SLÄTTÖ

GHG REPORTING 2022 AND 20223

GHG footprint

As a real estate investment firm, the near totality of Slättö's emissions is linked to investment activities. We therefore focus our efforts on scope 3 category 15 (Investments), especially in-use emissions from energy consumption of cash-flow assets and embodied carbon from construction projects.

Total CO2 increased in 2023 compared to 2022 as Slättö's assets under management grew from approximately EUR 1.4 b to EUR 1.7 b. The year-on-year change in CO2 per square meter is driven by improved data quality for in-use emissions, the purchase of a large industrial asset with an energy-intensive tenant, and the embodied carbon in the newly built assets that were leased after construction.

Emissions data is subject to inherent uncertainties given the high share of estimated data. Slättö's GHG accounting below is based on our current understanding of the GHG Protocol and Science Based Targets framework.

Slättö's GHG accounting

Scope	Categories	Unit	2022	2023
1	Stationary fuels	Tonnes CO2	-	-
	Mobile fuels (vehicles)		-	-
	Refrigerant losses		-	-
Total scope 1			-	-
2	Electricity	Tonnes CO2	-	-
	District heating	Tonnes CO2	3	3
Total scope 2		Tonnes CO2	3	3
3	1. Purchased goods and services		N/A	N/A
	2. Capital goods		-	-
	3. Fuel and energy related activities		-	-
	4. Upstream transportation and distribution		-	-
	5. Waste generated in operations		-	-
	6. Business travel	Tonnes CO2	3	3
	7. Employee commuting		N/A	N/A
	8. Upstream leased assets	Tonnes CO2	14	14
	9. Downstream transportation and distribution		-	-
	10. Processing of sold products		-	-
	11. Use of sold products		-	-
	12. End-of-life treatment of sold products		-	-
	13. Downstream leased assets		-	-
	14. Franchises		-	-
	15. Investments			
	15.1 In-use emissions	MWh electricity	20,466	27,542
		MWh district heating	19,567	26,093
		MWh oil	5	-
		Tonnes CO2	**2,091**	**3,657**
		Kg CO2/sqm	6.7	7.9
		Kg CO2/sqm excluding one large outlier asset	6.7	4.1
	15.2 Fugitive emissions		-	-
	15.3 Upfront embodied carbon	Tonnes CO2	**15,028**	**16,795**
		Kg CO2/sqm	336	389
	15.4 Major renovations		N/A	N/A
Total scope 3		Tonnes CO2	**15,045**	**16,812**
Total scopes 1-2-3		Tonnes CO2	**15,048**	**16,815**

Methodology

Scope 1

- Stationary fuels and mobile fuels (vehicles): none. Refrigerant losses included in category 15.

Scope 2

- Electricity and district heating: emissions related to Slättö's office. Data is provided by the property owner, assuming our energy use is in proportion to floor area. For 2023, emissions are assumed as in 2022, data is not yet available.

Scope 3

1. Purchased goods and services
   - This will be purchases to Slättö's office like food or furniture. We carried out a minor renovation in 2022. This category is small and not yet reported due to lack of data.
2. Capital goods
   - Included in category 15, upfront embodied carbon from construction projects.
3. Fuel and energy related activities not included in scope 1 or 2
   - None.
4. Upstream transportation and distribution
   - Included in category 15, upfront embodied carbon, where transportation of building materials is accounted for.
5. Waste generated in operations
   - Data about waste from Slättö's office is not available.
   - Waste from building materials is included in category 15, upfront embodied carbon.
6. Business travel
   - Business travel from flights, train, and taxi. For 2023, emissions are assumed as in 2022, data is not yet available.
7. Employee commuting
   - Data not available.
8. Upstream leased assets
   - Leased company cars. For 2023, emissions are assumed as in 2022, data is not yet available.
9. Downstream transportation and distribution
   - None.
10. Processing of sold products
    - None.
11. Use of sold products
    - None.
12. End-of-life treatment of sold products
    - In our current understanding, this is not applicable.
13. Downstream leased assets
    - Included in category 15, in-use emissions from owned real estate assets leased to tenants.

14. Franchises

- None.

15. Investments

In-use emissions

- In-use emissions are related to the energy consumption of the cash-flow assets Slättö has invested in. We apply the whole-building emissions approach, including tenant energy.
- CO2 per sqm decreased from 2022 to 2023 if a large, newly acquired asset is excluded. This outlier asset is a logistics and light industrial property, where the tenant's industrial activity is highly energy intensive.
- Real data availability increased from 2023 to 2022.
- Sources include real data based on energy metering and, where not available, estimates based on energy performance certificates or energy audits. We are actively working to increase real data, through the energy monitoring platform Mestro[1].
- For emission conversion factors, the location-based accounting method is used. Emission factors are sourced from external sources and may change in the future.[2]
- For both in-use emissions and upfront embodied carbon, emissions are weighted by Slättö's ownership share for assets in joint ventures with other investors. Gross floor area is used as much as possible, when not available we use net lettable area.

Fugitive emissions

- No refrigerant losses from owned assets leased to tenants.

Upfront embodied carbon

- These are the emissions linked to the construction of a building, from raw materials, to transport, construction and manufacturing waste. They include all emissions until the new building is put in operation (phases A1-A5 in a building life-cycle analysis, LCA).
- Some of the construction projects' footprint is based on real data, with LCA according to the EU Level(s) method.
- When an LCA is not available for a building, we estimate upfront embodied carbon using one of two methods: either the average embodied carbon for similar Slättö projects where an LCA has been done (e.g. for logistics and light industrial assets), or the average embodied carbon per type of building estimated by Sweden's National Board of Housing, Building and Planning (most appropriate for residential and schools)[3].
- We account for all the upfront embodied carbon from a construction project when the building is put in operation. Construction projects take several years to complete, therefore there will be large fluctuations in upfront embodied carbon from year to year, depending on how many and which types of projects are completed. Year-to-year comparisons are not representative of trends.
- Taking a conservative approach, we also include assets whose construction we finance on forward sale or forward funding

Major renovations

- No data yet available, this category is expected to be small in 2022 and 2023.

[1] For more information about energy data sources and limitations, see Slättö's SFDR sustainability-related disclosures (link).
[2] Emission factors used: for electricity, 0.037 and 0.084; for district heating, 0.053 and 0.116 (Tonne CO2 per MWh) respectively Sweden and Finland.
[3] Average upfront embodied carbon per type of assets, using Boverket's 2027 method (all building parts), according to the 2023 Boverket-KTH study (link).