

Heimstaden's Sustainability Strategy

Sustainability - the only way forward

People come first for us – and are at the heart of everything we do. Our vision is to simplify and enrich life through friendly homes. For Heimstaden, sustainability is about creating value for our customers, our company and the community around us. We integrate sustainability issues throughout our operations, and we are committed to following the framework and standards expected of modernday sustainability.

People living in our accommodation or working on our premises can be certain that Heimstaden works in a structured way to ensure that the impact of our buildings on the climate and environment is as small as possible. Sustainability is a common thread in our operations and include ecological, economic and social aspects. Ensuring a safe work environment is just as important to us as creating pleasant living environments for our customers. We contribute to building inclusive and thriving local communities as well as to solving challenges in society – for example, housing shortages, exclusion and climate change.

Background

Heimstaden is a strong, value-driven company and sustainability is by no means new to us. These issues have existed for a long time, but we see great strategic value in working more cohesively when it comes to sustainability. In 2019, we joined the UN Global Compact, thereby showing our commitment to follow its ten principles regarding human rights, labour, the environment and anti-corruption.

We create value by investing long-term in real estate and operating efficiency with a focus on people, the environment and the climate. By developing and managing sustainable and attractive apartments in

regions of growth, we generate long-term value. We have gone from being a small player to becoming a large company in a relatively short time, which means that we now have a greater impact and a greater responsibility.

As we grow, it is also important that we make sure the whole organization understands and participates in our sustainability efforts. Our sustainability strategy affects the entire company and clearly states that managers and management teams at all levels must take responsibility for taking sustainability issues into consideration in decision-making, budget and follow-up processes. In addition, all employees are responsible for making sure they contribute to the realization of our strategy in their daily work. The strategy highlights our priorities, division of responsibilities and ensures that measures are implemented and followed up.

Overall objectives

Our sustainability objectives are to optimize our positive impact on people, the environment and society, and to reduce our negative impact.

Our aim is to be considered the most sustainable residential real estate company in Europe. We are a natural participant in sustainable societal development and contribute to the creation of vital and inclusive neighbourhoods based on local conditions in the countries and locations in which we operate.

Our targets are based on a Group-wide perspective that covers all the countries we operate in. This means that already today we exceed set targets in certain countries and locations. However, this does not mean that we will sit back and rest: we will continue to focus on continuous improvements in these business areas too.



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Strategy and focus

Our business model focuses on three principal processes: analysis and transactions, project and property development, and property management. These processes work together as we actively – and with sustainability in focus – develop our company further.

We want our customers to have access to attractive and healthy accommodation. In order to ensure that our projects, real estate and services impact the environment and climate as little as possible during their lifecycle, we work continuously on improving our own operations and value chain by placing demands on suppliers and contractors.

Responsible customer relations

It is vital for us that our customers enjoy and thrive in their homes. We meet them on a daily basis and are close to them in their everyday lives. This gives us unique opportunities to understand their needs and wishes regarding social aspects of living, well-being, comfort and security. Dialogue is central and we regularly measure customer satisfaction. We are aware of the special social responsibility we bear as a real estate company. It is also important to us that everyone has the chance to have a home.

Target:

- At least 1% of our apartments consists of social lease contracts. This means we earmark apartments that are rented out to municipalities – and they, in their turn, provide housing for the homeless, new arrivals, women's shelters and people with varying abilities.

Sustainable properties

Our buildings and apartments are both our main product and our main impact on the environment and climate through construction, operation and renovation. Running our business in an environmentally sustainable way is vital and ensures that we keep up with the rest of the world when it comes to fighting climate change.

Targets:

- Fossil-free operations by 2030.
- Sub-target: 100% renewable electricity by 2021. Reduce amount of purchased electricity by 10% per square metre by 2023. Newly built houses should have at least a Sweden Green Building Council Silver certificate. Fossil-free fleet of vehicles by 2025.
- A minimum of 1% reduction in water use per square metre and annually by 2030.
- Ecosystem services to be evaluated in all new construction and larger projects. In the event of negative impact, at least as many ecosystem services (or more) should be restored.

Responsible employer and organization

Heimstaden is an attractive employer and many people want to work for us. Due to our growth, it is important that we can recruit and onboard new employees as well as keep the ones we already have. We focus on a passionate and value-driven work culture based on a good working environment, equal opportunities, diversity and inclusion. Every month, we measure the temperature of our leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit, involvement and security.

Targets:

- Zero work-related absences by 2023.
- Zero work-related injuries by 2023.
- Zero tolerance of discrimination.
- Minimum of 2% of employees (on an annual basis) to be apprentices with a focus on people who are excluded – e.g. long-term unemployed, people with varying abilities and new arrivals.
- 100 jobs per year to young people – e.g. summer jobs, student employees and trainees.

Responsible business relationships

We build long-lasting relationships that mutually benefit and satisfy all parties. Our starting point is our shared values and expectations about how we should behave and do business with integrity and transparency. This is why we integrate environmental,

social and anti-corruption aspects into the demands we place on our business partners.

Our introductory training for new employees includes a section about our Code of Conduct. Since 2019, all new, centrally procured suppliers and contractors have signed our Code of Conduct for Business Partners.

Targets:

- 100% of employees to have signed the Code of Conduct and completed the training program.
- 100% of contractors and suppliers to have signed the Code of Conduct.

Sustainability commitments

UN Global Compact

Heimstaden has joined the UN Global Compact – the world's largest sustainability initiative. This means that we are committed to working according to the ten principles in the areas of human rights, labour, the environment and anti-corruption. By fulfilling our sustainability strategy and putting our values, policies and guidelines into practice, we can live up to our commitment.

Global goals

The purpose of the UN's 17 Sustainable Development Goals is to solve global challenges – from poverty and education to climate change, inequality and peace. We have linked our sustainability targets to most of the global goals. The goals that are especially relevant to our business are gender equality, decent work, reduced inequalities, clean energy, sustainable cities and communities, climate action and biodiversity and ecosystem services. Through our commitment to the UN Global Compact, we also contribute to Goal 17, which is about implementation and global partnership for sustainable development.

LFM30

Heimstaden has joined the Swedish initiative Lokalt Fördjupat Malmö that focuses on achieving a climate-neutral construction and civil engineering sector by 2030. This means that together with our construction partners, we strive to implement LFM30 and its targets in our own operations when it comes to new buildings and larger projects in Malmö, which is also where the headquarters of the Heimstaden Group is situated.



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