



CORPORATE SOCIAL RESPONSIBILITY REPORT 2020

— We are driving sustainable property
management and asset management



DEAS

ASSET MANAGEMENT



DEAS



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Future generations will hold us responsible for what we do – or don't do – so that they can also live healthy and safe lives in sustainable societies"

Sustainability impacts the bottom line

As property and asset managers, we take on great responsibility for advancing sustainable development. We have a responsibility to our clients whose assets we treasure, nurse, and develop. Also, to the many companies and people that live and work in the properties we manage. And to society in general and to all local communities influenced by the DEAS team's daily conduct and performance handling the properties.

DEAS seeks to encourage initiatives that affect society positively within social, human, and environmental matters. Sustainable performance is such an integral part of our way of doing business that, for example, we do not see it as a success if high client satisfaction is achieved on the basis of short-term non-sustainable initiatives. We firmly believe that sustainability impacts the bottom line – with our clients and with ourselves.

In DEAS, sustainability is considered as a guideline and leading to concrete actions in day-to-day life. For instance, when we in collaboration with our clients prioritise and develop healthy housing with as low an environmental impact as possible. Safety for our tenants, suppliers, and employees is a top priority, and we do not tolerate any kind of discrimination. We actively seek partnerships with clients, tenants and communities for initiatives that promote sustainability. And we are clear about our ambitions in this field.

In several areas, we have already taken significant steps together with our clients, residents and tenants in the sustainable transformation of our business and of the properties we manage. This is explained in this report, but we have not come far enough yet. That is why we will set new, ambitious goals in the coming years. Read about them in this report. DEAS is ready to defend what we do and don't do regarding the sustainability agenda. In fact, we want to be challenged on this matter. If you have any questions or suggestions for what we can do better, bring them on. Our door is always open.

Henrik Dahl Jeppesen
CEO, DEAS Group

March 25 2021

DEAS IS DRIVING SUSTAINABLE PROPERTY MANAGEMENT AND ASSET MANAGEMENT

DEAS is among the leading property managers and asset managers in Denmark, and our ambition to be at the forefront of the sustainable transformation runs throughout all our services and in our co-operative relationships with clients, tenants, suppliers and internally in DEAS.

DEAS Group is a full-service property house with a wide range of services that match clients' needs in terms of all types of asset services, including asset management, property management and operation of properties:



Asset Management

- Fund Management
- Investment Management
- Asset Management



Property Management

- Residential housing
- Owner-occupied/cooperatively-owned homes
- Shop/retail
- Office/warehouse/logistics



Letting Services

- Residential housing
- Shop/retail
- Office/warehouse/logistics



Technical Building Consultancy

- Construction projects
- Energy and climate consultancy



Facility Management

- Operation and maintenance
- Property service
- Caretaker service



OPP

- Public-Private Partnership

DEAS is DEAS Group

DEAS Group or DEAS Holding A/S comprises DEAS A/S and DEAS Asset Management A/S. This report incorporates data for both companies for 2020 and complies with the financial annual report. The annual report covers DEAS' obligations, cf. clause 99a in The Danish Financial Statements Act.

The illustrations below exemplify who DEAS is and what we engage in. The figures reflect our business in 2020 unless otherwise stated. Selected numbers are rounded off.

Our clients

- 366** cooperatively-owned housing associations
- 114** homeowners' associations
- 529** owners' associations
- 141** property investors

Our residents and tenants

- 32,500** residential tenancies
- 6,800** commercial tenancies
- 11,000** cooperatively-owned homes
- 22,000** owner-occupied homes
- 7,000** new residential tenants
- 400** new commercial tenants

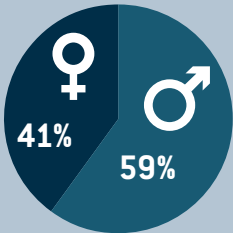
Our business

- DKK **657.5m** in turnover
- DKK **256.5m** in paid taxes and duties
- Properties under management represent a value of DKK **220bn**
- We manage **2,500** properties spread over **10.5m** sqm
- We charge DKK **7.3bn** yearly in rent
- We purchase for DKK **6.8bn** from Danish suppliers on behalf of our clients
- We manage **1,000** building projects yearly

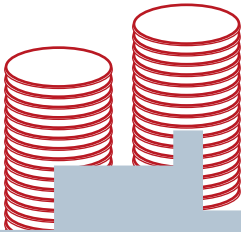
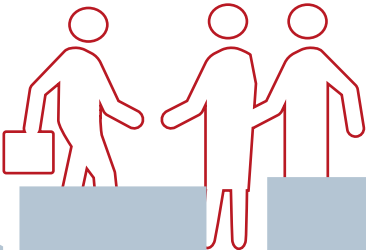
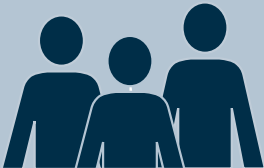
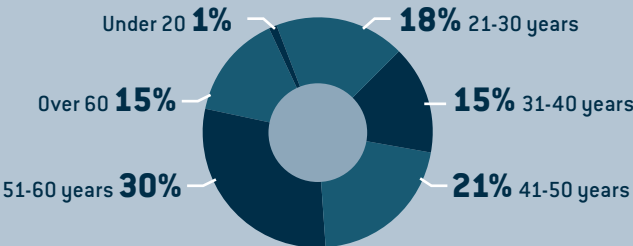
Our employees

831 employees

Employees by gender



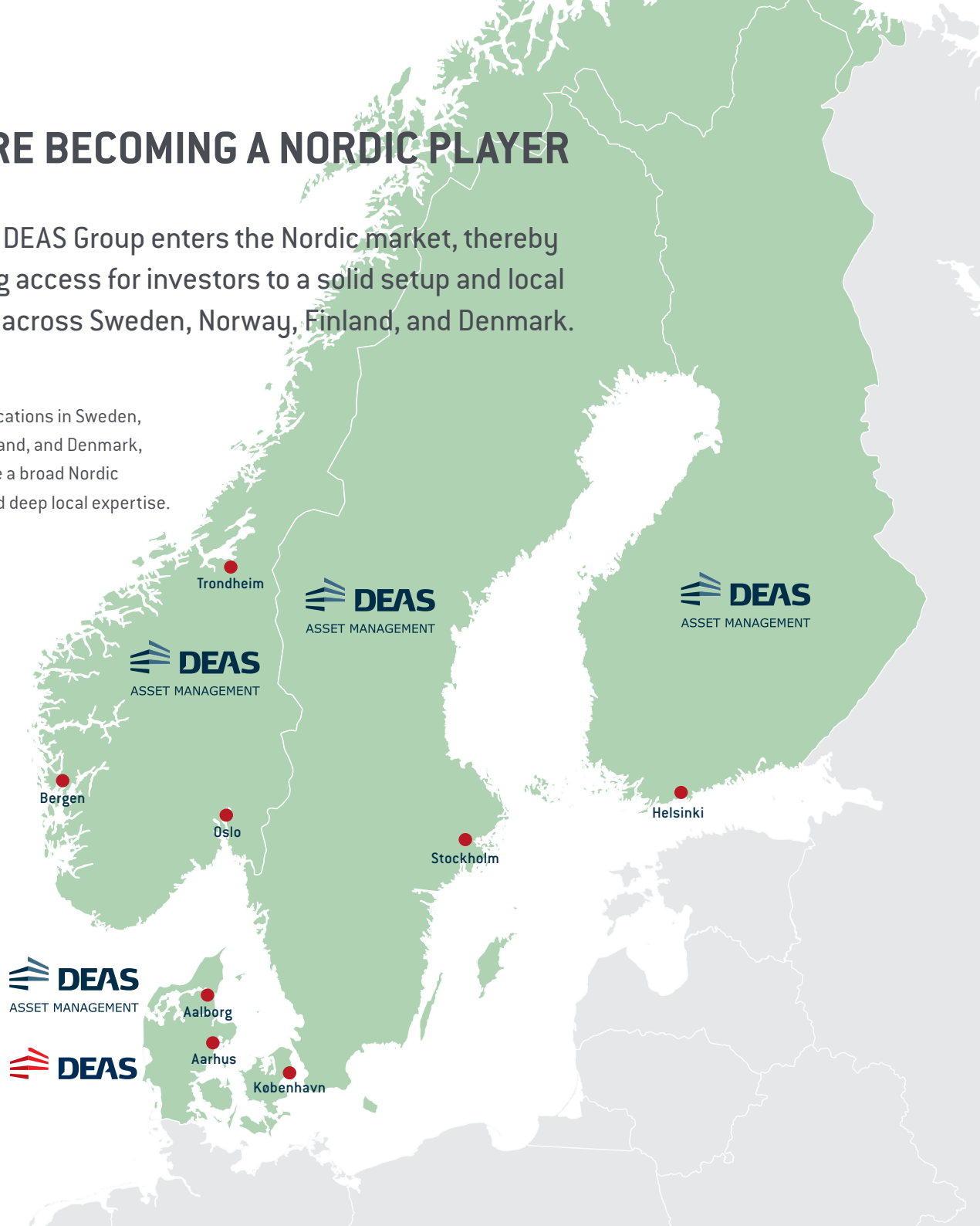
Age distribution among employees



WE ARE BECOMING A NORDIC PLAYER

In 2021, DEAS Group enters the Nordic market, thereby providing access for investors to a solid setup and local network across Sweden, Norway, Finland, and Denmark.

With eight locations in Sweden, Norway, Finland, and Denmark, we both have a broad Nordic presence and deep local expertise.



The Nordic region will be the home ground for DEAS Group in 2021, when the Nordic real estate business of Aberdeen Standard Investments, covering real estate in Sweden, Norway, Finland, and Denmark, is acquired by DEAS Group. At the same time, DEAS Asset Management A/S will be handling a portfolio of Nordic assets EUR 1.7bn on behalf of the European and global funds within Aberdeen Standard Investments.

Local insight and expertise

Our presence within the Nordic region means that we are able to offer expert services within fund management, investment management, and asset management throughout the region.

A dedicated team of more than 90 investment specialists will operate from our locations in Stockholm, Oslo, Bergen, Trondheim, and Helsinki as well as from Aalborg, Aarhus, and Copenhagen. They contribute with local knowledge and market insight and are ready to attract international and local investors to the Nordic region as one unified investment market.

Going beyond Denmark's borders is a result of DEAS Group's strategic commitment to pursue growth opportunities in the Nordic market. The growth must benefit our investors – and at the same time go hand in hand with our overall ambition for sustainability.

As a result of the Nordic expansion, properties under DEAS Group's management will amount to more than EUR 34bn from 2021, with more than 11m sqm spread over more than 2,600 properties in Sweden, Norway, Finland, and Denmark.

"We enter the Nordic market to give our investors access to a strong setup with local expertise and best practice throughout the Nordic region – opening new opportunities for real estate investment and at the same time helping us to realise our ambitions for sustainability on an even larger scale than before"

Henrik Dahl Jeppesen, CEO, DEAS Group

Clients/investors are offered services across the entire value chain within real estate.



THREE STRATEGIC FOCUS AREAS FOR SUSTAINABILITY

We want to do our part to enhance sustainability in the communities that we are part of. This is an overriding ambition for DEAS, and with our new strategy we dedicate our efforts in particular to responsible resource consumption, settings for the good life and active community involvement.

If there is to be a better balance in the future in terms of social, environmental, and economic sustainability, everyone has to take their share of responsibility. DEAS is ready for that. We have therefore developed a strategy for sustainability, which sets the direction for how we manage our properties sustainably in collaboration with our clients, residents, and tenants.

With this strategy, we say loud and clear that we want to be at the forefront of the sustainable transformation of property management and asset management.

We pool our resources in three areas:

The sustainability strategy of DEAS includes three focus areas:

- **We focus on resources** – that is, we contribute to sustainable resource consumption in operation, maintenance, and development of properties, and we help our clients, residents, and tenants to sustainable conduct.
- **We prioritise the good life** – for tenants this means, for example, that we provide healthy and safe properties

as well as outdoor areas supporting the physical and mental well-being.

- **As an active social player**, we take part in projects and interact to develop sustainable solutions of the future as well as engaging in local communities.

DEAS needs to be in a strong position as a business and organisation to succeed in these areas. That is why we prioritise, among other things, high professionalism among our employees, clear values in our work and a good

How we act

Carbon-neutral in 2030

DEAS aspires to be carbon neutral in 2030. That is why we work actively with emissions from our own operations and our car fleet.



WHAT WE DO

We have asked our clients, tenants, and employees

In 2020, we have asked and received replies from just under 4,000 stakeholders as to their expectations to sustainability in DEAS. This took place in preparation for the development of DEAS' sustainability strategy. Both clients, tenants as well as employees have been consulted, and below are some of their viewpoints:

- Investors expect that DEAS acts proactively in terms of sustainability, and that by virtue of this we can attract and retain tenants.
- Cooperatively-owned housing and owners' associations see it as a shared responsibility between them and DEAS to promote sustainable property management.
- Both commercial and residential tenants consider it a responsibility of the lessors – and with it also a responsibility of DEAS – that the properties are managed sustainably.
- DEAS employees point out, among other issues, that sustainability fosters job satisfaction as well as collaboration with suppliers.

The responses have given us insight into the priorities of our stakeholders and close business partners in terms of sustainability. An insight which, together with DEAS' business goals, will form the basis for future initiatives and partnerships.

working environment – and that we act responsibly in relation to use of our resources. In short: What we do, we do right.

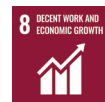
Our strategy is carried out with the highest standards

In our strategy, we actively address the risks and opportunities we as a business and workplace face in relation to sustainability. We manage properties and large financial assets and want to maintain the high level of confidence that our clients, residents, and tenants have in us. Consequently, we work with the strategy in DEAS' quality management system, which is certified according to the ISO standard 9001:2015, and we use a number of audit reports supporting our clients' compliance requirements.

DEAS' sustainability strategy supports five of the UN Sustainable Development Goals



- Promote healthy homes
- Increase the amount of outdoor areas, which supports physical and mental health
- Ensure employee health and safety



- Provide equal terms and prevent discrimination
- Ensure a sound and safe working environment for all employees as well as support of learning and development



- Reduce the environmental footprint per resident in the properties we manage
- Work to increase access to green outdoor areas at the properties



- Contribute to responsible resource consumption and management, incl materials and waste
- Measure and report on sustainability
- Share knowledge of sustainable practices among tenants and employees



- Participate in partnership, knowledge sharing and promote sustainable solutions
- Collaborate with clients, tenants, and other stakeholders

SUSTAINABLE SOLUTIONS REQUIRE COLLABORATION

When we say that we want to promote sustainable transformation everywhere possible, we actually mean it. In 2021, we will focus on five selected priorities.

The five priorities make the strategy tangible. The activities selected are based on, among other things, where we see the greatest potential to make a difference:

Priority 1: More managed square metres are sustainable -> focus on certified sustainable properties

Priority 2: We reduce CO₂ emissions with focused energy labelling -> focus on carbon footprint by means of energy labelling

Priority 3: Sustainable initiatives enhance the well-being of tenants -> focus on housing, buildings, and outdoor areas as the setting for the good life

Priority 4: Retention of skilled employees is vital to our success -> focus on in-service training, retention, and job satisfaction

Priority 5: We promote sustainability through collaboration -> focus on partnerships and development of new solutions

Read more about the priorities on the next pages.

How we act

5 priorities for 2021

As client, tenant, or supplier to DEAS, you will encounter the five priorities for 2021 in our ongoing collaboration.

We will continuously offer new services and find solutions together with you that make your and our everyday life more sustainable.

We succeed together with clients, residents, and tenants

With DEAS' sustainability strategy, a framework and direction has been set for how we will promote the sustainable transformation. However, we are well aware that we are not getting far on our own. Therefore, we base both the strategy and the specific priorities on collaboration and partnerships – with clients, tenants, suppliers, local communities, authorities, and other business partners.



The goodwill of our clients is, for example, crucial for us to be able to operate and advise with sustainability in focus. And our suppliers and business partners must be ready to take ownership of sustainability and meet the requirements and expectations we present. In short, sustainability is a common concern, and we invite everyone to engage in finding solutions together.

"We seek to provide our clients with sustainable properties and to support our residents and tenants in sustainable conduct. And we will defend this with initiatives underlining DEAS' high level of sustainability."

Kristian Kongstad, Vice President, Technical Building Consultancy, DEAS

PRIORITY 1

MORE MANAGED SQUARE METRES ARE SUSTAINABLE

Properties consume energy to a large extent and are a source of such a huge amount of waste that the industry probably accounts for the most profound environmental impact of all. We will do our part to change this when we focus on sustainable property

Buildings account for up to 40% of the total energy consumption in Europe and account for a corresponding share of material consumption. At the same time, the buildings represent approx. 30% of the total Danish waste production. As property managers and assets managers, we can help limit this strain of the Earth's resources. For example, by constructing, operating, and renovating buildings based on certifications and sustainable solutions.

We develop and promote certifications

In DEAS, we start with ourselves. In collaboration with the pension company PKA A/S and the Green Building Council, we have turned Flintholm Company House in Frederiksberg, also known as our head office, into a development laboratory for a new DGNB certification of properties in operation. The new certification is based on nine criteria within environmental, financial, and social aspects and could potentially lead to a breakthrough for sustainability in existing properties.



Photo: PKA

How we act

10% in 2025

Today, 3% of the square metres we manage are certified as sustainable. This number must grow. Therefore, we set the ambition that we, together with our clients, aim for 10% of the square metres to be certified in 2025. This corresponds to approx. 1m sqm.



FACTS

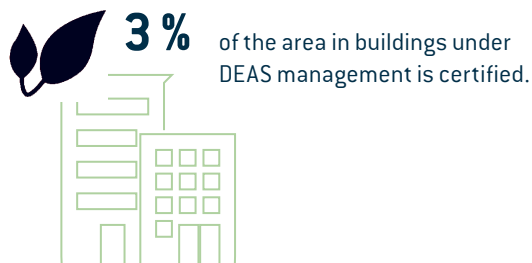
Why sustainability certifications?

The purpose of certifying buildings is to ensure sustainability in the buildings' overall life cycle from construction to operation, demolition and recycling. The certifications provide a structured approach to the entire construction process, thus seeing the possibilities of reducing the building's negative carbon footprint.

In Denmark, there is particularly great interest in DGNB certification and Nordic Swan Ecolabelling. Both certifications are undergoing a rapid development; Green Building Council Denmark, which administers the DGNB scheme in Denmark, informs that in 2021 there are 131 registered certifications and a total of 223 registered precertifications. In comparison, in 2020 there were 22 certifications and

29 pre-certifications. The same tendency applies to Nordic Swan Ecolabelling; The number of Nordic Swan Ecolabelled buildings has more than doubled from January 2018 to January 2020.

In DEAS, we are experiencing a corresponding increase in demand: In 2020, we only received one request for DGNB certification of buildings in operation. In 2021, we expect to certify around 30 properties.

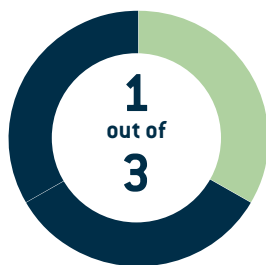


When the development of the certification is completed in early 2021, Flintholm Company House, which is already BREEAM certified, will also be DGNB certified for the benefit of the property's tenants and daily users as well as the nearby community.

Renovation can be very sustainable

The next milestone is to increase the proportion of certified square metres under our management. The ambition is to reach 10% by 2025. An ambition that many Danish and international investors will support.

As a step in the right direction, we are intensifying our consultancy on certifications. Among other things, we assist with screening of construction projects in relation to certification requirements and with carrying out the certification process, including all documentation collection.



One out of three of DEAS' own office locations are certified.

Certification can also play a major role in renovations. For example, installing solar cells, LED lighting, smart energy management or other technical solutions can result in a better energy labelling and certification. The result will not only be clearly improved sustainability. Sound business liquidity and increased comfort for users could also be gained.

“

Sustainability is increasingly on the top of mind with our tenants. Our clients expect that we as property and asset managers actively relate to the differences we make. Thus, sustainability goes hand-in-hand as strategy as well as sound business.”

Annelise Arboe Sommer, CCO, DEAS

We guarantee sustainable refurbishment

DEAS aims to offer the market's most sustainable operation of properties, and certifications are a crucial measure in this regard.

But we go beyond that: From January 2021, for example, we guarantee new tenants that the flat they are moving into is refurbished eco-friendly. This means they have only been cleaned and painted using products that are marked with the Nordic Swan Ecolabel or similar eco-friendly products. The same guarantee applies to the cleaning of stairs, walking and common areas. The guarantee for eco-friendly cleaning and refurbishment apply to residential properties where we are responsible for day-to-day operations, including where DEAS is responsible for preparation after vacated tenants.



CASE

Nordic Swan Ecolabelled housing on its way in Aarhus

The Nordic Swan Ecolabelling is easily recognizable to many consumers, and the demand for Nordic Swan Ecolabelled housing is growing. DEAS' team manager Andreas Aebeloe knows about this. He is a trained consultant in Nordic Swan Ecolabelled construction, and in 2020 he obtained a pre-certification of a residential construction project in the centre of the City of Aarhus with the Nordic Swan Ecolabel. On behalf of Velliv, Pension & Livsforsikring A/S, and the pension company PensionDanmark, DEAS is responsible for the construction project and the pre-certification is evidence of the fact that the project is in compliance with the requirements of the Nordic Swan Ecolabelling as to choice of material, energy, daylight, ventilation, etc.

Andreas Aebeloe explains: “Nordic Swan Ecolabelled construction projects contribute to healthy housing, and the documentation process makes it achievable for even smaller projects to work with sustainability”.

The project was launched in 2020, and the Nordic Swan Ecolabelled residential flats are expected to be ready for occupancy in 2022.

PRIORITY 2

WE REDUCE CO₂ EMISSIONS WITH FOCUSED ENERGY LABELLING

The earth suffers from the pressure of greenhouse gases, not least emitted from buildings. In DEAS, we help our clients to minimize CO₂ emissions using energy labelling, and in 2020 we hired our first climate economist, who advises clients on CO₂ reduction and possible green gains.

Energy consumption from buildings for heating, lighting, and ventilation, among other things, is high. And energy is still produced primarily through the use of fossil fuels such as oil, coal, and natural gas. That is, emissions of greenhouse gasses.

Double the benefit by means of energy optimisation

There are climate benefits to be gained by means of energy optimisation of buildings with, for example, insulation, new window types, and use of solar and wind energy. And at the same time, there is potential for cost reductions.

This is confirmed by DEAS' first climate economist Mads Jakobsen, who advises our clients to make investments in energy optimisation and CO₂ reduction go hand-in-hand with sound operating economy and, for example, reduce costs for electricity, water and heat consumption. "It makes incredibly good sense and is a very important agenda to address to be able to succeed in a joint effort with our clients", says Mads Jakobsen.



How we act from **D** to **C**

It is our objective that in 2025 we, together with our clients, have achieved an average of energy labelling C for all managed properties.



CASE

PKA reduces CO₂ emissions by half in five years in collaboration with DEAS

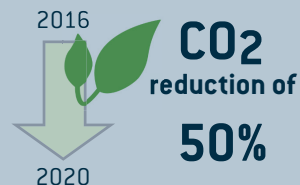
A reduction of 50% of the average CO₂ emissions in 2020. This was the ambitious climate target that the pension company PKA A/S set in 2016 for its property portfolio of more than 1m sqm residential and commercial properties.

By the end of 2020, the target was achieved. This was done with energy labelling as a key tool for:

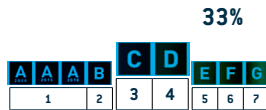
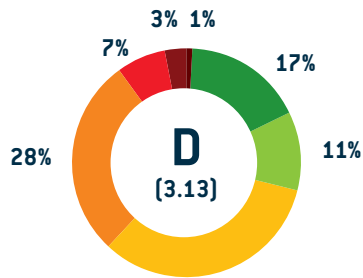
- Systematically incorporating energy-improving measures in both ongoing maintenance and major renovations.
- Launching new sustainability initiatives.
- Assessing, investing in and following up on green real estate projects.

DEAS has assisted PKA throughout the entire process, and 36 energy renovations were finalized in 2020. In addition, 69 new energy labels were obtained covering 213,055 sqm or approximately 20% of PKA's portfolio.

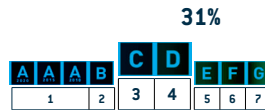
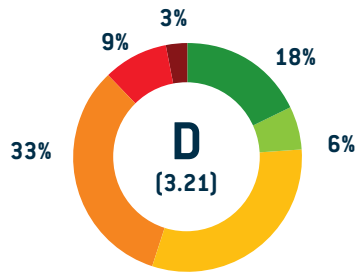
Climate target



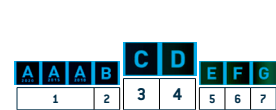
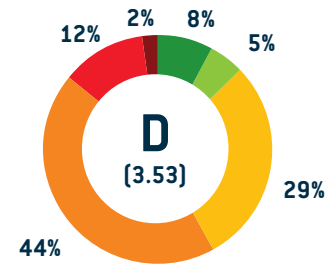
Average energy labelling for each client segment



Pension companies and international investors



Private investors



Cooperatively owned housing and owners' associations



FACTS

Energy labelling of properties managed by DEAS

The distribution of energy labelling of our clients' properties varies. We manage properties in all energy classes, but the average energy labelling ranges between D and C for all the properties that DEAS manage, across our client portfolio.

For example, the properties of institutional and private investors generally have a higher energy labelling than cooperatively owned housing and owners' associations. This may be due to the fact that institutional investors typically manage properties over a long-term time scale and, in addition, have created a clear view of the condition of the building and the need for improvements.

In DEAS, we have extensive experience in assisting all types of property owners to obtain an overview making it possible to improve energy labeling. An improvement from, for example, D to C will require a targeted effort and investment. We continuously inform all our clients about what to gain, also for society in general.

“

Since buildings generate considerable CO₂ emissions, we in DEAS, among others, must take on the responsibility. Not tomorrow or the day after tomorrow, but now.”

Henrik Dahl Jeppesen, CEO, DEAS Group

Energy labelling heading for C

We will further accelerate DEAS' efforts in 2021 to reduce the CO₂ footprint of the properties we manage. We do so, among other things, by working systematically with the Danish Energy Agency's energy labeling scheme. In short, we want to help our clients to reach the highest energy labelling – from D to C and on to B and A.

In collaboration with our clients, our specific goal is to elevate the average energy labelling to C in the properties we manage by 2025.

In more than 400 of the properties we manage, we are also responsible for energy management. It allows us to constantly monitor energy consumption and intervene in the event of sudden fluctuations, so that consumption remains optimal. This provides our clients, residents, and tenants with security as well as the most sustainable consumption as possible.



PRIORITY 3

SUSTAINABLE INITIATIVES ENHANCE THE WELL-BEING OF TENANTS



Housing and commercial tenancies in the properties we manage must provide optimal settings for the living environment and the good life. That is why, we continuously launch sustainability initiatives enhancing the well-being of and valuable opportunities for the tenants.

Physical and mental well-being. Sustainability and biodiversity. Opportunities for utilising outdoor and common facilities. These are among the issues that our clients, residents, and tenants point out when we ask what creates a good living environment in the properties we manage.

Clients, residents, and tenants seek both comfort and light in high-quality buildings as well as the opportunity to take co-responsibility and act through their choice of residential or commercial tenancies.

Good outdoor and common areas

Our latest satisfaction survey from 2020 among our tenants showed that they prefer properties with attractive common facilities and beautiful, green areas with space for social interaction and biodiversity. It is in line with good outdoor and common areas as natural parts of a healthy living environment and underlines that we as property managers and asset managers are expected to take responsibility for more than comfortable housing.

How we act

FOCUS OUR EFFORTS

In 2021, we will incorporate questions about sustainability in our client, resident, and tenant surveys to focus our efforts on where our clients, residents, and tenants benefit the most.



WHAT WE DO

Caretakers make you smile, even behind their face masks

They are always there somewhere. Maybe in the process of maintaining outdoor areas or doing minor repairs in a flat. Or talking to the tenants. These are our caretakers, and their role has been emphasised during COVID-19.

“It is important that our tenants see that I am here and that everything is as normal as possible. So, I’m present, talk to the tenants and solve my other tasks, while paying extra attention to the phone if the tenants have questions or need help”, says Nicolas Pontoppidan, caretaker in Gentofte.

When the pandemic broke out, all DEAS caretakers were instructed to take the necessary precautions. It was, of course, about extra cleaning, disinfecting and spacing. Also, about inducing a smile behind the face mask and doing one’s best to create a sense of security and closeness.

IN SHORT

Knowledge on healthy indoor climate

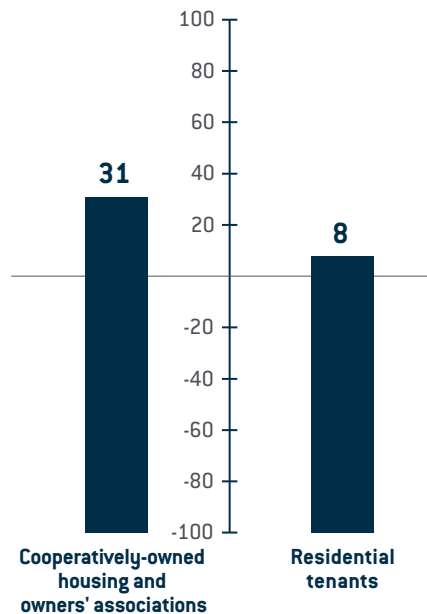
A healthy living environment is also about a healthy indoor climate. An even indoor temperature, humidity, and cleaning, among other things, show whether the home is nice and healthy to live in. In DEAS, we are very much concerned about our tenants knowing how to create a healthy indoor climate, both for their own sake and for maintaining their homes. That is why, we provide all new residents with information about good indoor climate presenting the brochure ‘A healthy living environment’ when moving in as well as continuously informing via our newsletter.



We are present at the properties and experience that the tenants demand sustainable alternatives. We support this, among other things, by collaborating with suppliers who share our and the tenants' ambitions."

Thomas Dahl Jensen, Head of Department, DEAS

Client and tenant satisfaction



DEAS uses the method Net Promoter Score (NPS), which is based on a simple recommendation question (how likely is it that you will recommend DEAS to others). NPS is measured from -100 to +100 and is used as an expression of clients' and tenants' satisfaction.

In 2021, we will therefore initiate pilot projects in collaboration with clients, tenants, and experts to manage, maintain and upgrade outdoor and common areas in a way that encourages them to use the areas, supports quality of life as well as fosters biodiversity.

The properties are healthy and safe

In DEAS we prioritise that quality increases in the properties we manage. It is about renovation and construction of energy-efficient buildings and about creating a safe living environment with a healthy indoor climate.

Our ambitions regarding health and safety also apply to construction projects. We want to help our clients raise the level of safety on construction sites, which of course already comply with the regulations of the Danish Working Environment Authority. In 2021, we will therefore establish a systematic and databased overview of work accidents on construction sites managed by DEAS. The intention is to learn from the accidents and assess whether there is a need to establish further standards.



WHAT WE DO

Sustainable refurbishment

DEAS is responsible for an average of 400 residential refurbishment projects per year on behalf of our clients. Naturally, we comply with our sustainable service standard for refurbishment, if requested. The service standard ensures that the refurbishment projects encompass resource consumption, climate, and environmental aspects. At the same time, the Service Standard guarantees that indoor climate and the living environment are handled in the tenant's property and building.

The sustainable service standard means, among other things, that:

- The refurbishment is carried out based on Nordic Swan Ecolabelling or eco-labelled materials.
- Only FSC®-labelled wood is used guaranteeing sustainable forestry.
- The individual tenancy is inspected prior to the refurbishment with a view to recycling as many materials as possible.
- We choose products with the lowest energy consumption when investing in new installations, including water-saving fittings, energy-efficient appliances, and energy-optimising heating systems.
- Final cleaning of the tenancy meets our standard for sustainable cleaning.

Naturally, we always comply with the municipal guidelines for waste sorting. Among other things, we ensure that the executing business partner has the best possible conditions for sorting waste correctly.



CASE

Less loneliness among the elderly

How do we create successful communities accommodating a diverse group of seniors and at the same time minimize loneliness?

We are trying to answer this question by participating in an initiative launched by BLOXHUB and Byggesocietetet in 2020.

It is a focus area in our sustainability strategy to support the good life and contribute to a safe, secure and healthy living environment in the properties we are responsible for. It involves a natural awareness of how we can improve the surroundings so that the elderly residents can also live good lives in the properties we manage.

Our Head of Development at DEAS Asset Management, Claus Skytte, takes an active part in the initiative with representatives from, among others, KAB, Realdania, Bovieran, PFA, Danica Pension, Freja Ejendomme, and Tetris A/S.

PRIORITY 4

RETENTION OF SKILLED EMPLOYEES IS VITAL TO OUR SUCCESS



DEAS' success relies on skilled employees who thrive and grow. They form a basis for us to be able to implement our sustainability initiatives. That is why, we give high priority to community, dialogue, and competency development in the coming year.

In our recent annual employee survey, employee satisfaction was consistently high. Among other things, high job satisfaction, good relations between managers and colleagues, and a positive culture full of trust and recognition were pointed out.

Dialogue, development, and mental health

We also make room for improvement in terms of e.g. collaboration across the organisation, work life balance as well as professional and personal development.

That is why, we are launching more initiatives in the coming year, including:

1. **We increase cross-disciplinary collaboration and dialogue** by means of onboarding programmes for new employees, department meetings involving other units of our business, and increased focus on networking internally in DEAS.

How we act

ACTIVE CONTRIBUTION

In 2021, it is our ambition that all employees are familiar with DEAS' strategy and priorities regarding sustainability. This will help them better understand our joint journey so that they can contribute actively in the collaboration with clients, residents, and tenants.



WHAT WE DO

Operations managers develop sustainable ideas

DEAS employees want sustainability to be a part of their day-to-day work, and they continuously try to find new ways to make it happen. This is confirmed in both our survey on employees' expectations for sustainability in DEAS and ongoing conversations on this subject.

However, it can be difficult to integrate sustainability into day-to-day work. For some, a new mindset is needed. For everyone, it is a gain when new sustainability ideas are realised jointly.

The ambition for increased sustainability is expressed among our employees working with operation of buildings. They carry out a wide range of fixed tasks

on the to-do list every day, and sustainability is not always a self-written part of that list.

Therefore, we have made 40 operations managers the key persons in a test of a new way of exchanging ideas. In spring 2021, they will test whether they can develop sustainable ideas together in day-to-day operations. The development process takes place on the digital platform Trello, where everyone can contribute with ideas of any kind. Everyone is able to comment and be inspired by each other.

The most promising initiatives are selected and then given the opportunity for further development.



Sustainability is not just an idea that management of DEAS has come up with – it is gaining strength among our employees on a day-to-day basis. We feel that they take on the responsibility and are proud of our joint efforts for sustainability.”

Iben Rindom, Head of HR, DEAS

2. We work with strategic health, where both physical and mental issues must be embraced. As an example, we have launched DEAS Fitness – a virtual workout for everyone twice a week. It fosters both physical well-being and a sense of solidarity, despite the fact that the employees are at home or in different locations.

3. We make internal career paths and development opportunities more transparent so that all DEAS employees can grow professionally and personally. We do this, among other things, by further boosting competency development and training within sustainability at our DEAS Academy.

residents, and tenants, and that they want to take an active part in our strategic prioritisation of sustainability. For example, they express that working with sustainability can strengthen the cohesion within the organisation. That sustainability can attract clients. And that it makes DEAS an attractive workplace with meaningful tasks.

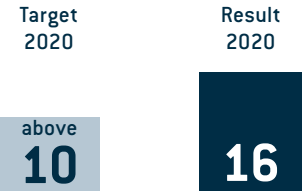
The support of our employees is crucial because they are key in our sustainable transformation. They are the ones who meet our clients, tenants, and other collaborators every day, calculate carbon footprint, inform about new initiatives, purchase and use eco-friendly products, implement new solutions such as waste sorting, smart energy management and so on.

Employees embrace sustainability

In connection with the development of DEAS' new sustainability strategy, our employees were invited to share their views on sustainability via a questionnaire. The answers show that our employees are proud of the efforts we in DEAS make together with our clients,

Sustainability is also of benefit to our employees with focus on a healthy and safe working environment.

Employee satisfaction



Employee Net Promoter Score [E-NPS] is measured from -100 to +100 and is the ultimate measure for whether to recommend DEAS as a workplace to others.

4.9 days sick leave



Sickness absence on average per headcount. The figure includes both long-term and short-term illness as well as the child's first sick day of illness.

11 incidents



The accidents have occurred in relation to operation of properties. These are primarily fall accidents, and only 2 have been absent for more than 14 days. Our goal is 0 accidents at work.



PRIORITY 5

WE PROMOTE SUSTAINABILITY THROUGH COLLABORATION



We actively seek collaboration and partnerships to make our experience available, participate in development projects and learn from others in relation to the sustainable transformation of DEAS.

A long history of property management and asset management has provided DEAS with experience and knowhow to contribute to a sustainable development of society. We believe that experience comes with commitment. That is why, we bring in our knowledge and experience from all parts of the organisation into both strategic and simplistic initiatives and partnerships.

Both strategic and simplistic

A strategic example is the collaborative project Energispring. It involves major property owners, property managers, and interest groups in a joint collaboration reducing energy consumption in managed buildings. Here and in other development projects within, among other things, facility management, proptech and energy improvements, we take advantage of our experience – taking on board valuable knowledge.

A simplistic example shows that the good solutions often originate from dialogues with clients regarding their requirements. Together with a client, we have developed

How we act

PARTNERSHIPS

DEAS is engaged in a number of forums and projects of both a strategic and practical nature.



WHAT WE DO

Energy screening in collaboration with BetterHome doubles the gain

In 2020, we entered into a collaboration with BetterHome, owned by Danfoss, Grundfos, and Rockwool, with a view to screening cooperatively owned housing and owners' associations for possible energy improvements.

We identify both climate and financial gains from these screenings – and that combination is in demand; Only half a year into the collaboration, we have completed 900 energy screenings. On this basis, more than 90 associations so far have ordered a physical inspection of the property, after which the specific improvement options are prepared.

In 2021, we will expand our partnership with BetterHome to also accommodate private investors and their more than 300 properties throughout the country.

"We expect that a large number of our association clients will seize the opportunity to have the much-needed energy improvements of the properties carried out. We trust that our collaboration with BetterHome and knowledge of each association's general situation will make them feel well supported during the entire process."

Jesper Moe, Vice President, DEAS.



We must act in unison to solve society's sustainability challenges. That is why, we actively enter into collaborations and make our knowledge available, wherever it is useful."

Hans Andersen, Head of Department, DEAS

a new way of maintaining outdoor areas, where parts of the outdoor area are left running wild. This leads to savings for the client and at the same time fosters good conditions for biodiversity. Focus on biodiversity is something that clients, residents, and tenants are increasingly requesting.

The examples are just two out of many and show different ways for how we can offer improved sustainable property management and asset management. The common element is that the solutions must be developed in collaboration.

We lead the way in industry forums

For DEAS, collaboration is also a force for involvement in a number of industry forums. For example, in EjendomDanmark, the Danish Facility Management

Network, and Elforsk, where we can leave a sustainable footprint. Within the framework of the Service Industry Employers' Association (SBA), DEAS has also been involved in developing the industry's Service Standard. It ensures that the following subjects are kept track of:

- Financial certificates
- Level of quality
- Environmental aspects
- Working environment
- Working conditions
- Education and training
- Subcontractors of the companies that are awarded the guarantee label.

The Danish Standard regularly checks that the members comply with all requirements in the Service Standard.

DEAS is engaged in a several forums and projects, among them:





WHAT WE DO

Procurement policy and ethical rules for suppliers – of course!

DEAS collaborates with a range of subcontractors who assist us in carrying out our work and tasks in relation to management and operation of properties. This applies to craftsman companies, service providers, manufacturers, consultants, and contractors. We also purchase goods and services for properties on behalf of our clients.

We take responsibility and set requirements for the basic manufacturing and working conditions that applies to all parts when we purchase a product or a service. This is implemented in a structured way through our procurement policy and our code of conduct for suppliers, based on ILO conventions which ensures that we protect human rights and prevent child labour, discrimination etc.

DEAS's suppliers are obligated to comply with a variety of ethical, social, and environmental requirements. The code is an integral element of the working relationship and must be complied with by all parties, as it sets the framework for how our employees are to act. In the event of serious or repeated negligence, we reserve the right to terminate the relationship. We continuously follow the relationship with our suppliers and adjust it if needed.

In 2020, we have continued to work towards reducing the number of suppliers, so that we ensure a uniform service, the best possible agreements and, of course, the respect for our code of conduct. In 2021 we will continue our structured effort.



CASE

Technology and data collection will be a more integral part of the future shopping centre

In the spring of 2020, all shopping centres throughout Denmark faced a huge challenge. The implication of the government's corona restrictions was that the centres had to comply with strict requirements in terms of limiting crowds and avoiding the spread of infection among the visitors.

To deal with this challenge, DEAS tested an innovative camera solution in City2 based on IoT technology together with Danske Shoppingcentre; The technology registers concentrations of visitors, fully anonymised, in the form of heatmaps showing where areas incite gathering. Based on this, information about restrictions, safety, etc. can be enforced. The increased use of data collection is of course fully in compliance with the visitors' data security providing an even higher level of safety and a good client experience.

IoT technology is also used to develop more intelligent re-investment plans for critical installations in the shopping centre. That is why, it is possible to make the investments last longer, so that the client experience, security and operating costs are taken into account within the established framework.

ESG KEY FIGURES

This overview presents ESG key figures (environmental, social, and governance data) for DEAS Group in 2020. This is the first time that DEAS makes ESG key performance indicators public. This is to create transparency for our clients, tenants, employees, and other stakeholders. Also, because we want to be challenged on our sustainable development and our prioritised objectives when working with sustainability in DEAS. In the coming years, we will continue to work on qualifying our ESG key performance indicators.

Environment			
	Unit	Target	2020
ESG key figures – DEAS			
CO ₂ e – Scope 1	Tonne	0 in 2030	396
CO ₂ e – Scope 2	Tonne	0 in 2030	141
Energy consumption	GJ	10% reduction in 2025	4,239
Water consumption	m ³	10% reduction in 2025	3,179
Yearly food waste	Kg	10% reduction in 2025	5,438
Share of certified office facilities	%	100	33
ESG key figures – properties managed by DEAS			
Weighted average - energy labelling	1-7 (A-G)	3 (C) in 2025	3.26 (among D og C)
Share of certified square metres managed by DEAS	%	10 in 2025	3
Share of turnover from certified square metres	%	10 in 2025	2.3
Properties with energy management	%	50 in 2025	26
CO ₂ emissions	Kg/m ²	10.5 in 2025	11.92

Social			
	Unit	Target	2020
ESG key figures – DEAS			
Number of employees	Headcount	Not relevant	831
Fulltime workforce	FTE	Not relevant	695
Employee satisfaction	E-NPS	More than 10	16
Gender diversity	% women	50	47
Gender diversity, executive and other management level	% women	50	28
Sick leave	Days/Headcount	5	4.9
Accidents	Incident	0	11
Paid taxes	DKKm	Not relevant	256.5
- hereof corporation taxes	DKKm	Not relevant	13.5
- hereof VAT	DKKm	Not relevant	132.9
- hereof A-tax	DKKm	Not relevant	110.1
Satisfaction with DEAS, cooperatively owned housing and owners' associations	NPS	50	31
Satisfaction with DEAS, residential tenants	NPS	15	8

Governance			
	Unit	Target	2020
ESG key figures – DEAS			
Gender diversity of the Board	% women	50	0
Attendance at board meetings	%	95	95
Corruption and money laundering	Number of reported breaches	0	0
GDPR	Number of data breaches	0	6

NOTES

Further explanation of data and results for selected ESG key figures are listed below.

Food waste: The statement includes DEAS' largest canteen in Flinholm Company House.

Share of certified office facilities: Today one out of three office facilities hold a certification construction. DEAS' office at Flinholm is BREEAM certified and a DGNB certification is expected during the first quarter of 2021.

Share of certified square metres managed by DEAS: The statement covers square metres managed by DEAS that are certified with a recognized sustainability labelling, e.g. DGNB, The Nordic Swan Labelling, BREEAM, and LEED.

Share of turnover from certified square metres: To focus on sustainable and certified properties, DEAS measures the share of turnover derived from certified square metres. In 2020, it was 3% of managed properties. Concurrently with the increase in the number of certifications, the share of DEAS will increase while DEAS actively supports clients get started with certifications.

Properties with energy management: 320 properties have joined the energy management scheme in DEAS. In total 2.7m sqm.

Employee satisfaction: Employee Net Promoter Score (E-NPS) is measured from -100 to +100 and is the ultimate measure for whether to recommend DEAS as a workplace to others.

Gender diversity, executive and other management level: This includes executive management DEAS' management level 2, in total 21 individuals. Further information can be found in DEAS' annual report 2020.

Sick leave: Included are sickness (paid), child's first sick day, flex-job sick, long-term sick leave, and clause 56.

Accidents: 11 incidents were reported in 2020 related to operation of properties. It is primarily fall accidents. Out of the 11, five have been absent for less than a day, four have been absent for between 4-6 days, and two have been absent for more than 14 days.

Paid taxes: In 2020, DEAS Group (DEAS Holding Group) paid DKK 13.5m in corporation taxes. In addition, DEAS Holding Group contribute to society through dues and other indirect taxes, including VAT and A-tax. DEAS Group (DEAS Holding Group) does not have companies in other countries than the Nordics (Sweden, Norway, Finland, and Denmark) and does not engage in extraordinary activities to reduce or avoid tax payment.

Satisfaction with DEAS: Among other things, we measure clients' and tenants' overall satisfaction with DEAS. This is carried based on the method Net Promoter Score (NPS). NPS is measured from -100 to +100 and is used as an expression of satisfaction.

Gender diversity of the Board: This is further explained in DEAS' annual report 2020.

Anti-corruption, money laundering and bribery: At any time, our clients must absolutely trust in DEAS as business partner with no doubt about our orderliness and credibility. This means that we do not engage in business activities if they can reasonably be assumed to influence business dispositions, do not fall within the scope of normal business practice, or are prohibited with reference to legislation in force. Our employees, both administrative and caretakers, are not permitted to receive gifts from suppliers. If a supplier wishes to express appreciation for our collaboration (for example, in conjunction with Christmas), we instead encourage them to make a contribution to a charitable cause. Any gifts received are returned due to our desire to have strict clear professional boundaries between DEAS and our suppliers. If we hold a reception to mark an anniversary, for example, it is permitted to receive gifts at a reasonable level. Similarly, we also have firm guidelines describing the cases where we give gifts to external business associates in connection with their receptions, anniversary events, etc. Our guidelines are described in detail in our "Supplier Code of Conduct", which can be found on our webpage. As a result of our effort, there has been no reported incidents in 2020. In 2021 we continue our structured effort.

GDPR: DEAS has a set of procedures for GDPR data breaches, and in June 2020, training was conducted in this area. In 2020, a small number of data breach cases were registered in DEAS Group. The level is assessed quite low compared to the type of complex business DEAS is.

Whistleblower scheme: As part of our supervision, DEAS employees have the opportunity to anonymously report suspicious breaches via a whistleblower scheme. In 2020, one reported incident was investigated and completed without further need for follow-up or actions.

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