

Sustainable operations

In parallel with climate change, we are seeing changing consumption patterns and cargo flows in the global production systems. This imposes rigorous demands on fast, intelligent and cost-efficient deliveries that balance economic, social and environmental aspects – a more sustainable logistics.

Catena's sustainability work has taken a major step forward in 2019 and the bar will also be raised in 2020.

Benny Thögensen, CEO



Dikartorp 3:12, Järfälla.

Priority area

Sustainability is one of Catena’s prioritised strategic areas. This begins with the ongoing efforts made to ensure that Catena’s own operations are conducted sustainably. This, in turn, enables sustainable logistics solutions for the Company’s customers. The work is based on three focus areas: sustainable properties, sustainable logistics and being an attractive employer. Catena has a high level of ambition in the area of sustainability and seeks to maintain a high rate of development going forward.

In order to ensure that the sustainability perspective is integrated into all parts of the operations, all employees undergo environmental training when recruited and updates and development discussions in the area of sustainability occur continuously through internal channels, as well as at personnel and interdisciplinary meetings. In addition, certification in accordance with ISO 14001 constitutes a framework for the Company’s environmental work.

Strategic initiatives during the year

The year was characterised by major changes and a higher pace in Catena’s sustainability efforts. A strategically important part of this has been to appoint a Sustainability Manager. This has generated impetus for implementation, sustainability issues have become even more closely integrated into transactions, while processes in sustainability work and for initiating new projects within the Company have been simplified.

In 2019, Catena signed the UN Global Compact and its ten principles on human rights, the working environment,

the environment and anti-corruption. The ten principles also reflect Catena’s core values.

Furthermore, Catena has taken a position on the UN’s goal for sustainable development, Agenda 2030, and the Company’s operations have been mapped in relation to the global goals. Six main objectives have been identified where the operations have a major impact. The identified goals, together with the Company’s other strategic targets and stakeholder dialogues, have been the basis for the preparation of updated sustainability targets in Catena’s business plan. The new targets have been developed with the aim of both strengthening the operations and contributing to Agenda 2030. The targets are clearer, more long-term and more measurable.

In its environmental work, Catena has taken further steps forward, in particular with regard to climate change. Over the year, Catena initiated a risk analysis in line with the Task Force for Climate Related Financial Disclosures (TCFD). By reporting in accordance with the TCFD, the Company prepares and future-proofs itself for climate-related risks and opportunities. The ambition is to extend the reporting in accordance with the TCFD’s recommendations over the coming years.

To ensure a high standard in Catena’s sustainability reporting, the Company reports in accordance with the GRI Standards, Core level, and has implemented EPRA’s Sustainability Best Practice Recommendations. For the first time, Catena’s Sustainability Report has also been reviewed by an auditor. The Sustainability Report follows the principle of prudence and has been prepared in accordance with Chapter 7 of the Annual Accounts Act.

UN AGENDA 2030 GOALS SELECTED BY CATENA



Focus area	Sustainability targets 2019	Strategies 2019	Outcomes and activities 2019
SUSTAINABLE PROPERTIES	<p>Certify all newly-produced properties and, as far as possible, the properties undergoing major re-development, to enable green financing by 2020.</p> <p>Choose energy solutions from a lifecycle perspective, always examining possibilities to install photovoltaic cells.</p>	<p>Contribute to a better environment through energy-efficient solutions in our properties.</p>	<ul style="list-style-type: none"> • In 2019, one building was certified in accordance with the Green Building standard. • Certification processes in accordance with the Miljöbyggnad Silver standard were initiated for four new buildings and seven existing buildings in 2019. For one new building, the application for preliminary certification was submitted in December 2019. • One new photovoltaic cell facility was installed in 2019. Four photovoltaic cell facilities have been ordered and many more are planned for installation in 2020. • Ongoing energy efficiency measures at existing properties.
SUSTAINABLE LOGISTICS AND SOCIETAL DEVELOPMENT	<p>Being engaged in networks and holding regular meetings with stakeholders in our market areas.</p>	<p>Being involved in societal development through commitment in priority areas of logistics.</p>	<ul style="list-style-type: none"> • Participation in conferences, including the Sustainable Tomorrow and Business Arena conferences, and others. • We arranged our own conference, LogistikTrender 2019. • Participation in the forum on “shared development of property-adjacent delivery spaces” • Development of the “Arenastaden” project with the partly-owned company Urban Services.
ATTRACTIVE AND RESPONSIBLE EMPLOYER	<p>Participate in career days at universities and colleges with the aim of attracting young and committed employees.</p> <p>Achieve an eNPS of at least 40.</p>	<p>Be an exciting and responsible employer that attracts dedicated and competent employees, both new and existing – the best people should choose us</p>	<ul style="list-style-type: none"> • Collaboration with Malmö University. • Participation in a Master’s thesis project. • Two trainees in 2019 in salary and energy. • eNPS 2019 +61

1) Agenda 2030 targets refer to sustainability targets for both 2019 and 2020, unless otherwise stated.

Agenda 2030¹⁾

GOAL 7: AFFORDABLE AND CLEAN ENERGY



Target: 7.2
Increase the share of renewable energy in the world
(see pages 52–54)



Target: 7.3
Double the increase in energy efficiency
(see pages 52–54)

GOAL 9: SUSTAINABLE INDUSTRY, INNOVATION AND INFRASTRUCTURE



Target: 9.4
Upgrade all industries and infrastructure for increased sustainability
(see pages 52–54)

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Upgrade all industries and infrastructure for increased sustainability
(see page 56)

GOAL 17: PARTNERSHIPS FOR THE GOALS



Target: 17.17
Encourage effective partnerships
(see page 56)

GOAL 4: QUALITY EDUCATION



Target: 4.4
Increase the number of people with skills fostering financial security
(see page 61)

GOAL 5: EQUALITY (NEW GOAL TO BE ADDED IN 2020)



Target: 5.5
Ensure full participation for women in leadership and decision making
(see page 61)

GOAL 8: DECENT WORK AND ECONOMIC GROWTH



Target: 8.8
Protect workers' rights and promote a safe and secure working environment for all
(see pages 60–61)

Sustainability targets 2020

- All free-standing new buildings should include a photovoltaic facility adapted to the conditions of the property and the tenant.
- Fossil-free energy by 2030 (applies to energy that Catena purchases/generates).
- Reduce energy use for normal-year adjusted heating by 15 percent in kWh/m² and for electricity by 10 percent in kWh/m² by 2025 compared with 2017.
- Based on SBT (Science Based Target) calculations, greenhouse gas emissions (Scope 1, 2 and 3) should be reduced. In 2020, the SBT calculation will be performed and the appropriate percentage for the reduction will be set.
- By 2025, 100 percent of our properties will be connected to our control and monitoring systems.
- Certify all newly produced properties at the Miljöbyggnad Silver standard or the equivalent and to investigate and document the possibility of certifying properties undergoing major redevelopment. The target is for 25 percent of the Group's total area to be certified by 2025.

- Exert a positive influence on our business partners and our environment by strengthening our brand and being involved in societal development.

- Increase gender equality and diversity in all occupational groups by 2025 to better reflect the composition of society.
- All employees shall be afforded equal opportunities for development and should consider their working environment to be safe and stimulating.
- Achieve an eNPS rating of at least 40 in the annual employee survey.

Sustainable properties

Catena works continuously to reduce greenhouse gas emissions. Together with customers and suppliers, the Company seeks to engender conditions for properties that are as sustainable as possible. This is achieved by, among other things, improving energy efficiency, transitioning to renewable energy and environmentally certifying buildings.

Climate

The world faces major challenges when it comes to reducing global greenhouse gas emissions and meeting the objectives of the Paris agreement. Business plays an important role in bringing this about and the demands for companies to reduce their greenhouse gas emissions are expected to increase. According to the Swedish National Board of Housing, Building and Planning, the property sector accounts for about 12.2 million tonnes CO₂e annually, corresponding to 19 percent of Sweden's total greenhouse gas emissions. Catena seeks to assume its responsibility and aims, with its updated sustainability targets, to reduce its greenhouse gas emissions. In 2020, the Company will set this target in relation to the Science Based Target Initiative's calculations to ensure that the work is in line with science.

Catena assumes responsibility for both direct and indirect emissions. The majority of Catena's greenhouse gas emissions come from energy use in properties. The Company has reduced emissions by 3 percent since 2018. The decrease is connected to Catena's decision to purchase only renewable electricity for its properties, to improve the energy-efficiency of its buildings and to replace fossil-based heating solutions with district heating or geothermal heat where possible.

To further reduce its greenhouse gas emissions, Catena continues to work with environmental certifications, photovoltaic cell facilities and other energy projects, as well as strengthening its cooperation with customers to also influence tenants' energy use.



Environmental certifications

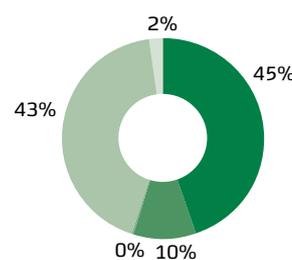
According to its sustainability targets, Catena will certify all newly produced properties. In the autumn of 2019, a decision was also made that they should be certified at the Miljöbyggnad Silver standard at least. Catena has previously worked in accordance with the GreenBuilding certification system and a building was certified according to GreenBuilding in the spring of 2019. This means that the building uses 25 percent less energy than required under the Swedish National Board of Housing, Building and Planning's construction regulations. Although several new buildings were prepared to be able to attain the GreenBuilding standard in 2019, the applications to certify these buildings were not submitted as Catena has chosen to aim for the Miljöbyggnad Silver standard instead.

The Miljöbyggnad Silver standard imposes significantly higher requirements than GreenBuilding – not only does it encourage the use of renewable energy and energy-efficient building designs, it also takes the origins of the building materials into account, for example, and their impact on health and the environment. The Silver level of Miljöbyggnad ensures more efficient use of resources while preparing Catena for potentially increasing future demands. In December 2019, Catena submitted its application for preliminary certification in accordance with Miljöbyggnad Silver for the new construction of a terminal for PostNord in Tostarp. This is expected to achieve certification in 2020. In addition, certification processes have been initiated for three new buildings and seven existing buildings. The ambition is for 25 percent of the entire port-

Greenhouse gas emissions by activity and in total (tonnes CO ₂ e)	2019	2018
Electricity	3,644	3,545
Natural gas	844	1,421
Heating oil	14	31
District heating	3,536	3,350
Business travel and commuting	167	142
Total	8,205	8,489

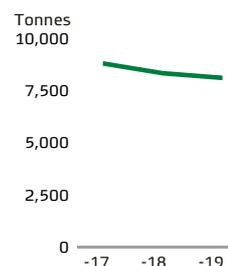
The table shows Catena's total greenhouse gas emissions by relevant activity. In 2019, Catena received supplementary data on energy use for 2018 and has therefore revised its greenhouse gas emissions for 2018.

Distribution of greenhouse gas emissions per activity 2019



- Electricity, tonnes CO₂e
- Natural gas, tonnes CO₂e
- Heating oil, tonnes CO₂e
- District heating, tonnes CO₂e
- Business travel and commuting, tonnes CO₂e

Catena's total greenhouse gas emissions (tonnes CO₂e), 2017-2019





CO₂ saving
765 tonnes CO₂e/year

13 % lower
energy use

Annual savings
SEK **900,000**

Vångagärdet energy project in Helsingborg

For Catena, improving the energy efficiency of our properties is one of the most important measures we can take from an environmental perspective, but also from a cost-saving perspective.

One of the largest energy projects of 2019 was carried out at the Vångagärdet 20 property in southern Helsingborg. The building, which was constructed between 1958 and 1988, comprises approximately 26,000 square metres, with production and warehouse areas accounting for 12,000 square metres, and the remainder being offices and other areas. Catena's head office is located in the property.

Together with Öresundskraft, Catena chose to convert the property from existing gas and steam systems to district heating. Heating with gas was both expensive and inefficient as an old steam boiler entailed considerable energy losses. The building was connected to the district heating network with the aim of creating a pleasant indoor climate, reducing environmental impact and supporting efficient and safe operation. The energy from the district heating network comprises nearly 100 percent recycled energy.

The project represents a financially and environmentally wise solution, since the change of system is expected to lead to an annual saving of about SEK 900,000 and of about 765 tonnes CO₂e, corresponding to about 300 cars driving 1,500 km/year.



Vångagärdet 20, Helsingborg.

folio to achieve at least the Miljöbyggnad Silver standard or the equivalent by 2025.

Although most environmental certification systems are adapted for properties that are not logistics facilities, Catena has been able to deal with various challenges and found a way forward for this type of property. As a member of the Sweden Green Building Council, Catena helps develop methods for more sustainable logistics buildings.

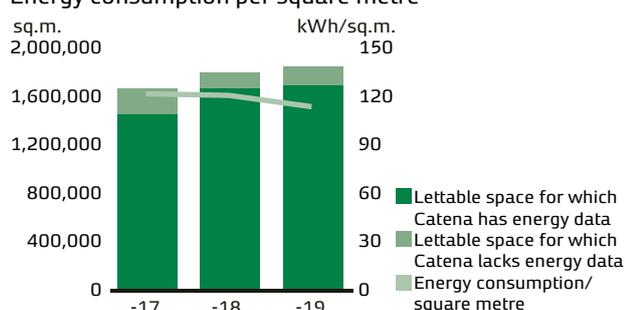
TARGET 7-2



Energy

Heating and electricity are the largest individual operating expenses for properties, and the opportunities for efficiency improvements, both in terms of expense and environmental impact are considerable. According to the updated sustainability targets, Catena will reduce energy use for normal-year adjusted heating by 15 percent (kWh/m²) and for electricity by 10 percent (kWh/m²) by 2025 compared with

Energy consumption per square metre



The diagram shows the development of the property portfolio's size and energy consumption per square metre. Catena lacks access to data for the entire portfolio and energy use is based on the consumption by 92 percent of the portfolio in 2019.

2017. In 2019, consumption of both heating and electricity decreased in kWh/m² compared with 2018 and the total energy intensity (kWh/m²) decreased by 7 percent since 2017.

TARGET 7-3



Catena is also working to increase the proportion of renewable energy and, by 2030, 100 percent of Catena's energy will be fossil-free. Although the target is aimed primarily at energy purchased by Catena, the Company is also working to identify fossil-free solutions for energy purchased

by customers. Even today, all electricity purchased by Catena is green and the Company is working to influence energy sources for heating use, as well as energy purchased by our tenants. The Company assesses, for example, the district heating companies' environmental impact in producing heating and, where conditions are appropriate, Catena is examining the possibility of instead using geothermal heat or other electrical heating. At the same time, Catena is developing and strengthening its collaboration with tenants, providing increased knowledge and more opportunities for influence in terms of their purchased energy sources.

The properties' large roof areas provide good opportunities for installing photovoltaic cells and, together with customers, the Company is working to exploit these opportunities. Catena's objective is for all new buildings to include a photovoltaic system adapted to the circumstances of the property and the tenant, and where the electricity generated can be consumed within the property. There are currently six facilities installed on roofs, two of which are owned by Catena, while others are owned by the relevant tenant. In total, these six plants have an annual capacity of approximately 2,603 MWh, corresponding to the annual consumption of 160 single-family homes. Significantly more photovoltaic cell installations are planned for 2020.

Energy use

	Total			Comparable portfolios	
	2019	2018	2017	2019	2018
Total electricity use, MWh	122,200	118,234	103,295	103,978	104,884
- of which, purchased by landlord	55,773	53,021	40,249	48,386	46,950
- of which, purchased by tenants	65,184	64,656	63,046	55,461	57,922
- of which, solar energy generated in-house by landlord	257	1	-	-	-
- of which, solar energy generated in-house by tenant	986	556	-	131	11
LOA, m ²	1,633,637	1,493,457	1,264,347	1,284,902	1,284,902
Intensity, kWh/m ²	75	79	82	81	82
Total heat use (normal year corrected), MWh	61,967	64,872	53,627	48,640	53,075
- of which, natural gas	4,177	7,035	6,487	4,072	6,800
- of which, heating oil	51	110	55	51	110
- of which, electricity to heat pump	2,019	1,989	898	1,236	1,311
- of which, district heat	55,721	55,738	46,187	43,281	44,854
LOA, m ²	1,604,104	1,517,137	1,298,746	1,215,331	1,215,331
Intensity, kWh/m ²	39	43	41	40	44
Total, MWh	184,168	183,107	156,921	152,618	157,959
Number of properties reported	105	102	93	84	84
LOA, m ²	1,618,870	1,505,297	1,281,546	1,250,117	1,250,117
Energy intensity, kWh/m ²	114	121	122	122	126

The table shows the energy used in Catena's properties by type of energy and energy use per square metre (intensity). Energy generated in-house includes energy from photovoltaic cells used as electricity in the property. Electricity for heat pumps is included in total heating, not in total electricity. Heating use figures are normal-year-adjusted in accordance with SMHI's degree days. In 2019, Catena received supplementary data on energy use for 2017 and 2018 and has therefore revised energy use for those years.

To coordinate resources, knowledge and capacity in connection with solar energy, a photovoltaic cell group has been formed within the Company.

Collaboration with customers

Collaboration and close dialogue with tenants represent an important part of our work to create sustainable properties. Well-functioning collaborations are essential in reducing greenhouse gas emissions, environmentally certifying properties and improving their energy efficiency, as well as installing solar panels.

Accordingly, in connection with redevelopment, extension and new construction projects, the customer is involved in the project from an early stage and the Company also maintains an ongoing dialogue with tenants during the property management phase. For example, Catena measures not only its own energy use, but also the use for which the customer is responsible. By reporting consumption figures and exploring ways of streamlining and reducing these, Catena works alongside its customers to identify solutions suitable for both the tenant and the landlord.

One area in which collaboration with customers drives innovation and development is sustainable logistics solutions, about which you can read more on page 56.

Supplier assessments

Catena uses external suppliers and partners for, among other things, property management and large parts of the construction process for new construction and conversion. This means that a substantial part of sustainability management is conducted in partnership with suppliers and partners. The Company's employees are responsible for ascertaining whether the suppliers that are engaged are serious actors.

During the year, Catena developed its Code of Conduct for suppliers, which includes requirements in the areas of the environment, the working environment and ethics. The requirements are based on the ISO 14001 environmental management system, as well as the ten principles of the UN Global Compact. Suppliers performing work at Catena's properties and where Catena is expected to purchase services for at least SEK 250,000 annually must be approved in accordance with the Company's sustainability requirements. Suppliers are required to familiarise themselves with Catena's Code of Conduct for Suppliers and to accept these requirements by signing the document, which is then kept on file by Catena. For suppliers with more than 20 employees, a self-declaration must also be completed, in which information about the Company's work in the areas of the environment, working environment and ethics is documented and assessed. Relevant certificates, procedures and policies must be attached with the declaration. In 2019, Catena employed only Swedish and a small number of Danish suppliers. A total of 162 suppliers have been identified for assessment, of whom 65 have been assessed and approved. This work will continue in 2020 and Catena will also perform spot checks in the form of site visits to ensure compliance with the requirements.

Choice of materials for new builds and conversions

Careful selection of materials is important to ensure healthy and safe premises, but choice of material choice

also has a major impact on the buildings' energy performance during operation. In addition to standard supplier requirements, for any construction project exceeding SEK 5 million, Catena requires the preparation of an environmental plan. For contracts exceeding SEK 250,000, Catena requires systems for assessing and following up the construction materials used. Suppliers must use one of the three most common systems for assessing construction materials – Byggvarubedömningen (BVB), Sunda-Hus Miljödata or BASTA. For simpler projects carried out by local contractors, Folksam's green construction guide can be used.

Waste

In most cases, Catena's tenants are responsible for their own waste management. For those tenants where Catena is responsible for waste management, the objective is for waste to be sorted into the fractions applicable for each municipality. Sorting should be performed in a manner that is easy and natural for the tenants. Hazardous waste generated by Catena's own operations is primarily handled by the property maintenance contractors. Catena requires that contractors have environmental management systems in accordance with ISO 14001, with their own procedures for waste management or that they apply Catena's procedures for the management of hazardous waste.

Catena is well aware of the importance of the waste issue and seeks to increase knowledge about the amount of waste that is handled at our properties, to then be able to influence and reduce this amount. In 2019, Catena began collecting data on the amount of waste in accordance with EPRA's sustainability best practice recommendations, see page 67. Although not all suppliers of waste management services keep statistics, this represents an initial step in gaining greater control.

Business ethics guidelines

Catena's ethical guidelines provide the platform for the daily work of the Company's employees, partners and suppliers. Behaviour must always be pervaded by good business ethics and comply with current legislation and agreements.

Catena has an ethics policy that describes the Company's fundamental values and guidelines for employees and Board members. The policy includes guidelines in accordance with the ethical rules on contact and relation promoting benefits in business activities that were developed by the Swedish Anti-corruption Institute. It is management's responsibility to ensure that managers and employees have the knowledge required to follow the Company's policies and guidelines. All major purchases and agreements are controlled centrally and assessed to determine whether they are correct and reasonable.

Catena introduced a whistle-blower programme in 2019, under which employees and partners can report shortcomings that contravene applicable legislation, ethics, morals or Catena's policies. All reports are received anonymously and investigated by an external actor. Submitted reports are handled by a special whistle-blower committee at Catena.

No applications have been received via the function since its inception in the autumn of 2019.

Sustainable logistics and societal development

Catena operates in a context that is crucial for modern society but that unequivocally influences the environment, as tenants' operations often entail extensive transports. By developing more sustainable logistics solutions, Catena is able to influence both business partners and the environment positively, while, at the same time, a strong brand in sustainable logistics generates value for the Company's stakeholders.



Sustainable logistics solutions

Sustainable logistics entails optimising flows based on environmental, social and economic aspects. One of the challenges of sustainable logistics is logistics planning where optimisation can often point in different directions. Examples of common

optimisation parameters that can be contradictory are a maximal load factor, minimal transport time, the shortest possible route to the goods' final destination, and pre-determined delivery times.

Catena is working to create conditions for more sustainable logistics planning and the optimum solution varies and looks different for different customers. Understanding customers' various challenges and possible solutions, both today and in the future, is central to Catena's operations. Catena strives to be flexible and agile in the solutions it offers, always seeking to stay one step ahead and to understand emerging trends, challenges and new hubs.

Working closely with several municipalities to contribute to more cost and environmentally efficient solutions, facilitates greater use of vehicle capacity and more accurate route planning. In creating sustainable logistics solutions, a key strategic decision entails selecting appropriate locations for our properties – that is, logistics locations streamlining current cargo flows but also taking possible future trends in goods transport into account. Terminals located near major cities, adjacent to major motorways and rail freight stations ensure efficient transport routes and flexibility in choosing the mode of transport.

In addition, properties near metropolitan regions optimise intelligent and peri-urban logistics, as goods can be reloaded without passing through the urban centre as is currently often the case. Smart, peri-urban logistics are necessary in achieving a more sustainable society and is also of importance for the capacity to handle the ever increasing proportion of digitally-driven trade.

Knowledge and development

To create sustainable logistics solutions that take future trends and risks in the logistics industry into account, Catena is working to increase knowledge and the pace of development in the area. Catena would like to help steer the sector in a more sustainable direction while also

encouraging more efficient technologies and industrial processes with a lower environmental impact.

Involvement in networks and regular meetings with municipal councils, cooperative organisations and special interest associations in all market areas allows Catena to present the Company's views on logistics challenges and to ensure that logistics issues are taken into account in urban planning processes, for example, while Catena increases its internal knowledge on the topic. Catena also collaborates with various universities and, in 2019, cooperated in a master's thesis project at the Royal Institute of Technology, and commenced a partnership with Malmö University to conduct research into business models in e-commerce.

In 2019, Catena also joined a forum on the "shared development of property-adjacent delivery spaces", in which various stakeholders collaborate, including property owners, hauliers and systems suppliers. Focusing on the final transport leg, opportunities for new, sustainable solutions are discussed, explored and developed.



Catena also arranges the annual LogistikTrender conference. Various industry stakeholders participate in this, and it provides a unique platform for knowledge exchange and for increasing collaboration between different parties. In 2019, the focus was on the technological revolution

and the topics discussed included the opportunities of digitalisation and the challenges facing the logistics industry. The focus area for LogistikTrender 2020 is "Logistics beyond time and space", with the perspective of sustainability running as a common thread throughout the programme.

Societal development outside the industry

Catena also contributes to societal development outside the logistics industry. By sponsoring a variety of initiatives, organisations and activities that contribute to positive and sustainable societal development, the Company aims to achieve values and benefits for all parties involved.

One of Catena's more extensive sponsorship partnerships was further expanded in 2019 when Catena became the arena sponsor for the Rögle BK ice hockey team. The collaboration benefits both the top-level ice hockey team, as well as the club's aggressive sustainability efforts and

ambitious activities for children and young people, in which both girls and boys have opportunities to develop in their sport in socially rewarding contexts.

Value creation for the Company’s stakeholders

Sustainable logistics has great potential for long-term impacts on society, in terms of environmental, social and economic parameters. Catena maintains an ongoing dialogue with its key stakeholders to ensure that the Company also focuses on the most relevant areas of sustainability.

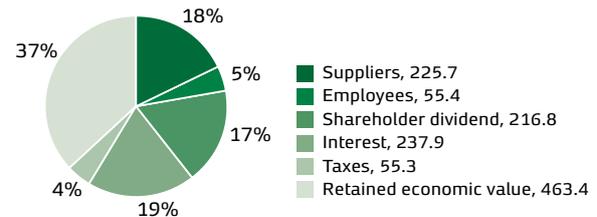
One way to quantify companies’ direct impact on their stakeholders is to assume how the Company’s income has been distributed to different stakeholder groups – employees, suppliers, and society through tax payments. The diagram shows how Catena’s income in 2019 was distributed among various stakeholder groups.

A strong brand in sustainable logistics generates value for the Company’s shareholders while opening up opportunities for green financing. Catena’s customers can also

benefit from the benefits of running their operations in properties that are sustainable.

Society benefits greatly from sustainable logistics solutions, not only because this ensures smooth logistics and efficient product flows, but also because strategically well-situated logistics properties enable sustainable urban development as goods traffic in cities is reduced.

Created and distributed economic value, SEK M



The diagram shows how Catena’s income in 2019 was distributed among various stakeholder groups. The total value generated amounted to SEK 1,254.5 million.

COMMUNITY PROJECT
**Hästhagen
Helsingborg**

From industrial property to one of Sweden’s largest paddle-ball halls

Identifying appropriate logistics locations is one of Catena’s key strategies for more sustainable logistics. However, these locations can shift as society develops and certain properties lose their logistics purpose. Although Catena usually sells such properties, in some cases the Company takes the initiative to convert logistics properties to more suitable purposes.

One such property is Hästhagen, a former industrial property in southern Helsingborg. As the city grows, the area has become increasingly important for urban social development, while space for logistics and industry is decreasing and moving further out from the city centre. Accordingly, in 2019, Hästhagen obtained a new function. The older industrial buildings now house one of Sweden’s largest paddle-ball halls, a trampoline park, café, salad bar and hamburger restaurant, as well as some smaller-scale office spaces. Catena has adapted the property to a more suitable purpose for the city and helped create a more attractive area for the urban community.



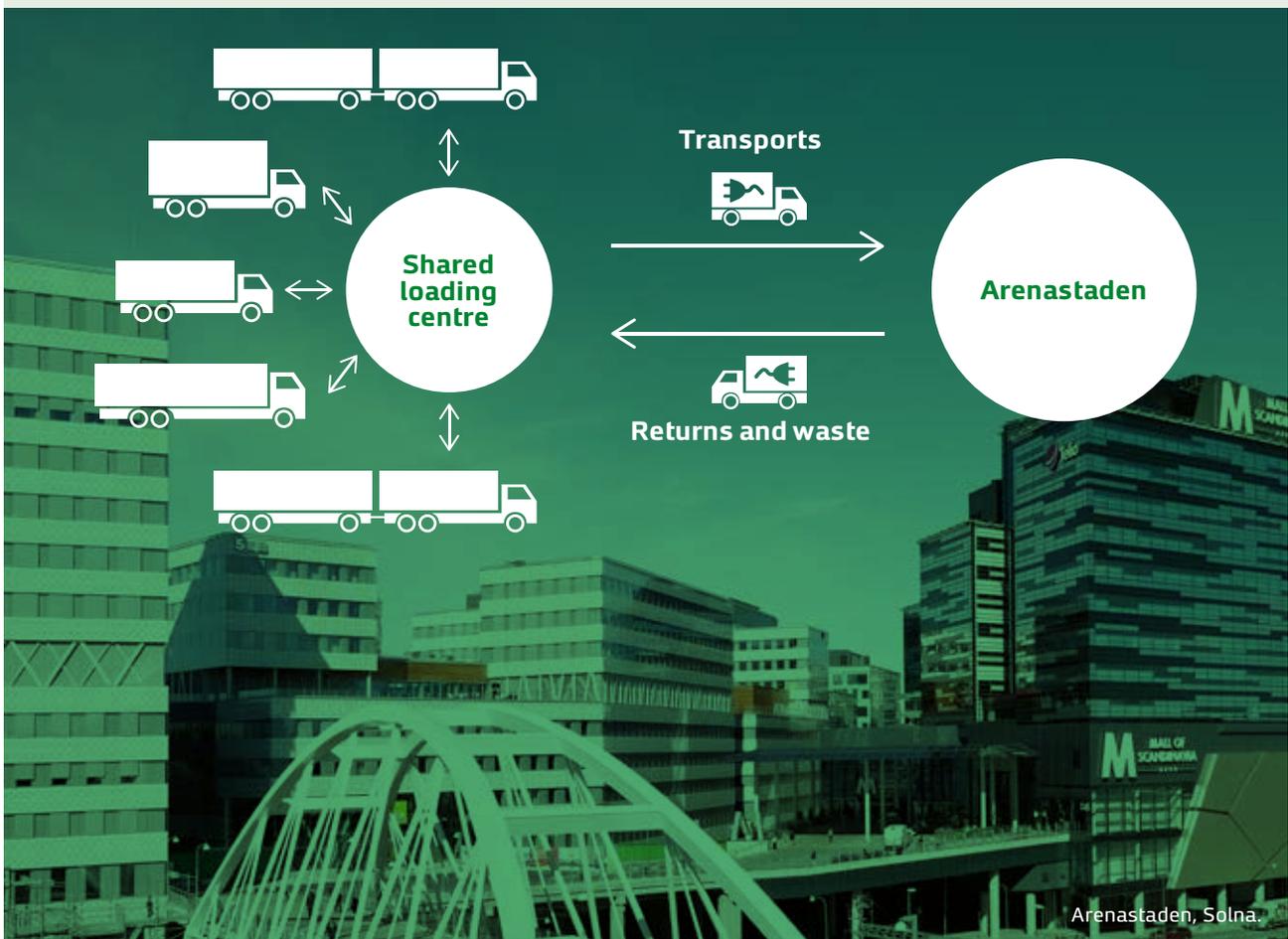
Hästhagen 4, Helsingborg.

COMMUNITY DEVELOPMENT
**Arenastaden
Solna**

Reduction of direct deliveries (target)
70%

Intelligent peri-urban logistics at Arenastaden, Solna.

At Arenastaden in Solna, outside Stockholm, Catena is working on a project to achieve sustainable peri-urban logistics. Without action, the Arenastaden neighbourhood, with about 100,000 square metres of shops, 4,000 homes and 30,000 workplaces, will generate more than 5,000 transports per week. Through the company Urban Services, which was founded in 2017, Catena collaborates with Fabege, RagnSells and Servistik in developing a locally sustainable logistics network in which deliveries, resource management and recycling are handled in a shared flow to and from the area. Overall, the project should reduce direct deliveries by 70 percent. This occurs through a shared loading centre from which goods can be transported the last stretch by smaller electric vehicles. The vehicles will then carry back returns and recycling materials to maximise the utilisation of the vehicles' capacity. In 2019, the customer agreement with Westfield Mall of Scandinavia was extended to 2022 and the focus remains on increasing the proportion of new customers.



Arenastaden, Solna.

A responsible and attractive employer

In order to understand customer needs and to generate business, it is crucial that Catena can attract and retain skilled employees. The work is based on shared values.



A value-driven organisation

Catena has a small but effective organisation comprised of individuals with substantial industry experience and considerable expertise. Being an attractive employer is a strategic objective for Catena and part of its business plan. Catena has also performed a risk analysis regarding its employees and this is described on page 130.

An important component in efforts to achieve set targets are shared values that all executives and employees can use as the starting point for all decisions, major as well as minor. Catena's values were launched in December 2018 and form a natural part of the operations (read more about Catena's values on page 30).



Satisfied employees

Its employees are Catena's most important resource and entirely crucial for the operations. One way of following up the employees' view of the Company's role as an employer and its ongoing sustainability work is by means of the annual employee survey. The latest employee survey was

conducted in November 2019 and was responded to by 100 percent of the employees.

The results of the employee survey show that Catena's employees are very satisfied and are good ambassadors for the Company.

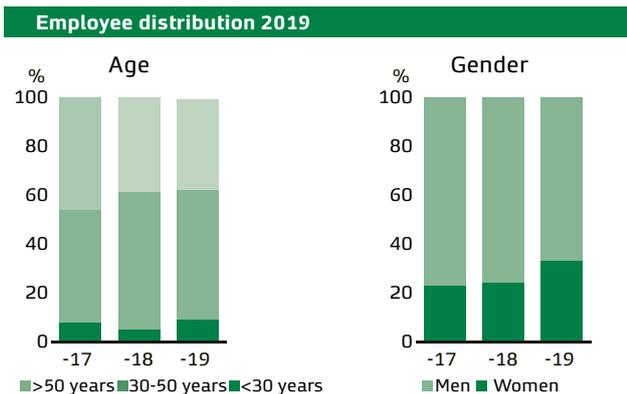
One way of measuring an organisation's attractiveness as an employer is following up employee loyalty in terms of eNPS, Employee Net Promotor Score. The rating is a measure of how many of the employees are prepared to recommend the Company as a workplace on a scale of -100 to +100. A positive rating means that the organisation has more active ambassadors than critics. The eNPS score for 2019 was 61, which was slightly lower than for the preceding year but significantly higher than the target of at least +40. The result is also very high in both a national and international comparison.

Skills development

Continual skills development is crucial for Catena to continue to understand and be able to resolve the current and future challenges of its customers. Personal development plans are prepared in conjunction with the annual employee dialogues carried out with all employees. All employees are given a wide range of possibilities for choosing training, courses and seminars they wish to participate in on the Company's account. Central and prioritised training areas are management issues, finance, the environment and law. In 2019, Catena continued to offer substantial opportunities for employees to develop themselves and

Training hours			
	2019	2018	2017
Average for all employees	17	8	21
Women	17	11	12
Men	17	6	23

The table above shows the average number of training hours per employee. In 2019, these broke down into 19 hours for management and 16 hours for other employees.



The diagram shows the percentage of employees in various age categories. There were a total of 43 employees as at 31 December 2019.

The diagram shows the percentage of women and men among Catena's employees.

	2019	
	Number	Frequency
Work-related accidents	0	0
Number of serious work-related accidents	0	0
Number of work-related accidents resulting in deaths	0	0

Accident statistics include in-house personnel only. The calculations are based on a total 83,567 working hours. Accident frequency is reported per 200,000 working hours.

	2019		2018		2017	
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %
No. of employees	43	33	41	24	39	23
Employees on permanent contracts	42	31	41	24	37	22
– Of whom, full time	42	31	41	24	37	22
– Of whom, part-time	0	0	0	0	0	0
Employees on temporary contracts	1	100	0	0	2	50

The table shows the number of employees and the proportion of women at Catena, divided into different types of employment. During the year, Catena did not have any externally contracted personnel.

	2019		2018		2017	
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %
New employees	6	83	6	17	7	29
Share of total number of employees at year-end, %	14		15		18	
Employees who left	4	25	4	0	6	50
Share of total number of employees at year-end, %	9		10		15	

their professional skills, and a number of employees have taken more extensive courses in management and control. During the spring, all employees attended the Logistik-Trender event that Catena organises each year. This day is primarily aimed at customers and other stakeholders, but is, at the same time, also an opportunity for employees to learn more about where the logistics industry is heading and also entails all employees sharing the same knowledge platform.



Health and safety

Catena works to create a healthy and pleasant work environment for the Company's employees, encompassing work on risks associated with both the physical and psychosocial work environment.

Important elements of this work are to create the conditions for balance between work and leisure and ensure that employees have the opportunity to manage their own time and influence their work situation. Catena has collective bargaining agreements for all employees and allows employees to decide which tools they need to facilitate their work. Issues related to work environment, health and safety are addressed regularly at personnel meetings, at smaller personnel meetings held in each location, as well as at cross-group meetings. More ongoing information is distributed via internal channels.

Management also works on an ongoing basis with following up and ensuring a healthy work situation for all employees. Regional managers and others with responsibility for personnel bear considerable responsibility in working with Catena's employees to assure a safe working environment. In cases of insecure working situations, discussions are held with the manager responsible, with the CEO or HR Manager and measures are determined in joint consultation. In 2019, Catena also introduced a whistle-blower programme enabling employees to report shortcomings anonymously and in the strictest confidence. All reports are received and investigated by an external actor.

Absence due to illness			
	2019	2018	2017
Average, all employees, %	0.8	0.7	0.7
Women, %	1.5	0.9	1.0
Men, %	0.5	0.7	0.7

The table shows sickness absence as a proportion of the planned number of working hours. No work-related fatalities, injuries, accidents or illnesses were reported.

Salary relationship between men and women		2019 Ratio
Group Management, %		70
Other employees, %		73

The table shows women's salaries in relation to men's salaries. The salary relationship between men and women in Group management is significantly affected by the fact that the CEO is a man. For other employees, the average is affected by the fact that the female employees are younger and do not hold senior positions.

Catena's work environment policy provides a framework for systematic efforts regarding the work environment. In our systematic annual efforts on the working environment, three areas have been identified that need strengthening, these will be reviewed in 2020.

The work environment policy has been made available to all employees, who have also been given training in this area. All new recruits undergo the same training. If needed, further training is arranged via the occupational health service or other suppliers, and Catena also offers opportunities for further education on these issues. Because Catena did not hire in any external personnel during the year, the points stated above apply only to Catena employees.

Equal opportunities for all

Upon new employment, promotions and continuous evaluation, Catena assesses expertise, experience and personal characteristics. The Company shall not discriminate, either positively or negatively, on the basis of ethnicity, gender, religion or other beliefs, disability, sexual orientation, gender identity or expression, age or social origin.

The Board of Directors consists of three women and four men. However, women are currently under-represented in both the management team and the Board.



Catena works actively to attract female applicants in both recruitment and promotion and has the updated objective of increasing gender equality and diversity in all occupational groups by 2025. In 2020, Catena will strengthen its HR function and hire a new HR manager to safeguard, for

example, a broad recruitment process. The Company also seeks to develop role descriptions able to attract a diversified workforce. Because staff turnover at Catena is low, change will be slow.



Attracting new talent

One of Catena's strategic objectives is to attract new employees by participating in job fairs at universities and colleges.

Over the year, Catena participated in an MSc thesis project carried out by two students from the Royal Institute of Technology on the development of logistics in e-commerce. Students were given the opportunity to participate free of charge in the LogistikTrender conference arranged by Catena and to collect data through interviews with Catena's CEO. In partnership with Malmö University, Catena is participating in a project in business model development involving e-commerce logistics properties. Catena also hosted two trainees during the year. One in the area of salary administration and one in energy and technology.

Summary Board and employees							
	2019		2018		2017		
	Number	Proportion women, %	Number	Proportion women, %	Number	Proportion women, %	
Board of Directors	7	43	7	43	7	43	
Under 30 years	0	0	0	0	0	0	
30-50 years	2	100	2	100	2	100	
Over 50 years	5	20	5	20	5	20	
Management	7	14	7	14	7	14	
Under 30 years	0	0	0	0	0	0	
30-50 years	3	33	3	33	3	33	
Over 50 years	4	0	4	0	4	0	
Other Employees	36	36	34	26	32	25	
Under 30 years	4	100	2	50	3	33	
30-50 years	19	32	20	30	15	33	
Over 50 years	13	23	12	17	14	14	

The table shows the composition of the Company by gender and age category.

Sustainability notes

Catena's Sustainability Notes contain supplementary data for the Company's sustainability reporting, which has been prepared in accordance with the guidelines from the Global Reporting Initiative (GRI). The sustainability reporting for the 2019 calendar year follows the GRI Standards, level Core.

The Sustainability Report applies to Catena AB and all of its wholly-owned subsidiaries. In the event that any subsidiaries are not included in a calculation or figure, this is stated on page 65.

The Sustainability Notes provide information on how the Company has chosen what the sustainability report

should focus on and how stakeholders' priorities are met, as well as additional information on governance in priority areas. Catena also presents a GRI index and discloses certain supplementary tables and charts, as well as the sources of the data, assumptions and conversion factors used in the accounts.



Stakeholders and materiality

Catena's operations aim to generate returns for the shareholders, and to succeed, Catena needs to meet the needs of the customers. Catena succeeds well when there are employees, partners and suppliers who can identify the customers' wishes and ensure that they are put into practice. New construction can be affected by political decisions and the approval of local residents. The table below presents the most important stakeholders, the most important possibilities for dialogue and the stakeholder groups' most important issues.

Based on an ongoing dialogue with stakeholders and an in-depth stakeholder dialogue conducted in 2014, nine areas have been identified as material in the Company's sustainability efforts. The table below lists these nine areas and the corresponding sustainability disclosures in the GRI Standards.

In 2020, Catena plans to conduct a new, more comprehensive materiality analysis and stakeholder dialogue.

Stakeholder group	Opportunities for dialogue	Key issues
Shareholders, analysts and investors	<ul style="list-style-type: none"> • Annual General Meeting • Regular meetings, including in connection with interim reports • Ongoing phone contacts • Meetings with shareholders and analysts • Capital Markets Day in Båstad • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Website 	<ul style="list-style-type: none"> • Business model, objectives and strategy • Funding • Growth • Profit • Sustainability and Corporate Governance • Publication of information • Share liquidity
Employees	<ul style="list-style-type: none"> • Regular contacts • At least one annual performance interview and salary review • Annual personnel conference to educate and motivate • Intranet 	<ul style="list-style-type: none"> • Opportunities for training and skills development • Clear career paths • Salary and benefits • Balance between work and leisure • Diversity and equality
Society	<ul style="list-style-type: none"> • Regular contacts with public sector decision makers to improve logistics locally, regionally and nationally • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • The management organisation's regular contact with tenants, businesses and local officials • Website • Collaboration with, and sponsorship of, local sports and community associations 	<ul style="list-style-type: none"> • Goods supply and smooth logistics • Trends • Traffic intensity • Low environmental impact • Cost-efficient solutions • Long-term view
Suppliers	<ul style="list-style-type: none"> • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Regular personal meetings with suppliers • Website 	<ul style="list-style-type: none"> • Stable partner
Customers	<ul style="list-style-type: none"> • LogistikTrender – an annual day for the industry's stakeholders, at which a current theme is discussed and penetrated in detail • Reinforced active management organisation that maintains regular contact with tenants • Website 	<ul style="list-style-type: none"> • Stable and flexible landlord • Accessibility • Cost-efficient premises • Environmental efficiency • Access to multiple modes of transport

Catena's sustainability aspects	GRI standards
Work with energy efficiency and renewable energy	Energy, Emissions
Offer training and skills development for employees	Terms of employment and working conditions, Health and safety, Training
Preventing bribery and corruption	Anti-corruption
Generate financial returns	Economic performance
Establish the conditions for logistics flows with a minimal environmental impact	Indirect financial impact
Disseminating knowledge about sustainable logistics	Indirect financial impact
Aim for a low environmental impact in new builds and conversions	Environmental impact from products and services, Labelling of products and services
Striving for diversity in the organisation	Diversity and equal opportunities, Non-discrimination and jobs
Imposing demands on suppliers with regard to health, safety and the environment	Assessment of suppliers' environmental impact

GRI index

The following table lists references to the GRI disclosures and indicators reported by Catena within the Company's reporting of its sustainability work. GRI Standard 403 is reported for the 2018 version, the remaining modules refer to the 2016 version.

GENERAL STANDARD DISCLOSURES		
GRI Standards	Description	Page reference/Comments
ORGANISATION PROFILE		
102-1	Name of the organisation	82
102-2	Key brands, products and services	3
102-3	The organisation's headquarters	82
102-4	Countries with operations	89
102-5	Ownership structure and corporate format	44-45
102-6	Markets	36-37
102-7	Size of the organisation	4-5, 37-39, 42-43, 60-61
102-8	Labour force	60-61
102-9	Supply chain	55
102-10	Significant changes in the organisation and its supply chain	5, 40-41
102-11	Application of the precautionary principle	49
102-12	External initiatives	49, 52
102-13	Membership	52
STRATEGY AND ANALYSIS		
102-14	Statement by senior decision maker	8-9
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and codes of conduct	31
GOVERNANCE		
102-18	Governance structure	124-135
STAKEHOLDER COMMITMENT		
102-40	Stakeholder groups	63
102-41	Proportion of labour force covered by collective agreements	60
102-42	Identification and selection of stakeholder groups	63
102-43	Approach to communication with stakeholders	63
102-44	Issues raised by stakeholders and the handling of these	63
REPORTING PROFILE		
102-45	Entities included in the report	62
102-46	Process for defining the contents of the report	63, 65
102-47	Identified material areas	63
102-48	Revised information	65
102-49	Significant changes	63, 65
102-50	Reporting period	65
102-51	Date of latest report	March 2019
102-52	Reporting cycle	Annually
102-53	Contact details for questions regarding the report and its contents	71
102-54	Statement that the report complies with the GRI Standards	62
102-55	GRI index	64
102-56	External assurance	49, 71
SUBSTANCE-SPECIFIC DISCLOSURES		
GRI Standards	Description	Page reference/Comments
GRI 201: ECONOMIC PERFORMANCE		
103-1, 103-2, 103-3	Governance	11-13, 18-19, 57
201-1	Generated and distributed financial value	57
GRI 203: INDIRECT FINANCIAL IMPACT		
103-1, 103-2, 103-3	Governance	11-13, 56
203-2	Significant indirect financial impact	56-57
GRI 205: ANTI-CORRUPTION		
103-1, 103-2, 103-3	Governance	55
205-3	Number of corruption cases	No cases, see also page 55
GRI 302: ENERGY		
103-1, 103-2, 103-3	Governance	52-55
302-1	The organisation's energy consumption	54, 65
CRE1	Energy intensity in buildings	54, 65
GRI 305: EMISSIONS		
103-1, 103-2, 103-3	Governance	52-55
305-1	Direct GHG emissions (Scope 1)	67
305-2	Indirect GHG emissions (Scope 2)	67
305-3	Other indirect GHG emissions (Scope 3)	67
GRI 401: EMPLOYMENT AND WORKING CONDITIONS		
103-1, 103-2, 103-3	Governance	59-61
401-1	Personnel turnover	60, does not report region or age distribution due to the low number of individuals
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1, 103-2, 103-3	Governance	59-61
403-1 – 403-7	Governance	59-61, 70-71
403-9	Work-related injuries	60-61
GRI 404: TRAINING AND EDUCATION		
103-1, 103-2, 103-3	Governance	59-61
404-1	Training for employees	60
404-3	Development interviews	60
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES		
103-1, 103-2, 103-3	Governance	59-61
405-1	Composition of the Company	60-61
GRI 406: NON-DISCRIMINATION		
103-1, 103-2, 103-3	Governance	59-61
406-1	Number of cases of discrimination	No cases
CRE: PRODUCT LIABILITY		
103-1, 103-2, 103-3	Governance	52, 65
CRE8	Sustainability certifications for new construction, remodelling and extensions	67

EPRA sBPR: Performance measures

Catena reports the Company's sustainability indicators based on EPRA's latest recommendations: Best Practices Recommendations on Sustainability Reporting, sBPR, third edition from September 2017. Catena reports sustainability ratios for all 28 of EPRA's BPR Performance Measures. Key figures are reported for energy, greenhouse gas emissions, water, waste, environmentally certified buildings, corporate governance and social aspects.

EPRA's recommendations

Organisational boundaries

Catena reports key performance indicators in accordance with the Greenhouse Gas Protocol's 'Equity-share approach', that is, Catena reports the total consumption of its properties according to its share of the shareholders' equity in these. Catena is a co-owner of a joint venture property with a 45-percent holding. This property has been excluded from the EPRA accounting. Together with its subsidiaries, Catena owns the remaining properties 100 percent and they are included in the EPRA key performance indicators. Catena also reports consumption where the customer is responsible for electricity, heat and water, since Catena seeks to influence not only its own consumption, but also seeks to help tenants reduce/streamline their consumption.

It is only with regard to waste that Catena has no statistics on its customers' consumption.

Reporting

Catena is working actively to gain access to relevant data measures from all of its properties, hence the updated sustainability target for 100 percent of our properties to be connected to our control system by 2025. This is important in order to report correct and relevant data and to engender favourable conditions for good and efficient technical management. Today, Catena has access to data on almost the entire portfolio – in total, 92 percent of the 2019 portfolio. The total lettable area (LOA) included in the measure for each indicator is stated together with the respective key performance indicators.

For key figures in comparable holdings, Catena has included properties that have been part of the holdings since 2018 or earlier, where there is measurement data for all of 2018 and 2019 and where the size of the total lettable area has not changed between 1 January 2018 and 31 December 2019.

As mentioned, Catena has only limited data for waste, which is because tenants generally take care of waste management themselves and, for the properties where Catena handles waste management, the waste companies only have limited statistics.

Estimate of the landlord's consumption

Reported data are measured, statistically significant and are not estimated. Only data for Catena's head office at Vångagärdet 20 is estimated as Catena does not have sub-meters in the office area, which is part of a larger building. To obtain consumption figures, Catena has taken

consumption of the relevant indicator for the entire property (25,960 square metres), divided by the total area and then multiplied by the office area (645 square metres). The use of the office space is also included in the consumption figures reported for the total.

Third party review

Catena's Sustainability Report in accordance with the GRI Standards has been reviewed by PWC. See the auditor's review report of the Sustainability Report on page 71.

Delimitation – reporting of landlord and tenant's consumption

Catena reports statistics for electricity, heat and water regardless of whether the Company or the tenant is responsible for the agreement.

Normalisation

Catena calculates intensity key performance indicators by dividing by the total lettable area of the buildings.

Catena uses SMHI (Swedish Meteorological and Hydrological Institute) degree days for the normalisation of energy for heating.

Segment analysis (geography, building type, etc.)

Catena owns only logistics properties and just a few office buildings. As the proportion of offices is low and are often located within logistics properties, Catena has not divided the figures between different types of buildings.

Since Catena mainly owns properties in Sweden, and only a very small proportion in Denmark, it is also not relevant to report the statistics distributed geographically.

Reporting for the Company's own offices

Catena reports estimated consumption for its head office, where about half of Catena's employees work. For the remaining offices, there are no precise figures and reasonable estimates cannot be made as the offices represent only smaller parts of larger properties where energy-intensive operations are conducted.

Explanations of outcomes

Some key performance indicators differ from the figures presented in the preceding Annual Report. In its 2018 Annual Report, Catena cited figures that were, in part, estimates, while the 2019 Annual Report presents precise figures. To read more about the changes in the environmental key performance indicators between 2018 and 2019 and the savings achieved, see pages 52-54.

Location of EPRA Sustainability Performance data in the report

See Catena's EPRA index on page 68.

Reporting period

The reporting for each year presented in the EPRA table pertains to the calendar year (1 January to 31 December).

Materiality

Catena's materiality analysis is reported on page 63.

Environmental indicators, EPRA

Electricity use			Total			Comparable portfolios				
EPRA code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %		
Elec-Abs Elec-Lfl	MWh	Electricity	Total purchased electricity	122,715	119,392	104,119	104,917	105,977	-1	
			of which, purchased by landlord	56,290	53,154	40,249	48,480	46,950		
			of which, purchased by tenant	66,425	66,238	63,870	56,437	59,027		
			Total solar energy generated in-house	1,243	557	-	131	11	1,091	
			of which, the landlord's	257	1	-	-	-		
			of which, the tenant's	986	556	-	131	11		
			Total electricity use	123,958	119,949	104,119	105,048	105,988	-1	
			% renewable proportion	41	42	N/A	40	40		
			kWh/m²	Intensity	75	78	79	81	82	-1
			m ²	Area	LOA	1,648,182	1,540,947	1,322,819	1,299,447	1,299,447
%		Share of total LOA	89	86	80	71	72			

The table shows electricity use at Catena's wholly-owned properties, broken down into purchased sources and sources generated in-house. All reported energy generated in-house has been used in Catena's properties. In accordance with EPRA's guidelines and unlike the table on page 54, electric heating is included in electricity use. This explains the higher total electricity use compared with the table on page 54. The renewable proportion includes electricity that Catena purchases from Vattenfall, as well as electricity generated using photovoltaic cells. For electricity purchased by tenants, Catena has no details of the source. Accordingly, the renewable proportion is probably higher than stated.

District heating use			Total			Comparable portfolios				
EPRA-code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %		
DH&C-Abs DH&C-Lfl	MWh	District heating and district cooling	Total district heating use	55,721	55,738	46,187	43,281	44,854	-4	
			of which, purchased by landlord	33,646	33,588	27,430	27,184	26,775		
			of which, purchased by tenant	22,075	22,150	18,757	16,097	18,079		
			% renewable proportion	94	93	N/A	93	93		
			kWh/m²	Intensity	43	44	42	42	45	-5
			m ²	Area	LOA	1,292,991	1,265,564	1,103,467	1,027,797	1,002,107
%		Share of total LOA	70	71	66	56	56			

The table shows district heating use and consumption at Catena's wholly-owned properties in comparable portfolios. The figures are normal-year-adjusted in accordance with SMHI's degree days. Catena does not use district cooling in its properties.

Fuel consumption			Total			Comparable portfolios				
EPRA-code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %		
Fuels-Abs Fuels-Lfl	MWh	Fuel	Total fuel use	4,228	7,145	6,542	4,123	6,910	-40	
			of which, purchased by landlord	4,072	6,800	6,241	4,072	6,800		
			of which, purchased by tenant	155	345	301	51	110		
			% renewable proportion	0	0	0	0	0		
			kWh/m²	Intensity	27	46	42	28	47	-40
			m ²	Area	LOA	154,725	154,725	154,725	146,025	146,025
%		Share of total LOA	8	9	9	8	8			

The table shows fuel use and consumption at Catena's wholly-owned properties in comparable portfolios. The low total use for 2019 is attributable to a change in a property that switched from gas to district heating in August 2019.

Energy use, total			Total			Comparable portfolios				
EPRA-code	Unit	Indicator	2019	2018	2017	2019	2018	Change, %		
Energy-Int	MWh	Energy	Total energy use	183,906	182,833	156,848	152,452	157,753	-3	
			purchased/generated by landlord	94,265	93,543	73,920	79,737	80,525		
			purchased/generated by tenant	89,642	89,289	82,928	72,716	77,227		
			kWh/m²	Intensity	114	121	122	122	126	-3
			m ²	Area	LOA	1,618,870	1,505,297	1,281,546	1,250,117	1,250,117
%		Share of total LOA	88	84	77	68	70			

The table shows the energy intensity of all energy use at Catena's wholly-owned properties. The total energy use differs from the table on page 54 because electricity used for heat pumps is included as normal-year-adjusted heating on page 54, but is included as (non-normal-year-adjusted) electricity in the table above.

Greenhouse gas emissions, broken down between Scope 1, 2 and 3

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
GHG-Dir-Abs	tonnes	Direct	Scope 1	958	1,506	274	470	-42
GHG-Indir-Abs	CO ₂ e	Indirect	Scope 2	926	859	5,728	5,707	0
		Indirect	Scope 3	6,321	6,124	N/A	N/A	N/A
GHG-Int	kg CO ₂ e/ m ²	GHG intensity	Intensity	5.1	5.6	4.8	4.9	-3.0
	m ²	Area	LOA	1,618,870	1,505,297	1,250,117	1,250,117	
	%		Share of total LOA	88	84	68	70	

The table shows indirect and direct greenhouse gas emissions and their intensity. Business travel and employee commuting are included in the total consumption figures for Scope 1 and 3, but are not included in the figures for comparable portfolios. Business travel and commuting accounted for 167 tonnes CO₂e in 2019 and 142 tonnes CO₂e in 2018.

Water use

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
Water-Abs	m ³	Water	Total water use	240,487	215,407	198,901	191,050	5
Water-LfL			of which, purchased by landlord	136,526	123,308	115,858	112,137	
Water-int			of which, purchased by tenant	103,961	92,099	83,043	78,914	
	l/m ²		Intensity	152	153	171	164	5
	m ²	Area	LOA	1,586,399	1,409,796	1,163,563	1,163,563	
	%		Share of total LOA	86	79	63	65	

The table shows water use in Catena's properties.

Waste

EPRA-code	Unit	Indicator		Total		Comparable portfolios		
				2019	2018	2019	2018	Change, %
Waste-Abs	tonnes	Waste	Hazardous waste	14.21	0.66	14.21	0.66	95
Waste-LfL			other/unknown treatment method	14.21	0.66	14.21	0.66	
			Non-hazardous	247.90	277.19	144.45	256.08	-77
			for incineration	16.65	23.12	11.42	18.12	
			for recycling	151.24	113.77	82.54	98.08	
			for landfill	24.62	10.60	23.68	10.60	
			for composting	5.10	6.12	5.10	5.92	
			other/unknown treatment method	50.28	123.57	43.48	123.35	
			Total	262.11	277.84	158.66	256.73	-62
	m ²	Area	LOA	564,888	481,556	389,253	389,253	
	%		Share of total LOA	31	27	21	22	

The table shows the amount of waste in properties where Catena engages waste companies and where there are statistics on the amounts treated in terms of weight.

Environmental certifications

EPRA-code	Indicator	Total	
		2019	2018
Cert-tot	Number of certified items	7	6
	Certified area (m ²) Green Building	149,562	126,675
	Certified area (m ²) Miljöbyggnad Silver	0	0
	Total certified area (m²)	149,562	126,675
	Certified area, share of total portfolio (%)	8	7

The table shows the number of buildings that are environmentally certified, as well as the total certified area. Several properties are undergoing certification processes for Miljöbyggnad Silver and are planned to be certified in 2020.

Use at Catena's head office

EPRA-code	Unit	Indicator		Total, comparable portfolios		
				2019	2018	Change, %
Elec-Abs, Lfl	MWh	Electricity	Total electricity use	22.8	33.9	-33
DH&C-Abs, Lfl		District heating	Total district heating use	16.2	N/A	
Fuel-Abs, Lfl		Fuel	Total fuel use	48.4	N/A	
Energy-Int	kWh/m	Energy	Intensity	135.6	52.5	
GHG-Dir-Abs	tonnes CO ₂	Greenhouse gas emissions	Scope 1	8.6	N/A	
GHG-Indir-Abs			Scope 2	0.7	N/A	
GHG-Int	kg CO ₂ e/m ²		Intensity	14.4	N/A	
Water-Abs, Lfl	m ³	Water	Total water use	187	213	-12
Water-Int	l/m ²		Intensity	289.9	330.2	-12
Waste-ABS, Lfl	tonnes	Waste	Total (non-hazardous, for recycling)	0.5	0.3	31
	m ²		Area	LOA	645.0	645.0

The table shows use at Catena's head office. All values are estimated. No data for heat use available for 2018.

Social indicators

EPRA-code	Indicator	Total	
		2019	2018
H&S-Asset	Proportion of properties where health and safety assessment has been performed (%)	100	100
H&S-Comp	Occasions when health and safety deficiencies have been observed at Catena properties	0	0
Comty-Eng	Proportion of properties where community projects have been implemented (%)	0	0

EPRA sBPR Index

The table below lists references to data for each EPRA sBPR indicator.

EPRA-code	GRI Standard indicator	Reference
Environmental Performance Measures		
Elec-Abs	302-1	66
Elec-Lf	302-1	66
DH&C-Abs	302-1	66
Dh&C-Lfl	302-1	66
Fuel-Abs	302-1	66
Fuel-Lfl	302-1	66
Energy-int	CRE1	66
GHG-Dir-Abs	305-1	67
GHG-Indir-Abs	305-2	67
GHG-Int	CRE3	67
Water-Abs	303-1	67
Water-Lfl	303-1	67
Water-Int	CRE2	67
Waste-Abs	306-2	67
Waste-Lfl	306-2	67
Cert-Tot	CRE8	67
Social Performance Measures		
Diversity-Emp	405-1	61
Diversity-Pay	405-2	61
Emp-Training	404-1	60
Emp-Dev	404-3	60
EmpTurnover	401-1	60
H&S-Emp	403-2 (2016)	60
H&S-Asset	416-1	68
H&S-Comp	416-2	68
Comty-Eng	413-1	68
Governance Performance Measures		
Gov-Board	102-22	134-135
Gov-Select	102-24	125-126
Gov-Col	102-25	126

Reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)

In 2019, Catena applied, for the first time, the TCFD’s recommendations in describing and analysing the Company’s work on climate-related risks and opportunities. In 2019, the focus was on identifying relevant financial climate-related risks and opportunities, as well as their impact and the Company’s exposure to them. Catena’s Sustainability Manager, Communication Manager and CFO worked together over the year to map this out. The results have been presented, revised and finally approved by the man-

agement team and the Board of Directors. Catena works with and applies frameworks including EPRA sBPR, GRI, Agenda 2030 and TCFD to measure, monitor and address climate-related risks and opportunities.

The table below describes the scope and refers to the relevant pages for more detailed explanations. In 2020, Catena will continue its efforts to integrate the framework more clearly into its operations.

TCFD

Governance	Strategy	Risk management	Indicators and targets
A) The Board of Directors’ monitoring of climate-related risks and opportunities, see pages 69 and 129.	A) Climate-related risks and opportunities identified by Catena and their impact, see pages 132–133.	A) Catena’s processes for identifying climate-related risks, see pages 69 and 129.	A) Catena’s indicators for assessing climate-related risks and opportunities, see pages 50–54, 65.
B) Role of management in assessing and managing climate-related risks and opportunities, see pages 69 and 129.	B) Impact of risks and opportunities on the organisation’s operations, strategy and financial planning, see pages 132–133.	B) Catena’s processes for managing climate-related risks, see pages 129 and 132–133.	B) Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol, see table on page 67.
	C) Contingencies in Catena’s strategy for various climate-related scenarios, see pages 49 and 69.	C) Integration of the above processes into the organisation’s general risk management, see pages 129 and 132–133.	C) Targets for management of climate-related risks, see Catena’s sustainability targets on pages 50–51.



Boundaries

All of the sustainability aspects Catena has deemed to be significant in various ways have an impact on the Company's operations and employees. The key performance indicators presented refer to Catena and its wholly-owned subsidiaries, unless exceptions are described in connection with the data presented. Catena strives for comparability in historical data.

Some of Catena's sustainability aspects may also have an impact outside the Company's legal framework, such as at customers and suppliers. In these cases, this impact and the limitations on Catena's responsibility are described in an ongoing manner in connection with the reporting of governance and indicators.

Background data and complementary indicators

In this section, Catena presents the methods, assumptions and conversion factors used to prepare the Company's key performance indicators and GRI indicators. Supplemental information is also presented.

Supplier evaluation

The Company is evaluating appropriate indicators to measure and follow up suppliers' performance in a relevant and cost-effective manner. Catena currently measures none of the GRI indicators for the disclosure of supplier evaluation of the environmental impact, despite this having been identified as material. In 2019, Catena updated its supplier assessment, see more on page 55.

Energy use and greenhouse gas emissions

Catena has this year changed its method for calculating energy use and now reports energy use for 89 percent of the total lettable area – the remaining 11 percent is not included in the figures because Catena lacks access to tenants' meter readings. To ease understanding, Catena presents all energy use in MWh or kWh. To convert energy use from MWh to GJ, use the conversion factor 3.6. Catena measures and monitors greenhouse gas emissions annually in accordance with the Greenhouse Gas Protocol (GHG Protocol). Information on usage and conversion fac-

tors is retrieved from the sources in accordance with the table below.

The conversion factors are reviewed and updated once a year in connection with the preparation of the Sustainability Report. As far as possible, Catena uses conversion factors that include all relevant greenhouse gases, that is, CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The Company does not perform its own conversions from other greenhouse gases to CO₂e and therefore has no overall value for Global Warming Potential (GWP). The combustion of renewable fuels, just like fossil fuels, causes greenhouse gas emissions, but as these emissions are part of a cycle, Catena does not report these emissions under the Company's greenhouse gas emissions. The conversion factors relating to the use of renewable fuels consist of the part of the fuel that is fossil, for example, the approximately 15 percent of E85 fuel that consists of petroleum.

Governance, health and safety

Catena's management system for health and safety applies to all employees and is based on identified risks and overarching legal requirements. Health and safety issues are dealt with on an ongoing basis at management meetings, personnel conferences and through contact with the occupational health service. Although the management team is responsible for the annual follow-up of work environment matters, all employees are able to submit cases or, if they so wish, to participate in management meetings when specific agenda items are addressed. Information regarding Catena's policies and manuals is available to all employees via Catena's internal IT platform.

The work environment policy contains instructions and forms for the reporting of incidents and accidents and for how these are to be investigated. From time to time, an appointed group shall ensure that no employees are subject to reprisals. Incidents are followed up by the management team and a health and safety officer if one has been appointed. The position of health and safety officer is currently vacant and all incidents must therefore be reported to the CEO.

Scope	Activity	Data source	Conversion factor
Scope 1	Use of oil and natural gas not metered individually for each tenant.	Internal data collection via energy monitoring system	Conversion factors are obtained from GHG Protocol
	Business trips by company car	Statistics on use are derived from mileage compensation	Conversion factors are obtained from the Swedish Transport Administration and NTM
Scope 2	Use of electricity and district heating in properties not metered individually for each tenant	Internal data collection via energy monitoring system	Conversion factors from the relevant energy suppliers, in some cases with one year's delay due to lack of access to current statistics
Scope 3	Use of oil, natural gas, electricity and district heating as metered individually for each tenant	Internal data collection via energy monitoring system	Conversion factors are obtained from GHG Protocol
	Business trips (own car, train, taxi, air)	Usage statistics are retrieved from distance-based compensation, recorded costs and travel agency	Conversion factors for car journeys are obtained from the Swedish Transport Administration and NTM, for taxi trips from Taxi Stockholm, for train journeys from SJ and for air travel from GHG Protocol
	Employee commuting	Statistics on use are based on employee surveys conducted annually.	Conversion factors for different modes of transport are obtained from the Swedish Transport Administration and NTM.

An annual review of the work environment is conducted in the form of safety rounds at each department and regional office. Catena also conducts an annual risk assessment, with action plans and follow-up of the systematic work environment efforts being prepared. Based on annual checks, assessments are made regarding what needs to be changed in the work environment.

Occupational health

Catena has signed an agreement on occupational health-care for all locations where Catena's employees are posted. Health checks and specific interviews on preventive measures are conducted with all employees every two years to identify, minimise and eliminate health risks. The health checks are performed by an external and independent occupational health care provider. Employees may also

contact the occupational health service directly when the need arises. This should first be approved by the manager responsible or HR.

Catena offers all employees an annual wellness subsidy. Involvement in various events is encouraged as employees can participate in various health runs and other events together. All employees also have the opportunity to take out private health insurance, a benefit that is voluntary for the employee and taxable.



Contacts

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Auditor's review report on the sustainability reporting and opinion on the Statutory Sustainability Report

To the Annual General Meeting of Catena AB (publ), Corporate Registration Number: 556294-1715

Introduction

We have assigned by the management of Catena AB (publ) ("Catena") to review the 2019 Sustainability Report. Our review covers the Sustainability Report on pages 48-71 of the Annual Report, which also constitutes the Statutory Sustainability Report.

Responsibility of the Board of Directors and management for the Sustainability Report

The Board of Directors and company management are responsible for preparing the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act. The criteria are stated on page 62 of the Annual Report and consist of the parts of the GRI Standards that are applicable to the Sustainability Report, as well as the Company's own reporting and calculation principles. This responsibility also includes the internal control deemed necessary to prepare a sustainability report free of material errors, whether due to irregularities or mistakes.

Auditors' responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on our review and to submit an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information presented and thus does not include future-oriented data.

We conducted our review in accordance with ISAE 3000 Certification assignments other than audits and reviews of historical financial information. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical review and undertaking other review procedures. We conducted our review of the Statutory Sustainability Report in accordance with FAR's recommendation RevR 12 Auditor's opinion on the Statutory Sustainability Report. A summary review and a review in accordance with RevR 12 has a different focus and is substantially less in

scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden.

The auditing firm applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system that includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards of professional practice and applicable requirements in laws and regulations. We are independent in relation to Catena in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

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

Our review is based on the criteria selected by the Board of Directors and company management, as defined above. We believe these criteria are appropriate for the preparation of the Sustainability Report.

We believe that the evidence we obtained during our review is sufficient and appropriate for the purpose of providing a basis for our statement below.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the above-stated criteria selected by the Board of Directors and company management.

A statutory Sustainability Report has been prepared.

Malmö, 20 March 2020
PricewaterhouseCoopers AB

Mats Åkerlund
Authorised
Public Accountant

Fredrik Ljungdahl
Sustainability Specialist,
member of FAR