



Communication on Progress

Year: 2011

STATEMENT OF CONTINUED SUPPORT

08.29.2011

Christer Johansson, Chief Financial Officer

Contact: Hanna Claesson

Email: hanna.claesson@wihlborgs.se **Phone:** (+46)0733-711792 **Fax:** (+46)040-6905792

STATEMENT OF CONTINUED SUPPORT

Malmö, 29 August, 2011

Wihlborgs will in 2011 and 2012 continue to embrace, support and enact the ten principles in Global Compact, within

Our sphere of influence. This commitment also implies that we shall continuously evaluate the ten principles with regard to our related conduct and performance.

Wihlborgs is operational in two countries- Sweden and Denmark- and has decided to continue with the Global Compact because we believe it is important that we carry out all parts of our business activities in a sustainable and ethical manner. We wish to be able to contribute to a long-term approach vis-á-vis our employees, partners, suppliers, customers, and society in general.

We manage operations in an open and transparent way, and have resolved to initiate a sustainability report modelled on the Global Reporting Initiative (GRI). We estimate that Wihlborg's first GRI report will be published the spring 2012.

At the end of 2009, we also resolved to join the CSR-Skåne network, and during 2010/2011 we continued our participation in the network. CSR Skåne is a network within the region for companies, organizations and NGOs that wish to obtain knowledge, experience and tools to work with social and community responsibility.

We recognize that a key requirement for participation in the Global Compact is the annual submissions of a Communication on Progress that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of jojing the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Wihlborgs Fastigheter AB

Anders Jarl, CEO

To simplify the reading of Wihlborgs second Communication on Progress, we have chosen to highlight our changes in blue colour.

Brief description of nature of business

This document is Wihlborgs Fastigheter AB's ("Wihlborgs") second report in accordance with the Global Compact. This document will be made available on Wihlborgs' website in addition to being published under the Global Compact's homepage.

The Company was originally formed in 2005 further to being hived off from another Swedish property company, Fabege, on the Stockholm Stock Exchange.

Wihlborgs is the leading property company in the Öresund region, owning property with a total market value of SEK 17 billion. The lettable area of the property totals 1.3 million square metres. The total rental value is SEK 1.5 billion. The portfolio consists in the main of commercial properties. The Company's shares are quoted on the Mid Cap List of the OMX Nordic Exchange.

Wihlborgs shall own, manage and develop commercial properties with focus on well-functioning submarkets in the Öresund region.

CEO: Anders Jarl

Chairman of the Board: Erik Paulsson

Largest owners (30 June 2011): Brinova with 10.1 per cent, Sten K Johnson with company 5.2 per cent and BlackRock Inc with 5.1 per cent.

The Wihlborgs share is listed on NASDAQ OMX Stockholm, Mid Cap segment.

Number of employees: 85 as at 30 June 2011.

PRINCIPLE 1 PRINCIPLE 2

BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Actions realized

Wihlborgs supports and respects the protection of internationally proclaimed human rights through our stated policy. We work continuously to ensure that Wihlborgs as a company shall not be implicated in any violation of human rights. An extract of our policy of ethical guidelines is set forth below.

Wihlborgs devotes itself to and supports international laws on human rights. Wihlborgs promotes multiplicity and equality. No discrimination regarding nationality, gender, race, religion, age, sexual disposition, political views, association membership, social or ethnical origins may take place.

Child labour or work that is performed through force or threat of violence may not arise. Employment shall not take place earlier than the age when compulsory schooling has been completed. Exceptions may be made for holiday work and short employment periods. The minimum age shall however always be 15 years in such cases.

The working environment shall be safe and secure for Wihlborgs' employees, and fulfil national laws and agreements.

Freedom of association and the right to collective bargaining and agreements shall prevail within Wihlborgs. Employee representatives shall be able to perform their duties.

Wihlborgs actively supports physical exercise and preventive healthcare in order to create a better balance between work and leisure.

These guidelines shall apply to Wihlborgs' operations centrally and to contractors, and thereby represent an integral element of all agreements and contracts related to Wihlborgs.

Our ambition in the long term is to establish the risks that may prevail with regard to violation of human rights, and to produce an action plan based on such identified risks.

Measurement of (expected) outcomes and value added for our company

We have recently resolved to initiate reporting as per GRI, which is expected to be published in the spring 2012. We also perceive this report as a tool for evaluating how we can make improvements with regard to Principles 1 and 2. The processes we went through when producing our first Communication On Progress, led to a strategic decision to start sustainability reporting in accordance with the Global Reporting Initiative (GRI). According to GRI, we have decided to report on the C+ level. This will be integrated with what is required for the Global Compact and will help us create an effective structure.

In framework agreements with regular suppliers, it is agreed that "It shall be ensured via the attached documents that the supplier shares Wihlborgs' ambitions with regard to the environment, quality, labour standards and ethics."

Outcomes

Review of our ethical guidelines with suppliers in conjunction with the negotiation of contracts. "Should one of Wihlborgs' contractors or suppliers seriously breach such guidelines, the business partnership shall be terminated."

Our long term ambition is to establish the risks that may prevail with regard to violation of human rights, and to produce an action plan based on such identified risks. We have therefore begun an internal process on all principles

Since our last Communication On Progress, we have had a lot of activities within our company, for example:

- After our Global Compact signing in the end of august, all Wihlborgs employees went on a staff conference. At the conference all employees were informed about the ten principles in Global Compact and what it means for Wihlborgs. All employees had also earlier participated in a survey concerning the ten principles. At the conference we reviewed the survey.
- During the process of sustainability reporting, we have also produced an internal material called "Sustainability talk" for Wihlborgs managers. The managers have been trained in sustainability including the ten principles in Global Compact and must pass it on in their organization. New material will be produced four times a year. Here's an example from the material;
- "Our policy documentation only papers in binders?"

You have to inform your organization regarding our policy documentation, ie, where is the material and why does Wihlborgs have these type of policies. Study at least three of the policies in your group. Wihlborgs ethical policy must be one of those three."

PRINCIPLE 3	BUSINESS SHOULD UPHOLD THE FREEDOM OF
PRINCIPLE 4	ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE
PRINCIPLE 5	RIGHT TO COLLECTIVE BARGAINING
PRINCIPLE 6	

Actions realized

Freedom of association and acknowledgement of the right to collective bargaining. In view of that we are operational within Sweden and Denmark; we observe these countries' laws and requirements. Our policy is also based on that all forms of forced labour and child labour are unacceptable. Neither shall anyone be discriminated upon recruitment and the exercise of an occupation or profession.

See quotation for Principles 1 and 2, as well as below:

Extract from Wihlborgs' Gender Equality Plan:

Introduction:

This plan sets forth the aims and orientation of the Company's gender equality policy. Pursuant to the stipulations of the Swedish Act concerning Equality between Men and Women, the Group has produced the following comprehensive plan. The objective of the Act is to support the equal rights of women and men with regard to work, employment and other labour standards, as well as development opportunities at work.

Within our operations, it is self-evident that all employees, irrespective of gender, shall be

Actions

treated equally. It is also self-evident that gender shall not represent any disadvantage upon recruitment, development or advancement. The objective of our gender equality policy is to safeguard all resources available in each individual.

The Group embraces a total of 86 employees, with 30 women and 56 men (as at 31 December 2010), representing a gender distribution of 35% women and 65% men.

CEO and	<u>Number</u>	<u>Women</u>	<u>Men</u>
managers	16	7	9
Salaried empl. Union contr. emp.	61 25	29 1	32 24
Total employees	86	30	56

The above shows that we have 30 women and 56 men. Senior management is composed of 1 woman and 4 men. The Company has 16 managers, with 7 women and 9 men. Within accounting and finance, most employees are women, while within the operational organization, most employees are men.

Personal career development dialogues are held each year. Individual skills enhancement plans are prepared for all employees.

Factors that affect the psychosocial working environment include stress and each individual's possibility to personally influence their work. Labour standards procedures to create a better working environment are constantly in progress within the Wihlborgs Group.

Overall objectives:

Wihlborgs shall scrupulously identify any unjust salary differences between men and women, as well as the apportionment of men and women within management positions.

Through training, skills enhancement and other suitable measures, we shall foster an equal apportionment between women and men in different kinds of work and within different professional categories. We shall help both female and male employees to combine work and parenthood, and to facilitate part-time work with parenthood.

We shall organize our work so as to facilitate the creation of a gender-equal workplace. We shall carry out any measures and action that may be required, with due consideration to our general resources and circumstances, so that working conditions be suitable for both women and men.

Wihlborgs shall act so that vacant positions within the Wihlborgs Group be applied for by both women and men. Upon new employment, we shall recruit applicants of the under-represented gender and ensure that the proportion of employees of the minority gender increases, and endeavour to achieve an equal distribution of competent women and men at different levels and within different professional categories.

We shall act so that no employee be subjected to sexual harassment or other harassment further to reporting gender discrimination.

Detailed objectives:

An overview of the measures and action that we will need to work with over the forthcoming three-year period to improve gender equality at Wihlborgs is set forth below.

Equal salaries for women and men.

Salaries and other remuneration may not be dependent upon the employee's gender. Through annual salary reviews and comparisons, we shall endeavour to remove any possible salary differences between men and women with similar work tasks and similar competence. Upon new recruitment, the setting of salaries shall not be affected by the gender of the applicant.

We shall job-evaluate each position. Through a gender-neutral and systematic process, we shall compare different positions by evaluating the demands that the related tasks place on the employee. It is the tasks/positions that shall be evaluated, and not the employee/performance. Through job-evaluation, we shall ensure gender neutrality in each position.

Equal distribution between women and men in management positions.

A person's gender shall not affect recruitment to management positions. All job-groups should contain both genders. We shall therefore actively work for that both men and women be represented within all job-groups. One goal is that we work for a more equal distribution between women and men in the project group within the accounting/finance department and the property superintendent organization, in view of that these groups have a predominance of employees of one or the other gender.

Both men and women shall be able to combine gainful employment and parenthood. Our view is that parenthood is a natural part of an employee's life, and that it enables further-development for both men and women. Our goal is that the organization be permeated of this viewpoint. We shall organize our work in such a way that the related tasks shall be able to be performed irrespective of gender, age and family responsibilities. Through monitoring employee salaries, we shall ensure that those on parental leave also follow salary developments. Through access to ongoing information and the possibility to take part in further-training, employees on parental leave shall feel involvement during their absence. As far as is possible, we shall endeavour to adapt the timing of meetings, conferences and similar to the parents' requirements.

Training and skills enhancement.

We shall provide equal training and skills enhancement opportunities for our employees irrespective of gender. Through training, we wish to give women and men sufficient self-confidence for them to dare to further-develop. We shall establish the number of training days for women and men in order to secure training and skills opportunities from an equality perspective. Personal career development dialogues shall be held each year, and individual development plans shall be prepared for all employees.

During the spring new guidelines for performance reviews and routines for the development and salary reviews have been produced. The aim is to discuss each individual employee's work situation, tasks and development and provides both employees and managers of

mutual feedback on their roles and duties. Moreover, this can give the employee the opportunity to influence both their own and the company's development. Performance reviews takes place twice a year, in the autumn and with a follow-up in the spring. Salary reviews takes place once a year. Support for the employee and the manager is available in newly produced forms and checklists. An individual development plan shall be drawn up for each employee. All employees are covered by the guidelines. Everyone is entitled to a performance review with his immediate superior at least once a year. Staff who return after extended absences such as parental leave should have their calls in connection with starting work again.

Recruitment.

Our recruitment process should be oriented so that more women be employed within the professional areas that are dominated by men. This primarily concerns the property superintendent organization, and should apply irrespective of whether it be an internal or external recruitment. In order to encourage women to apply to property superintendent positions, the text of job advertisements shall include gender equality. We shall observe the gender aspect and prioritize the under-represented gender when equal qualifications prevail. Upon all new recruitment, the interview groups shall consist of representatives of both genders.

Counteract sexual harassment.

Our goal is that sexual harassment shall not arise at Wihlborgs. We shall intervene should an employee be subjected to any sexual message, allusion or other sexual pronouncement against their expressed and clear will.

In addition to the above, Wihlborgs shall work proactively for a pleasant working environment through:

- ➤ The establishment of uniform values (energy, drive, honesty, knowledge and solidarity)
- Keep-fit activities from subsidies to step-competitions and weight-watchers at the workplace
- Health check-ups and occupational health service
- Culture at the workplace / art lottery
- Wihlborgs' profit-sharing foundation
- Continuous skills enhancement
- > Safe working environment through security rounds in our properties.

See quotation for Principles 1 and 2, as well as below:

Both Sweden and Denmark have good labour legislation. The above gender equality plan and other items are not regulated by law, but are measures that we have chosen further to our ambition to be an attractive employer and good community player.

Our long-term ambition is to establish the risks related to the above principles, and to prepare an action plan based on such identified risks. We are aware that we should establish whether we delimit our responsibility. We have initiated a study to enable us to determine the extent to which we shall control our procurements. Most often, we meet representatives at local level, and several of them have their activities within the Nordic region. However, in many cases they have subcontractors who operate globally. What level is reasonable for us with regard to verifying observance?

Measurement of (expected) outcomes and value added for our company

Actions

- Monitoring salaries When performing annual salary reviews, we shall endeavour to eliminate any possible salary differences between men and women with equivalent tasks and equivalent competence.
- ➤ Equal distribution between women and men To contribute to a more even distribution between women and men in project and reference groups. To endeavour that there be both men and women represented within all professional areas.
- ➤ Parental leave Our view is that parenthood is a natural part of an employee's life, and that it enables further-development for both men and women. Our goal is that the organization be permeated of this viewpoint.
- ➤ Recruitment/skills enhancement Our recruitment process should be oriented so that more women be employed within professional areas that are dominated by men. This shall apply irrespective of whether it be an internal or external recruitment. Upon all new recruitment, the interview groups shall consist of representatives of both genders.
- Counteract sexual harassment We shall intervene should an employee be subjected to any sexual message, allusion or other sexual pronouncement against their expressed and clear will. Our goal is that sexual harassment shall not arise at Wihlborgs.
- Discrimination laws Discrimination legislation shall be observed in all gender equality work within Wihlborgs.
- ➤ We have recently resolved to initiate reporting as per GRI, which is expected to be published during the spring 2012. We also perceive this report as a tool for evaluating how we can make improvements with regard to Principles 3, 4, 5 and 6.
- Our key functions in our operations with regard to property superintendents are employed by Wihlborgs, which implies that in this respect we verify ourselves and take own responsibility for the conditions within all principles.
- Review of our ethical guidelines with suppliers in conjunction with the negotiation of contracts. "Should one of Wihlborgs' contractors or suppliers seriously breach such guidelines, the business partnership shall be terminated."
- ➤ We inform our suppliers that we have signed UN's Global Compact. On our form, suppliers declare whether they are engaged in organized work with environmental quality and working environment and if they have guidelines on human rights, labor and anti-corruption.
- We describe our ambitions and the supplier has to certify that they will follow our intentions.
- ➤ The contracts are primarily for one year and prior to any extension we do a follow up of the supplier to see if they have changed something in the way they work with these issues.
- In order to assist our suppliers / contractors to inspect Wihlborgs position on the Global Compact's ten principles, information is available on our website.

PRINCIPLE 7 PRINCIPLE 8 PRINCIPLE 9

BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Actions realized

We determine our environmental goals over three years. For this purpose all employees were engaged in a work process in the spring 2011. This will lead to decisions on what goals we shall have for the following three years. All expressed views have been gathered by Wihlborgs environmental manager and will form the base for future goals and strategies (which will be presented in October/November 2011).

Precaution principle: Wihlborgs' environment policy is based on that environmental legislation be perceived as a minimum requirement, including the precaution principle. We have therefore taken several initiatives within the Company to **foster our environmental responsibility** – Environmental Goals 2009-2011: Year 2009

- Electricity reduced by 2 percent; heating reduced by 2 percent compared with the previous year. Years 2006-2009: reduction of 6 percent.
- Fostering innovations and investments in energy from renewable sources. The energy and environment group establishes potential projects, and a plan is identified.
- Cleansing of PCB: cleansing of PCB reported to the environment committee in 2008. New properties reported for 2010.
- ➤ Environment training, i.e. those who have not attended Wihlborgs' basic environment course shall do so in 2009. Joint lectures held for all with regard to environmental risks
- ➤ Green IT, i.e. to integrate the term Green IT into our operations. Volume of print-outs for 2009 identified.
- Mapping and establishing an action plan for Wihlborgs' top 50 properties regarding highest section costs.

Year 2010

- > Reduce total energy consumption by 3 percent.
- Project that implies energy with partially renewable source at one property in our portfolio.
- Cleansing of PCB: cleansing of PCB reported to the environment committee in 2009. New properties reported for 2011.
- New environment group with "non-energy and environment employees" meets twice per year, led by the head of environment.
- ➤ Volume of print-outs shall be reduced in relation to 2009.
- Costs in all of last year's identified properties shall be reduced.

Year 2011

- Reduce total energy consumption by 3 percent.
- Project that implies energy with partially renewable source at two properties in our portfolio.
- Cleansing of PCB: cleansing of PCB reported to the environment committee in 2010. Ultimate aim: all to be completed.
- Further training in environmental issues. 100 percent of Wihlborgs' employees shall attend further-training during the year.

In addition to that indicated within the framework of environmental goals, we have also worked over a number of years with the integration of environmental aspects within the

areas of purchasing, new production of properties, and travel.

The above examples include the **incitement**, **development and spreading of environment-friendly technology**.

Measurement of (expected) outcomes and value added for our company

Results within the environment area for 2010:

- We reduced our total energy consumption by 3 percent.
- As far as the renewable sources goal is concerned, we have started but not finished here, since building of the planned property has been deferred (drawing, coasting etc. for solar cells for the property have been produced).
- The goal for PC disposal was attained.
- ➤ A new team to address sustainability issues in connection with the planned sustainability accounting was set up. The new environment group with "non-energy and environment employees" meets twice per year, led by the head of environment.
- We failed to achieve our goal of reducing the volume of printed material from the 2009 level.
- The goal of cutting waste management costs will be achieved. In the case of properties that will be required to increase the number of waste fractions, action plans were produced for the individual properties. The measures concerned were implemented in 2010 and in the long term the cost in these properties will fall.

Other action (not within the framework for environmental goals):

- ➤ In the spring 2011 Whilborgs bought three electric cars. We have also, in connection to one of our properties, placed a charging station for electric cars.
- New company car policy as per the Swedish Transport Administration's definition of an environment-friendly car in Sweden. This implies that emissions of the greenhouse-gas (carbon dioxide) for petrol or diesel-driven cars (including hybrid cars) shall be less than 120 g/km. Cars driven on renewable fuels shall be allowed to have a fuel consumption equivalent to 9.2 litres of petrol per 100 km.
- ➤ EcoDriving In brief, EcoDriving is about the close coordination of technology, the environment and economy.
- ➤ Wihlborgs was one of the companies invited by the City of Malmö to take part in the campaign known as "Companies on Bicycles". Several bicycles were purchased on this occasion, and the number has increased over the years.
- ➤ In 2008, we chose to dispose of our 22 petrol-driven service vehicles and, as part of our environmental work, invested in gas-driven vehicles. The total carbon-dioxide emissions were thus reduced by 52 tonnes every year.
- ➤ Wihlborgs has amended the procurement conditions for the purchase of electricity. This implies that we only purchase from Vattenfall electricity known as "EPD EL", which is 100-percent hydro-produced.
- Wihlborgs' environment and purchasing managers work continuously to produce methods that can ensure that our suppliers and contractors be aware that they affect our environment, and can offer products and/or services that have the least possible environmental impact. We have therefore produced a checklist so that already in the offer phase be able to identify whether a contractor or supplier proceeds with some form of environmental work. We review their documents for the environment, quality and labour standards.
- ➤ Gold Sponsor of the Swedish Society for Nature Conservation (SSNC) in 2008 and 2010. The SSNC possesses the knowledge and competence to perceive threats, and produce solutions for environmental problems.

We have recently resolved to initiate reporting as per GRI, which is expected to be published at the end of 2011. We also perceive this report as a tool for evaluating how we can make improvements with regard to Principles 7, 8 and 9.

PRINCIPLE 10

BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Actions realized

Corruption, including blackmail and bribery. We state the following in our policy for ethical guidelines that form part of our contracts and agreements:

Wihlborgs' employees shall assume personal responsibility for their actions.

business activities that they may operate outside Wihlborgs.

Wihlborgs shall work and act within prevailing laws and international conventions, which implies that Wihlborgs shall observe applicable stipulations of competition, environment and labour market legislation or other requirements or regulations established for Wihlborgs' management and project organization.

Wihlborgs' employees may not receive unwarranted gifts, rewards or travel from other parties that could influence or be considered as an influence on objectivity regarding a procurement decision.

Employees may not take part in private business arrangements where a conflict of interest could arise vis-à-vis Wihlborgs. Employees shall be obliged to inform their manager of any

Wihlborgs' employees shall not carry out any transactions that could imply making use of insider information.

Wihlborgs and its employees may not receive any kick-backs, bribes or other remuneration with the objective of achieving business agreements in relation with customers, suppliers or other interested parties.

Wihlborgs holds a neutral position with regard to political-party issues. Wihlborgs' name may not be used by political parties or individual political candidates.

Individual employees may willingly be involved in community-related questions.

Outcomes

Measurement of (expected) outcomes and value added for our company

- Contracts of max 1 year enable us to also evaluate the related aspect.
- Employees are informed at staff meetings of established purchasing policy with emphasis on written documentation and ethical guidelines.
- Review of our ethical guidelines with our suppliers in conjunction with contract negotiations. "Should one of Wihlborgs' contractors or suppliers seriously breach such guidelines, the business partnership shall be terminated."

➤ We have recently resolved to initiate reporting as per GRI, which is expected to be published in the spring 2012. We also perceive this report as a tool for evaluating how we can make improvements with regard to Principle 10.

The procedure we have produced regarding contracts of max 1 year is not a standard requirement but a decision taken to enable us to effectively attend to any deviations.

We also have the goal to endeavour to establish/investigate any risk concerning the property sector, and whether we are exposed to corruption to a greater degree than other sectors. In the last year, we have asked all employees (in a survey) if they believe the real estate industry is more vulnerable to corruption than other industries. The results showed that many believed it, but also that there probably is not done on purpose but that it is difficult to draw the line. Those results will be used in Wihlborgs upcoming "Sustainability talk".

Wihlborgs maintains policies within the following areas:

- Working environment (labour standards)
- Base stations
- > Fire protection
- ➤ E-mail
- Ethical guidelines
- Information
- Purchasing/procurement
- ➤ IT
- Gender equality
- > Environment
- Mobile telephones
- Personnel (human resources)
- Company cars

We note that laws and requirements regarding the ten principles are satisfactory in both Sweden and Denmark, although there exist national differences between Swedish and Danish legislation.

How do you intend to make this COP available to your stakeholders?

This document will be made available on Wihlborgs' website in addition to being published under the Global Compact's homepage.

Since our last Communication On Progress, we have updated our web site. It is now easier to find information about the ten principles in Global Compact and Wihlborgs guidelines towards those.

Other

During 2010 we formed a so called "CSR group" within Wihlborgs with staff from Finance, HR, Communication, Environment and Purchasing. Two of the five persons are also members in the Group Management. The CSR group meets regularly and participates in the processes needed for Wihlborgs first sustainability report. They have jointly participated in Wihlborgs first Communication on Progress in connection with the signing of the UN Global Compact.

Here are some examples of processes the group so far have examined:

- Discussion and review of all indicators (GRI)
- Stakeholder Analysis
- Presentation of stakeholder dialogue
- Influence Sphere & boundaries of the Sustainability Report