

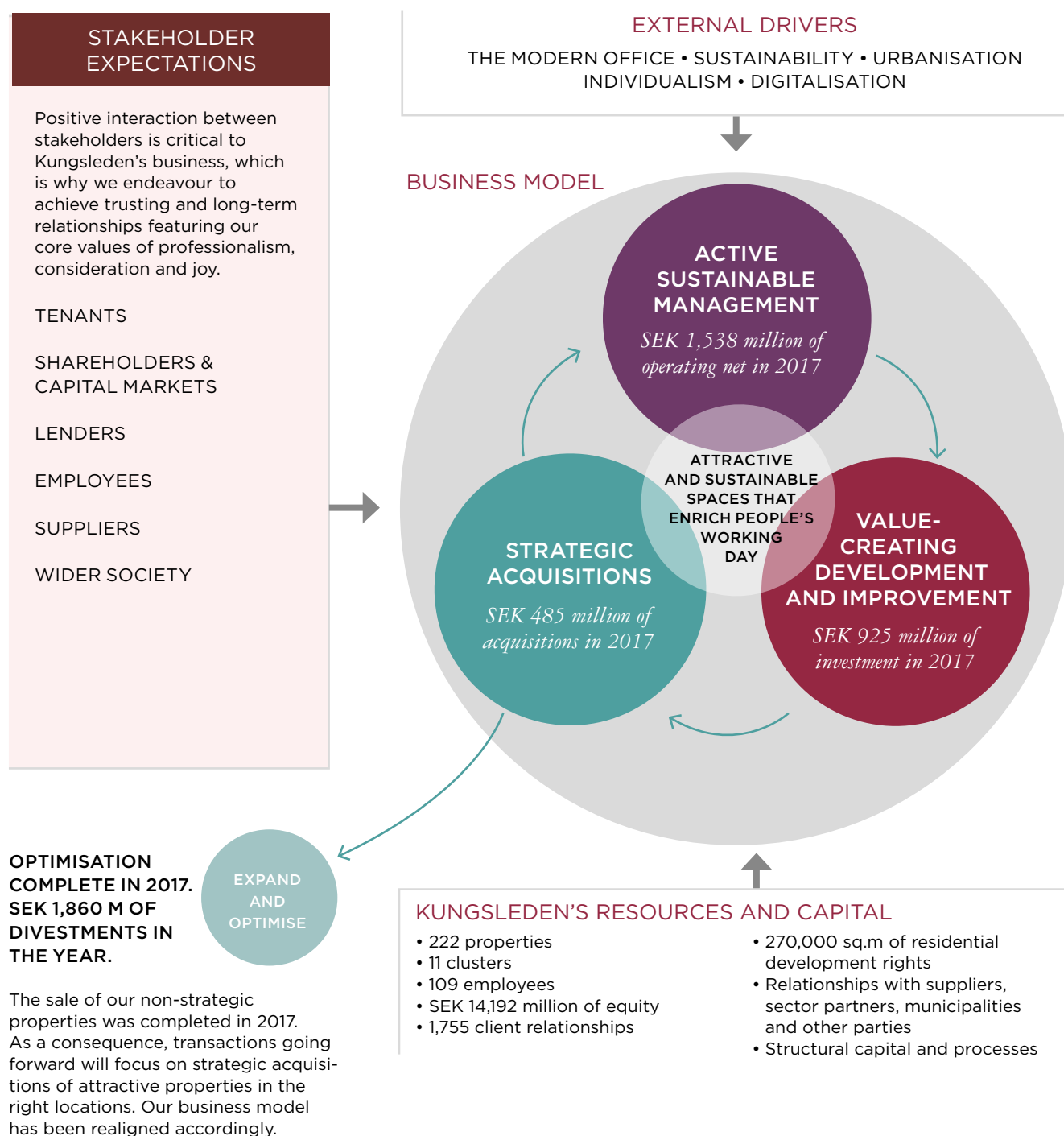
KUNGSLEDEN

SUSTAINABILITY REPORT 2017



A VALUE-CREATING BUSINESS MODEL

Kungsleden's business model is designed to create sustainable value for shareholders, tenants and other stakeholders through three interacting core actions – active sustainable management, strategic acquisitions and value-creating development and improvement.



VALUE CREATED FOR OUR STAKEHOLDERS:

FOR TENANTS

- 2,159,000 sq.m of leasable area
- Attractive and functional premises in the right location at the right price
- Offices of the future
- Management close to clients

FOR SHAREHOLDERS & THE CAPITAL MARKETS

- SEK 437 million of dividends
- EPRA NNNNAV per share: SEK 70.63
- Share price performance in 2017: 5.3% gains

FOR LENDERS

- Ba1 rating from Moody's
- LTV ratio of 47,9%
- Stable repayment

FOR EMPLOYEES

- SEK 98 million of salaries and benefits
- Professional development
- Job satisfaction

FOR WIDER SOCIETY

- Vibrant clusters and sustainable locations, where people are happy
- 100+ jobs and SEK 45 million of social security contributions
- Environmentally accredited properties
- Energy optimisation
- Equal opportunities employer

FOR SUPPLIERS

- SEK 1,500 million of procurement

RESULTS ACHIEVED



At year-end 2017, Kungsleden had lease agreements in place with a total of 1,755 clients across a broad range of sectors.

In 2017, we beat our target of reducing energy consumption by 3 per cent annually in 2014-2020.

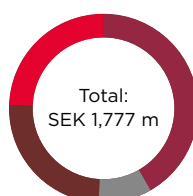
Decrease in like-for-like portfolio in 2017:

-5.9%



Our head office at Lustgården 12 in Stockholm secures LEED Platinum certification

OUR CONTRIBUTION TO WIDER SOCIETY ALLOCATION OF KUNGSLEDEN'S RESOURCES IN 2017, SEK M



- Operating expenses excl. personnel, 740
- Employees, 165
- Dividend to shareholders, 437
- Interest payments to lenders, 434
- CSR investments, 1

61

Green Leases signed in 2017.

Kungsleden is an equal opportunities workplace, where 53% of personnel are women and 47% are men.

53/47



+7.4%

EPRA NNNNAV increased by 7.4% to SEK 70.63 per share.

Ba1

credit rating with a positive outlook from Moody's

47.9%

LTV ratio

Kungsleden works with a particular focus on five segments that have been identified in its materiality analysis. The following table indicates those segments classified as focuses by Kungsleden and its stakeholders, and the policies followed to assure work going forward.

Focus	Policy
Environment	• Sustainability Policy & Strategy
Corporate social responsibility	• Sustainability Policy & Strategy
Diversity	• Sustainability Policy & Strategy • Gender Equality & Diversity Policy
Business ethics	• Sustainability Policy & Strategy • Procurement Policy • Guidelines for Internal & External Business Networking • Guidelines for Incidental Employment & Conflicts of Interest • Code of Conduct for Suppliers
Health & safety	• Alcohol & Drug Policy • Occupational Health & Safety Policy • Health & Wellness Policy • Sustainability Policy & Strategy • Code of Conduct for Suppliers

CLOSE INTERACTION WITH STAKEHOLDERS

Kungsleden's core stakeholders are its tenants, employees, shareholders, suppliers, partners and municipalities. Its relationships with them have a great impact on the company's progress, and accordingly, Kungsleden puts great emphasis on understanding their needs.

Kungsleden's ambition is to evolve in harmony with its surroundings and be responsive to all its stakeholders. We maintain continuous dialogue with stakeholders, and map what is important to them by conducting stakeholder analysis.

We review two of our most important stakeholders in more detail on pages 17–18—tenants and employees. Positive interaction with both of these groups is crucial to us realising our vision.

COMMUNICATING WITH STAKEHOLDERS – FORUMS FOR DIALOGUE AND KEY ISSUES



TENANTS

FORUMS FOR DIALOGUE

- Continuous dialogue maintained by personal visits, phone calls and emails
- Events
- Customer services
- Customer satisfaction surveys
- Customer surveys for improvements
- Communication campaigns
- Green Lease collaborations

KEY ISSUES

- Expedient, healthy and safe premises
- Stable tenants
- Availability
- Business ethics
- Vibrant and attractive environments
- Cost efficiency
- Energy consumption
- Waste management
- Environment and land decontamination
- Customer services



EMPLOYEES

FORUMS FOR DIALOGUE

- Regular employee meetings
- Goal-setting and appraisal interviews
- Pay review interviews
- Employee satisfaction survey
- Staff conferences

KEY ISSUES

- Opportunities for training and skills management
- Salary & benefits
- Work/life balance
- Diversity
- Structure & tools
- Health & safety
- Customer service
- Business ethics



SHAREHOLDERS AND THE CAPITAL MARKETS

FORUMS FOR DIALOGUE

- Annual Reports
- AGMs
- Quarterly reports
- Roadshows and one-to-one meetings
- Capital markets days
- Continuous dialogue

KEY ISSUES

- Long-term, stable and sustainable business model, targets and strategy
- Attractive funding mix
- Profitable growth
- Value-creating earnings
- Sustainability and corporate governance
- Corporate communication

LENDERS

FORUMS FOR DIALOGUE

- Quarterly reports
- Presentations
- Scheduled meetings
- Property viewings
- Seminars
- Capital markets days

KEY ISSUES

- Long-term stable and sustainable business model
- Stable financing
- Good business ethics
- Environmental risks and remediation

SUPPLIERS

FORUMS FOR DIALOGUE

- Regular contact and interaction
- Tendering requirements pursuant to Kungsleden's procedures

KEY ISSUES

- Long-term, stable partner
- Customer service
- Quality
- Energy consumption
- Business ethics
- Occupational health & safety risks



WIDER SOCIETY

FORUMS FOR DIALOGUE

- Contacts with municipalities, regulators and other opinion-formers
- Various types of collaborative meeting with the business community
- Collaborative agreements with non-profit organisations

KEY ISSUES

- Contribute to sustainable development
- Create sustainable, vibrant and attractive environments that enrich people's working lives
- Access and safety
- Cultural and architectural values
- Diversity and jobs

OUR CUSTOMERS AND TENANTS - KEY STAKEHOLDERS WITH HIGH STANDARDS

At year-end 2017, Kungsleden had lease agreements with 1,755 tenants in our 222 properties. The key to our long-term success is understanding their needs and exceeding their expectations. The contemporary business world is fast moving and tenants are demanding in terms of flexibility, function and quality of service. This is why we put a big emphasis on dialogue, responsiveness and knowledge of our tenants' circumstances.

WE WELCOME, CONTRIBUTE AND SUPPORT

Kungsleden's client proposition is to provide attractive and functional premises in the right locations and at the right price, and to do something extra. We have added three customer pledges that guide us in our relationships with tenants:

- We will be welcoming. Current and prospective tenants should always feel well they receive a positive encounter and are respected in every contact with Kungsleden. Our premises should also create an inviting first impression.
- We should contribute to our tenant's business. Through responsiveness, sector knowledge, property expertise and new approaches, we should deliver solutions that benefit our tenants' businesses.
- We should make things easier. With high quality of service and state-of-the-art services, we simplify our tenants' everyday situations.

LEADING-EDGE OFFICE EVOLUTION

As a long-term, customer-oriented property owner, it is natural for us to follow trends on the office market, and to develop our properties and relationships to remain at the leading edge. Nowadays, tenant wants and needs largely define the layout of commercial premises, which means property owners like Kungsleden need to be sensitive to trends and fleet footed. Tenant needs are also changing with increasing frequency. One of the main trends in office premises is the emergence of smaller, flexible offices that are also attractive, contemporary meeting places, called co-working concepts. This process is being driven by digitalisation and changing values in working lives. New technology is reducing the need for permanent workspaces and physical meetings, thanks to progressively improving digital meeting platforms and permanent connection. These concepts are providing clients with an opportunity to occupy smaller spaces, and to be part of a creative context with other types of business.

Kungsleden's first response to this trend is its office and meeting space B26 in Västerås. This concept, which has already attracted great interest, features creativity, efficiency and job satisfaction, and will house office spaces, co-working with shared lounges, a roof terrace, restaurant and café, as well as conference facilities. Businesses and freelancers can book permanent or flexible workspaces.

PROCESS TO IMPROVE CUSTOMER RELATIONS

Every year, Kungsleden conducts a customer satisfaction survey, whose results serve as the basis for prioritised actions for the coming year. The results for 2017 was a customer satisfaction index of 72, an increase with 2 points compared to the year before. The result is one point below industry average and the target for 2018 is to be in line with the rest of the industry. We are working continuously on improving customer relations, through channels including extended dialogue and fast feedback. Other high priorities include enhancing our fault reporting procedures, making an active contribution to the development of locations and creating meeting places in our clusters.

Being close to tenants is another priority, so we have a local office presence in nine locations.

SUSTAINABILITY - A SHARED INTEREST

Our tenants are exhibiting a growing interest in sustainability aspects which is fully consistent with our own ambitions. An increasing number of companies sign up to Green Leases, for example. The travel survey we conducted in 2017 in the Kista City and Stockholm City East clusters indicated that tenants want good cycle and public transport access. Tenant engagement in Östersund has contributed to us implementing the largest solar power plant in the Swedish County of Jämtland.

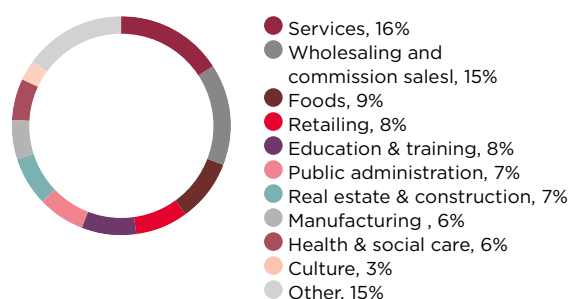
"It's important to be present, available and responsive. I want to understand my tenants and identify solutions that are good for all parties."

EVA-LOTTA SVENSSON, ASSET MANAGER

TEN LARGEST TENANTS, 31 DECEMBER 2017

Tenants	Rental value, SEK M
ABB	268
Bring Frigoscandia	55
Biz Apartments	38
Swedish Armed Forces	37
ICA	36
The Municipality of Västerås	33
Sveriges Television	24
Westinghouse Electric	24
The Swedish Board of Customs & Excise	22
Artexis Nordic	21
Total, 10 largest tenants	558
Other	1,676
Total, Kungsleden	2,234

TENANTS BY SECTOR, 2017



Kungsleden's tenants range from large international corporations to public operations, authorities and young tech companies in a variety of industries. The largest industries are services (16 per cent) and retail & commodity trading (15 per cent), but a large number of other industries are also represented and the spread is high.

EMPLOYEES – EFFECTIVE AND MOTIVATED

Kungsleden's vision for employees for 2020 is to be the most attractive workplace with an efficient organisation and motivated employees that achieve good results. This is important for enabling us to attract, hire and retain the competent professionals we need for our business. Our corporate culture is based on professionalism, consideration and joy.

At year-end 2017, 110 people worked for Kungsleden on everything from property operations through leasing and transactions to development projects. Many decisions are taken at the edges of our organisation, which means our people have ample opportunity to influence their work. Kungsleden as a company, and the market we operate on, are in rapid and extensive change, which is demanding for flexibility. Work at Kungsleden is in continuous development, and there's always a lot to learn. Employee development is a priority, and subject to annual discussion at appraisal interviews between staff and first-line managers.

HR MANAGER LEADING OUR WORK

We appointed a Human Resources Manager in the year to intensify efforts on HR issues. We also took the decision to produce a new HR strategy. Activities associated with the strategy start implementation in 2018, although important steps were already taken in 2017. The implementation of our core values continued and permeate the whole operation and all processes. We assure our managers' capability of providing leadership consistent with our core values through a leadership conference and an all-new leadership forum. Our managers should help engender an atmosphere open to questioning and that drives motivation, simultaneous with making the expectations of our employees clear.

DIVERSITY CREATES OPPORTUNITIES

To address and understand our tenants, Kungsleden needs a workforce that reflects wider society. In terms of gender balance, we have basically achieved our target. Our overall staffing is 53 per cent women and 47 per cent men. There are somewhat more women than men in our management team, while within property management, there are somewhat more men than women. Our age diversity has improved in recent years, with 23 per cent of staff in the 30–39 age group and 38 per cent aged between 40 and 49. However, other diversity aspects do need addressing. We operate a graduate trainee programme that is bringing in younger employees and increasing the share

of graduates. The Royal Swedish Society of Engineering Science's Jobbsprånget program is offering recent immigrants a chance to enter the labour market. Our search and selection process was also overhauled to ensure continued efforts to promote equal opportunities and diversity.

A WORKING ENVIRONMENT THAT PROMOTES PROGRESS

Our working environment should be secure, healthy and offer good potential for continuous development. The company nurtures its employees, encourages healthy lifestyles, and where necessary, we provide private health insurance for all staff, which includes personal guidance, conversational therapy, aftercare and rehabilitation. Our annual employee satisfaction survey identifies areas of improvement, which provides input to the management of health and safety work.

INCREASING JOB SATISFACTION

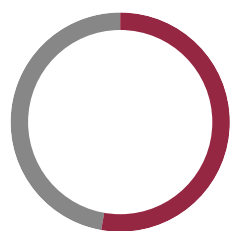
As in previous years, the year's employee satisfaction survey had a high response rate and our Employee Satisfaction Index (ESI) was 4.2, the same as the previous year, while our job satisfaction index increased somewhat, to 73 percent. The segments of goals, the working environment and new at work achieved the highest results. We still face some challenges in health, stress and organisational efficiency, which are partly attributable to the journey of transformation the company is taking. The results have been published and discussed at departmental level, management level and collectively company wide, to plan actions for 2018.

The management team held a one-day conference focusing on the results, and development work on internal processes is also being conducted. Like the rest of the sector, Kungsleden experienced high staff turnover in the year, which means initiatives to retain and attract the right staff will remain an important part of our HR strategy going forward.

"Kungsleden offers room for ambition and there's great collaboration between teams"

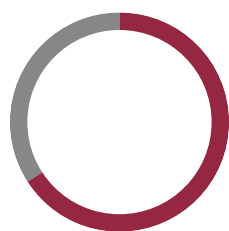
EMMA SJÖBERG, MARKNADSANSVARIG & PROJEKTLEDARE

GENDER BALANCE
KUNGSLEDEN, %



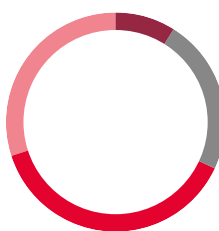
● Women, 53%
● Men, 47%

GENDER BALANCE
MANAGEMENT, %



● Women, 66%
● Men, 34%

AGE PROFILE, %



● <30, 9%
● 30-39, 23%
● 40-49, 38%
● >50, 30%

LENGTH OF SERVICE, %



● <1 yrs., 9%
● 1-3 yrs., 42%
● >4 yrs., 49%

A portrait of Manhal Naddour, a man with a beard and short hair, wearing a dark suit and shirt. He is sitting and looking towards the camera with a slight smile. The background is dark and out of focus.

AN INTERNSHIP TO INCREASE DIVERSITY

Manhal Naddour, who moved to Sweden from Syria in 2015, did an internship with Kungsleden in 2017, which was part of Kungsleden's collaboration in the *Jobbsprånget* programme conducted by IVA, the Royal Swedish Academy of Engineering Science, intended to accelerate the integration of newly arrived graduates into Swedish working life.

"The internship was valuable for me in many respects. I gained a better understanding of how Swedish workplaces function, improved my Swedish and developed professionally. I've also acquired a professional network and new friends," says Manhal Naddour.

Sustainability Manager Maria Sandell served as Manhal's trainer, and offered new insights.

"Learning about sustainability work is so interesting. Unfortunately, not many companies utilise it in Syria. I've become aware of the significance of sustainability issues, how they affect businesses positively, and ultimately, result in a better society."

Manhal has some suggestions for other interns and employers participating in the programme:

"What I'd like to say to interns is to make sure that they're on time, and focus on creating good relationships. The *Jobbsprånget* internship is a good opportunity because it is a well-structured programme, and you get good support. The advice I'd offer to employers is to be open and clear about your expectations and maintain good dialogue right through the internship. The biggest challenge for me was understanding Swedish working culture and traditions, so I think information regarding the practical aspects of them would be really valuable."

"I've become aware of how sustainability issues can influence businesses positively."

LONG-TERM RELATIONSHIPS THAT ENABLE SUSTAINABLE BUSINESS

Sustainability permeates the whole of Kungsliden and is a natural part of our business model. Sustainability is self-evident and a success factor. We create long-term tenant relationships, attract and retain employees, strengthen and protect our brand, and increase profitability through ambitious and well-considered sustainability work.

ENVIRONMENT – OUR TENANTS ARE GETTING MORE DEMANDING

Kungsliden's properties and clusters should develop and be administered sustainably over time. We want to reduce our climate footprint and operating expenses, simultaneous with being an attractive tenant that satisfies customer wants and needs.

Our tenants are becoming more demanding, contributing to us adopting an ambitious sustainability strategy that encompasses:

- Working actively to reduce the consumption of finite resources and negative environmental impact.
- Taking responsibility for people and our surroundings by being a strong force of change that collaborates with tenants, municipalities and other local stakeholders.
- By investing in new technology, continuous analysis and adjustment of existing plant, and focusing on solar power plants, reduce energy consumption by 20 per cent between 2014 and 2020.
- Sustainability issues are integrated right through our business – for example, all our development projects have a dedicated sustainability programme specifying the project's objectives and requirements.
- Introduce Green Leases with shared undertakings to reduce climate impact in partnership with our tenants. The target for 2017 was 50 Green Leases, and we signed 61.
- Environmentally certify our properties, mainly using the internationally accepted standard LEED. Our target is for 50 per cent of our property values to be certified by 2020.

SAFETY – FOCUSING ON HIGH-RISK WORKING ENVIRONMENTS

We take a proactive approach to safety in and around our properties so we can provide secure and healthy working environments for tenants, staff as well as contractors on building sites.

As we manage a growing number of development projects, we are also gaining responsibility for high-risk working environments – building sites. This is why we are sharpening the focus on occupational health & safety issues, to minimise incidents and accidents. Obviously, we will comply with applicable legislation and safety procedures at all building sites. We conduct inspections and assessments of potential areas of improvement during workplace visits.

DIVERSITY – A WORLD OF OPPORTUNITIES

By maintaining an inclusive corporate culture founded on the equal value of all people, that distances itself from all forms of discrimination or offensive special treatment, we create the potential for everyone to contribute with their full potential.

Kungsliden wants to reflect the diversity of society, and accordingly create opportunities in its encounters with customers and employees and developing its business.

We have made a lot of progress in gender balance and have basically achieved our target. Our age profile has also improved in recent years, as many younger staff have joined us. Our main efforts are now focused on increasing ethnic diversity. We overhauled our search & selection process in 2017, focusing on diversity.

BUSINESS ETHICS – HIGH STANDARDS AT EVERY STEP

Kungsliden maintains high business ethical standards and a professional corporate culture on market and transparent terms, which benefits our profitability and brand. We involve employees, customers and suppliers in our ambition to maintain very high ethical standards. Our employees work in accordance with agreed guidelines, and we have a dedicated Code of Conduct for Suppliers that is appended to contracts in major procurement processes.

We consider our suppliers as an extension of our own business – sustainable and cost-efficient supply chains are a prerequisite for us collectively contributing to sustainable development. In our relationships with suppliers, and in procurement, it is especially important to ensure the absence of corruption and bribery, to promote healthy competition and ensure good working conditions. We monitor compliance regularly through audits.

Our core values of professionalism, consideration and joy are important for realising this. We take professional attitude in our skills segments and show each other respect. We distance ourselves from all forms of corruption and neither receive nor offer, promise nor provide undue advantage.



Kungsliden's offices on Warfvinges väg Stockholm gained LEED Platinum Interior Design certification in 2017.

THE LARGEST SOLAR POWER PLANT IN JÄMTLAND

Kungsleden is installing 734 solar panels, dimensioned to generate over 160,000 kWh per year, at its property Karlslund 5:2 in Östersund. This plant will be the largest of its type in Jämtland, and significantly larger than Kungsleden's previous solar installations.

"Solar cells are really getting more interesting now that the pricing of plants is falling," explains Maria Sandell, Kungsleden's Sustainability Manager. "Another important reason we can execute this initiative is the great commitment and interest from tenants in the property and our technical manager Magnus Duveskog."

The property's large, flat, and unshaded roof suits solar panels perfectly, and the power generated corresponds to the heating of over ten average-sized family houses. A number of other solar cell projects are ongoing or planned for 2018 in Skania, Gothenburg and Stockholm.



KEY FACTS ÖSTERSUND SOLAR POWER PLANT

Panel type: monocrystalline

No.: 734

Estimated annual generation: 163,773 kWh

Roof area: 1,200 sq.m

SUSTAINABILITY – ACTIVITIES AND OUTCOMES

Kungsleden upscaled its activities in sustainability during 2017, consistent with its strategy of sustainability aspects permeating its whole business.

ENVIRONMENT

ENERGY AND EMISSIONS

Kungsleden's ambition is to progressively reduce the energy consumption and emissions of its operations.

Its long-term goal is to reduce energy consumption by 20 per cent between 2014 and 2020, i.e. by 3 per cent annually. In like-for-like portfolio terms, with climate-corrected values, energy consumption decreased by 5.9 per cent in 2017.

The energy savings measures executed in 2017 reduced energy costs by some SEK 8.8 million. Additionally, adjustments of existing plant contributed to energy savings in the year, which generated a total saving of approximately SEK 13 million.

In order to reduce its emissions, Kungsleden utilises certified-source hydropower energy. Oil heating boilers are only present in a few properties, which are scheduled for conversion or demolition.

Kungsleden is constructing a solar power plant at a property in Östersund. A combined small-scale solar cell plant and sunscreens were installed at the property Tynnered 1:13 in Gothenburg.

ENVIRONMENTAL CERTIFICATION AND GREEN LEASES

Work on environmentally certifying portfolio properties continued, and by year-end 2017, 10 per cent of total property values were environmentally certified. A new certification strategy was adopted in the year, with the goal of half of the portfolio (in book value terms) holding environmental certification according to the internationally recognised standard LEED by year-end 2020. All properties should be certified before year-end 2025. The choice of LEED for environmental accreditation offers good potential for international comparisons and green bonds.

ENERGY-SAVING MEASURES

SEK 8.8

M OF ENERGY
COST SAVINGS IN 2017

LIKE-FOR-LIKE PORTFOLIO

-5.9%

ENERGY CONSUMPTION
REDUCTION IN 2017

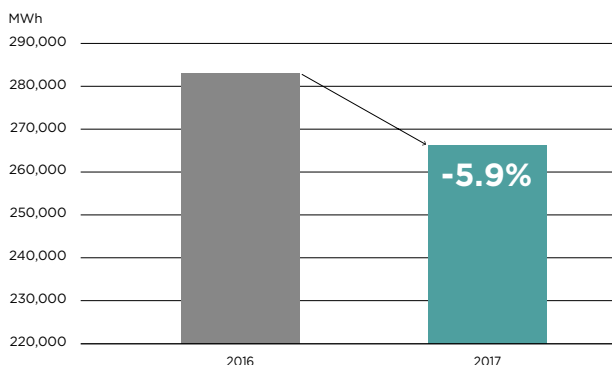
Kungsleden's head office at the property Lustgården 12 secured LEED Platinum certification in the year. Supporting documentation for certification of the properties Reykjavik 2 and Borgarfjord 5 in Kista was filed before year-end. A decision on certification of these properties is expected in the first quarter of 2018. The property Gårda 19:10 also secured Swedish Environmental Building certification in the year, and Borgarfjord 5, Torsnäs 1 and Färöarna 3 also secured GreenBuilding certification.

Good collaboration with tenants is critical for achieving environmental goals. Accordingly, Kungsleden has implemented the objective of introducing Green Leases that include undertakings to reduce environmental impact for both property owner and tenant. The aim was to sign at least 50 new Green Leases in 2017. The tenant response was positive, and 61 new Green Leases were signed. All Kungsleden's management resources also received training on Green Leases in the year.

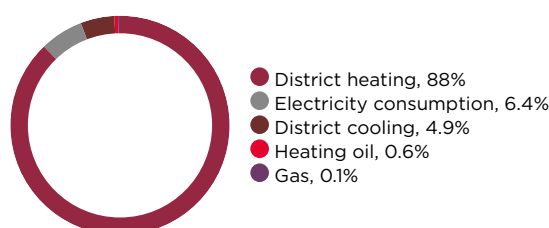
SUSTAINABILITY IN DEVELOPMENT PROJECTS

Kungsleden implemented procedures to capture sustainability issues in cluster development and development projects in the year. Workshops were held in eight clusters to plan for the development of each location. As a result, all clusters identified priority sustainability focuses and activities for the coming years.

ENERGY CONSUMPTION



GREENHOUSE GAS EMISSIONS, 2017



In total, emissions reduced from 9.7 kg/sq.m to 6.9 kg/sq.m in 2017.

As examples, Kista City is pursuing an environmental and diversity profile, while Stockholm City East and Danderyd Office are adopting a health profile. The clusters have practical action plans covering measures such as installing cycle storage and cycle workshops, increasing the number of charging points for electric vehicles and cycles, and completing environmental certification processes.

Sustainability has also been integrated into the development project process. A sustainability programme has been prepared for all development projects, specifying the goals and requirements for each project. The Sustainability Manager also participates regularly in projects to ensure that they satisfy the standards of the adopted sustainability programme.

Commuting patterns were surveyed at the Stockholm City East and Kista City clusters in the year. The aims were to find out people's commuting habits, and identify possible improvements to increase satisfaction at the location. The research indicated that there was a significant difference in commuting methods between different properties in the same location, and that closeness to public transport links does not always mean high public transport usage. Respondents stated their wish for more charging stations for electric vehicles and cycles, as well as more cycle stands and storage points, and implementation has already commenced.

SAFETY

MORE BUILDING SITES REQUIRE MORE SAFETY

Safety issues are becoming more complex and important as Kungsleden gains responsibility for more building sites related to its development projects. 16 audits and site visits were conducted in 2017. The intention was to follow up on procedures, policies and compliance. The visits primarily dealt with safety, business ethics and labour law issues. The audits had outcomes including new procedures for ensuring that Kungsleden's Code of Conduct is attached to all agreements with contractors, and initiatives to improve safety at building sites. Audits will continue in 2018.

Campaigns to remind people about safety work are also conducted each quarter, on issues such as snowfall from roofs, trip hazards and safety in roofing work.

BUSINESS ETHICS

Kungsleden has an Ethical Council that deals with issues and incidents on business ethics matters, and the risk of undesirable activities. Internal training programmes on internal and external business networking, conflicts of interest and incidental employment that started in 2016 continued in 2017.

Employee incidental employment was mapped at employee interviews for reasons including reducing the risk of conflicts of interest.

No cases of corruption were discovered in the year, although a number of instances of conduct in conflict with the company's values at individual level were discovered. These were dealt with in accordance with the stipulations of the Code of Conduct. Our employees have undertaken to comply with guidelines and policies, and have access to a whistleblower function for reporting suspected breaches (see page 108 for a list of applicable policy documents). Reporting is possible via email or regular mail. Six informative meetings on the Code of Conduct were held in the year, two with tenants and four with employees.

Kungsleden regards its suppliers as an extension of its own operations. Before being accepted as a supplier, each supplier has to sign our Code of Conduct for Suppliers.

In tandem with us producing the Code in 2016, it was presented for over 150 suppliers and Kungsleden's core values and guidelines for internal and external business networking, health & safety plans, electronic registers of staff on building sites, and order and safety regulations at Kungsleden's sites were also discussed at these meetings.

Supplier meetings focusing on our Code of Conduct and business ethics will be arranged in 2018, similar to those in 2016.

SOCIAL RESPONSIBILITY

Kungsleden takes responsibility for its surroundings and people by working actively on the management of its properties and collaborating with tenants, municipalities and other local stakeholders. This results in attractive locations.

Our objective is to make an active contribution to a safer and more inclusive society. For this reason, Kungsleden has been a main sponsor of the Fryshuset project since 2010. Kungsleden has contributed to Swedish youth entrepreneurship initiative Sveriges ungdomsentreprenör, which inspires, supports and motivates young people to realise their dreams.

GLOBAL SUSTAINABLE DEVELOPMENT GOALS

We see clear connections between our work and the UN's Global Sustainable Development Goals, which is why we have mapped our operations linked to these goals.

The mapping process was conducted through several creative work meetings in partnership with an external consultant, coordinated by Kungsleden's Sustainability Manager Maria Sandell. Those goals judged most relevant to Kungsleden are Gender Equality, Affordable and Clean Energy, Reduced Inequality and Sustainable Cities and Societies.

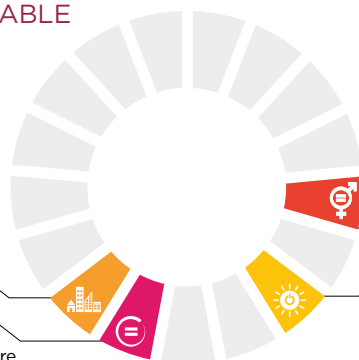
KUNGSLEDEN AND GLOBAL SUSTAINABLE DEVELOPMENT GOALS

GOAL 11: SUSTAINABLE CITIES AND SOCIETIES

As a major, long-term property owner, Kungsleden has the potential to influence public transport in the surroundings of its properties. Kungsleden also has the potential to influence planning, inclusion, resource-efficiency and adaptation to climate change in its clusters.

GOAL 10: REDUCED INEQUALITY

By working actively on vibrant urban spaces where there are spontaneous meetings between people whatever their background, Kungsleden enables encounters that contribute to reducing inequalities. Kungsleden also works actively on an open corporate culture that is inclusive and creates the potential for disadvantaged people to enter the labour market.



GOAL 5: GENDER EQUALITY

Kungsleden makes a contribution to gender equality by serving as a role model for the Swedish business community and continuing to work proactively for women and men having equal opportunities in their work and careers. Kungsleden has basically even gender division at the company's management levels.

GOAL 7: AFFORDABLE AND CLEAN ENERGY

By adjusting existing technology and investing in energy-efficient plant, Kungsleden can reduce the energy consumption of its properties. Kungsleden can source renewable energy for its property portfolio to promote the realignment of its energy mix to more renewable sources, as well as contributing its own locally produced energy.

RESPONSIBLE RISK MANAGEMENT

Kungsleden is, like all operations, exposed to risks of different character. Some risks can be minimized through thorough and thoughtful analysis and related activities. Other risks – such as macroeconomic development and rent developments on the real estate market as a whole – we can't affect, but, however, be well prepared for and, through the right strategy, reduce our sensitivity to. Kungsleden has a structured risk management process with contributions from all parts of the business. The Board has the overall responsibility for risk management and has delegated the operational responsibility to the CEO.

Below, Kungsleden presents the most important risks in sustainability and how these are handled.

Risk category and definition	Management
ENVIRONMENT The risk of soil contamination, which generates remediation costs, mainly in tandem with development, when property usage changes. Extreme weather events and climate change can also cause a risk of property damage.	Kungsleden has categorised all its properties according to the risk of soil contamination and takes proactive measures. At the time of acquisition, it maps the risk of soil contamination, environmentally hazardous building materials and climate risks. Climate change is managed by continuously improving maintenance.
BUSINESS ETHICS AND SOCIAL CONDITIONS The risk of impropriety against Kungsleden by staff or suppliers that can damage the company's finances, brand and employee well-being.	Kungsleden's internal activities are governed by policies and guidelines. Externally, work is governed by a Code of Conduct for Suppliers. Kungsleden also utilises external and internal communication on business ethics actively. Kungsleden has an internal Ethical Council that deals with potential incidents.
SOCIAL CONDITIONS AND HUMAN RIGHTS Kungsleden has a large supplier base, and many participants are active on its major projects. If there are difficulties in over-viewing supply chains, there is a risk of activities that conflict with Kungsleden's values.	Kungsleden utilises a clear Code of Conduct for Suppliers, and suppliers are kept informed of the importance of them conducting themselves in accordance with its core values: professionalism, consideration and joy.

IN-DEPTH SUSTAINABILITY INFORMATION (GRI INDEX AND EPRA)

This section provides additional disclosures that are necessary for Kungsleden to fulfil its commitment to report on sustainability work in accordance with GRI (Global Reporting Initiative) C4 Core Guidelines, EPRA (European Public Real Estate Association) recommendations on SBPR (Best Practices Recommendations on Sustainability Reporting), and the Swedish Annual Accounts Act's sustainability reporting standards. This section also constitutes Kungsleden's COP to the UN Global Compact and satisfies the standards of the Active level. It is not a standalone report, but offers more depth on Kungsleden's sustainability work, which has already been dealt with in previous sections of the Annual Report.

Kungsleden works with a particular focus on five segments that have been identified in its materiality analysis. The following table indicates those segments classified as focuses by Kungsleden and its stakeholders, and the policies followed to assure work going forward.

Focus	Policy
Environment	• Sustainability Policy & Strategy
Corporate social responsibility	• Sustainability Policy & Strategy
Diversity	• Sustainability Policy & Strategy • Gender Equality & Diversity Policy
Business ethics	• Sustainability Policy & Strategy • Procurement Policy • Guidelines for Internal & External Business Networking • Guidelines for Incidental Employment & Conflicts of Interest • Code of Conduct for Suppliers
Health & safety	• Alcohol & Drug Policy • Occupational Health & Safety Policy • Health & Wellness Policy • Sustainability Policy & Strategy • Code of Conduct for Suppliers



ORGANISATIONAL PROFILE

G4-10 Total workforce

	Number	2017	2016	2015
Total number of employees		110	110	102
Of which women		58	56	54
Number of permanent salaried employees		58	54	52
- Of which full-time		58	53	52
- Of which part-time		0	1	0
Number of temporary employees		0	2	2
Of which men		52	54	48
Number of permanent salaried employees		52	54	47
- Of which full-time		52	53	47
- Of which part-time		0	1	0
Number of temporary employees		0	0	1

G4-11 Collective bargaining agreements coverage

All of Kungsleden's 110 employees are party to collective bargaining agreements.

EXTERNAL UNDERTAKINGS

G4-14 Application of precautionary approach

Kungsleden has joined the UN Global Compact, whose environmental undertakings include a precautionary approach.

G4-15 Commitment to external economic, environmental and social principles or initiatives

The Global Compact, Global Reporting Initiative, EPRA, BREEAM, LEED, Construction Product Assessment.

G4-16 Memberships of associations and national or international advocacy

Fossilfritt Sverige ("Fossil Free Sweden"), Sweden Green Buildings Council, the Forum for Sustainable Cities, Construction Product Assessment, the LEED Council and GRESA are all associations where Kungsleden serves in an active role on organisation governing bodies.

MATERIAL ASPECTS AND BOUNDARIES

G4-18 Process for defining material aspects

G4-19 Material sustainability aspects

Report content is based on a materiality analysis conducted in 2015. The materiality analysis consisted of a competition analysis and assessment of Kungsleden's current sustainability work, as well as views from two executive meetings with representatives of Accounting, HR, Environment, Legal Services, Corporate Communication and Marketing. These meetings also dealt with Material gathered from interviews with tenants and questionnaires completed by investors and financial analysts at shareholders' meetings at capital markets days.

Kungsleden maintains an ongoing dialogue with its stakeholders, and has supplemented its materiality analysis and selection of aspects with appraisals of this dialogue process.

Kungsleden examined the relevance of its materiality analysis in 2017 in a research project entitled "KPI 2030: The Sustainable Properties of the Future," which was conducted by members of the City of Stockholm's Forum for Sustainable Properties, and researchers at Mälardalen University College, Luleå University of Technology and the University of Richmond. The project identified 7 core segments that can be associated with tenant interests in sustainability in their premises. Tenants are a key stakeholder group that sets trends within Kungsleden's sustainability work. The results of this research will be reconciled against Kungsleden's materiality analysis in 2018.

G4-20 Internal boundaries for each sustainability aspect**G4-21 External boundaries of each sustainability aspect****Impact of aspects on stakeholders**

Kungsleden's sustainability aspect	Tenants	Employees	Owners & capital markets	Lenders	Suppliers	Wider society
Energy	•	•				•
Emissions	•	•			•	•
Environmental impact of products and services	•					
Soil contamination and remediation		•	•			•
Labelling of products & services	•	•				
Anti-corruption	•	•	•		•	•
Supplier assessment of working conditions					•	
Diversity & equal opportunities		•				•
Employee skills management	•	•				•
Employee health & safety		•				
Customer health & safety	•	•				
Financial performance		•	•			•

The table illustrates where Kungsleden's materiality aspects have a direct impact on different stakeholder groups.

G4-22 The effect of any restatements of information provided in previous reports**G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries**

See changes in the method for G4-CRE3

STAKEHOLDER ENGAGEMENT**G4-24 List of stakeholder groups****G4-25 Basis for identification and selection of stakeholders with whom to engage****G4-26 The organisation's approach to stakeholder engagement****G4-27 Key topics and concerns that have been raised through stakeholder engagement**

The table above and on page 16 lists Kungsleden's most important stakeholders, how we maintain dialogue with them and the issues the various stakeholders view as most important. These stakeholders are important to Kungsleden because they have a major impact on the company, or are impacted by the company's operations. We review how we address the wants and needs of our stakeholders through this Annual Report.

REPORTING PROFILE**G4-28 Reporting period****G4-29 Publication of most recent Annual Report****G4-30 Reporting cycle**

Kungsleden's Annual & Sustainability Report is for the period 1 January to 31 December 2017. Reporting is annual. The most recent Sustainability Report was uploaded to www.kungsleden.se on 28 March 2017.

G4-31 Contact point for questions regarding the report or its contents

Maria Sandell, Sustainability Manager
e-mail: maria.sandell@kungsleden.se
Phone: +46 (0)8 503 05200
Web: www.kungsleden.se/en

G4-32 GRI Content Index**G4-33 Assurance process**

Kungsleden reports its sustainability work in accordance with the Swedish Annual Accounts Act's sustainability reporting standards and GRI's accounting option G4 Core. The Sustainability Report is also part of Kungsleden's sustainability report pursuant to the requirements of the Swedish Annual Accounts Act and contains information on the company's initiatives within the environment, social conditions and human resources, respect for human rights and anti-corruption.

Apart from this section, sustainability reporting is included on the following pages of the Annual Report:

Chapter Strategic Direction, pages 12–25

Section Sustainability – activities and outcomes, pages 56–57

The Sustainability reporting has not been externally reviewed. The auditor's statement on the existence of the Sustainability Report is available on Kungsleden's website.

G4-56 The organisation's values, principles, standards and norms of behavior

The extensive implementation process of Kungsleden's core values – professionalism, consideration, joy – continued in 2017. The Code of Conduct, published in 2016, has been secured through operations with a special focus on local offices. Audits of code of conduct compliance have been conducted on suppliers. Health & safety procedures were also reviewed in the year.

To encourage individuals and clarify best practice in Kungsleden's core values and highlight good examples and role models, Kungsleden has created "Culture Bearer of the Year". The whole company has been involved, submitting nominations for colleagues judged to be worthy of recognition. A jury has selected the winner, who will be named in Q1 2018.

Kungsleden's Policy Documents

- Alcohol & Drug Policy
- Occupational Health & Safety Policy
- Health & Wellness Policy
- Sustainability Policy & Strategy
- Procurement Policy
- Gender Equality & Diversity Policy
- Guidelines for Internal & External Business Networking
- Guidelines for Incidental Employment & Conflicts of Interest
- Code of Conduct for Suppliers

SPECIFIC STANDARD DISCLOSURES

ECONOMIC PERFORMANCE

G4-EC1 Direct economic value

All businesses have a direct impact on the economy through taxation, payments to business partners, as well as salaries, pensions and social security contributions for employees. The following diagram illustrates how Kungsleden's revenues in 2017 were divided between different stakeholder groups.

OUR CONTRIBUTION TO SOCIETY IN 2017, SDK M
DIVIDED AS FOLLOWS

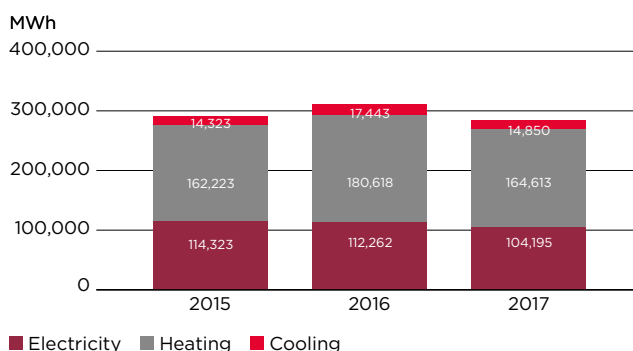


Directly created value amounted to SEK 3,972 million and retained economic value amounted to SEK 2,195 million in 2017.

ENERGY

G4-EN3 Energy consumption within the organisation

ENERGY CONSUMPTION



New method for computing water volumes. The hot water share has been separated from district heating for 2017 which only affects district heating consumption marginally.

G4-EN6 Reduction of energy consumption

Kungsleden made 57 investments in energy projects in 2017, generating savings of 8.9 GWh for a cost of SEK 36.1 million. Kungsleden also has procedures to fine-tune and adjust the function of all its current plant at least twice per year.

G4-CRE1 Energy intensity in buildings

G4-CRE3 Emission intensity in buildings

PURCHASED ENERGY
PER M²:

151

kWh/sq.m

EMISSIONS PER M²:

9.7

CO₂/sq.m

GREENHOUSE GAS EMISSIONS

G4-EN15 Direct greenhouse gas emissions (Scope 1)

G4-EN16 Indirect greenhouse gas emissions (Scope 2)

Greenhouse gas emissions per scope (ton CO ₂ E)	2017	2016	2015
Scope 1	97	129	226
Scope 2	13,668	16,383	17,517

Total greenhouse gas emissions and allocated by scope.

Scope	Activity	Activity data	Conversion factor
Scope 1	Oil purchased by Kungsleden that is not invoiced to customers based on separate measurement or invoicing of actual consumption.	Internal gathering of statistics of purchased oil and invoicing systems.	Heating oil: 0.268 ton CO ₂ /MWh Source: Statistics Sweden. Conversion of Statistics Sweden energy statistics to CO ₂ emissions, 29 May 2009 v.2
Scope 1	Business travel with fleet vehicles and company cars.	Travel by fleet vehicles is based on odometer readings and travel by company cars is based on compensation for mileage.	Greenhouse gas emissions based on distance travelled, and car manufacturer data on emissions per kilometre. Source: Car manufacturers
Scope 2	Electricity purchased by Kungsleden that is not invoiced to customers based on separate measurement or invoicing of actual consumption.	Internal gathering of statistics of purchased electricity and invoicing systems.	Certified renewable energy: 4 g CO ₂ /kWh Source: Dinel
Scope 2	District heating that is purchased by Kungsleden that is not invoiced to customers based on separate measurement or invoicing of actual consumption.	Internal gathering of statistics of purchased district heating and invoicing systems.	Data from each district heating provider.

LAND DEGRADATION, CONTAMINATION AND REMEDIATION

G4-CRE5 Land remediated and in need of remediation

In 2017 Kungsleden worked according to the plan created after the mapping process executed in 2016, when all properties held were categorised according to be contamination situation in one of the following five categories. All new acquisitions have been systematically reviewed and classified by contamination situation

- Category 1: Contamination detected that requires remediation
- Category 2: MIFO class 1 or 2 or other motivation for investigation required. Potential detection of contamination that requires remediation programme
- Category 3: MIFO class 3 or 4 or contamination detected that does not require remediation
- Category 4: Risk of contamination, but none detected and no sector classification
- Category 5: No contamination detected and no reason for suspicion

This assessment is based on documentation in public records and internal materials and investigation. Kungsleden has not been imposed with any instructions for remediation of soil contamination. No portfolio property is currently classified in category 1.

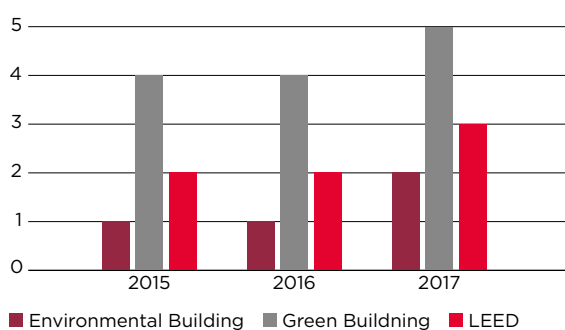
PRODUCT AND SERVICE LABELING

G4-CRE8 Environmental certifications in new construction, extensions and reconstructions

Kungsleden has utilised various environmental classification systems in recent years depending on the system appropriate to each building. A new target for portfolio properties being classified according to LEED by 2035 was set in 2017. Half of the portfolio should be classified by 2020. At present, Kungsleden's portfolio has LEED classified properties within new production and existing buildings, and buildings certified according to the Silver environmental classification and EU Green Building standard. Kungsleden evaluates the potential for LEED classification in all major projects, during conversion/new production. LEED is an international system covering many aspects of the environmental segment, and has a strong international reputation.

In terms of value, 10 per cent of the property portfolio has some form of environmental classification.

NUMBER OF ENVIRONMENTALLY CLASSIFIED PROPERTIES



CUSTOMER HEALTH AND SAFETY

G4-PR2 Number of incidences of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their cycle, by type of outcome

There were no incidences of non-compliance with regulations and voluntary codes regarding customers' health & safety in 2017. Kungsleden conducted audits in the year that identified several areas of improvement. This was followed up by clarification of procedures and the production of action-plans.

G4-PR5 Customer satisfaction

The outcome of the year's Customer Satisfaction Index (CSI) was an increase from 70 to 72. Customer satisfaction was surveyed in 2017, with customers rating Kungsleden 61 for environmental consideration, which can be compared to the real estate sector overall average of 66. Kungsleden was down by one point on the previous year, compared to the sector overall, which was also down by one point on average. Kungsleden will continue to present clearer information on its environmental and sustainability work locally and company wide in 2018.

OCCUPATIONAL HEALTH & SAFETY

G4-LA6 Accidents, occupational injuries and sick leave

	Scheduled working days	Long-term sickness absence, days	Total sickness absence, days	Total sickness absence/scheduled working days (%)
Total, women	101,750	1,372	4,694	4.6
Total, men	98,148	855	855	0.9
Total	199,898	2,227	5,549	2.8

G4-CRE6 Percentage of the organisation operating in verified compliance with an internationally recognized health and safety management system

Kungsleden complies with occupational health & safety legislation, and accordingly, has safety representatives.

TRAINING AND EDUCATION

G4-LA10 Programmes for skills management

G4-LA11 Percentage of employees receiving regular performance and career development reviews

Kungsleden operates an internal skills management process with the associated digital support tools that are available to all staff. This process was clarified for the affected parties in 2017. A schedule of the HR calendar, which clarifies the timing of various actions in the year, is published on the intranet. In 2017, 63 per cent of staff had appraisal interviews. This fairly low share is due to factors including an unusually high number of employees changing manager in the year. In the employee satisfaction survey, 88 per cent of respondents stated that they had received goal-setting and appraisal interviews with their first-line managers during the past 12 months. Individually tailored support is offered on termination of employment.

DIVERSITY AND EQUAL OPPORTUNITIES

G4-LA12 Composition of the Board of Directors and the Executive Management, and breakdown of employees per employee category

	2017	2016	2015
Board of Directors			
Number of women	5	4	4
- Of which aged less than 30	0	0	0
- Of which aged 30-50	0	0	0
- Of which aged over 50	5	4	4
Number of men	2	3	3
- Of which aged less than 30	0	0	0
- Of which aged 30-50	0	0	0
- Of which aged over 50	2	3	3
Management			
Number of women	6	5	5
- Of which aged less than 30	0	0	0
- Of which aged 30-50	4	5	5
- Of which aged over 50	2	0	0
Number of men	3	5	6
- Of which aged less than 30	0	0	0
- Of which aged 30-50	0	2	2
- Of which aged over 50	3	3	4
Other employees			
Number of women	58	51	49
- Of which aged less than 30	4	6	3
- Of which aged 30-50	42	39	39
- Of which aged over 50	12	6	7
Number of men	52	49	42
- Of which aged less than 30	6	5	3
- Of which aged 30-50	25	28	23
- Of which aged over 50	21	16	16
Total	110	110	102

NON-DISCRIMINATION

G4-HR3 Number of incidents of discrimination and corrective actions taken

No cases of discrimination were reported in the year. Read more about Kungsleden's work to counter discrimination on pages 18, 22 and 56-57.

ANTI-CORRUPTION

G4-SO3 Number and percentage of operations assessed for risks related to corruption and the significant risks identified

G4-SO4 Communication and training on anti-corruption policies and procedures

G4-SO5 Confirmed incidents of corruption and actions taken

Kungsleden prepared a new Code of Conduct for Suppliers in 2016, which largely conforms to real estate sector organization Fastighetsägarna's Code of Conduct. Work on informing and securing support for the Code of Conduct continued in 2017, through training programmes and dialogue with staff and suppliers, as well as communication with tenants regarding Kungsleden's core values and its Guidelines for Internal & External Business Networking, as well as health & safety plans, electronic records of staff on building sites and safety regulations at Kungsleden's workplaces. Every contractor must sign the Code of Conduct before being accepted as a Kungsleden supplier.

In addition to its Code of Conduct for Suppliers, Kungsleden operates Guidelines for Internal & External Business Networking, Guidelines for Incidental Employment & Conflicts of Interest, as well as a new Procurement Policy. All employees have been informed and received training regarding these guidelines. Kungsleden also has an Ethical Council dealing with issues and incidents relating to business ethics.

Kungsleden executed a review of corruption risks within the company in the year, and identified that there is an increased risk. Individuals representing identified business entities within Kungsleden, and who are exposed to a greater risk of corruption through their positions, have been offered additional information on the implication of Kungsleden's business ethical guidelines and policies. The risk analysis also resulted in an action plan, encompassing actions including internal work on values, improvements to templates and tools and targeted audits. In tandem with the review in 2017, a number of cases of conduct conflicting with the company's values were identified and dealt with in accordance with internal guidelines.

EPRA SUSTAINABILITY PERFORMANCE MEASURES

Effective 2016, Kungsliden is reporting in-depth sustainability performance measures for the company based on the EPRA's (European Public Real Estate Association) sBPR (Best Practices Recommendations on Sustainability Reporting).

EPRA PERFORMANCE MEASURES

Kungsliden is reporting sustainability performance measures for 15 of the EPRA sBPRs. It is reporting indicators for energy, greenhouse gas emissions, water, waste and share of environmentally-certified buildings, prepared in accordance with the most recent guidelines from EPRA; sBPR. Energy consumption is reported in MWh, emissions in tons, water consumption in m³, emission intensity in kg/m², energy intensity in kWh/m² and water intensity in litres/m².

EPRA OVERARCHING RECOMMENDATIONS

Organisational boundary

The boundary of reporting originates with the properties were Kungsliden has operational control pursuant to the principles of the Greenhouse Gas Protocol. Kungsliden has adopted this approach because it provides us with the best potential to report and quality-assure statistics that Kungsliden can directly impact. Other properties, whether customer is responsible for agreements for delivering energy, water and waste, are not included. When the customer is responsible for these agreements, Kungsliden is not in possession of metrics data, and accordingly, reporting outcomes is problematic.

Coverage

Continuous and active work is ongoing on the properties that Kungsliden owns and manages to gain access to relevant performance data.

Available performance data is something Kungsliden values because it creates the potential for effective and positive management of properties.

Kungsliden now has access to performance data for much of its portfolio. The share of properties included in indicators is reported for each performance measure.

However, Kungsliden does not have access to performance data for all properties. Primarily, measurements of waste are missing due to waste contractors being unable to deliver statistics for all properties. Some absolute data for energy and water is also absent due to changes in the portfolio resulting from acquired, divested and development properties. Kungsliden works continuously to gain access to all relevant performance data wherever possible.

At year-end 2017, Kungsliden owned a total of 222 properties, compared to 269 properties at year-end 2016, excluding land.

Estimation of landlord-obtained utility consumption

All data reported has been measured and verified. There were no estimations.

Third party assurance

Kungsliden's indicators reported pursuant to EPRA have not been verified by a third party.

Boundaries-reporting on landlord and tenant consumption

Kungsliden reports on the energy purchased by the property owner, i.e. by Kungsliden. Kungsliden does not report tenants' energy consumption because it basically does not have access to these statistics. Kungsliden cannot directly influence tenant energy consumption, which to some extent, renders the statistics less relevant. See the EPRA table for the data reported,

Normalisation

Kungsliden utilises the Swedish Meteorological & Hydrological Institute's standards to normalise energy for heating.

Analysis-segmental analysis (by property type, geography)

Kungsliden reports sustainability data pursuant to the building types of office and retail premises, industrial buildings and projects.

Disclosure on own offices

Kungsliden's own offices are included in the statistics, but not reported separately.

Narrative on performance

Changes from 2016 to 2017 for sustainability key figures and savings achieved are stated in the index for 2017. No data reported was restated.

Location of EPRA Sustainability Performance in companies' reports

The reporting of sustainability key figures pursuant to EPRA sBPR is formulated in this index, which is part of the Annual Report for 2017.

Reporting period

The reporting of sustainability key figures pursuant to EPRA sBPR is for the calendar year, i.e. 1 January to 31 December.

COMPLEMENTARY EPRA DATA

EPRA	Comment	Unit	Property type: Retail & stores	Property type: Industrial & warehouse	Property type: Offices	Property type: Other
Elec-Abs	Elektricitet absolute data	MWh	8,698	15,871	56,843	2,426
Elec-Lfl	Elektricitet like for like	MWh	8,670	10,221	40,542	1,884
DH&C-Abs	District heating and district cooling absolute data	MWh	12,303	56,714	118,602	5,395
DH&C-Lfl	District heating and district cooling like for like	MWh	11,326	32,829	82,710	4,779
Fuels-Abs	Emissions absolute data	MWh	93	328	0	0
Fuels-Lfl	Emissions like for like	MWh	0	328	0	0
Energy-Int	Energy intensity	kWh/sq.m	139.1	125.3	145.5	183.7
GHG-Dir-Abs	Direct emissions absolute data	Ton CO ₂	17	88	0	0
GHG-Indir-Abs	Indirect emissions absolute data	Ton CO ₂	552	5,468	8,627	174
GHG-Dir-Lfl	Direct emissions like for like	Ton CO ₂	0	88	0	0
GHG-Indir-Lfl	Indirect emissions like for like	Ton CO ₂	533	2,877	6,023	101
GHG-Int	Emission intensity	KgCO ₂ /sq.m	3.6	9.4	7.1	4.1
Water-Abs	Water absolute data	m ³	32,382	118,264	382,634	15,700
Water-Lfl	Water like for like	m ³	29,180	81,522	268,099	15,700
Water-Int	Water intensity	m ³ /sq.m	320	265	423	431

KUNGSLEDEN AND GLOBAL SUSTAINABLE DEVELOPMENT GOALS

GOAL 11: SUSTAINABLE CITIES AND SOCIETIES

As a major, long-term property owner, Kungsleden has the potential to influence public transport in the surroundings of its properties. Kungsleden also has the potential to influence planning, inclusion, resource-efficiency and adaptation to climate change in its clusters.

GOAL 10: REDUCED INEQUALITIES

By working actively on vibrant urban spaces where there are spontaneous meetings between people whatever their background, Kungsleden enables encounters that contribute to reducing inequalities. Kungsleden also works actively on an open corporate culture that is inclusive and creates the potential for disadvantaged people to enter the labour market.

GOAL 5: GENDER EQUALITY

Kungsleden makes a contribution to gender equality by serving as a role model for the Swedish business community and continuing to work proactively for women and men having equal opportunities in their work and careers. Kungsleden has basically even gender division at the company's management levels.

GOAL 7: AFFORDABLE AND CLEAN ENERGY

By adjusting existing technology and investing in energy-efficient plant, Kungsleden can reduce the energy consumption of its properties. Kungsleden can source renewable energy for its property portfolio to promote the realignment of its energy mix to more renewable sources, as well as contributing its own locally produced energy.

GRI INDEX

General standard disclosures		Comment	See
G4-1	Statement from the most senior decision-maker of the organisation on sustainability strategy		p 5 (CEO's statement)
G4-3	The name of the organisation		p 1
G4-4	The primary products and services		p 1
G4-5	Location of the organisation's headquarters		p 115
G4-6	The country where the organisation operates		p 1
G4-7	Nature of ownership and legal form		p 64–67
G4-8	Markets the organisation serves		p 1
G4-9	The scale of the organisation		p 1
G4-10	Total number of employees	GC principle 3,6	p 1, 107
G4-11	Percentage of employees covered by collective bargaining agreements		p 107
G4-12	Describe the organisation's supply chain		p 12–13
G4-13	Significant changes during the reporting period		p 2–3
G4-14	Whether and how the organisation addresses the precautionary principle	GC principle 7	p 107
G4-15	External economic, environmental and social charters, principles the organization subscribes to or endorses		p 107
G4-16	Memberships of associations		p 107
G4-17	List of entities included in the organisation's consolidated financial statements		p 31
G4-18	Process for defining report content		p 107
G4-19	Identification of material sustainability aspects		p 108
G4-20	Report on internal aspect boundaries for each sustainability aspect		p 108
G4-21	Report on external aspect boundaries for each sustainability aspect		p 108
G4-22	Effect of any restatements in previously reported information		p 108
G4-23	Significant changes from previous reporting periods		p 108
G4-24	List of stakeholder groups engaged by the organisation		p 108
G4-25	Basis for identification and selection of stakeholders		p 108
G4-26	Approach for stakeholder engagement		p 108
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to these issues		p 108
G4-28	Reporting period		p 108
G4-29	Date of most recent previous report		p 108
G4-30	Reporting cycle		p 108
G4-31	Contact point for questions regarding the report		p 108
G4-32	Report of 'in accordance' option & GRI Content index		p 108
G4-33	External assurance		p 108
G4-34	Report on the organisation's governance structure		p 64–67
G4-56	Describe the organisation's values, codes of conduct, etc.	GC principle 10	p 108

Specifika standard-indikatorer	EPRA	Comment	Comment	See
DMA		Financial performance		p 12-15, 109
G4-EC1		Direct economic value generated and distributed		p 109
DMA		Energy		p 14, 22, 56, 108
G4-EN3	Elec-Abs Elec-Lfl DH&C-Abs DH&C-Lfl Fuels-Abs Fuels-Lfl	Energy consumption within the organisation	GC principle 8	p 56, 108
G4-EN6		Projects to reduce energy consumption & achievements	GC principle 6	p 56, 108
G4-CRE1	Energy-Int	Energy consumption per square metre		p 109
DMA		Emissions		p 56
G4-EN15	GHG-Dir-Abs GHG-Dir-Lfl	Direct greenhouse gas emissions	GC principle 7, 8	p 110
G4-EN16	GHG-Indir-Abs GHG-Indir-Lfl	Indirect greenhouse gas emissions from energy production	GC principle 7, 8	p 110
G4-CRE3	GHG-Int	Greenhouse gas emissions per square metre		p 109
DMA		Environmental impact of products & services		p 56
G4-EN27		Actions to mitigate environmental impact from properties	GC principle 9	p 56
DMA		Soil contamination & remediation		p 110
G4-CRE5		Contaminated & remediated soil		p 110
DMA		Labelling of products & services		p 110
G4-CRE8		Number and percentage of environmentally certified properties		p 14, 110
G4-PR5		Outcome of customer satisfaction surveys		p 17, 111
DMA		Customer health & safety		p 22, 57
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DMA		Employee health & safety	GC principle 4, 5	p 18, 22, 57
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