16
Management team	9		0	5	4
Share, %				56	44
Women	4	44	0	2	2
Men	5	56	0	3	2
Board of Directors	7		0	0	7
Share, %			0	0	100
Women	2	29	0	0	2
Men	5	71	0	0	5

Personnel statistics, summary

	2020	2021	comment
No. of employees	227	289	
Number of consultants	38	31	
Number of fixed-term positions	11	6	
Probationary positions	10	7	
Summer workers	134	175	
Number of part-time employees	13	8	
Employee turnover [Emp-Turnover] [GRI 401–1]	20.3%	16.3%	Mainly attributable to departures in connection with company acquisitions
Short-term sick leave	2.7%	0.9%	
Long-term sick leave	4.8%	1.9%	

Employee turnover [Emp-Turnover] [GRI 401–1]

	Number of new employees (individuals)	Share of total (%)	Number who left during the year (individuals)	Share of total (%)
Total	64		47	
Men	46	72	30	64
Women	18	28	17	36
By region				
Sweden	59	92	42	89
Norway	4	6	5	11
Finland	1	2	0	0
By age category				
20 – 29 years	11	17	4	9
30 – 49 years	42	66	20	43
50 – years	11	17	23	49

Social sustainability – tables

Summary of social assets

Classification	Area, thousand m ²	Area, %	Rental income, SEK m	Rental income, %	Social classification in accordance with current framework
Rental apartments	1,966	36	2,225	32	Affordable housing (SDG 10)
Project properties, future rental residentials	111	2	81	1	Affordable housing (SDG 10)
Total residentials	2,077	38	2,306	33	
Elderly care units	572	11	822	12	Medical facilities (SDG 3)
LSS	276	5	405	6	Access to social services (SDG 4)
Building rights for future publicly funded housing	0	0	0	0	Affordable housing (SDG 10)
Total residentials	848	16	1,227	17	
Education	1,317	24	1,999	28	Access to social services (SDG 4)
<i>Preschool</i>	355	7	766	11	Access to social services (SDG 4)
<i>Primary school/upper-secondary school</i>	698	13	847	12	Access to social services (SDG 4)
<i>University</i>	264	5	386	6	Access to social services (SDG 4)
Hospitals and health centres	326	6	443	6	Medical facilities (SDG 3)
Central government infrastructure and town halls	306	6	456	6	Planned classification in accordance with SDG
Public offices	258	5	337	5	Planned classification in accordance with SDG
Other	0	0	0	0	Planned classification in accordance with SDG
Building rights for future community service properties	119	2	158	2	Planned classification in accordance with SDG
Total community service properties	2,326	43	3,392	48	
Total social infrastructure	5,251	97	6,926	99	
Other	174	3	91	1	Non-social assets
Total	5,425	100	7,017	100	

Social assets, development over time

	2020		2021	
	Area, thousand m ²	Area, %	Area, thousand m ²	Area, %
Affordable housing (SDG 10)	876	16	2,077	38.3
Medical facilities (SDG 3)	621	23	898	16.6
Access to social services (SDG 4)	1,275	28	1,593	29.4
Other social assets (not classified according to the sustainable financial framework)	1,047	31	683	12.6
Other assets	136	2	174	3.2
	3,955		5,425	

Created and distributed economic value (GRI 201–1)

SEK million	2021	2020
Financial value directly generated	5,930	5,121
Income	5,930	5,121
Distributed financial value	4,849	3,834
Operating costs excluding personnel costs	1,665	1,514
Dividends to shareholders	1,807	1,121
Salaries and remunerations to employees	392	226
Interest to financiers	737	807
Tax to the state	247	165
Contribution to the local community	1	1
Retained economic value	1,081	1,287

Climate and environment – tables

Energy – all amounts refer to MWh unless otherwise stated

EPRA Code	SBB Total			Sweden		Norway		Finland	
	2020	2021	% change	2020	2021	2020	2021	2020	2021
Like-for-Like energy use									
Total landlord obtained electricity [Elec-LfL]	60,643	62,383	2.9%	57,785	59,213	2,853	3,164	4	6
Disclosure coverage (number of properties)*	350	350		343	343	6	6	1	1
Total landlord obtained district heating [DH&C-LfL]	112,190	125,321	11.7%	110,489	123,020	1,036	1,431	665	870
Disclosure coverage (number of properties)*	198	198		194	194	2	2	2	2
Total landlord obtained district cooling [DH&C-LfL]	1,031	1,179	14.3%	1,031	1,179	-	-	-	-
Disclosure coverage (number of properties)*	6	6		6	6	-	-	-	-
Total landlord obtained fuels [Fuels-LfL]	3,521	4,730	34.3%	3,500	4,716	21	15	-	-
Disclosure coverage (number of properties)*	7	7		6	6	1	1	-	-
Total energy use [LfL]	177,385	193,613	9.1%	172,805	188,127	3,910	4,610	669	876
Energy intensity (kWh per lettable m ²) [Energy-Int-LfL]	117.4	128.2	9.1%	117.8	128.2	102.3	120.6	135.5	177.3
Total energy use – degree day corrected [LfL]	200,615	193,968	-3.3%	195,582	188,327	4,257	4,776	777	864
Energy intensity – degree day corrected (kWh per lettable m ²) [LfL]	132.8	128.4	-3.3%	133.3	128.3	111.4	125.0	157.4	175.1
Absolute energy use									
Total landlord obtained electricity [Elec-Abs]**	157,568	169,835	7.8%	144,977	151,818	2,853	4,787	9,738	13,230
Proportion of electricity from renewable sources	100%	100%		100%	100%	100%	100%	100%	100%
Total landlord obtained district heating [DH&C-Abs]**	292,681	338,749	15.7%	277,205	315,414	1,036	1,431	14,441	21,903
Proportion of DH&C from renewable sources***	68%	68%		70%	70%	31%	31%	42%	42%
Total landlord obtained district cooling [DH&C-Abs]**	2,695	3,202	18.8%	2,587	3,023	-	-	108	179
Proportion of DH&C from renewable sources***	69%	68%		70%	70%	31%	31%	42%	42%
Total landlord obtained fuels [Fuels-Abs]	6,118	7,561	23.6%	6,097	7,546	21	15	-	-
Proportion from fuels from renewable sources	46%	37%		46%	37%	100%	100%	0%	0%
Total energy use [Abs]	459,062	519,347	13.1%	430,866	477,801	3,910	6,233	24,287	35,313
Proportion from fuels from renewable sources	79%	78%		80%	79%	81%	84%	65%	64%
Total energy use – degree day corrected [Abs]	521,631	524,601	0.6%	490,693	482,858	4,257	6,399	26,682	35,345

*Properties owned two consecutive years, data coverage > 95 %, operational control boundary i.e. triple-net properties are excluded

** Many properties are newly accesses and therefore lack complete data for past years. Total scope 2 carbon emissions in Sweden are therefore calculated based on average energy use for properties owned at least two years with sufficient data coverage.

*** Share of renewable district heating and cooling is based on national averages

Greenhouse Gas Emissions – all amounts refer to tonnes of CO₂e unless otherwise stated

Carbon dioxide, methane and nitrous oxide are included in the reporting of CO₂ equivalents

EPRA Code	SBB Total			Sweden		Norway		Finland	
	2020	2021	% change	2020	2021	2020	2021	2020	2021
Scope 1, total [GHG-Dir-Abs]	1,462	1,427	-2.4%	1,298	1,402	89	14	74	10.56
Biofuels used for heating	80	97	20.3%	80	97	0.1	0.1	-	-
Fossil fuels used for heating	674	982	45.6%	674	982	-	-	-	-
Company vehicles	707	348	-50.8%	544	323	89***	14.4	74***	10.6
Scope 2 market based, total* [GHG-Indir-Abs]	14,366	16,911	17.7%	11,238	12,166	19	26	3,109	4,719
Electricity	797	834	4.7%	793	830	3.3	3.4	0.5	0.7
District heating	13,531	16,028	18.5%	10,414	11,300	15.5	22.1	3,100.9	4,706.0
District cooling	39	49	26.6%	31	36	-	-	7.7	12.7
Scope 2 location based, total* [GHG-Indir-Abs]	22,075	25,507	15.5%	17,259	18,471	41	51	4,775	6,985
Electricity	8,506	9,430	10.9%	6,814	7,135	25.7	28.5	1,666.3	2,266.1
District heating	13,531	16,028	18.5%	10,414	11,300	15.5	22.1	3,100.9	4,706.0
District cooling	39	49	26.6%	31	36	-	-	7.7	12.7
Scope 3, total [GHG-Indir-Abs]	12,097	12,283	1.5%	11,951	12,092	35	42	110	149
Water use	44	47	7.0%	38	40	3	3	3	4
Materials in construction projects	5,491	7,500	36.6%	5,491***	7,500	-	-	-	-
whereof integrated net carbon storage**	-24,746	-10,092	-59.2%	-24,746***	-10,092	-	-	-	-
Energy related activities not included in Scope 1 & 2****	1,093	1,178	7.7%	966***	1,011	26	28	102	138
Transportation in construction projects	3,079	2,294	-25.5%	3,079***	2,294	-	-	-	-
Waste in construction projects	2,318	1,169	-49.6%	2,318	1,169	-	-	-	-
Treatment of waste water	70	74	7.0%	60	63	5	5	5	6
Business trips (flight)	2	21	N/A	-	15	2	5	-	1
Business trips (rail)	-	-	N/A	-	-	-	-	-	-
Upstream leased assets	4	4	N/A	4	4	-	-	-	-

* Many properties are newly accesses and therefore lack complete data for past years. Total scope 2 carbon emissions in Sweden are therefore calculated based on average energy use for properties owned at least two years with sufficient data coverage.

**Net carbon storage integrated in owned and managed wooden structures built during the year

***Calculation methodology for 2020 figures differs from 2021

****Includes infrastructure and transmission related emissions from landlord obtained electricity, does not include tenant energy use

Like-for-like energy use (Lfl) by property type

	Residential			Community Service			Other		
	2020	2021	% change	2020	2021	% change	2020	2021	% change
Total landlord obtained electricity	14,901	15,430	3.5%	36,748	38,252	4.1%	8,993	8,700	-3.3%
Disclosure coverage (number of properties)*	188	188		154	154		8	8	
Total landlord obtained district heating	63,750	68,830	8.0%	43,763	51,180	16.9%	4,677	5,311	13.6%
Disclosure coverage (number of properties)*	125	125		65	65		8	8	
Total landlord obtained district cooling	-	-		1,031	1,179	14.3%	-	-	
Disclosure coverage (number of properties)*	-	-		6	6		-	-	
Total landlord obtained fuels	1,481	1,749	18.1%	586	1,195	103.8%	1,454	1,786	22.9%
Disclosure coverage (number of properties)*	2	2		4	4		1	1	
Total energy use	80,132	86,009	7.3%	82,129	91,806	11.8%	15,124	15,798	4.5%
Energy intensity (kWh per lettable m ²)	136.5	146.5		114.4	127.9		73.6	76.9	
Total energy use (degree day corrected)	92,205	86,543	-6.1%	92,275	91,785	-0.5%	16,135	15,640	-3.1%
Energy intensity degree day corrected (kWh per lettable m ²)	157.0	147.4		128.5	127.8		78.6	76.2	

*Properties owned two consecutive years, data coverage > 95 %, operational control boundary i.e. triple-net properties are excluded

Like-for-like emissions (Lfl) by property type

	Residential			Community Service			Other		
	2020	2021	% change	2020	2021	% change	2020	2021	% change
Scope 1, total	283	325	15%	40	55	38%	195	238	22%
Biofuels used for heating	20	25	27%	9	20	125%	14	19	36%
Fossil fuels used for heating	263	300	14%	31	35	13%	181	220	21%
Scope 2 market based, total	2,754	2,829	3%	1,692	1,928	14%	232	250	8%
Electricity	82	84	4%	189	195	4%	49	48	-3%
District heating	2,673	2,744	3%	1,491	1,719	15%	183	202	10%
District cooling	-	-	0	12	14	14%	-	-	0
Scope 2 location based, total	3,373	3,469	3%	3,123	3,411	9%	606	611	1%
Electricity	700	725	4%	1,619	1,678	4%	423	409	-3%
District heating	2,673	2,744	3%	1,491	1,719	15%	183	202	10%
District cooling	-	-	-	12	14	14%	-	-	-
Scope 1+2 (market based) (kg CO₂e per lettable m²) [GHG-Lfl]	5.2	5.4	4%	2.4	2.8	15%	2.1	2.4	14%

Water – all amounts refer to m³ unless otherwise stated

EPRA Code	SBB Total			Sweden		Norway		Finland	
	2020	2021	% change	2020	2021	2020	2021	2020	2021
Municipal water [Water-Lfl]	152,348	158,847	4.3%	125,228	129,163	24,068	26,625	3,052	3,059
Disclosure coverage (number of properties)*	72	72	0.0%	59	59	12	12	1	1
Building water intensity (m ³ per lettable m ²) [Watern-Int]	0.40	0.42	4.3%	0.42	0.44	0.29	0.32	0.71	0.71
Municipal water [Water-Abs]	366,060	391,805	7.0%	314,182	331,164	24,068	28,922	27,810	31,719

Eligible green assets [Cert-Tot]	Andel av total MV %	MV 31–12–2021	Number of properties
Planned Miljöbyggnad / Miljöbyggnad iDrift	10.9%	16,275	190
Environmental building in operation, in progress	3.9%	5,867	17
Green Housing Portfolio	3.0%	4,525	24
Environmental building	2.8%	4,195	9
Breeam In-Use	2.7%	4,070	3
Green Building	2.3%	3,478	8
Passive house	0.3%	520	9
Total	26.1%	38,930	260

Definitions – Sustainability Report

Sustainability indicators – definitions [EPRA Guidelines]	The reporting follows the guidelines from the Global Reporting Initiative (GRI), level core. Sustainability reporting is performed annually in connection with the Annual Report.
Organizational boundaries	SBB reports sustainability-related data for the indicators and the properties where SBB has operational control in accordance with the principles in the GHG protocol (operational control). This means that, for example, electricity, heating and water, where the tenant is a contractual party, are excluded from the report. These limits afford SBB optimum conditions for working with the indicators that SBB has the opportunity to influence.
Data coverage	SBB reports comparable indicators for two subsequent years. The properties must thus have been owned for two full years to be included in the accounts. Furthermore, the data coverage must be at least 95 percent in order for the indicator to be included in the accounts, to avoid incorrect underestimation of outcomes. The data coverage indicates how many measurement points have been filled with data. SBB has high data coverage for most properties and works continuously to increase the coverage for new properties.
Base year	The base year is 2020, when the first version of Vision 2030 was published. The 2020 data has been recalculated in conjunction with the 2021 Annual Report due to increased data quality.
Estimation of landlord-obtained utility consumption	Reported data is actual data when reporting Like-for-Like. Estimates occur for energy consumption and climate impact in newly acquired properties where measurement and follow-up have yet to be integrated.
Third party assurance	SBB's Sustainability Report is reviewed by EY. The Sustainability Report follows GRI Standards.
Boundaries – reporting on landlord and tenant consumption	Energy purchased by the landlord is reported. Energy purchased directly by the tenant is not reported. SBB does not have access to statistics for the tenant's energy purchases, nor does it have the same opportunity to influence this.
Normalization	Intensity figures for energy consumption, CO ₂ emissions and water use are reported. These are obtained by dividing the metric by the total area for applicable properties (triple-net properties, that is properties without energy consumption, are therefore excluded).
Segmental analysis (by property type, geography)	SBB reports total energy consumption, energy consumption per country and energy consumption per segment (residential, community service properties and other properties).
Disclosures regarding own offices	SBB owns most of its own offices and these are thus included in the reporting. A few offices are leased from other property owners, the climate impact of these is calculated on a standard basis based on rented area and average CO ₂ emissions per area.
Narrative on performance	Development during the year 2021 is described on pages 44, 48, 50 and 54, respectively, for the environment, social sustainability, personnel issues and governance, respectively.
Location of EPRA Sustainability Performance in companies' reports	The EPRA index is presented on page 64.
Reporting period	The reporting refers to the calendar year, that is, 1 January to 31 December.
Materiality	Materiality analysis is reported on page 41

EPRA index

Code	Performance Measure	GRI Index	Page
Environmental Sustainability Performance Measures			
Elec-Abs	Total electricity consumption	302-1	60
Elec-lfl	Like-for-like total electricity consumption	302-1	60
DH&C-Abs	Total district heating & cooling consumption	302-1	60
DH&C-LfL	Like-for-like total district heating & cooling consumption	302-1	60
Fuels-Abs	Total fuel consumption	302-1	60
Fuels-LfL	Like-for-like total fuel consumption	302-1	60
Energy-Int	Building energy intensity		60
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	305-1	61
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	305-2	61
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	305-4	61
Water-Abs	Total water consumption	303-1	62
Water-LfL	Like-for-like total water consumption	303-1	62
Water-int	Building water intensity		62
Waste-Abs	Total weight of waste by disposal route		-
Waste-LfL	Like-for-like total weight of waste by disposal route		-
Cert-Tot	Type and number of sustainably certified assets		62
Social Performance Measures			
Diversity-Emp	Employee gender diversity	405-1	58
Diversity-Pay	Gender pay ratio	405-2	52
Emp-Training	Training and development	404-1	52
Emp-Dev	Employee performance appraisals	404-3	52
Emp-Turnover	New hires and turnover	401-1	58
H&S-Emp	Employee health and safety	403-2	52
H&S-Asset	Asset health and safety assessments	416-1	49
H&S-Comp	Asset health and safety compliance	416-2	49
Comty-Eng	Community engagement, impact assessments and development programmes	413-1	49
Governance Performance Measures			
Gov-Board	Composition of the highest governance body	102-22	55
Gov-Select	Nominating and selecting the highest governance body	102-24	55
Gov-Col	Process for managing conflicts of interest	102-25	55

Declaration of delimitation and basis for calculation of emissions in accordance with the GHG protocol [GRI 305–1, 2, 3]

Scope	Activity	Data sources	Conversion factor
1	Business trips by company car	Data from reading of mileage through partner company for company cars. Emissions are calculated per vehicle in the property management based on the number of km driven for work and the average fuel consumption measured (data from partner company).	Statistics from partner company for company cars. Unique factor per vehicle type (Autoplan)
1	Consumption of fuels for heating of buildings	Review of invoices registered for wood pellets, oil and gas, respectively	Pellets: 18 kg CO ₂ e/MWh (Energy companies) Oil: 280 kg CO ₂ e/MWh (IPCC 5AR) gas: 203 kg CO ₂ e/MWh (IPCC 5AR) Biogas: 45 kg CO ₂ e/MWh (Swedish Energy Agency) bio-oil: 5 kg CO ₂ e/MWh (Energy companies)
2	Electricity consumption	Collection of statistics from energy monitoring systems. Refers to electricity consumption where SBB is the contracting party.	Market based – core process (Vattenfall EPD) Sweden: 5.47 g CO ₂ e/kWh (Hydropower, wind power, bioenergy) Norway: 0.05 g CO ₂ e/kWh (Hydropower) Finland: 0.05 g CO ₂ e/kWh (Hydropower) Location based (Moro & Lonza (2018) Electricity carbon intensity in European Member States. Transport and Environment) Sweden: 47 g CO ₂ e/kWh Norway: 9 g CO ₂ e/kWh Finland: 171 g CO ₂ e/kWh
2	Consumption of district heating	Collection of statistics from energy monitoring systems. Refers to district heating consumption where SBB is the contracting party.	Statistics from relevant suppliers of district heating (Mestro, Entro, Enerkey)
2	Consumption of district cooling	Collection of statistics from energy monitoring systems. Refers to district cooling consumption where SBB is the contracting party.	Specific emissions data for relevant suppliers (Mestro, Entro, Enerkey)
3	Purchased goods and services	Water	0.12 kg CO ₂ e/m ³ incl. distribution (Wallen (1999) Life cycle analysis of drinking water. Chalmers University of Technology)
3	Capital goods	Materials in construction projects: All of SBB's construction projects. Data are based on life cycle analyses from a representative selection of projects that have been used to estimate SBB's total emissions from construction projects.	Generic LCA data for material from the National Board of Housing, Building and Planning's open database. Product-specific data from EPDs
3	Capital goods	Construction waste: All of SBB's construction projects. Data are based on life cycle analyses from a representative selection of projects that have been used to estimate SBB's total emissions from construction projects.	Generic LCA data for material from the National Board of Housing, Building and Planning's open database. Product-specific data from EPDs
3	Fuel and energy related activities not included in Scope 1 & 2	Indirect emissions from energy consumption	Market based – infrastructure and transmission (Vattenfall EPD): Sweden: 6.66 g CO ₂ e/kWh (Hydropower, wind power, bioenergy) Norway: 10.45 g CO ₂ e/kWh (Hydropower) Finland: 10.45 g CO ₂ e/kWh (Hydropower)
3	Upstream transport and distribution	Transport in construction projects All of SBB's construction projects. Data are based on life cycle analyses from a representative selection of projects that have been used to estimate SBB's total emissions from construction projects.	Generic LCA data for transports from the National Board of Housing, Building and Planning's open database. Product-specific data from EPDs. Vehicle type and conversion factor vary depending on material type and transport distance (National Board of Housing, Building and Planning)
3	Waste generated in operation	Waste water management	0.19 kg CO ₂ e/m ³ (Statistics Sweden)
3	Business travel	Air travel: Data from travel agency	Data from travel agency. Factor depends on the distance. 88–160 g CO ₂ e/km (Stureplansresor)
3	Business travel	Train: Data from travel agency	Data from travel agency. Factor depends on the distance. 0.0036–0.0074 g CO ₂ e/km (Stureplansresor)
3	Upstream leased assets	Rented office space	Standard calculation based on rented space. 2.4 g CO ₂ e/m ² (2020), 2.8 g CO ₂ e/m ² (2021) (SBB, own management)

Note

The methodology for energy and GHG reporting have been updated during 2021. Starting 2021, SBB reports energy use like-for-like for properties owned two consecutive years. The energy and GHG emissions for the whole portfolio are calculated based on intensity figures for properties owned two consecutive years and with a data coverage >95 percent. The criteria used in previous reports only concern the data coverage and not

the ownership time. The new methodology also takes account of the total area when calculating the intensity for total energy use or GHG emissions as opposed to the previous methodology where triple-net properties were disregarded in the intensity figures. These criteria are introduced to ensure sufficient and consistent data-quality. Due to the changes in methodology, the 2020 figures have been recalculated in this report.