



Fabege

SUSTAINABILITY REPORT

2023

Fabege is a property company and urban developer that takes a comprehensive approach via solutions in response to constantly changing needs. The whole person, the whole company, the whole location. The whole time.

# Contents

Comment from the CEO.....	3
Fabege´s sustainability work.....	4
Sustainability through the year.....	5
How to achieve the sustainable city.....	6
Our focus areas.....	7
Districts.....	8
Properties.....	11
Employees.....	15
Supply chain.....	17
Financing.....	19
Customers.....	21
Business ethics.....	22
Sustainability targets.....	23
Sustainability notes.....	25
Management of material sustainability topics.....	27
Our stakeholders and impact.....	29
TCFD.....	30
Sustainability indicators in accordance with EPRA.....	32
EU taxonomy.....	34
GRI index.....	39
Auditor´s report.....	42

All page references in this report refer to the Annual Report 2023.



Cover photo: Ackordet 1, Haga Norra. Image on this page: Some examples of materials used in building Ackordet 1, where we placed great focus on circularity with conscious material choices and reuse in order to reduce the CO<sub>2</sub> footprint. Ackordet 1 is Sweden's largest project with recycled brick to date.

# Continued ambition to be in the lead with our sustainability work

Higher market interest rates, high inflation and lower growth are placing increasing demands on property companies. At the same time, it is becoming more important to adopt a circular approach and focus on cost and energy efficiency. This applies from a purely financial perspective to us as a company, but we are also driven by increased demand from our customers and other stakeholders.

Sustainability has long been at the heart of everything we do, and it is an important element in driving business development. I am very proud of the work we are doing and have achieved in all areas of sustainability. The fact that all employees are involved in one way or another means a great deal, and it is a vital task in building a strong and profitable company.

All our project properties and investment properties have been BREEAM-certified since 2019. This year, our Ackordet 1 property in Haga Norra also won the BREEAM Building 2023 award. The award is given to properties that are leading the way in sustainability. The property is currently Sweden's largest recycled brick project. Reuse is something that is close to our hearts, and during the year Faberge launched a reuse hub as part of our reuse strategy. For major renovations, our target is for the circularity index to be 20 per cent, which is an important step towards achieving our goal of being carbon neutral by 2030. We have received extremely valuable and positive feedback on

our work with hållbarhetshuset (the sustainability house) and the reuse hub. The Nasdaq Green Equity Designation, which we received at the end of 2023, is further proof of our targeted work in areas such as climate impact, environmental certifications, energy efficiency and green financing. The aim is to ensure greater visibility for investors seeking sustainable investments. To create attractive neighbourhoods, it is important that we invest in wellbeing and safety. We dedicate much of our time to areas such as security measures, general living environment and outdoor settings.

I feel it goes without saying that as an industry we should be making a positive contribution to social development in the areas in which we operate, including location development and the physical environment, but also via social engagement in cooperation with other stakeholders and operators. This ultimately leads to better and more attractive neighbourhoods, lower costs and higher revenues. We have a considerable number of social initiatives that we implement and invest in aimed at improving conditions for education, leisure, health and work. The starting point is cooperation and collaboration in our neighbourhoods. For example, we need to talk to – and not about – the people who live and work in our various districts. Because at the end of the day everything is about people; properties are tools for people to work and live in.

**Stefan Dahlbo**  
President and CEO

**“You are not here merely to make a living. You are here to enrich the world.”**

WOODROW WILSON



# Fabege's sustainability work

Sustainability has long been integrated into our business model and overall strategy. Our sustainability work has a holistic perspective, owing to our focus on well-defined districts. We collaborate with our partners at an early stage to support the development of a safe and appealing city that also focuses on sustainable construction with a reduced carbon footprint, energy efficiency and an emphasis on wellbeing.

We want to make a difference in the neighbourhoods in which we operate, and we work hard to create an attractive and sustainable urban environment for all our stakeholders. In 2023, we continued to work according to our sustainability strategy while beginning the process of preparing for new sustainability reporting rules. We have initiated a materiality analysis with double materiality according to the new EU directive CSRD and the reporting standard ESRS, both of which apply to us as of the financial year beginning 1 January 2025. Our overall goals of achieving carbon neutral property management (Scopes 1 and 2) and halving our indirect carbon footprint (Scope 3) per GFA by 2030 remain unchanged.

At the end of the year, we opened our new reuse hub in Solna, which is a cornerstone of our efforts regarding circular material flows, resource efficiency and reduced climate emissions. Our work on energy efficiency has progressed during the year, which, among other things, resulted in us reducing electricity consumption by 10 per cent in the winter of 2022/2023. For a building in the

**“We are well-equipped to continue to drive our sustainability strategy forward, satisfy increased expectations and new regulations, and achieve our goals.”**

MIA HÄGGSTRÖM, HEAD OF SUSTAINABILITY

Haga Norra district, we have succeeded in reducing the carbon footprint by 25 per cent, achieved the highest BREEAM certification of Outstanding, received the BREEAM Building of the Year 2023 award, and received the PQi – Excellent Project Quality award.

An important aspect of the work in our districts is our social roadmaps, which we develop alongside our partners, focusing on safety and comfort, employment,



health and wellbeing. During the year, Fabege won the City of Solna's CSR Award 2023 with the comment: "A company that has made a valuable contribution to job-seeking Solna residents through social responsibility." At the end of the year, we applied for and were

awarded the Nasdaq Green Equity Designation. The green share transparently discloses the company's climate impact, with the aim being to ensure greater visibility for investors seeking sustainable investments.

## Long-term approach to sustainability

- Science Based Target since 2020
- 100% green financing
- GRESB – highest rating among listed companies in Northern Europe in 2023
- 100% environmentally certified investment property portfolio
- Reuse hub opened in 2023
- Approved green share on Nasdaq – Green Equity Designation 2023

# Sustainability through the year

## Continued top ranking in GRESB

With 93 points in the investment property portfolio and 98 points in the project portfolio, we received the highest rating of 5 stars and were ranked first in the office sector among listed real estate companies in Northern Europe.



## Ackordet 1 in Haga Norra named BREEAM Building of the Year at Sweden Green Building Awards

The winning project has focused actively on reducing carbon footprint, cutting the building's energy use, innovation in reuse and the choice of circular and climate-smart materials.



## Fabege has Sweden's most attractive office

The magazine Fastighetssverige named our local office in Solna Sweden's Most Attractive Office 2023. Out of 85 offices and 48,300 votes, we won with a pioneering concept characterised by reuse, creativity and innovation.

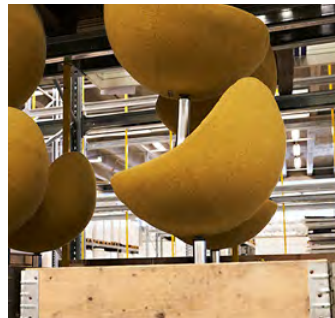


## Fabege is one of Sweden's best workplaces

We are extremely proud that we have advanced to 20th place among Sweden's Best Workplaces™ for medium-sized organisations in Great Place To Work's annual employee survey, with a Trust Index score of 88.

## CSR company of the year according to City of Solna

The CSR Award is given to companies that have made a valuable contribution to job-seeking Solna residents through social responsibility.



## Reuse hub in Solna Business Park

The reuse hub is an important cornerstone of Fabege's reuse strategy and contributes to our goal of halving CO<sub>2</sub> emissions from construction projects per GFA by 2030.

## Green share

We were awarded the Nasdaq Green Equity Designation. The green share transparently discloses the company's climate impact, with the aim being to ensure greater visibility for investors seeking sustainable investments.



We are at the forefront of our industry, owing to our proactive and bold strategic decisions. We were the first of all the Swedish property companies to achieve 100 per cent green financing, and we were the first in the Nordic region to take out a taxonomy-adapted loan. We have ambitious goals for 2030, and by continuing to adopt forward-looking measures, we are confident we will achieve them.

## 2010–2023

- We have been supporting the UN Global Compact since 2010.
- BREEAM-SE and BREEAM In-Use certification for all investment properties.
- Code of Conduct introduced for suppliers.
- 100% electric service vehicles since 2017.
- 96% reduction in carbon footprint (Scopes 1 and 2) since 2002.
- Climate targets validated by the Science Based Targets initiative (SBTi) 2020.
- First Swedish property company to achieve 100% green financing.
- First in the Nordic region to take out taxonomy-adapted loan.
- Green leases were launched in 2011, and in 2023 we achieved green leases for 96% of newly signed space and 91% of total space.
- Reduction of energy use from 166 kWh/sqm Atemp (2010) to 71 kWh/sqm Atemp (2023).
- Persistently high ranking by GRESB.

<sup>1</sup> sqm Atemp. Atemp is the total internal area for each floor, loft and basement that is heated to more than 10°C.

<sup>2</sup> Proportion of reused construction material of total amount of construction material supplied in 27 projects that have undergone a carbon footprint calculation.

## 2023

- Energy performance 71 kWh/sqm<sup>1)</sup>
- Environmental certification 100%
- Circularity index 13%<sup>2)</sup>

## Goals for 2025

- 20% reduction in carbon footprint per sqm of GFA compared with 2019 (Scope 3).
- Measures from results of climate resilience analyses implemented at all properties.

## Goals for 2030

- 50% reduction in carbon footprint per sqm of GFA compared with 2019 (Scope 3).
- Carbon neutral property management (Scopes 1 and 2).

# How to achieve the sustainable city

We take significant responsibility for the whole picture. We work broadly with climate issues, contributing to improved health, wellbeing and safety in our neighbourhoods. By linking green finance to sustainability-certified buildings and investments, we are realising our strategy and creating long-term sustainable growth. Meanwhile we aim to bring interesting and unexpected elements to everyday life, creating life between the buildings, taking an active role and considering the whole location. The whole time.



## 1. Construction

The biggest environmental impact at this stage is in the production of building materials. Cement production releases a lot of CO<sub>2</sub> and the associated lime mining affects ecosystems and water supply. Our indirect and actual impact is minimised via circular material flows, and by choosing materials with a lower carbon footprint. Socially, we counteract a potentially negative impact through our supplier audits, which look at safe working conditions and human rights.

## 2. Use

Operating energy for premises accounts for a large part of Sweden's climate impact. We are reducing our direct and actual impact through energy efficiency, locally produced renewable energy and a fossil-free service car fleet. Our buildings are our customers' working environment and we have an impact here on health, mobility and energy use that is both direct and indirect.

## 3. Urban development

Our buildings are part of the physical and social environment of the city. By actively working with other stakeholders, we can indirectly contribute to a safe urban environment and a balanced energy system. Through our urban development, we influence the development of society, where our commitment extends beyond buildings to include the location, the facilities, the environment and the people.

## 4. End-of-life and recycling

At the end of a building's life, the handling of demolition and building components has an environmental impact. We aim to minimise our direct and actual impact through reuse and recycling.

# Our focus areas

Our principal stakeholders are customers, employees, creditors, shareholders and analysts, suppliers and municipalities in which we operate. Through continuous dialogue with our stakeholders and based on the 17 UN Sustainable Development Goals (SDGs), we have defined the most significant issues for our business based on our impact on the environment and society in seven focus areas. Our work has an impact on all the SDGs, but we recognise that there are strong synergies between the goals and therefore focus more on six goals that represent the most significant challenges for our business: goals 3, 7, 9, 10, 11 and 12. Our ambitious sustainability work has led to activities linked to several of the SDGs now being integral elements of our business processes.



## City districts



## Properties



## Employees



## Supply chain



## Financing



## Customers

### Material topics

- Energy system
- Living conditions in the local community
- Equal opportunities
- Education
- Meaningful leisure time
- Safety

- Energy use
- Greenhouse gas emissions
- Waste

- Good health
- Security
- Diversity and gender equality
- Greenhouse gas emissions

- Review of supplier sustainability, including environment and human rights.

- Green financing

- Good health
- Security
- Indoor environment
- Energy use
- Greenhouse gas emissions

### Agenda 2030



### Examples of objectives and activities

- Sustainability programme for each district project.
- Focus on social sustainability in the development of the district environment.
- Site cooperation with other stakeholders.
- 100% renewable energy purchased.


- Carbon neutral property management (Scopes 1 and 2) and halving of indirect emissions (Scope 3) per GFA by 2030.
- 100% environmentally certified property portfolio.
- Energy performance below 70 kWh/sqm Atemp by 2025.
- Circularity index 20% for major renovations.

- Low sickness absence.
- Confidence rating >90%.
- Health and safety training for managers and staff.

- 100% sustainability screening of framework agreement suppliers.
- Systems for monitoring compliance with the Code of Conduct.
- Safeguarding human rights and environment via workplace inspections during projects.

- 100% green financing.
- Sustainability-linked loans and bonds.

- 100% green leases.
- CSI rating of at least 80.
- Over 150 in-depth customer dialogues.
- Health-certified workplaces.




**Business ethics**

**Material topics**

- Anti-corruption
- Tax

**Examples of objectives and activities**

- Annual training in our Code of Conduct.
- All framework agreement suppliers and contractors sign our Code of Conduct for suppliers.
- Whistleblower function, which can be used by external and internal parties anonymously to report suspicions of unethical conduct.
- Transparent and open accounts of the Group's total tax burden.



Focus area – Districts

# District development is an essential part of our business

We want to be a driving force in the development of a sustainable city and take far-reaching responsibility for the development of the neighbourhoods in which we own a substantial amount of property.

For us, district development means taking responsibility for the whole picture, from working on acquisitions and local development plans to improving the physical environment, and also social initiatives. A clear sustainability strategy for our property portfolio, with holdings grouped in clusters, enables us to have an impact on development. Long-term planning and collaboration with customers, municipalities, the business sector, entrepreneurs and public transport enable us to take an active role in developing the Stockholm region.

### Governance and responsibility

Our work on the development of our districts is based on our sustainability and environmental policy and the sustainability goals we have set for both the short and long term. In addition, our Code of Conduct, procurement and purchasing policy and security policy are important steering documents in our work.

### District strategy and social sustainability

Our work in the districts is conducted within the framework of our urban life strategy, which also includes a social sustainability plan. We focus mainly on certification, climate, life between buildings (parks, biodiversity) and street level (services, shops and restaurants).

To ensure long-term value growth in our districts, we have linked social sustainability to business operations. We conduct social location analyses and develop a social roadmap. Our focus is on dialogue and collaboration, physical urban planning and social engagement.

The aim is to achieve safety and comfort, employment, health and wellbeing and accessible housing. Most of our activities are aimed at children and young people.

### Reduced carbon footprint drives mobility

A considerable proportion of our customers currently opt to use public transport, and our district choices are also determined by proximity to public transport.

We work with the CERO process tool, which aims to reduce the carbon footprint from travel to and from our properties. According to the latest travel habits survey among Solna Business Park employees, as many as 91 per cent travel sustainably to and from their workplace. In Arenastaden, the corresponding result is 80 per cent. Together with companies in Arenastaden, the municipality, Keolis and MTR, we have a network that has now developed a new plan of action to increase the proportion of sustainable travel. The planned measures include the continued roll-out of locations for charging electric vehicles, improved cycle paths, new and/or improved public transport connections and an extended



Ackordet 1 in Haga Norra on the right of the picture.

### In brief

#### Material topics

- Energy system
- Living conditions in the local community
- Equal opportunities
- Education
- Meaningful leisure time
- Safety

#### Target

- Contribute towards keeping global warming under 1.5 degrees.
- Focus on environment, climate and social sustainability as we develop the physical environment for life in our districts.
- Make a difference in the districts in which we operate and focus on children and young people.





Focus area – Districts cont.

range of sharing services for electric cars, electric mopeds and electric bikes.

We have seen an increased demand for both parking spaces and charging points for electric cars. We are continually installing new stations for charging electric vehicles both at properties and in street environments to make it easier for our customers’ employees to travel more sustainably. In 2023, we expanded the number of sites and can now offer 2,400 charging points.

We are also driving the development of mobility hubs offering sharing services for cars and bikes, as well as dry cleaning, food deliveries and similar services.

**Future-proof electricity supply**

Demand for electricity has seen a sharp increase in recent years, especially in the Stockholm region, and it will continue to rise going forward. Strong growth and substantial developments, together with increased electrification in the wake of the transition to a fossil-free society, have put increased pressure on the grid. There is therefore a need to ensure electricity generation capacity as well as demand flexibility to avoid power shortages, and to ensure that investments in the electricity system are used efficiently. Here at Fabege we can be on board and help reduce the load, and thus future-proof the grid. Optimising our power output has been a priority for us for many years, partly from a cost perspective but mainly in terms of our goal of reducing our carbon footprint. That’s why we’re connected to sthlmflex, a research project in which Svenska Kraftnät and grid owners Ellevio and Vattenfall have teamed up to test a flexibility market in Stockholm. In simple terms, it means that electricity

**“Through Urban Services, we jointly transport, fossil-free and quietly, goods and waste in and out of Arenastaden.”**

users, producers, businesses and households, through more flexible use, help minimise the risk of bottlenecks in the grid during periods of high demand.

In addition to our work on electricity, we have been working for a long time on the power outputs of our other energy sources. One area where we have made progress is in limiting the cooling power in all our buildings to even out cooling demand. We also balance our heating needs.

**Security measures**

An important issue for us is for our districts to feel like safe places to spend time in, and we work in a structured way with safety and security issues. The design of the physical environment has a significant impact on how we live our lives and manage the districts, and how activities during the day and evening contribute to our safety. Therefore, we want to create the conditions for a good and mixed offer of residential units, workplaces, services, culture and recreation in our districts.

Lighting, light and lighting design also play a role in how a place or neighbourhood is perceived, and our

**Working together to create safe and attractive areas with a focus on education, leisure, health and work**

**Examples of initiatives**

- BID Flemingsberg (Business Improvement District)
- Local sports clubs such as H.A.N.G
- Pep Parks
- Cooperation with Changer’s Hub
- Support for Stockholm City Mission
- The Läckhjälp foundation
- Street Gallery
- TalangAkademin in Huddinge



*Sustainable travel and transport in Solna Business Park.*

## Focus area – Districts cont.

agenda extends to everything from public transport to public art. The aim is for our districts to feature and be designed according to three principles:

1. Attractive street environments that enhance the sense of community, belonging and safety.
2. A thriving district in the evenings and on weekends as well.
3. Varied and playful lighting and lighting design.

As safety and security are paramount, our operations centre can receive and respond to fault reports and alarms on a 24-hour basis. This is a service that is gradually being expanded as more properties are directly connected to shell protection, fire alarms and sometimes via cameras.

### Social and cultural values a priority

Our initiative, 'Life between buildings', is a way of creating an attractive streetscape through public art and culture, involving the creative talents of both established artists

### Citizen dialogue

Maintaining a continuous dialogue with the residents of the neighbourhoods in which we operate is important, both in urban planning in general but especially in the context of the local development planning process. Once we have applied and received permission, the municipality produces a draft plan and there is a consultation period for interested parties to submit comments. The consultation includes us as a property owner, and stakeholders such as the county administrative board and local government authorities, as well as tenants. Usually, the municipality convenes a consultation meeting and, if there are reasons, they can amend the draft plan to take account of the comments made. The draft plan will then be sent out for public consultation, giving tenants and other interested parties another opportunity to have their say on the proposal.

## “Co-creating art achieves identity-building environments and wellbeing.”

and local school children. One example is the Street Gallery art exhibition in Solna Business Park, where promising artists are being given the opportunity to display their work in street environments as well as Solna Live Park, a stage for both established and new artists.

When the Swedish Royal Opera's and Royal Dramatic Theatre's studios in Flemingsberg are completed in 2024, we will work together with schools in the neighbourhood through the Royal Opera's activities for children and young people (Unga på Operan) to give more children and young people access to the Royal Opera's art forms.

### An inclusive and healthy city

We want to help ensure that everyone living in our districts has the conditions for good health and wellbeing. The districts should encourage activity and, in addition to building cycle paths and planning footpaths, we want to enable gyms and fitness centres to get established. We also create green spaces and other meeting places that can contribute to improved public health and a more attractive urban space with less car traffic. An example of inclusive street environments that promote diversity and encourage physical movement is the Pep Parks concept. These are activity parks designed for all ages and that have been developed as part of a collaboration between Fabege, Generation Pep and the City of Solna.

The emergence of Flemingsberg as an attractive neighbourhood is important for the development of the Stockholm region. Several initiatives have been carried out under the remit of BID (Business Improvement District) Flemingsberg, which is a method of collaboration focusing on schools, leisure and job-creation activities. These initiatives have included free leisure activities for children and young people, the construction of a tobogganing slope, new pedestrian crossings, improved lighting, night patrols and measures to make Flemingsbergshallen more accessible for young people. We have also organised a music festival to engage young people in the area.

Furthermore, we are running a project jointly with



*Young people added colour to the bridge pillars underneath Regulatorbron in collaboration with the artist collective Streetcorner, during the Flemingsberg Block Party.*

Huddinge Municipality and Södertörn University called Flemingsberg: Inclusive and cohesive urban environment. The project, which was launched in 2021, is funded by Vinnova and focuses on creating an inclusive urban environment where people living and working in the area are involved in its future development.

### Value-creating collaboration on site

Successful collaboration enables us to create brand new opportunities for ourselves and our customers. Cooperation between businesses, municipalities, education establishments, clubs, cultural life and citizens is of paramount importance. We want to make a difference in our districts and contribute to positive societal development through partnerships. In addition to Generation Pep, we

also work with the Childhood Foundation, which promotes children's right to their childhood, and the sports associations AIS Friidrott and AIK, with a primary focus on young people in Huddinge.

To support more children's schooling in Flemingsberg, we have been the main sponsor of the educational foundation Låxhjälp since 2021. The aim is to help more pupils in Flemingsberg achieve upper secondary school entrance qualifications and forge personal contacts with university students.

Since 2020 we've been involved in collaboration with TalangAkademin to create more internships and jobs. Via a social clause in our framework agreements, some 20 suppliers have so far signed up and several have taken on trainees.

Focus area – Properties

# Climate front and centre

We are a leading property manager in the Stockholm region with our 100 properties. All properties must be environmentally certified, and we are aiming for carbon neutral property management and to cut our carbon footprint by half in our construction projects.

We are committed to reducing our carbon footprint and energy consumption in the long term. Our work covers everything from resource optimisation, climate-smart material choices and sustainability certification of buildings, to digitalisation and health. We focus both on our properties under management and on our construction projects, which include commercial and residential units.

Reducing our climate impact and energy usage are two of our most important sustainability issues. According to the Swedish Environmental Protection Agency, homes and premises account for more than a third of Sweden's total end-use energy consumption. This, combined with a strained energy market, has led us to intensify our work on energy efficiency, with a particular focus on digitalisation and our internal processes in order to work smarter and more data-driven.

We environmentally certify all investment properties according to BREEAM In-Use with the ambition of achieving Very Good, and new construction projects according to BREEAM-SE with the goal of achieving Excellent. Our new-build project Ackordet 1 in Haga Norra was awarded the BREEAM Building of the Year 2023 award, which recognises properties that inspire and lead the way in terms of sustainability. The project has also achieved BREEAM's highest rating of Outstanding. The property is currently Sweden's largest recycled brick project.

Achieving our climate and energy goals will require a major transition and we understand that a lot of work lies ahead. But we see opportunities to work closely with industry, partners and customers to identify the most effective solutions and promote innovation in everything from material selection and reuse, to electrification and energy efficiency. We have signed Fossil Free Sweden's roadmaps for both the heating sector and for the building and construction sector.

### Governance and monitoring

Our sustainability work is based on our sustainability and environmental policy and the sustainability targets we have set for climate and energy use. These in turn are aligned with the 17 UN Sustainable Development Goals (SDGs). The targets are supported by our refrigerant policy, energy strategy and CO<sub>2</sub> calculation guidelines. We continuously monitor resource and energy use, certifications and climate calculations.

The Head of Sustainability, who as of 2024 is a member of the Executive Management Team, leads sustainability work in the organisation. The work is driven by the Sustainable Development Department and a cross-functional sustainability team covering areas such as environmental impact, social responsibility, energy strategy, sustainable property and urban development, sustainable supply chain and compliance issues. Responsibility

for implementation rests with the line organisation. The Head of Sustainability is also responsible for strategic work on the sustainability programmes of the districts.

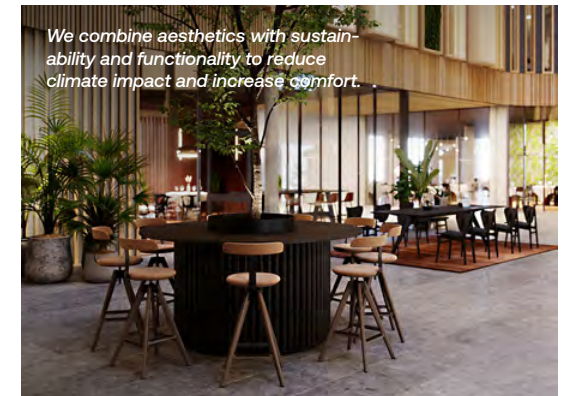
The Board of Directors bears overall responsibility for the sustainability strategy and the follow-up of our work on sustainability. The CEO and the Executive Management Team bear overall responsibility for implementation of the sustainability strategy. Overall objectives are approved by the Executive Management Team and adopted at Board level. The Head of Sustainability reports annually to the Board of Directors.

### Reduced carbon footprint

#### The route to carbon neutral property management

To support the company's desire to adjust operations to help achieve the 1.5-degree target according to the Paris Agreement, in 2019 we linked up with the Science Based Targets initiative (SBTi) and agreed on a climate goal, according to the framework of that time, which was also validated. The SBTi goal is to halve Scope 1 and 2 emissions by 2030 at the latest, with a base year of 2018, and a commitment to measure and reduce our Scope 3 emissions. But our ambitious climate goal extends beyond this to include a commitment to cut Scope 3 emissions per GFA by half. The ultimate goal is for our property management to be carbon neutral by the year 2030. This means reducing Scope 1 and 2 emissions by at least 90 per cent. To achieve this we need to be in control of all emissions associated with our operations. In addition, our negative climate and environmental impact must be minimised. Achieving carbon neutrality in existing buildings now requires cooperation with energy suppliers, which in 2023 accounted for all Scope 1 and 2 emissions.

Our carbon dioxide emissions (Scopes 1 and 2), have declined by around 96 per cent since 2002, from roughly 40,000 to approximately 1,711 tonnes, excluding carbon offset from district heating suppliers. We have signed an agreement with Stockholm Exergi for the capture of biogenic carbon dioxide called bio-CCS and future purchase of negative emissions to reduce our



carbon footprint going forward. The main challenge in energy supply is the availability of renewable fuels and the security of electricity supply with the expansion of the power grid to increase capacity.

One interim goal is to invest in solar panels every year corresponding to at least 320 MWh in new and existing properties, and by 2030 the aim is for our solar panels to produce 2.5 kWh/sqm Atemp annually. For new builds, the goal is double that: 5.0 kWh/sqm, and solar panels are always included in the planning stage for new properties. The result for 2023 of 1.7 kWh/sqm Atemp shows that we are well on our way to achieving our goal.

Our good energy performance results have been achieved through systematic energy work with a strong focus on building working practices and expertise within the organisation. We have also made our energy solutions more efficient through the development of building automation and digitalisation, improved cooling and heat recovery, power-saving measures and building shell measures. We work proactively according to our refrigerant policy, which involves choosing refrigerants with the lowest possible carbon footprint and minimising leakage from existing machines.

### In brief

#### Material topics

- Energy use
- Greenhouse gas emissions
- Waste

#### Target

- Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices.
- Our property management (Scopes 1 and 2) will be carbon neutral by 2030, measured in CO<sub>2</sub>e/m<sup>2</sup>.
- By 2030, we will have cut emissions from new construction by half compared with 2019.
- Energy performance below 70 kWh/sqm Atemp by 2025.



Focus area – Properties cont.

## Our climate emissions broken down according to Greenhouse Gas Protocol (GHG Protocol)



Greenhouse gas emissions, (tonnes CO <sub>2</sub> e)				
Emissions	Emission source	2023	2022	Method for calculation
<b>Scope 1</b>	<b>Total</b>	<b>0</b>	<b>54</b>	<b>Fuel-based</b>
	Refrigerant leakage	0	53	Fuel-based
	Service vehicles <sup>1)</sup>	0	1	Fuel-based
<b>Scope 2</b>	<b>Total (Market-based)</b>	<b>1,711</b>	<b>1,866</b>	<b>Fuel-based</b>
	Heating	1,711	1,866	Fuel-based
	Cooling	0	0	Fuel-based
	Electricity	0	0	Fuel-based
	<b>Total (Location-based)</b>	<b>3,451</b>	<b>3,851</b>	<b>Fuel-based</b>
	Heating	1,711	1,866	Fuel-based
	Cooling	0	0	Fuel-based
	Electricity <sup>2)</sup>	1,740	1,985	Fuel-based
<b>Scope 3</b>	<b>Total</b>	<b>13,258</b>	<b>28,796</b>	
	Waste management	67	105	Spend-based
	Leased vehicles and staff vehicles used for work	5	3	Distance-based
	Air travel	10	14	Distance-based
	Property development <sup>3)</sup>	11,999	27,455	Average-based
	Property energy	670	627	Fuel-based
	Commuter journeys	98	98	Average-based
	Electricity consumption, tenants	409	494	Average-based
<b>Total</b>		<b>14,970</b>	<b>30,716</b>	
	Carbon offset by district heating supplier	-1,658	-1,817	
	<b>Net emissions after carbon offset</b>	<b>13,312</b>	<b>28,899</b>	

<sup>1)</sup> Three electric hybrids as temporary pool cars in operation in 2022.  
<sup>2)</sup> Emission factor for Nordic electricity mix taking into account imports and exports, IVL 2021.  
<sup>3)</sup> Includes new builds and tenant customisations. As for the previous year, properties bought and sold this year are excluded in accordance with the Swedish Property Federation's report, 'Reporting Scope 3 Emissions for Property Owners'.

## Focus area – Properties *cont.*

Since 1 January 2022, all new construction projects are required by law to draw up a climate declaration. Fabege's guideline for CO<sub>2</sub> calculation is more ambitious than the legal requirement and includes more building components and life cycle stages, as well as refurbishments over SEK 20m. We perform climate calculations using the Plant tool for both large and small-scale projects. Plant has also developed modules to make simpler calculations of tenant customisations and simplified calculations at an early stage, which we believe can be of great help in starting calculations early and bringing tenants on board in efforts to reduce the CO<sub>2</sub> footprint.

### Halving the carbon footprint of our construction projects

To reduce our CO<sub>2</sub> footprint in our construction projects, we have established guidelines that go beyond the legal

requirement for climate declarations. Both new construction and redevelopments over SEK 20m are to be calculated, and more life cycle stages and building components are covered by the calculation. Our CO<sub>2</sub> calculations should be aligned with EU taxonomy criteria and also fulfil BREEAM criteria.

### Circularity and resource efficiency

#### Waste management – calculation methods and results

For our part, waste is generated partly in connection with construction projects and tenant customisations, and partly through the waste generated by tenants and ourselves in our operations. The latter is calculated using data from our main waste contractors and based on quantity, type and weight. We currently have access to statistics for 63 of our properties; a small number fall outside our statistics because our customers have the

## Our environmental certifications for quality assurance

### BREEAM

The British environmental certification system BREEAM is the most widely used of the international systems in Europe. The system encompasses project management, the building's energy use, indoor climate conditions, water consumption and waste management, as well as land use and the building's impact on the surrounding area. BREEAM-SE has been developed to allow new-builds to be certified according to Swedish regulations, while BREEAM In-Use is used for existing buildings.

### FITWEL

The Fitwel international certification scheme differs from other certification schemes by focusing on human wellbeing in the building. The certification aims to increase social sustainability and gender equality, wellbeing, physical activity and safety, and reduce sickness and absenteeism. The system is designed to be applied to all buildings regardless of budget, building size or age.

### CITYLAB ACTION

Citylab Action is an advisory forum for sharing knowledge of sustainable urban development, organised by Sweden Green Building Council (SGBC). Commitments and effect targets are established by SGBC, while project goals and measures are specific to each individual project. Those who want to certify their sustainability work must also satisfy a set of certification requirements.

### SVANENMÄRKNING (NORDIC SWAN ECOLABEL)

The Nordic Swan Ecolabel is an environmental certification scheme for new construction of apartment buildings, single family homes, preschools and retirement homes. A Swan-certified building means that it has low energy consumption, a good indoor environment, sustainable material choices, no hazardous chemicals and that the construction process has the minimal environmental impact. Compared with other certification schemes currently on the market, the Nordic Swan Ecolabel stands out in terms of content and material requirements.



Sustainability Coordinator  
Sönke Leve coordinates reuse  
at the reuse hub.

## Full-scale reuse hub in Solna Business Park

Around 2,000 sqm in Solna Business Park are assigned for the collection of building materials, fixtures and fittings, equipment and furniture for reuse, and everything is documented in a digital marketplace. The aim is to create a functioning reuse mar-

ket and reduce climate emissions for the property sector. The reuse hub is an important cornerstone of our reuse strategy and a prerequisite for scaling up reuse efforts and helping us halve our CO<sub>2</sub> emissions from construction projects per GFA by 2030.

option of choosing a waste contractor other than the one we recommend. We strive for efficient use of resources and encourage all customers to separate their waste into at least five fractions.

Construction waste from our projects is managed by individual contractors, and in 2020 we tightened our contracts regarding the reporting of waste statistics. Properties that are certified to BREEAM standard are also subject to special rules regarding areas such as recycling and waste management.

### Conscientious materials selection and reuse

The climate impact from the production of building materials is high, which is why we are working to make greater use of materials that can be reused. To reduce our environmental impact in both the short and long term, we ensure the right materials are chosen and the right methods used early on in our projects. Our objec-

tive is for 100 per cent of our building materials to be environmentally safe in accordance with Byggsvarbedömningen (Building Material Assessment). We are affiliated with the roadmap for the building and construction sector and the Klimatarena Stockholm platform to help accelerate the climate transition in Stockholm. We also participate in the Centre for Circular Building, which is an arena in which industry operators meet and collaborate on reuse and circular material flows in construction, demolition and property management.

It is important for us to create the conditions for circular material flows, ensuring there are opportunities for disassembly, reuse and recycling. We try to choose the right materials and use the right assembly methods, and to reuse materials from our conversions. We take stock of opportunities for reuse in the majority of our vacated properties and buildings due to be vacated.

The development plans for Haga Norra also include a

Focus area – Properties *cont.*

“New record in our energy optimisation work – 71 kWh/sqm Atemp.”

number of large-scale projects working with reclaimed bricks. We worked alongside 14 partners in the project Återhus – to build houses from houses – which developed methods, processes and tools for reusing heavy building components such as steel and concrete frames and facades. We built the Sustainability House in Solna in collaboration with the contractor Zengun. The building consists of around 70 per cent recycled materials and the high level of reuse helped reduce its carbon footprint by 105 tonnes of CO<sub>2</sub>. The approximately 1,000-sqm building houses offices, meeting areas and a showroom, thus serving both as an establishment office and as a hub for generating knowledge about the project and reuse.

In 2022, we developed a reuse strategy to scale up our reuse efforts and set a new target, the Circularity Index, with the goal ensuring 20 per cent of the materials used in a conversion project are circular. The strategy describes our objectives for reuse, as well as procedures and working methods for achieving these objectives. Our reuse strategy includes our full-scale reuse hub in Solna Business Park. The aim is to create a functioning reuse market and reduce climate emissions. Find out more about the reuse hub on page 31.

**Reduced energy requirement**

*Energy efficiency improvements in operations*

Our energy strategy requires us to take a holistic approach to the energy issue in our properties, projects and districts. We have stringent environmental requirements when purchasing energy and customising energy use using digitalisation, which plays an important role in our efforts to reduce energy consumption. We monitor and analyse energy usage hourly to identify any deviations in performance and power output at an early stage. Furthermore, extensive checks are conducted at building and company level via our energy follow-up system that scans and processes all recorded consumption values.

Only ‘Good Environmental Choice’ district heating is used in our properties in Solna and Sundbyberg, and for Stockholm inner city and Flemingsberg we buy carbon neutral heating. We work closely with our tenants to support them in reducing energy use, including via green leases; see page 39 for further details.

*Our energy efficiency targets*

Our energy efficiency targets are divided into phases. By 2019, we had already achieved the first stage by halving our energy use compared with 2005. Our long-term goal is an average specific energy consumption of 70 kWh/sqm Atemp by 2025. Our 2023 outcome using the same metric was 71 kWh/sqm Atemp.

Our 2023 outcome measured as a primary energy demand totalled 67 kWh/sqm Atemp. This means that our energy performance is on average below the

requirements for new buildings, even though the vast majority of our portfolio is more than 30 years old.

*Our water consumption target*

Our aim is to reduce our water consumption by two per cent each year. In addition to easing the strain on Earth’s resources, lower water consumption also means preparing our business for a future of declining water tables and reduced availability of fresh water. The outcome in 2023 was 364 l/sqm, which is 11 per cent higher than in 2022. This is primarily due to the fact that our water consumption in 2022 was greatly reduced at the beginning of the year due to low activity during the pandemic.

**Climate change adaptation to future-proof our properties**

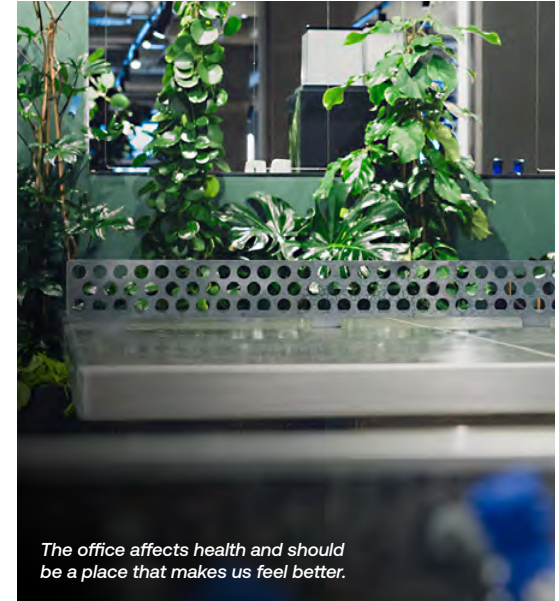
*Future risks*

Alongside our efforts to reduce our carbon footprint, we need to manage the physical risks that come with climate change. We have conducted climate risk analyses on all investment properties. The analysis identified increased precipitation and flooding as one of the greatest potential future risks. In property management and ongoing and future redevelopments, we will ensure that the necessary measures are taken to address identified climate risks.

**Health – certified properties and tenant wellbeing**

*Smart properties*

Digital technology encourages new behaviours, and functions can be automated. Working with our digital solutions gives us access to data in real time, making it easier to do things like optimise energy consumption. Connected buildings also create an opportunity to develop properties that are customised to actual usage, and that put people front and centre. These tools allow us to visualise the indoor climate and develop premises with health and wellbeing in mind. They make it easier for us to see how our properties are used and receive prompt information about faults, improve security in the buildings and thus manage them more proactively. All our properties are connected to a digital fibre network that enables integration with the smart city, contributing to a more sustainable and efficient use of resources.



*The office affects health and should be a place that makes us feel better.*

**Health in our buildings**

A healthy and sustainable work environment is not just about the physical environment, including lighting, noise levels, ventilation and furnishings. Psychosocial factors are equally important for the wellbeing and performance of employees, and in particular for them to want to return to the office.

Our contribution is primarily about making it easy for our customers to do the right thing. This could involve placing attractive stairwells centrally to encourage people to take the stairs instead of the lift, but also offering ancillary services, opportunities for fitness activities and culture in or around our properties. Another example is our work with customers to develop health-certified workplaces; a strategic initiative that aims to prepare properties for customer requirements for health certification. We use the Fitwel certification. SEB’s office in Arenastaden, along with our own office in Solna, are two examples of Fitwel-certified properties.

**Certifications<sup>1)</sup>**

System	No. of	Sqm, GLA	Proportion of certified area, %
BREEAM In-Use	47	713,454	66
BREEAM-SE	13	346,080	32
BREEAM Bespoke	2	19,284	1.5
Miljöbyggnad	1	5,480	0.5
<b>Total environmentally certified properties</b>	<b>63</b>	<b>1,084,297</b>	<b>100</b>

<sup>1)</sup> The properties for which certification has not yet begun include land and development properties for future project development.

Focus area – Employees

# Together we are Fabege

An engaged and motivated workforce is a key success factor. Organisations with a strong identity often perform better than others. We therefore invest time and effort in developing our values, corporate culture and our people, all of whom are key to our success.

Our shared core values, known internally as SPEAK, have created a strong corporate culture that is reflected throughout our entire business. These values are Fast, Informal, Entrepreneurial, Business-minded and Customer-focused. By acknowledging and supporting each individual employee and their unique capabilities, together we can create a solid team, where we are the clear choice for talented and motivated individuals in the property sector. We are actively engaged in boosting our appeal as an employer, with the aim of being one of Sweden's most popular workplaces.

**Governance and responsibility**

Together with our Code of Conduct, our core values are at the heart of the conduct of all our employees. Working atmosphere and work environment are central to us and governed by our work environment policy and sustainability and environmental policy. We want to be a

company for everyone, and our policy on equal treatment sets the framework for our gender equality work. We conduct annual employee surveys to monitor our work and other important issues.

**Employee participation in development**

Every year we conduct the Great Place To Work employee survey. Our target for 2023 was to achieve a Trust Index score of 85, which was exceeded as we achieved 88. Our long-term objective is a Trust Index score of 90. The results of the employee survey are the basis of purposeful, organised efforts in which each department identifies its focus areas and specific challenges. Actions and activities based on the results are then integrated into plans and objectives for the coming year.

**Sustainable working life**

We take a comprehensive approach to the sustainable employee and health and safety issues. We should have a safe working environment, but our employees should also feel that they have a sustainable working life. We offer all employees regular health checks, implement wellness programmes and create opportunities for physical activity in our offices. We make a conscious effort to reduce work-related stress; all managers are expected to maintain a regular dialogue with their employees to ensure a good work-life balance. Our working environment must be safe and free from the risk of our employees, or those who work for us, being injured or falling ill at work.

**Safe workplace**

The starting point for a safe workplace is our systematic health and safety management, which includes risk assessments based on completed investigations, including safety inspections, identifying anomalies and performance reviews. These assessments are evaluated and prioritised, and action plans established to manage any risks identified. There are procedures and training on safety in hazardous situations, such as working at heights and other tasks with a risk of falling, where

recommended protective equipment should be used. Contracted employees are subject to the same conditions as our property technicians.

All employees can report actual and potential incidents using our intranet. These are reviewed by the man-

ager responsible for health and safety, and followed up by the occupational health and safety committee. An analysis is always carried out to examine the cause of the incident and consider how to avoid a recurrence in the future. Extensive evaluation work is continually ongoing

**Employees in focus**



**Good Health and Wellbeing**

We want to increase our employees' knowledge within a broad spectrum of health issues to promote long-term wellbeing and motivation, which creates commitment and a sense of belonging.



**Good performances**

Committed employees who have a healthy work-life balance contribute to long-term good performances.



**Committed and motivated employees**

**Corporate culture**

The contribution of each and every employee is important for the company as a whole. We are a team operating according to shared guidelines and clear frameworks for success. We call this SPEAK and we invest joint time and effort in our professional development and our core values.



**In brief**

**Material topics**

- Good health
- Security
- Diversity and gender equality
- Greenhouse gas emissions

**Target**

- Offer employees a sustainable working life.
- Achieve a minimum Trust Index score of 90 in the Great Place To Work survey.



Focus area – Employees cont.



to improve our health and safety efforts. Occupational injuries are reported to the Swedish Work Environment Authority in accordance with the Work Environment Act.

Our occupational health and safety committee collaborates, follows up and acts as a sounding board in the development of health and safety issues.

**Focus on development and training**

Personalised skills development is important aspect of being an attractive employer. An individual development plan is drawn up for each employee, which is regularly monitored via employee performance reviews and by setting new targets based on business goals and the role of the employee. Performance reviews were carried out with all our employees during the year. All new managers complete an induction to ensure the quality of

reviews. All employees are also offered health and safety training, including a focus on sustainable working life.

Our technical operations are an important function within the company. Increasing digitalisation and technological advances have meant that we need to raise the bar in terms of training. As a result, we have identified a need to implement targeted training initiatives alongside continuous training.

**Our views on equal value**

Our fundamental view is that all people are of equal value and all employees are to have the same opportunities, rights and obligations. No-one at our company should be discriminated against on the basis of sex, gender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. We have an

overarching gender equality goal that seeks to achieve an even gender balance at all levels within the company.

**Employees and environment**

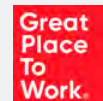
All our offices are environmentally certified according to BREEAM In-Use. The head office has also had Fitwel accreditation since 2022. Find out more about Fitwel on page 31. Employees’ impact on Fabege’s total climate emissions is relatively minor, but the goal is still fossil-free business travel. This is to contribute to Fabege’s goal of carbon-neutral property management, because transport is the sector in Sweden with the highest fossil emissions and the greatest use of fossil energy sources. We have reduced the amount of business travel in recent years and encourage sustainable travel. Vehicles used within Fabege have been electric since 2017, and our company car policy only allows low-emissions vehicles.

**Our profit-sharing fund**

Every single employee is important for our development. All employees are covered by our profit-sharing fund, and the amount allocated is the same for everyone. Allocations are made in the form of Fabege shares based on a number of set targets. The shares are tied up for a period of five years after allocation, and amount to a maximum of two price base amounts per employee and year. The Board decided that the allocation for 2023 would amount to 0.5 price base amounts per full-time employee, which corresponds to a value of SEK 28,650.

**Great Place To Work**

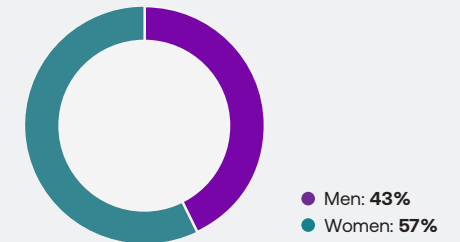
Every year we conduct Great Place To Work’s survey to find out what our employees think of us as an employer. Our target was to achieve a Trust Index score of 85, which was surpassed with this year’s result of 88.



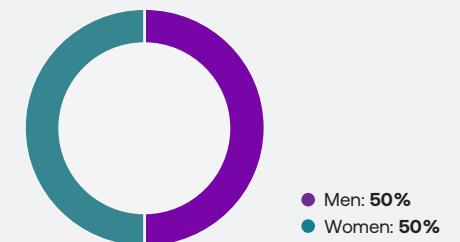
88 index score

**Gender balance**

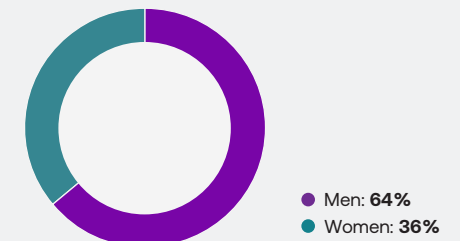
**Board of Directors**



**Executive Management Team**



**Fabege total**





Focus area – Supply chain

# Close cooperation a prerequisite for sustainability

Our suppliers are important partners, as a sustainable supply chain is essential for creating long-term profitability, reducing our risks and boosting our brand. The aim is to conduct sustainability screening on all partners with whom we have framework agreements.

We endeavour to operate according to the principles of responsible business conduct, to reduce our carbon footprint and safeguard human rights at all levels. As part of our supply chain work, one of our most prioritised areas is to limit emissions involving materials, transport, construction energy and waste. Climate emissions generated indirectly on both sides of the value chain are referred to as Scope 3 emissions under the Greenhouse Gas Protocol (GHG Protocol), and make up the vast majority of our total emissions. Furthermore, we endeavour to ensure the UN Global Compact’s ten principles on human rights, labour, environment and anti-corruption are complied with.

**Governance and regular inspections**

Our cooperation with suppliers is built around our Supplier Code of Conduct. In addition, our sustainability and environmental policy, procurement and purchasing policy and General Terms and Conditions are important steering documents in setting the framework for our expectations. We currently have 330 suppliers with

**“Collaboration creates new opportunities for us, our customers and society as a whole.”**

framework agreements, and around 1,500 active suppliers. All new suppliers must meet our criteria to be approved, and all existing suppliers undergo regular inspections. Monitoring is an important aspect of our purchasing work, in order to assure a high level of ethics, consideration for human rights, professionalism, healthy competition, objectivity and equal treatment.

We also made construction site visits to selected projects with our framework agreement contractors in 2023. During these site visits, we followed up on the sustainability requirements established as part of the framework agreements. The main purpose of the site visits has been to increase the exchange of knowledge between the Sustainable Development Department, the Projects Department and the respective contractors.

**Ambitious target**

Since 2013, we have been conducting sustainability audits of selected strategic partners in order to ensure all framework contract suppliers complete the audit process, and in 2023 we made progress with a result of 96.

In addition, we classify our categories of supplier in terms of risk and carry out extended background checks on suppliers where our risk assessment deems this is necessary, and the checks are completed before the contract is signed. We maintain a continual dialogue with our suppliers and support their efforts to improve their procedures. Any deficiencies identified through our audits will lead to the companies concerned drawing up an action plan for subsequent implementation. If there is no improvement, we may discontinue the relationship.



**Stimulating partnerships**

In our tender request documentation, we encourage our contracted suppliers to take on trainees from Talang-Akademien during the contract period. Some 20 suppliers have signed up so far, and several have taken on trainees. Find out more about our social sustainability plans on page 28.

**Quality inspections of services**

In order to ensure delivery quality, we also conduct regular inspections of suppliers that are deemed to be particularly significant to our customers’ experience of day-to-day services. We believe it is important that we

quickly identify any contractual breaches and continually improve quality.

**Safe workplaces**

A safe and secure workplace free from corruption and inequality, where risks are prevented and minimised, is a human right and a challenge for the entire construction industry. Staff ledgers allow us access to statistics regarding employment conditions for everyone working on major projects. Risk analyses and inventories are carried out at each stage of the construction process and these must also be followed up. This is currently the main responsibility of the contractor. There are con-

**In brief**

**Material topics**

- Review of supplier sustainability, incl. environment and human rights.

**Target**

- 100% of our suppliers with framework agreements will be audited on the basis of our Supplier Code of Conduct, policies and international conventions.



## Focus area – Supply chain cont.

struction health and safety coordinators at the work-places, BasP and BasU, who are responsible for safety throughout the entire project.

It is the contractors who have the employer’s responsibility and ultimate responsibility for health and safety during construction projects, and this is regulated in our agreements. We enjoy effective cooperation with our contractors, where we play an active role in preventing near-accidents and checking that all safety procedures are adhered to, and that workplace risks are minimised. This is achieved via systematic health and safety work, involving digital and physical safety inspections during which faults and failings must be rectified and documented in our database.

To ensure everyone on a building site understands and is aware of risks, images are displayed of hazardous tasks, along with information in different languages. The contractor’s safety officer makes sure the project is implemented safely, but also represents construction workers in ensuring all risks are highlighted and that working conditions are good. We always follow up any deviations with contractors and those affected.

We encourage our suppliers and their employees to report identified risks and also draw attention to our whistleblower function, which can be used by all external parties.

In the event of an incident or near-accident at building sites, an analysis is always carried out to determine the cause and how to avoid a recurrence of the incident. This analysis is sent to the Swedish Work Environment Authority for follow-up and documentation.

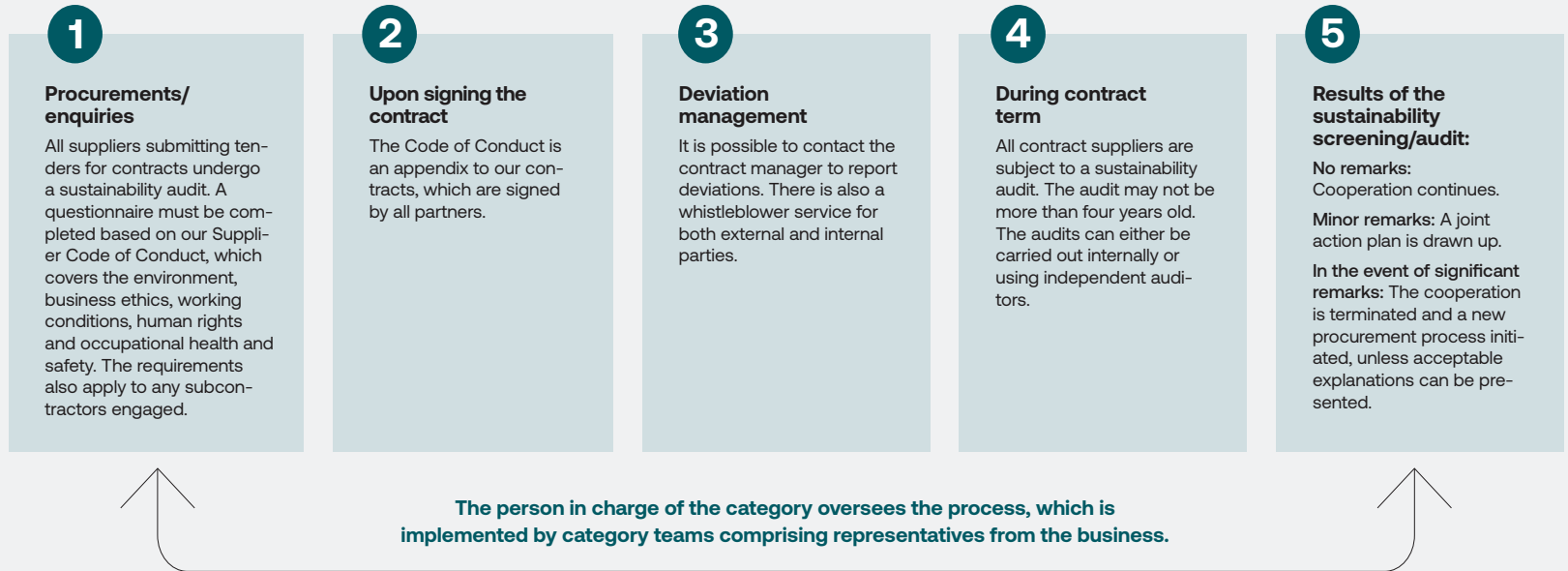
### Accidents and incidents

The most common accidents on construction sites are cuts, falls from low heights and minor trips. When more serious accidents occur, they are often falls or trips.

Suppliers	2023
Accident rate, contractor (LTAR) <sup>1)</sup>	2

<sup>1)</sup> Reporting relating to contractor accidents is not comprehensive, as not all projects report contractors’ accidents in the IA system yet. Accident rate is defined as the number of workplace accidents resulting in an absence of one or more contracted working days per 200,000 hours worked, divided by hours worked.

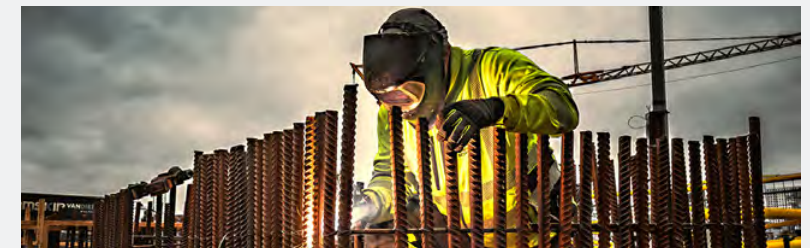
## Process for management and monitoring of suppliers



## Cross-sector cooperation for a sustainable construction sector

The property sector is in agreement that a sustainable construction industry is not just a competition issue but also something that benefits all stakeholders. We have been working with colleagues in our sector to develop a digital tool for reviewing the property sector’s supplier categories. The aim is to avoid duplication for suppliers by making sure they don’t answer similar

questions in connection with procurements from different property companies, and to enable more suppliers to be audited. This will allow the industry to set a new standard. We have teamed up with six property companies with large office property portfolios in the Stockholm region to develop collective supplier requirements in the area of sustainability.



Focus area – Financing

# Green financing for long-term profitability

A conscious and structured approach to sustainability has laid the foundation for the framework that has enabled our green financing. The framework is designed to give us broad opportunities for green financing alternatives, and is based on third party-certified properties and ambitious energy performance targets.

### Governance and responsibility

Our financing currently consists of green bank loans and green bonds. We conduct ongoing sustainability dialogues with, and report back to our capital providers, and we participate in discussions regarding the development of green loan products. In addition to our green finance framework, our work is mainly underpinned by our sustainability and environmental policy, finance policy, tax policy and credit policy, in particular.

### Our green framework/extended sources of financing

Our green finance framework is constantly evolving, as are the targets we set. The update carried out in 2022 means that the framework is now based on the green bond principles, adapted to the EU taxonomy and linked to our ambition of contributing to the Agenda 2030 goals by halving CO<sub>2</sub> emissions by 2030. The framework also includes our green commercial paper programme, which we use to issue green commercial paper that is to be used to finance assets approved according to the framework. The backup facility for the commercial paper programme is also linked to the framework, and is therefore

**“Our green property portfolio enables 100% green financing.”**

green. We have also linked a green MTN (Medium Term Notes) programme established in 2016, which includes specific sustainability and environmental conditions.

Moreover, we have an allocation policy, which means that investors with sustainable strategies are prioritised in bond issues. The independent research institute CICERO has examined our green framework to ensure that it satisfies their exacting sustainability requirements. They have issued a Second Opinion with ratings of ‘medium green’ for the green terms and conditions, and ‘excellent’ for governance.

### Our reporting according to EU Taxonomy Regulation

According to our analysis, the economic activities covered by the taxonomy include our new construction projects, major renovations and the properties under our management. We carry out both construction (via building contractors) and management of buildings, which means that the entire business falls within the scope of the taxonomy. Since 2021, we have continued to develop our activities to align with the taxonomy as it is a prerequisite for green financing.

The projects we have worked on include looking at how we align with the taxonomy in our newly launched major construction projects. We estimate that we are aligned with objectives 1, 2, 3 and 6, but that we are not quite there with objectives 4 and 5, partly due to insufficient clarification and interpretation of the criteria, and partly because the sector is not sufficiently mature.

We demonstrate that we make a substantial contribu-

## Fabege’s green financing work

### 100 per cent green financing

Green financing offers us better conditions, and therefore lower costs, both with banks and on the capital market, as well as access to more financing options. Our green financing was supplemented in June 2021 by a loan that is adapted to the EU taxonomy and that align the taxonomy’s green financing criteria. The target of 100 per cent green financing was achieved just before year-end 2020/2021. In connection with the acquisition of Birger Bostad in 2021, the figure dropped to 99 per cent. In 2022, we were back at 100 per cent again when Birger Bostad’s loans were converted to green loans.

Another important criterion in the taxonomy is energy-efficient properties, an area where we are leading the way and that we are continuously working on. Our average Primary Energy Demand (PED) is 67 kWh/sqm Atemp. An impressive 66 per cent of the area in our portfolio that we manage is within the top 15 per cent energy performance (the definition in the Swedish Property Owners Association’s survey shows that the top 15 per cent in office buildings in Sweden corresponds to buildings with a primary energy demand below 80 kWh/sqm Atemp).

### Examples of our work related to the EU taxonomy

We continued with our climate resilience analyses in 2023, work that began in 2021 in several of our districts. It involves assessing future physical climate risks and what climate adaptations we should make to reduce these long-term risks.

### Percentage aligned with the EU taxonomy 2023

For 2023, we estimate that 66 per cent of turnover, 53 per cent of operating expenditure (OpEx) and 23 per cent of capital expenditure (CapEx) is aligned with the EU taxonomy and objective 1, and can therefore be classified as environmentally sustainable. For further information, see our full taxonomy report on pages 82–86.

## Alignment with EU taxonomy requirements

- 1 We make a substantial contribution to environmental objective 1: climate change mitigation.
- 2 For the other five environmental objectives, we meet the Do No Significant Harm (DNSH) criteria.
- 3 We fulfil the taxonomy’s requirements on minimum safeguards.

KPI	Total, SEKm	Eligible for the taxonomy, %	Not eligible for the taxonomy, %	Percentage aligned with taxonomy 2023, %	Percentage aligned with taxonomy 2022, %
Turnover	3,377	100	0	66	62
OpEx	156	100	0	53	53
CapEx	3,116	100	0	23	18

### In brief

#### Material topics

- Green financing.

#### Target

- Our financing will continue to be 100% sustainable and green.



Focus area – Financing cont.



Hotel Kung Carl, Sparven 18.

tion to one of the six environmental objectives of the Taxonomy Regulation, objective 1: climate change mitigation (CCM), as this is the objective that is most relevant to our business. The activities in which most of our operations are described are CCM 7.7 Acquisition and ownership of buildings and CCM 7.1 Construction of new buildings, but other activities may also be relevant to a lesser extent. The other five environmental objectives come under the Do No Significant Harm (DNSH) criteria for our business. For CapEx, Fabege could contribute to objectives 2 and 4, but all significant CapEx is covered by objective 1 and Fabege therefore only reports according to objective 1. We also meet the taxonomy’s requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition.

The requirements of the EU taxonomy are highly consistent with our sustainability work. We therefore believe that we satisfy the taxonomy’s requirements; see model on page 37. See our full taxonomy report on pages 82–86.

**Principles for financial reporting according to the EU taxonomy**

The proportion of our operations that is environmentally sustainable according to the EU Taxonomy Regulation is reported via three financial ratios, which indicate the percentage of turnover, OpEx and CapEx that is taxonomy-aligned.

**Recognition of turnover**

All revenues related to the properties included in economic activities above are recognised. This refers to rental income, including the standard supplements. No material income that should be excluded has been identified. Turnover of SEK 3,377m corresponds to total net sales according to profit and loss accounts for 2023.

**Recognition of operating expenditure (OpEx)**

OpEx includes the following expenses: property management costs, regular repairs, maintenance and expensed tenant customisations. Birger Bostad’s production costs for residential development are recorded as operating expenses but are not included here, as they do not fall within the definition of operating expenses according to the taxonomy.

**Recognition of capital expenditure (CapEx)**

Relates to CapEx for acquisitions and capitalised investment expenditure related to the properties included in economic activity. CapEx of SEK 3,101m represents all expenditure on acquisitions and investments in investment and development properties in 2023. A further SEK 15m is linked to investments in equipment. For further information, see Notes 17 and 19 on pages 109 and 111 respectively.

**Green share on Nasdaq**

Since November 2023, Fabege has been listed as a green share, known as Green Equity Designation.



*“Fabege has long engaged in dedicated sustainability initiatives to reduce the industry’s carbon footprint. The green share is further proof that we take our sustainability efforts very seriously. It makes it easier for investors to make informed and sustainable choices.”*

**Åsa Bergström**  
Vice President and CFO

Focus area – Customers

# Our customers are our partners

Good relationships and cooperation with our customers is a prerequisite for creating sustainable collaborative and urban environments. Continuous dialogue with our 700 customers provides the basis for long-term cooperation and the development of our neighbourhoods.

### Governance and responsibility

Customer engagement is built around our Code of Conduct, sustainability and environmental policy and security policy. Established procedures on how we interact with our customers at all levels of the organisation are also important. Our decentralised operations and service organisation, analysis of our dialogues and our sustainability targets are important elements that enable us to satisfy customer demands for sustainable environments.

### Collaboration for long-term sustainability

Maintaining good, close relationships with our customers is essential in enabling us to be part of strengthening their competitiveness as employers by creating sustainable

urban environments for residents, professionals and visitors alike. Key tools include measures to improve safety, Fitwel and BREEAM certifications, along with various local partnerships. The sustainability network in Arenastaden is one such collaboration. We've been working with ten or so major companies here on an action plan linked to travel habits, to contribute to the climate goal of halving greenhouse gas emissions by 2030. Another example is our collaboration with 'Unga på Operan', one of the Royal Swedish Opera's three artistic pillars, which creates opportunities for children and young people to practise culture in schools in Flemingsberg. The project is aimed at four primary schools from reception to year 3. The activities may include mime, drama, music or creative projects.

**“95% of customers would recommend us as a landlord according to the CSI survey.”**

and responsive to our customers' preferences. We are constantly exploring new opportunities linked to the sharing economy for greater flexibility in leases as well as in our offerings and approach. Find out more about our flexible concepts on page 11.

### Strengthening relationships through proximity and continuity

We have a presence in our customers' day-to-day lives through our own offices in all our districts, and our own staff, whether for property management or operations. This enables us to maintain a close dialogue with our customers, which creates continuity and trust and helps us respond quickly to various requests. Our service reporting system also alerts us if something needs to be dealt with or repaired, and we can quickly eliminate any risk of damage. Every year or every other year we conduct a more in-depth customer meeting that gives us an even better understanding of our customers' needs.

We also have regular breakfast meetings with our customers in each district. It's a very popular activity for exchanging information and providing updates on the latest news in our neighbourhoods. We conducted 150 dialogues with our customers in 2023. To follow up on these, we carry out CSI (Customer Satisfaction Index) surveys every two years. Our target is an overall customer satisfaction rating of 80, and in the 2023 survey we achieved 81. An impressive 95 per cent stated that they would be likely to recommend us as a landlord, and 88 per cent said that we would be the first point of contact regarding a change of premises.

### Green leases

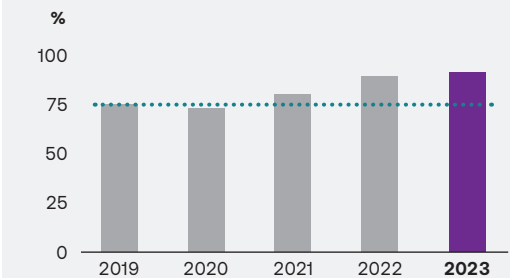
The signing of green leases is now standard practice, and the Swedish Property Federation's green appendix is a standardised appendix for reducing the environmental impact of premises. It means that both parties agree on a joint environmental agenda for the premises through the efficient use of resources and sustainable property management. For example, leases may include measures to maintain or improve the BREEAM rating of the building, energy optimisation and indoor environment measures, as well as requirements regarding choice of materials and waste sorting.

We have also prepared guidance on what customers might consider when making tenant customisations to improve the sustainability performance of the project, and help raise or maintain the property's environmental certification level. In 2023, 96 per cent of total newly signed space above ground pertained to green leases.

### Flexible solutions with the customer front and centre

We are currently landlord to approximately 700 companies, government agencies and organisations, and more than 100,000 people spend time in our buildings every day. Our experience enables us to meet an increasing need for flexibility, and we strive to be solution-oriented

### Percentage green leases<sup>1)</sup>



<sup>1)</sup> Area above ground, excluding housing units.

### In brief

#### Material topics

- Good health
- Security
- Indoor environment
- Energy use
- Greenhouse gas emissions

#### Target

- Customer Satisfaction Index (CSI), 2023: 81% (target: 80%).
- Green leases, proportion newly-signed space, 2023: 96% (long-term target: 100%).
- Green leases, proportion of total space, 2023: 91% (long-term target: 100%).



### Service reports and comments

It's important for us to receive feedback on how we manage our work. Anyone who has submitted a service report is invited to comment on our response. The feedback is provided digitally by simply pressing the symbol that best describes the experience. If a tenant is unhappy with our response, a new case is automatically opened and we follow up to find out what went wrong and how we could have done things differently. The comments received so far have led to a number of improvements. Some 95 per cent of our customers are currently satisfied with the way we respond to a service report; our target is 100 per cent.

Focus area – Business ethics

# High ethical standards essential for sustainable business

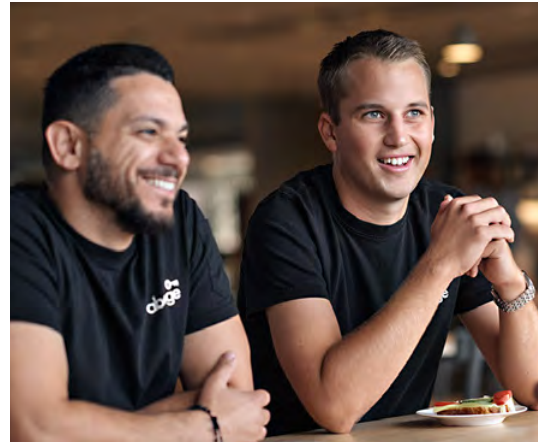
Sound business ethics, continuous dialogue and responsiveness are fundamental to our relationships with both employees and customers, as well as suppliers and lenders. Working responsibly is essential to long-term profitability, and contributes to sustainable community development in our districts, with people at the heart.

Our sustainability work is integrated into the organisation and follows our governance and monitoring framework. Our commitment to responsible business conduct is well established among the Board of Directors, Executive Management Team and the rest of the workforce. Our commitments permeate all our operations, business relationships and our conduct towards our other stakeholders.

We have developed processes and methods to ensure that we document and follow up how we interact with our employees, customers, citizens in our neighbourhoods and other stakeholders. Find out more under Districts on pages 26–28, and Customers on page 39.

**Code of Conduct forms the basis**

Our core values (SPEAK) and our Code of Conduct form the basis for the conduct of all employees. All managers with personnel responsibility are charged with ensuring that our Code of Conduct is known and complied with in their respective department or sphere of responsibility. The Board of Directors and Executive Management Team are specifically responsible for promoting the



**“All employees receive regular training on our Code of Conduct and the industry’s code against corruption.”**

tleblower policy provide an important framework for our governance and monitoring. See page 76 for governance and monitoring. Our ambition is for our operations to be characterised by strict business ethics and responsibility, as well as sustainable and fair competition, and our whistleblower function is an important monitoring tool.

**Consultation and incident reporting**

We are keen for both our own employees and all external stakeholders to feel confident in their ability to intercept potential irregularities in the organisation, either via dialogue or via anonymous reporting systems. Our employees are kept updated about governing policies and guidelines via the intranet, information briefings and regular newsletters.

Management is responsible for informing the employees concerned about their responsibility for maintaining effective internal control. We offer a whistleblower service to facilitate incident reporting, and it is available both internally and externally. The service is important in reducing risks and promoting strong business ethics, thereby maintaining customer and public confidence in our business. The report itself and any subsequent dialogue are anonymised if the person wishes. All reports are immediately followed up by a working group consisting of our Director of Human Resources, Head of Sustainability and Corporate Lawyer, and they are responsible for ensuring appropriate action is taken. No incidents were reported via the whistleblower service in 2023.

implementation of the Code of Conduct. The content is revised and monitored annually.

The Code of Conduct clarifies our position on issues related to human rights, labour conditions, the environment, business ethics and communication. All employees are to complete regular training on our Code of Conduct and the industry’s code against corruption. We comply with the relevant laws and other regulations. The same applies to generally acceptable business practice and international human rights, labour and environmental standards in accordance with the Global Compact and the ILO’s fundamental conventions on human rights at work. Our Ethics Council supports our daily work, with representatives from different departments holding regular meetings. The Council, which reports to the Executive Management Team, is responsible for leading and driving work on ethical issues and monitoring relevant external issues.

**Other policies and guidelines**

In addition to the Code of Conduct, our tax policy, inside information policy, anti-corruption guidelines and whis-

**Transparency on tax payments**

We want to take responsibility for sustainable societal development, and this includes contributing to society by paying taxes. We conduct all our business in Sweden; all our employees are employed by Swedish companies and we pay 100 per cent of our tax expense in Sweden. Our tax policy provides guidelines on the company’s tax management. The policy states that we will follow all the relevant laws and regulations in the area of taxation, and that where regulations are unclear, we will act transparently and exercise caution. We will engage in tax management based on ethical, legal and professional principles and will abstain entirely from aggressive or advanced tax avoidance. We do not engage in political lobbying on tax legislation. Our tax policy is available in full on our website.

**In brief**

**Material topics**

- Anti-corruption
- Tax

**Target**

- Annual training of employees on the Code of Conduct: 100%.



**Framework**

- Code of Conduct
- Policy for whistleblower function
- Tax policy
- Insider policy
- Anti-corruption guidelines
- Sponsorship policy

**Corporate culture**

The contribution of each and every employee is important for the company as a whole. We are a team operating according to shared guidelines and clear frameworks for success. We call this SPEAK and we invest joint time and effort in our professional development and our core values.

# Sustainability targets

## City districts

	Outcome 2023	Outcome 2022	Long-term target
Proportion of renewable energy, %	90	94	100% energy from renewable sources

## Properties

	Outcome 2023	Outcome 2022	Long-term target
Energy performance, total energy, kWh/sqm Atemp	71	73	70 kWh/sqm Atemp 2025
Energy produced from solar panels, kWh/sqm Atemp	1.7	1.5	Energy produced from solar panels 2.5 kWh/sqm Atemp by 2030
Material recycling, % <sup>1)</sup>	99	54	90% material and energy recovery
Water consumption, l/sqm Atemp	364	327	Reduce water consumption per sqm Atemp by 2% annually compared with 2019
Environmental certification, number of investment properties	63	65	
Environmental certification of new builds, proportion of total space, %	100	100	100% of new builds, to BREEAM-SE standard with ambition level Excellent
Environmental certification of investment property portfolio, proportion of total space, %	100	100	All investment properties (excl. future development properties) are to be environmentally certified to BREEAM In-Use standard with ambition level Very Good
Proportion of electric or hybrid cars – service vehicles and company cars, %	98	98 <sup>2)</sup>	100%

## Carbon dioxide emissions, tonnes CO<sub>2</sub>e

	Outcome 2023	Outcome 2022	Long-term target
Scope 1	0	54	Carbon neutral property management (Scopes 1 and 2) by 2030. Indirect emissions (Scope 3) to be halved per GFA by 2030 compared with 2019.
Scope 2	1,711	1,866	
Scope 3	13,258	28,796	
Total Scopes 1–3	14,970	30,716	
Carbon offset by district heating supplier	-1,658	-1,817	
Net emissions after carbon offset	13,312	28,899	

<sup>1)</sup> As of 2022 also includes waste statistics from tenant customisations.

<sup>2)</sup> Corrected figure due to a written error in 2022.



**“Sustainability is a collaborative effort and I am proud of what we have achieved so far.”**

MIA HÄGGSTRÖM, HEAD OF SUSTAINABILITY

Sustainability targets cont.

**Employees**

	Outcome 2023	Outcome 2022	Long-term target
Satisfied employees, GPTW Trust Index score	88	87	GPTW Trust Index score of minimum 90
Recommending Fabege as an employer, %	95	95	More than 95% of employees would like to recommend Fabege as an employer
Low sickness absence, %	2.9	3.12	Maintain low level of sickness absence at <3%, aided by regular medical check-ups and continued health and fitness programmes
Gender equality in management, % women	50	50	Aim is to achieve even gender balance
Gender equality among managers, % women	38	47	Aim is to achieve even gender balance
Gender equality among employees, % women	36	38	Aim is to achieve even gender balance

**Supply chain**

	Outcome 2023	Outcome 2022	Long-term target
Screening of framework agreement suppliers, %	96	90	All framework agreement partners will be sustainability audited and approved

**Financing**

	Outcome 2023	Outcome 2022	Long-term target
Green financing, %	100	100	100% green financing

**Customers**

	Outcome 2023	Outcome 2022	Long-term target
Customer Satisfaction Index	81	— <sup>1)</sup>	CSI rating target of 80
Green leases <sup>2)</sup> , proportion newly-signed space, %	96	100	Green leases will account for 100% of newly signed space
Green leases <sup>2)</sup> , proportion of total space, %	91	89	Green leases to account for 100% of total space

<sup>1)</sup> Customer Satisfaction Index surveys are conducted every two years.

<sup>2)</sup> Area above ground, excluding residential units.

**Business ethics**

	Outcome 2023	Outcome 2022	Long-term target
Annual training in our Code of Conduct	0 <sup>1)</sup>	100	Keeping the dialogue on ethical issues alive throughout the company via activities and forums

<sup>1)</sup> No training was carried out in 2023.



**“I am convinced that each and every one of our employees as individuals, but mainly collectively, are the key to our success.”**

GUNILLA CORNELL, DIRECTOR OF HUMAN RESOURCES



# Sustainability notes

## About this report

This is our thirteenth Sustainability Report according to the GRI guidelines for voluntary reporting of sustainability information. We report on our sustainability work annually and the Sustainability Report is included as part of our 2023 Annual Report, which pertains to the 2023 financial year. The report has been prepared in accordance with GRI Standards 2021. The preceding year's Annual Report, including the Sustainability Report, was published in March 2022. The information contained in the Sustainability Report has been subject to a limited review by Deloitte; see Assurance Report on page 90.

The content of the Sustainability Report has been selected on the basis of our most significant issues, given our operations and their impact relationship on the environment and society; see also section on stakeholder dialogue and materiality analysis on pages 73–77. Our intention is for the sustainability section together with other information contained in the 2023 Annual Report to satisfy stakeholder information requirements, and to provide a comprehensive overview of our economic, environmental and social initiatives and results. The information in the report pertains to the entire Fabege Group. However, associated companies fall outside the parameters for the report, as we have limited access to the relevant data. Influence is exercised through Board representation.

Our GRI index on pages 87–89 contains references to the disclosures that are compulsory for GRI Standards 2021, as well as disclosures related to Fabege's material sustainability topics and management of these topics.

We follow the Precautionary Principle, which means that if we discover that there is a threat or risk of serious or irreversible environmental damage occurring, then lack of scientific evidence will not prevent us from taking cost-effective action.

We also report the company's sustainability performance measures based on EPRA's (European Public Real Estate Association) latest recommendations: Best Practices Recommendations on Sustainability Reporting, sBPR, third version September 2017. Performance measures are reported for energy, greenhouse gas emissions, water, waste, environmentally certified buildings and corporate governance and social aspects.

The Sustainability Report is part of Fabege's Annual Report, which is approved by the Board of Directors. The Board is informed and can influence Fabege's sustain-

ability work strategy and overall sustainability targets via an annual review and follow-up. The 2020 materiality analysis was revised in 2022 based on the updated definition of materiality under the GRI Standards 2021, to include the members of the Board of Directors.

## Stakeholder engagement and materiality analysis

Our principal stakeholders are customers, employees, creditors, shareholders and analysts, suppliers and municipalities in which the company operates. We maintain a continual dialogue with all of these stakeholder groups. In 2020, we conducted an extensive stakeholder dialogue and materiality analysis via a survey, workshop and comprehensive interviews. The survey was sent out to a total of around 400 individuals, and the response rate was just over 50 per cent. All stakeholder groups were represented. In the survey, we asked the respondents to rank from a stakeholder perspective how Fabege should prioritise and what direction the company should take in relation to the UN 2030 Agenda and the 17 Sustainable Development Goals (SDGs). There was also an option to write their own responses, and we asked what overall sustainability goals the stakeholders prioritised in their own businesses.

Following this, we arranged an internal workshop to adjust the seven previously prioritised SDGs and the company's own specific sustainability targets in line with stakeholders' expectations. Finally, we conducted comprehensive interviews with customers, the Board, capital providers and municipalities. We did this in order to understand nuances and identify synergies between the 17 SDGs. The results of the dialogues and the subsequent analysis reveal that the following SDGs are the most significant for us:

- Goal 3: Good Health and Well-being
- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible consumption and production



The materiality analysis has also been used to develop our sustainability reporting and ensure we report on those areas that correspond to our most significant impact on the economy, environment and people, including human rights.

In 2022, we updated our materiality analysis to clarify the list of our material topics based on the GRI's updated definition of a material topic in the GRI Standards 2021. The updated list of material topics can be found on page 25.

## Management of sustainability work

Our sustainability work is integrated into the organisation and has a clear division of responsibility for work relating to the various focus areas.

Our CEO bears overall responsibility for sustainability work. The CEO is responsible for monitoring sustainability work at management team level. Policies and guidelines are determined by the Executive Management Team, continually updated and made available to all employees via our intranet.

The Board's rules of procedure include regular monitoring of sustainability issues. Reports are submitted to the Audit Committee and Board of Directors. Proposals for sustainability targets are prepared in close cooperation with the business areas and then approved by the Executive Management Team.

The Head of Sustainability, who reports directly to, and as of 1 January 2024 is a member of the Executive Management Team, leads sustainability work in the organisation. The Head of Sustainability pursues this work through the Sustainable Development Department. Responsibility for implementation rests with the line organisation. The Head of Sustainability is also responsible for strategic work with the districts' sustainability programmes, with business development and the property developers having operational responsibility.

#### Calculation of GHG emissions

To be able to compare emissions of different gases, they are recalculated as carbon dioxide equivalents (CO<sub>2</sub>e). We use emission factors from our suppliers to calculate the volume of emissions. The reported emissions total from operations includes a reduction in CO<sub>2</sub>e as a result of Guarantee of Origin (GO-labelled) electricity and GO-labelled renewable district heating and district cooling. We have chosen 'financial control' and we focus on the 'market-based method' (but also report location-based method). This is because, as owner, we control the property's energy performance and energy sources, while tenants can only influence consumption. Calculation of our carbon footprint (CO<sub>2</sub>e) is evolving all the time, via more elements and improved key performance indicators. To facilitate comparison, we have placed comparable figures alongside each other and new figures in separate categories.

We use actual consumption when calculating emissions according to the Greenhouse Gas Protocol (GHG Protocol); see page 30 for table of emissions. Emission factors for electricity include the direct emissions resulting from electricity production and emission factors for district heating are reported without the effect of carbon offsetting. Instead we report carbon offsetting as a negative emissions item separately from Scope 1 and Scope 2.

#### Reporting of emissions according to the GHG Protocol

We primarily report greenhouse gas emissions in accordance with the GHG Protocol, market-based method, as

we then have statistics from 2002 onwards. We also report the outcome according to the location-based method. Emissions from refrigerants (Scope 1) are taken from the legally required refrigerant report of each property. Company car emissions (Scope 1) are based on the distance driven and the average consumption of mixed driving for each car. We are 100 per cent electric.

We primarily report Scope 2 according to the market-based method, where our GO-labelled renewable electricity has an emission factor of 0g CO<sub>2</sub>e/kWh. However, we also report the location-based method premiums via the Nordic electricity mix 1. Consumption of electricity (Scope 2) and district heating and cooling (Scope 2) is retrieved from the energy monitoring system. The CO<sub>2</sub> calculation is not adjusted based on SMHI degree days. The emission factor from the respective district heating and district cooling supplier is used for the CO<sub>2</sub> calculation.

Our Scope 3 includes waste management by type and processing method from suppliers, internal monitoring of staff mileage driven while on duty, business travel by air from the travel company, internal monitoring of property development, building energy from suppliers, employee commuting in km based on the 2022 travel habits survey (CERO) and tenant energy use assumed on a flat rate of 45 kWh/sqm. 91 per cent of leases are green, which gives an emission factor of 6.5g CO<sub>2</sub>e/kWh based on the Nordic electricity mix of 71.8g CO<sub>2</sub>e/kWh. This year includes property development, new construction and tenant customisations, but as with the previous year, it does not include properties bought and sold in accordance with the Swedish Property Federation's report, 'Reporting Scope 3 Emissions for Property Owners'.

#### Energy

Energy work is conducted by our energy strategist via our energy strategy and sustainability and environmental policy. The energy strategist supports the property developers in the design of energy systems in sustainable districts, the operations managers, who together with the operating organisation have chief responsibility for energy issues in all buildings under management, and the project managers for the same responsibilities relating to new construction. The energy strategist reports to the Head of Sustainability.

Energy data from our properties is automatically collected from our energy meters via technical infrastruc-

ture in our properties. The data is checked for discrepancies both automatically and manually and we only use measured data.

#### Employees

The Director of Human Resources, who is a member of the Executive Management Team, is responsible for strategic HR work and for ensuring compliance with laws and regulations in the area of labour law and collective bargaining agreements. The starting point is policy documents within the area of HR, such as the personnel, gender equality and salary policies, as well as the company's Code of Conduct.

We submit disclosures based on the GRI Standards 2021 and EPRA. All data related to employees is based on actual data and is compiled and secured by our HR department. Follow-up is carried out quarterly and annually based on established targets.

#### Supply chain

The purchasing manager reports to the Executive Management Team and is responsible for the company's purchasing policy, signing agreements with all strategic partners and sustainability screening of suppliers. The purchasing organisation is responsible for signing all framework and service contracts and ensuring that new contracts adhere to our general terms and conditions, sustainability and environmental policy and Code of Conduct. For new construction and redevelopment projects we have general requirements in administrative regulations, which are supplemented by environmental programmes and specific terms for each project. General terms and conditions, or administrative terms, together with the sustainability and environmental policy and Code of Conduct are included in the appendices of all contracts signed with suppliers.

#### Financing

Our Green Business Council compiles data on ongoing and planned environmental certifications, and examines whether projects and assets satisfy the green requirements. A special report on how the company allocates its green funds and how well it fulfils the terms imposed by the framework is prepared each quarter and published at



#### Customers

Overall responsibility for customer satisfaction and measurements is shared by the Director of Property Management and the Director of Technical Operations, both of whom are members of the Executive Management Team. The property managers are responsible for customer relationships at company and organisational level. They feed back the results from the surveys to the customers and are responsible for improvements being made at customer level based on service, cases and the CSI survey.

#### Business ethics and moral approach

All managers with personnel responsibility are charged with ensuring that the Code of Conduct is known and complied with in their respective department or sphere of responsibility. The Board of Directors and Executive Management Team are specifically responsible for promoting the implementation of the Code of Conduct. The content is revised and monitored annually. No incidents of breach of legislation were reported or brought to the attention of management in 2023.

## Management of material sustainability topics

	City districts	Properties	Employees
<b>Material topics</b>	<ul style="list-style-type: none"> <li>Energy system</li> <li>Living conditions in the local community</li> <li>Equality</li> </ul>	<ul style="list-style-type: none"> <li>Energy use</li> <li>Greenhouse gas emissions</li> <li>Waste</li> </ul>	<ul style="list-style-type: none"> <li>Good health</li> <li>Security</li> <li>Diversity and gender equality</li> <li>Greenhouse gas emissions</li> </ul>
<b>GRI Standards</b>	<ul style="list-style-type: none"> <li>GRI 302: Energy</li> <li>GRI 305: Emissions</li> <li>Fabege-1: Collaborative initiative</li> <li>Fabege-2: Security measures</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302: Energy</li> <li>GRI 305: Emissions</li> <li>GRI 306: Waste</li> </ul>	<ul style="list-style-type: none"> <li>GRI 403: Occupational health and safety</li> <li>GRI 405: Diversity and gender equality</li> <li>GRI 406: Non-discrimination</li> </ul>
<b>Impact in the value chain</b>	<ul style="list-style-type: none"> <li>Actual impact on the city's physical and social spaces.</li> <li>Environmental, climate and human impacts of urban development and various collaborative initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon footprint in the construction phase, energy and climate in the use phase and circular opportunities at end-of-life phase.</li> <li>Impact on the environment, climate and people in customer management, property operation, construction, purchasing and development.</li> </ul>	<ul style="list-style-type: none"> <li>Direct impact on employees' working environment.</li> <li>Impact on gender equality, diversity and human rights in recruitment and values work.</li> </ul>
<b>We want to achieve the following</b>	<ul style="list-style-type: none"> <li>Contribute towards keeping global warming under 1.5 degrees.</li> <li>Continue to focus on environment, climate and social sustainability as we develop the physical environment for life in our neighbourhoods.</li> <li>Make a difference in the neighbourhoods in which we operate, and our focus should be on children and young people, good education, meaningful leisure time, cultural experiences and finding a route into the labour market.</li> </ul>	<ul style="list-style-type: none"> <li>Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices.</li> <li>Our property management will be carbon neutral by 2030.</li> <li>Our carbon footprint in construction projects will be halved by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Employees believe that as an employer, Fabege facilitates a good work-life balance.</li> <li>We will be ranked on the list of Sweden's best workplaces and achieve a Trust Index of at least 90 in the Great Place To Work survey.</li> </ul>
<b>What we do</b>	<ul style="list-style-type: none"> <li>Via planning process, property management and development, we aim to achieve sustainable property and urban development.</li> <li>We get involved in learning and participation within sustainable urban development.</li> <li>We create experience-based, equitable and vibrant neighbourhoods with a mix of offices, residential units, services, culture and recreation in accordance with Citylab Action.</li> <li>We develop low-carbon energy system solutions for sustainable city districts.</li> <li>We create the conditions for a safe and secure living environment through site development, lighting projects, care/maintenance and a 24-hour presence. With good security, we create the conditions for people, regardless of age, gender, ethnicity, sexual orientation or disability, to want to work, live and stay in our areas around the clock.</li> <li>We run collaborative initiatives with schools and local sports activities, including the Låxhjälp homework club and H.A.N.G.</li> <li>We collaborate with property owners, businesses, municipalities and the police to gather knowledge and increase participation and safety.</li> <li>We work together with public transport and have decided to contribute SEK 180m to finance expansion of the underground rail service to Arenastaden.</li> </ul>	<ul style="list-style-type: none"> <li>We are continuing to develop services to reduce our carbon footprint.</li> <li>We have built a zero-energy building certified according to FEBY Gold Plushus.</li> <li>We have reduced energy consumption and increased the proportion of renewable energy.</li> <li>We strengthen capacity for low-carbon adjustments, boosting biodiversity, making environmental adaptations and creating an attractive urban space via sustainability-certified properties.</li> <li>We facilitate sustainable mobility and offer low-carbon logistics services in our properties.</li> <li>We design premises via choice of materials, renewable electricity, flexibility, energy efficiency improvements and sorting waste for recycling as part of our green leases.</li> <li>We increase the green space factor via green roofs or planted areas that offer ecosystem services and create a sense of wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>We provide skills development opportunities that improve employees' conditions within the company, while strengthening their position in the wider labour market.</li> <li>We ensure equal rights for all irrespective of gender, ethnicity, religion, disability, age and other factors.</li> <li>We combat discrimination, for example, via salary reviews and collaboration with employees via our health and safety committee.</li> <li>We get involved in learning and participation within sustainable urban development.</li> <li>We organise conferences focusing on our values (SPEAK).</li> <li>Health and fitness programmes</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Sustainability targets</li> <li>Code of Conduct</li> <li>Procurement and purchasing policy</li> <li>Security policy</li> <li>Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Sustainability targets</li> <li>Refrigerant policy</li> <li>Energy strategy</li> <li>CO<sub>2</sub> calculation guideline</li> <li>Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Work environment policy</li> <li>Code of Conduct</li> <li>Equality policy</li> <li>Policy on diversity in the Board of Directors</li> <li>GDPR policy</li> </ul>
<b>Evaluation</b>	<ul style="list-style-type: none"> <li>Monitoring resource use and greenhouse gas emissions.</li> <li>Collaborative forums in our neighbourhoods – monitoring local communities.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> <li>Workplace inspections at projects.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring resource use and greenhouse gas emissions.</li> <li>Follow-up of environmental certification systems.</li> <li>Energy monitoring</li> <li>Evaluation of product liability through self-assessment, BREEAM certifications, Building Material Assessment and climate calculations.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> </ul>	<ul style="list-style-type: none"> <li>Annual employee survey, GPTW.</li> <li>Monitoring of diversity and gender equality, health and safety via annual survey, salary reviews, health and safety committee etc.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> </ul>

## Management of material sustainability topics cont.

	Supply chain	Financing	Customers	Business ethics
<b>Material topics</b>	<ul style="list-style-type: none"> <li>Review of supplier sustainability, incl. environment and human rights.</li> </ul>	<ul style="list-style-type: none"> <li>Green financing</li> </ul>	<ul style="list-style-type: none"> <li>Good health</li> <li>Security</li> <li>Indoor environment</li> <li>Energy use</li> <li>Greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Tax</li> </ul>
<b>GRI Standards</b>	<ul style="list-style-type: none"> <li>GRI 414: Supplier social assessment</li> <li>GRI 308: Supplier environmental assessment</li> </ul>	<ul style="list-style-type: none"> <li>Fabege-6: Proportion of green financing</li> <li>Fabege-7: EU taxonomy</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302: Energy</li> <li>GRI 305: Emissions</li> <li>Fabege-4: Fitwel certification</li> <li>Fabege-2: Security measures</li> <li>Fabege-5: Percentage BREEAM-certified properties</li> </ul>	<ul style="list-style-type: none"> <li>GRI 205: Anti-corruption</li> <li>GRI 207: Tax</li> </ul>
<b>Impact in the value chain</b>	<ul style="list-style-type: none"> <li>We set requirements for suppliers and subcontractors in relation to the environment, health and safety and human rights.</li> </ul>	<ul style="list-style-type: none"> <li>Through high ESG performance, we can be part of increasing the proportion of green finance in society.</li> </ul>	<ul style="list-style-type: none"> <li>Direct impact on customers' indoor environment and indirect impact on their business.</li> </ul>	<ul style="list-style-type: none"> <li>Good business ethics enable us to promote sustainable and fair competition.</li> </ul>
<b>We want to achieve the following</b>	<ul style="list-style-type: none"> <li>100% of our suppliers with framework agreements will be audited on the basis of our Supplier Code of Conduct, policies and international conventions.</li> </ul>	<ul style="list-style-type: none"> <li>Our financing will continue to be 100% sustainable and green.</li> </ul>	<ul style="list-style-type: none"> <li>We will be a proactive partner that puts people front and centre, and that enables customers and businesses to develop through innovation, responsibility and flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>Our operations will be characterised by strong business ethics and responsibility.</li> </ul>
<b>What we do</b>	<p>We have introduced a new system to screen framework agreement suppliers from a sustainability perspective in order to:</p> <ul style="list-style-type: none"> <li>Ensure labour law is complied with in areas such as salaries, overtime and employment conditions.</li> <li>Combat inadequate business ethics and corruption.</li> <li>Prevent child labour and forced labour.</li> <li>Guarantee fire safety and a safe work environment.</li> <li>Combat negative environmental impact in the local community resulting from emissions of hazardous substances to water, air and/or soil.</li> <li>Ensure impeccable business ethics and compliance with Code of Conduct.</li> <li>Achieve energy efficiency, effective resource management and good material choices in terms of chemical content, environmental impact and carbon footprint.</li> <li>Adhere to health and environmental certification systems.</li> <li>Report on greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>We are increasing the proportion of sustainable investments that reduce climate risk in assets.</li> <li>We share knowledge with capital providers and investors on sustainability.</li> <li>We have participated in the development of banks' green loan products, sustainability-linked loans and new sustainable products on the capital market.</li> <li>We hold regular sustainability discussions with capital providers and report back to them.</li> </ul>	<ul style="list-style-type: none"> <li>We design premises with a focus on health, indoor climate, greenhouse gas emissions, reuse, sustainable choice of materials, renewable electricity, flexibility, energy efficiency improvements and sorting waste for recycling under the remit of green leases.</li> <li>We ensure premises are health and environmentally certified to BREEAM standard, and we provide buildings and districts that offer customers good opportunities to make sustainable choices.</li> </ul>	<ul style="list-style-type: none"> <li>All our employees receive regular training on both our Code of Conduct and the industry's code against corruption. We comply with the relevant laws and other regulations. The same applies to generally acceptable business practice and international human rights, labour and environmental standards in accordance with the Global Compact and the ILO's fundamental conventions on human rights at work.</li> <li>Our Ethics Council supports our daily work, with representatives from different departments. The Council, which reports to the Executive Management Team, is responsible for leading and driving work on ethical issues and monitoring relevant external issues. We comply with all tax legislation and regulations. In areas where the regulatory framework is unclear, we act transparently and prudently, and we refrain completely from aggressive and sophisticated tax planning.</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Procurement and purchasing policy</li> <li>Code of Conduct for suppliers</li> <li>Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Finance policy</li> <li>Tax policy</li> <li>Credit policy</li> <li>Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and environmental policy</li> <li>Sustainability targets</li> <li>Code of Conduct</li> <li>Security policy</li> <li>Other procedures</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Policy for whistleblower function</li> <li>Tax policy</li> <li>Insider policy</li> <li>Anti-corruption guidelines</li> <li>Sponsorship policy</li> <li>Other procedures</li> </ul>
<b>Evaluation</b>	<ul style="list-style-type: none"> <li>Ongoing quality measurement and framework agreement suppliers audited for sustainability.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> <li>Workplace inspections at projects.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly and annual evaluation regarding green financing.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of Customer Satisfaction Index (CSI).</li> <li>Analysis of regular customer dialogues.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up of cases raised via whistleblower function.</li> <li>Policies are evaluated annually and set by the Executive Management Team.</li> </ul>

## Our stakeholders and impact

Area	Dialogue format	Impact on stakeholders	Impact on sustainable development
<b>Customers</b>	<ul style="list-style-type: none"> <li>Sustainability network together with companies in Arenastaden.</li> <li>Travel habits survey of around 22,000 employees whose workplaces are in Arenastaden.</li> <li>Regular customer dialogue.</li> <li>Customer satisfaction surveys.</li> <li>Newsletters.</li> <li>Cooperation on green leases.</li> <li>Breakfast meetings on sustainable employees and workplaces.</li> <li>Service report and moment of truth.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating sustainable mobility and offering low-carbon, quiet logistics services in the districts.</li> <li>Design of premises via sustainable choice of materials, renewable electricity, flexibility, energy efficiency improvements, indoor climate and sorting waste for recycling.</li> <li>Creating attractive, secure and safe public spaces with services, convenience stores and experience-based meeting places.</li> <li>Increasing the green space factor for public areas by creating parks, squares and thoroughfares that provide ecosystem services and pleasant environments.</li> <li>At the end of the case, the customer can rate our dialogue and our work.</li> </ul>	<ul style="list-style-type: none"> <li>Health and environmentally certified premises, buildings and districts that offer customers good opportunities to make sustainable choices.</li> <li>Continued development of public transport and services to reduce carbon footprint.</li> <li>Contributing to a sustainable lifestyle.</li> <li>We get involved in learning and participation within sustainable urban development.</li> <li>Developing zero-energy buildings.</li> <li>Reducing energy consumption and increasing the proportion of renewable energy.</li> <li>Strengthening capacity for low-carbon adjustments, boosting biodiversity, public health and quality of life, and helping create an attractive district.</li> <li>Sustainability should be built into our customers' day-to-day activities, with service reporting and dialogue contributing to the continuous development of buildings, services and working practices.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee discussion</li> <li>Performance reviews</li> <li>Human resources surveys</li> <li>Café Fabege (meeting forum)</li> <li>Conferences</li> <li>Department-specific sustainability training</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating work-life balance</li> <li>Code of Conduct</li> <li>Great Place To Work</li> <li>Our core values, SPEAK</li> <li>Skills development</li> <li>Fitness promotion</li> <li>Terms of employment</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Healthy and committed employees.</li> <li>Contributing to sustainable workplaces and Fabege's overall sustainability strategy.</li> <li>Skills development that improves employees' conditions within the company while strengthening their position in the wider labour market.</li> <li>Ensuring equal rights for all irrespective of gender, ethnicity, religion, disability, age and other factors.</li> <li>Combating discrimination.</li> <li>We get involved in learning and participation within sustainable urban development.</li> </ul>
<b>Shareholders and analysts</b>	<ul style="list-style-type: none"> <li>Annual report</li> <li>Quarterly reports</li> <li>Capital market days</li> <li>Roadshows and one-to-one meetings</li> <li>Reporting to Audit Committee and Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Initiating discussions with analysts about value-adding sustainability work.</li> <li>Prioritised SDGs based on the materiality analysis.</li> <li>The Board's rules of procedure include regular monitoring of sustainability issues.</li> </ul>	<ul style="list-style-type: none"> <li>Helping to steer capital flows towards a more sustainable economy, making sustainability an integral factor in risk management, and promoting transparency and thus the conditions for long-term investment.</li> <li>Disseminating knowledge about innovative sustainability work in construction and property development.</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Cooperation with creditors and bond investors on sustainability reporting.</li> <li>Presentations, quarterly reports, annual report, website</li> <li>Meetings, property viewings and seminars</li> <li>Capital market days</li> </ul>	<ul style="list-style-type: none"> <li>Participating in the development of banks' green loan products and new sustainable products on the capital market.</li> <li>Regular sustainability discussions with capital providers.</li> </ul>	<ul style="list-style-type: none"> <li>Can accelerate the transition to a more sustainable economy.</li> <li>Increasing the proportion of sustainable investments that reduce environmental, climate and social sustainability risks in assets.</li> <li>Disseminating sustainability knowledge.</li> <li>Disseminating knowledge about innovative sustainability work in construction and property development.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Centralised procurement/framework agreements requiring suppliers to comply with our Code of Conduct.</li> <li>Meetings with framework agreement suppliers.</li> <li>Supplier day with inspirational talks.</li> </ul>	<ul style="list-style-type: none"> <li>Demands for impeccable business ethics and Code of Conduct.</li> <li>Continuous quality measurements of suppliers.</li> <li>Far-reaching requirements in areas such as energy efficiency, resource management, reporting of greenhouse gas emissions and choice of materials.</li> <li>Must follow health and environmental certification systems.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure labour law is complied with in areas such as salaries and overtime.</li> <li>Combat inadequate business ethics and corruption.</li> <li>Prevent child labour and forced labour.</li> <li>Guarantee fire safety and a safe work environment.</li> <li>Combat negative environmental impact in the local community resulting from emissions of hazardous substances to water, air and/or soil.</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>Regular meetings with municipalities and government agencies.</li> <li>Collaborative meetings together with networks of companies (BELOK, SGBC, Swedish Property Federation, Byggherreforum, etc.).</li> <li>Cooperation agreements with organisations such as Läxhjälpen homework club.</li> <li>BID Flemingsberg</li> <li>Klimatarena Stockholm (Climate arena Stockholm)</li> <li>Solna's climate and sustainability network</li> </ul>	<ul style="list-style-type: none"> <li>Via planning process, property management and development work to achieve sustainable property and urban development.</li> <li>Street Gallery, Läxhjälpen homework club and Changers Hub aimed at young people.</li> <li>More pupils gaining qualifications for upper secondary school.</li> <li>Decision to contribute SEK 180m to finance expansion of the underground rail service to Arenastaden.</li> <li>Construction to lead the way and halve emissions in Stockholm by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to the 1.5-degree target under the Paris Agreement.</li> <li>Climate pledge with shared goal of accelerating the climate transition in Region Stockholm.</li> <li>Creating experience-based, vibrant neighbourhood environments with a mix of offices, residential units, services, culture, meeting places and green spaces.</li> <li>Working for sustainable mobility via infrastructure for electric vehicles, cooperating with public transport and improving conditions for cyclists.</li> <li>Creating the conditions for a safe and attractive living environment.</li> </ul>

# Task Force on Climate-related Financial Disclosures (TCFD)

During the year we continued with efforts to identify and evaluate climate-related risks and opportunities via an advanced risk analysis. This has enabled us to assess their impact on the company's strategy. We will continue to work on identifying and evaluating climate-related risks. Find out more about our scenario analysis on our website at

The work was based on TCFD's recommendations regarding climate-related risks and opportunities. We have analysed the business to ensure that the company is well-equipped to cope with the climate-related challenges that are already evident, but also those risks that are likely to affect the business in the future. Managing climate change and the ongoing transition in line with the Paris Agreement also generates significant opportunities for companies like us that are highly ambitious in terms of their sustainability work.

## Climate-related risks and opportunities

For a long time now, we have been working to reduce our carbon footprint and to future-proof properties and districts in response to changes in the climate, including rain, snow, wind and temperature variations. We are continuously identifying and managing climate-related risks and opportunities and their impact on operations, properties and districts. We have based the analysis on the risks and opportunities we have identified as being most significant for our future business. The results demonstrate that many of the risks we have identified are likely to be significant in the future, but that their financial impact will probably vary depending on the extent of the risk.

## Transition risk

In the medium and long term, we can see a strong likelihood of tougher legal requirements having a knock-on effect on companies in the form of more stringent requirements, including in relation to measuring and reducing energy use and carbon emissions in operations, property management and projects. There is currently no price for carbon dioxide, but we expect this to be introduced in the near future. A higher carbon dioxide price would, for example, mean increased material costs, partly in the production of materials such as concrete, crushed stone and steel, and also when it comes to

more sustainable materials such as timber products. In the latter case, the cost increase is linked to the fact that demand for these materials is increasing all the time.

A clear risk we are currently seeing is that political measures are stopping property owners from launching large-scale production of self-produced energy. We can see a challenge in that continued political management and decisions in the field of energy may lead to higher energy prices.

Political decisions may also slow down progress towards more fossil-free energy use.

We are working constantly to satisfy requirements and expectations from customers and other stakeholders. Demand for sustainable and certified buildings has grown over the course of several years. Environmental certification of our properties is an area we have been focusing on for a long time, and it's an area where we are endeavouring to raise our level of ambition. Municipalities that allocate land to us, and capital providers that influence our economic circumstances are crucial for our business. Requirements and expectations in the area of sustainability are also increasing in these groups. The ongoing development of the EU's taxonomy system for sustainable activities is one of several examples of guidelines that impose enhanced requirements on our sustainability work. The system means that we need to raise the bar to meet our capital providers' expectations and gain access to green financing. The forthcoming requirements of the Corporate Sustainability Reporting Directive (CSRD) will also affect the extent of sustainability work and reporting.

## Physical climate risks

Changes in weather patterns are already affecting our properties and districts. There are a number of challenges that arise as a result of a warmer climate and higher temperatures. In the future, the direct effects of rising



temperatures are likely to be that the cost of cooling properties will be higher, although heating costs may decrease somewhat.

In the longer term there is a risk of groundwater levels falling, which may lead to more water shortages and temporary restrictions on drinking water in several locations across Sweden. Higher annual precipitation and

more days of heavy rain or snowfall also mean large quantities of water collect more easily. This can in turn result in a greater need to drain away surplus water, which can be difficult in areas where there are lots of hard surfaces. In buildings with basements on level ground there is also a risk of insufficient drainage capacity, which increases the risk of damage caused by

## Task Force on Climate-related Financial Disclosures (TCFD) cont.

damp. Extended periods with no rain cause groundwater levels to fall. For open natural environments and ground prone to subsidence it can have a negative impact on bearing resistance and cause subsidence damage, particularly in structures with shallow foundations. Prolonged dry spells can also cause cracks to form near the surface of the ground, which can affect basic infrastructure such as cycle paths, parking areas and small roads. These cracks can be a direct result of the dry conditions, but can also be due to water in the ground being sucked up by plants and trees. We have identified increased precipitation and flooding as one of the main potential risks through building-level climate resilience analyses.

### Climate-related opportunities

Our entire business model and operations are adapted to harness opportunities arising out of the transition to a sustainable society. We regard our efforts to reduce energy usage and carbon emissions from operations as a way of future-proofing our properties, cutting costs and satisfying future legal requirements. This work also helps us continue to be an attractive company for all our stakeholders. Our long-term sustainability work includes the ambition to continually raise the percentage of self-produced energy, primarily from solar panels. The aim is to contribute to a greater proportion of renewable energy both within our operations and in society as a whole.

Environmentally certifying our properties and creating

more sustainable buildings is an important strategic goal. Our aim in the short term is to meet customer demand. In the longer term we also want to be well prepared for new, tougher requirements that are likely to be introduced. We have had our climate target approved by the Science Based Targets initiative (SBTi), thereby supporting the UN climate agreement. Our goal is to achieve carbon neutral property management (Scopes 1 and 2) by 2030, and a 50 per cent reduction in Scope 3 emissions per GFA from the base year 2019. We see good opportunities to shift emissions from property management (Scopes 1 and 2), but it will be a challenge to cut emissions by half (Scope 3) in kg CO<sub>2</sub> per GFA

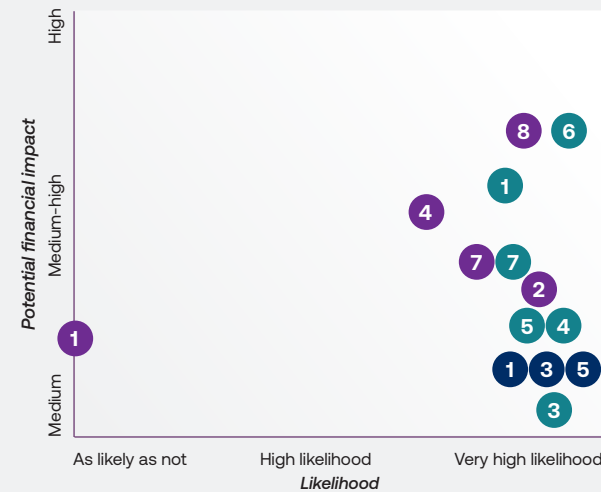
compared with 2019 through life-cycle analysis of construction projects.

We are a relationship builder and enjoy close partnerships with municipalities in which we work together on urban development projects. We believe that good relationships do not just benefit us, but also society as a whole. All in all, we aim through our responsible approach in all areas of the business to be the natural choice for customers, employees and investors. We also hope our targeted sustainability work will inspire other companies and fuel the trend towards reducing climate impact going forward.

## TCFD index

Governance	Strategy	Risk management	Indicators and targets
a) Board of Directors' overview of climate-related risks and opportunities. Pages 50–60, 67	a) Description of climate-related risks and opportunities that we have identified. Pages 56, 78–79	a) Description of the process of identifying and assessing climate-related risks. Pages 50, 78–79	a) Indicators to measure and control climate-related risks and opportunities. Pages 29–32, 37–38, 41–42, 80
b) Role of management in assessing and managing climate-related risks and opportunities. Pages 67–68, 74	b) Description of how the business, strategy and financial planning have been impacted. Pages 26–32, 37–39, 56	b) Description of processes to manage climate-related risks. Pages 50, 56, 67–68, 78–79	b) Reporting of Scope 1, 2 and 3 emissions according to Greenhouse Gas Protocol (GHG Protocol). Page 30
	c) Description of the organisation's strategic resilience and impact of various climate-related risks and opportunities. Pages 56, 78–79	c) Description of how the processes are integrated into the organisation's overall risk management. Pages 50, 67–68	c) Description of targets used to manage climate-related risks and opportunities and the outcome of these targets. Pages 29–32, 41–42, 80

## Climate-related risks and opportunities



### Transition risk

- 1 Increased carbon dioxide emissions
- 2 Political decisions in the field of energy that lead to higher energy prices or hamper development
- 4 Increased legal requirements regarding property development
- 7 Higher material and raw material costs
- 8 Shifting preferences among customers, municipalities and capital providers

### Physical climate risks

- 1 Torrential rain and flooding
- 3 Temperature increases
- 6 Changes in geology

### Climate-related opportunities

- 1 Reduced energy consumption in buildings
- 3 Higher proportion of self-produced energy
- 4 Lower carbon dioxide emissions
- 6 Growth in demand for certified properties
- 6 Tougher requirements regarding sustainable urban planning
- 7 Green financing reduces financing costs

## Sustainability indicators in accordance with EPRA, properties and employees

					Absolute measures (Abs)		Like-for-like (Lfl)			
					2023	2022	2023	2022	Change, %	
ENERGY	Elec-Abs, Elec-LfL	MWh	Electricity	for landlord shared services	22,387	23,871	21,055	23,158	-9	
				(sub)metered exclusively to tenants	29,334	27,538	28,877	26,809	4	
	Total landlord-obtained electricity				51,721	51,409	48,933	49,968	-2	
	Total tenant-obtained electricity									
	Total electricity				51,721	51,409	48,933	49,968	-2	
	% from renewable sources				100	100	100	100	0	
	No. of applicable properties				69	68	66	66	—	
	%				0	0	0	0	—	
	Proportion of electricity estimated				0	0	0	0	—	
	ENERGY	DH&C-Abs, DH&C-LfL	MWh	District heating & cooling	for landlord shared services	63,587	63,537	60,489	61,050	-1
(sub)metered exclusively to tenants					6,616	6,511	6,545	5,984	9	
Total landlord-obtained heating & cooling				70,202	70,048	67,034	67,034	0		
Total heating & cooling				70,202	70,048	67,034	67,034	0		
% from renewable sources				87	94	—	—	—		
No. of applicable properties				69	68	66	66	—		
%				0	0	0	0	—		
Proportion of heating & cooling estimated				0	0	0	0	—		
Energy-int				kWh/m <sup>2</sup> /year	71.0	72.8	71.6	73.9	-3	
GHG EMISSIONS		GHG-Dir-Abs	Tonnes CO <sub>2</sub> e	Direct	Total Scope 1	0	54			
	GHG-Indir-Abs	Tonnes CO <sub>2</sub> e	Indirect	Total Scope 2 market-based	1,711	1,866				
				Total Scope 2 location-based	3,451	3,851				
				Total Scope 3	13,258	28,796				
	No. of applicable properties				GHG disclosure coverage <sup>1)</sup>	81	84			
	%				Proportion of GHG estimated <sup>2)</sup>	17	11			
kg CO <sub>2</sub> e/m <sup>2</sup> /year				GHG Intensity	(Scope 1 + Scope 2) kg/m <sup>2</sup>	1.2	1.3			
WATER			Municipal water	Total water consumption	441,038	392,960	412,349	386,945	7	
	No. of applicable properties				Water disclosure coverage	69	68	66	66	—
			Building water intensity		0.364	0.327	0.36	0.34	6	
	%				Proportion of water estimated	0	0			
WASTE	Waste-Abs <sup>3)</sup>	Tonnes	Waste	Total hazardous	27	42				
				Total non-hazardous	2,361	2,742				
				Recycled	1,007	1,314				
				Incineration	1,376	1,461				
				Landfill	4	8				
				Waste disclosure coverage				63	66	
CERTIFIED ASSETS	Cert-Tot	%	Sustainability certified buildings	% of portfolio certified by floor area	100	100				
				% of portfolio certified by number of properties	100	100				
				No. of applicable properties	63	65				

<sup>1)</sup> Also includes land and development properties that produce carbon emissions.

<sup>2)</sup> Electricity consumption of tenants and Property Development (only tenant customisations) in Scope 3.

<sup>3)</sup> Waste from properties (tenants' and Fabege's operational waste).



## Sustainability indicators in accordance with EPRA, properties and employees cont.

### Employees

Social & Corporate Governance impacts	EPRA Code	Measurement Unit	Indicator		2023	2022	Change, %	
HEALTH AND SAFETY	H&S-Emp	Days per employee	Absentee rate	Direct employees	2.9	2.96	-2	
				Board of Directors members	57	57	0	
				Executive Management	50	50	0	
DIVERSITY	Diversity-Emp	% of female employees	Diversity Employees	Managers	38	47	-19	
				All employees	36	38	-6	
				Total number new employees	22	31	-29	
EMPLOYEES	Emp-Turnover	Total number and rate	New hires	Proportion new employees, %	10	13	-23	
				Departures – Turnover	Total number of departed employees	25	19	35
					Proportion of departed employees, %	11	8	38
				Total employees number	228	231	-1	
				CORPORATE GOVERNANCE	Gov-Board	Total number	Composition of the highest governance body <sup>1)</sup>	Executive
Non executive	0	0	0					
	7	7	0					

<sup>1)</sup> Average number of years on the Board: 6 years.

### Equal opportunities/gender equality<sup>1)</sup>

	2023					2022				
	Women	Men	<30 years	30–50 years	>50 years	Women	Men	<30 years	30–50 years	>50 years
Board of Directors, number	4	3	—	2	5	4	3	—	2	5
Executive Management Team, number	4	4	—	2	6	4	4	—	2	6
Main management team (excl. Executive Management Team), number	11	18	—	17	12	14	16	—	20	10
All employees, number	83	145	16	131	81	88	143	16	134	81

<sup>1)</sup> Summary of us by gender and age for various levels within the company. We do not record employees' ethnicity.

### Number of employees by form of employment, gender and in our business areas

By age, %	0–19	20–29	30–39	40–49	50–59	60–69	Average age	
Women		0	3.6	22.9	43.4	24.1	6.0	45
Men		0.7	9.0	26.2	24.1	30.3	9.7	45
<b>Total</b>		<b>0.4</b>	<b>7.0</b>	<b>25.0</b>	<b>31.1</b>	<b>28.1</b>	<b>8.3</b>	<b>45</b>

Percentage of women within each area, %	Percentage of entire company employees within each area, %		
Property Management incl. operations	21	Property Management incl. operations	53
Projects & Business Development	49	Projects & Business Development	24
Business support	55	Business support	13
Birger Bostad	64	Birger Bostad	10

### Accidents

Accident rate is defined as the number of workplace accidents resulting in an absence of one or more contracted working days per 200,000 hours worked, divided by hours worked. The number of hours worked for our own employees in 2023 was 413,056. The most common injuries experienced by our technicians are cuts and crushing injuries. However, these injuries are rare in day-to-day work.

Employees	2023
Number of deaths	0
Number of occupational accidents, with and without absence	8
of which travel accidents (to and from work) <sup>1)</sup>	2
of which accidents with absence	2
of which serious accidents <sup>2)</sup>	0
Number of cases of occupational diseases	0
Accident rate (LTAR) <sup>3)</sup>	0.48

<sup>1)</sup> The travel accident did not result in sick leave or lasting injury.

<sup>2)</sup> Relates to accidents with absence from work for a period of more than six months.

<sup>3)</sup> Relates to accidents for own personnel with absence, excluding travel accidents.

### Sickness absence

Total sickness absence in relation to ordinary working hours, %	Women	Men	Total sickness absence
Age 0–29	— <sup>1)</sup>	4.11	3.78
Age 30–49	4.83	3.10	3.85
Age 50+	1.03	1.47	1.33
<b>Total</b>	<b>3.54</b>	<b>2.51</b>	<b>2.90</b>

<sup>1)</sup> Not reported due to the exemption rule in the legislation which states that the data should not be provided if the number of employees in the group is ten or less, or if the data can be attributed to a single individual. Group refers to both age category and gender distribution within age category.

### Involvement in organisations

We have board or committee assignments in the following organisations:

- BELOK, Beställargruppen Lokaler – the Swedish Energy Agency's network for energy-efficient buildings
- BREEAM and Sweden Green Building Council
- Byggherrarna Sverige AB (The Swedish Construction Clients)
- Swedish Property Federation in Stockholm and in local associations in City-Kungsholmen, Hagastaden and Norrmalm
- Arena Huddinge – a forum for sharing knowledge and dialogue between Huddinge Municipality and the business community
- Samverkan i Huddinge (Cooperation in Huddinge) – a forum for local security measures
- Accessy – the industry's initiative to create a standard for digital key management

### Number of employees at year-end, of which

228	<ul style="list-style-type: none"> <li>• 83 women and 145 men</li> <li>• 225 permanent employees and 3 fixed-term contract employees</li> </ul>	<ul style="list-style-type: none"> <li>• 226 full-time employees and 2 part-time employees</li> </ul>	<ul style="list-style-type: none"> <li>• the proportion of employees with collective agreements was 100% for the Group</li> </ul>
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# EU taxonomy

We carry out both construction (via building contractors) and management of buildings. We have chosen to report only against objective 1: climate change mitigation (CCM) in the EU taxonomy, as it is the objective that is most relevant to our activities. For CapEx, Fabège could contribute to objectives 2 and 4, but all significant CapEx is covered by objective 1 and Fabège therefore only reports according to objective 1. All of our activities fall within the scope of the taxonomy objective 1, and the activities under which the bulk of our operations are described are CCM 7.7 Acquisition and ownership of buildings, and CCM 7.1 Construction of new buildings. However, other activities could also be used on a smaller scale.

## Principles for financial reporting according to the EU taxonomy

The proportion of our operations that is environmentally sustainable according to the EU Taxonomy Regulation is reported via three financial ratios, which indicate the percentage of turnover, OpEx and CapEx that is taxonomy-aligned.

### Recognition of turnover

All revenues related to the properties included in economic activities above are recognised. This refers to rental income, including the standard supplements. No material income that should be excluded has been identified. Turnover of SEK 3,377m corresponds to total net sales according to profit and loss accounts for 2023.

### Recognition of operating expenditure (OpEx)

OpEx includes the following expenses: property management costs, regular repairs, maintenance and expensed tenant customisations. Birger Bostad's production costs for residential development are recorded as operating expenses but are not included here, as they do not fall within the definition of operating expenses according to the taxonomy.

### Recognition of capital expenditure (CapEx)

Relates to CapEx for acquisitions and capitalised investment expenditure related to the properties included in economic activities reported above. CapEx of SEK 3,101m represents all expenditure on acquisitions and investments in investment and development properties in 2023. A further SEK 15m is linked to investments in

equipment. For further information, see Notes 17 and 19 on pages 109 and 111 respectively.

## Compliance with the EU Regulation

We have concluded that the activities that primarily include our operations are CCM 7.7 Acquisition and ownership of buildings, and CCM 7.1 Construction of new buildings.

Our interpretation of when a building has been constructed has been linked to the date of the planning permission application submitted to the municipality for all our buildings. This interpretation is consistent with the interpretation of the European Commission.

We may choose to report within other activities in specific cases, such as CCM 7.2. This is used when the redevelopment is significant and the building is not already green according to CCM 7.7. This has not been the case in 2023.

Fabège has a subsidiary, Birger Bostad, which builds residential units for sale. Birger Bostad's production costs for residential development are recorded as operating expenses but are not included here, as they do not fall within the definition of operating expenses according to the taxonomy. However, turnover linked to Birger Bostad is included in the accounts.

## Substantial contribution to environmental objective 1: climate change mitigation

The taxonomy requires a building constructed before 31/12/2020 (CCM 7.7) to have at least an Energy Performance Certificate (EPC) class A, or be among the top 15 per cent most energy-efficient buildings in the country to be classed as green. We have judged that the best available data regarding this is the limit values developed by Fastighetsägarna (Swedish Property Federation). Fastighetsägarna's limit value for offices is a primary energy demand of 80 kWh/sqm Atemp. We have a few properties that are not offices but are considered hotels or apartment buildings. Fastighetsägarna's limit values for these categories of 91 kWh/sqm Atemp and 81 kWh/sqm Atemp respectively are used here. If additional statistics become available, for example from Boverket (Swedish National Board of Housing, Building and Planning), we intend to use them in the future. We have calculated the primary energy demand for all properties based on the energy outcome in 2023 using a calculation in our energy monitoring tool Greenview. This calcu-

lation is identical to the one made in an Energy Performance Certificate (EPC), this has been verified by an external energy expert. We believe that this is the most accurate way to show that we meet the energy performance requirements, as it shows the current status of the property based on Boverket's current building regulations.

The taxonomy requires the energy performance of new buildings (CCM 7.1) to be 10 per cent below Boverket's building regulations, which is well above our own target that office buildings should be designed for energy requirements 50 per cent below building regulations. In our technical framework programme, we require that duct leakage testing and thermal imaging always be carried out in accordance with the taxonomy. We carry out life-cycle Global Warming Potential (GWP) calculation of the building according to Levels in the vast majority of our projects. However, Fabège is not reporting taxonomy alignment for CCM 7.1 for 2023.

## Do No Significant Harm (DNSH) criteria

To be aligned with the taxonomy, in addition to making a substantial contribution to an environmental objective, a company must not cause significant harm to any of the other environmental objectives. Fabège satisfies the DNSH requirements for CCM 7.7, but not all DNSH requirements for CCM 7.1; see below.

### Climate change adaptation (CCM 7.1 and CCM 7.7)

This requirement applies to both CCM 7.1 and CCM 7.7.

Regarding CCM 7.7, we have carried out climate risk analyses for all investment properties and we satisfy this requirement. The models used take climate change into account with a climate factor of 1.25. The analyses of investment properties are based on a worst-case RCP 8.5 scenario with continued high carbon emissions until 2100. We have only dealt with one scenario in these climate risk analyses, but the taxonomy recommends several scenarios. However, we have only analysed the worst-case scenario (8.5) and believe that analysis of this scenario alone provides a good overview of the risks.

With regard to CCM 7.1, taxonomy-based climate risk analyses are carried out in connection with the certification of new buildings according to BREEAM-SE. Therefore we already fulfil this requirement in our new construction.

Flooding and increased precipitation have been identified as the greatest potential future risk for both CCM 7.1 and CCM 7.7.

Qualitative scenario building also evaluates other relevant climate risks such as wind, temperature changes and erosion/subsidence. Ultimately, these risks are deemed to have a negligible impact on our portfolio.

We have decided to implement a significant number of the measures identified in the analyses. These actions have been factored into our operations and will be carried out on an ongoing basis going forward.

## Sustainable use and protection of water and marine resources (CCM 7.1)

In our technical framework programme, we always stipulate the requirements for water equipment imposed by the taxonomy, and on the whole we expect to meet this requirement in our projects. We do not perceive any major ambiguities regarding the interpretation of this requirement.

### Transition to a circular economy (CCM 7.1)

It is not yet fully documented that we fulfil this requirement in our existing projects, but we see good opportunities to do so.

We use the Swedish Construction Federation and Swedish Property Federation's interpretation of this requirement, which indicates that it is the waste that is sorted and prepared for material recycling that should be taken into account, and in general we believe we fulfil this in our existing projects.

In addition, we place a strong emphasis on flexibility and circularity in our projects to ensure that our buildings are resource-efficient, adaptable, flexible and able to be dismantled. We believe we broadly fulfil adaptability and flexibility, but there is still some work to be done to prove ability to dismantle, partly due to the lack of instructions from several of our suppliers.

### Pollution prevention and control (CCM 7.1)

We are as yet unable to substantiate these requirements as we do not have all the data in our ongoing projects to prove compliance. We await new functions in Byggarvbedömningen in 2024 that will enable us to report fulfilment of this. Until then we have opted not to indicate that this requirement is met.

## EU taxonomy cont.

### Protection and restoration of biodiversity and ecosystems (CCM 7.1)

We satisfy this requirement in all projects. We follow the Swedish Construction Federation and Swedish Property Federation's interpretation of this requirement, which states that Swedish legislation and the relevant local development plan fulfil this requirement.

### Our projects in 2023

We have a number of major projects that have planning permission applications submitted after 31/12/2020 and that are in the production phase and classed as CCM 7.1. For the 2023 financial year, these include Ackordet 1, Kvinten 1, Regulatorn 4, Semaforen 1 and Separatoren 1. These projects have increased their compliance with the taxonomy since 2022 and now satisfy significant sections of the taxonomy's requirements, but since interpretations of the requirements and documentation of this to demonstrate compliance are not yet fully in place, we have opted to make a conservative assessment and report these as not aligned with the taxonomy. However, our aim is for these projects to be produced in line with the taxonomy and, once they are further along in the process, for them to meet the requirements of the taxonomy.

We have a large number of projects in the early stages (e.g. land properties with an ongoing local development plan) that have not yet applied for planning permission and are therefore subject to the requirements in CCM 7.1. These may have minor investments and for the time being, we have chosen to make a conservative assessment with these too and report them as not aligned with the taxonomy, as interpretations of the requirements and documentation of this to demonstrate compliance are not yet fully in place. However, our aim is for these to be planned in line with the taxonomy and, once they are further along in the process, for them to meet the requirements of the taxonomy.

### Minimum Safeguards

We also meet the taxonomy's requirements for Minimum Safeguards related to human rights, anti-corruption, transparency regarding tax burdens and fair competition. Since 2011, we have been a signatory of the UN Global Compact, committing ourselves to the ten international principles. Every year we submit a report detailing how our work to highlight the principles of the Global Compact in our business has progressed. Our Code of

Conduct for employees and the equivalent code for suppliers/contractors is based on the UN Declaration on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention against Corruption.

We screen all our framework agreement suppliers from a sustainability perspective. Pages 35–36 and page 59 reflect our process for identifying, preventing and mitigating negative impacts on human rights and working conditions in the value chain. Our anti-corruption process is set out on pages 35–36 and 58. We produce transparent and open accounts of the Group's total tax burden. Find out more about our work with tax on pages 40 and 57.

We comply with the Swedish Competition Act, which aims to prevent market failures such as cartels and monopolies. We operate in an open market where commercial terms for letting and procurement apply. We have not been legally penalised in any of these areas.

### Nuclear and fossil gas related activities

Row		
<b>Nuclear energy related activities</b>		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Scope and alignment with EU taxonomy for all environmental objectives

### Proportion of turnover/total turnover

%	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	66	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

### Share of CapEx/total CapEx

%	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	23	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

### Share of OpEx/total OpEx

%	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	53	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Abbreviations of EU taxonomy objectives 1–6 according to EU standards. Fabege only reports according to objective 1 climate change mitigation (CCM).

EU taxonomy cont.

Turnover

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

Economic activities	Codes	Absolute turnover SEKm	Proportion of turnover, 2023 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2) turnover, 2022 %	Category enabling activity E	Category transitional activity T
				Climate change mitigation Yes; No; N/EL	Climate change adaptation Yes; No; N/EL	Water and marine resources Yes; No; N/EL	Circular economy Yes; No; N/EL	Pollution Yes; No; N/EL	Biodiversity and ecosystems Yes; No; N/EL	Climate change mitigation Yes/No	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollution Yes/No	Biodiversity and ecosystems Yes/No				

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	2,233	66%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	—	Yes	—	—	—	—	Yes	62%	—	—
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		2,233	66%	66%	0%	0%	0%	0%	0%							Yes	62%		
Of which enabling			0%	—	—	—	—	—	—	—	—	—	—	—	—	—	0%		
Of which transitional			0%	—	—	—	—	—	—	—	—	—	—	—	—	—	0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	1,137	34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								29%		
Construction of new buildings	CCM 7.1	7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)</b>		1,144	34%	34%	—	—	—	—	—								38%		
<b>Turnover of taxonomy-eligible activities (A.1 + A.2)</b>		3,377	100%	100%	—	—	—	—	—								100%		

B. Taxonomy-non-eligible activities

Turnover of Taxonomy-non-eligible activities (B)		0	0%
<b>Total A+B</b>		3,377	100%

EU taxonomy cont.

### Capital expenditure (CapEx)

Percentage of CapEx from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

Economic activities	Codes	CapEx SEKm	Proportion of CapEx, 2023 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards Yes/No	Proportion of taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2022 %	Category enabling activity E	Category transitional activity T
				Climate change mitigation Yes; No; N/EL	Climate change adaptation Yes; No; N/EL	Water and marine resources Yes; No; N/EL	Circular economy Yes; No; N/EL	Pollution Yes; No; N/EL	Biodiversity and ecosystems Yes; No; N/EL	Climate change mitigation Yes/No	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollution Yes/No	Biodiversity and ecosystems Yes/No				

#### A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	724	23%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	–	Yes	–	–	–	–	Yes	18%	–	–
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		724	23%	23%	0%	0%	0%	0%	0%							Yes	18%		
Of which enabling			0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which transitional			0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	830	27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								45%		
Construction of new buildings	CCM 7.1	1,547	50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								37%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		2,377	77%	77%	–	–	–	–	–								82%		
<b>CapEx of Taxonomy-eligible activities (A.1 + A.2)</b>		3,101	100%	100%	–	–	–	–	–								100%		

#### B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities (B)		15	0%
<b>Total A+B</b>		3,116	100%

EU taxonomy cont.

Operating expenditure (OpEx)

Percentage of OpEx from products or services associated with taxonomy-aligned economic activities – information covering the year 2023

Economic activities	Codes	OpEx SEKm	Percentage of OpEx, 2023 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards Yes/No	Proportion of taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2022 %	Category enabling activity E	Category transitional activity T
				Climate change mitigation Yes; No; N/EL	Climate change adaptation Yes; No; N/EL	Water and marine resources Yes; No; N/EL	Circular economy Yes; No; N/EL	Pollution Yes; No; N/EL	Biodiversity and ecosystems Yes; No; N/EL	Climate change mitigation Yes/No	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollution Yes/No	Biodiversity and ecosystems Yes/No				

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	83	53%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	–	Yes	–	–	–	–	Yes	53%	–	–
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		83	53%	53%	0%	0%	0%	0%	0%							Yes	53%		
Of which enabling			0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which transitional			0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	72	46%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								45%		
Construction of new buildings	CCM 7.1	1	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		73	47%	47%	–	–	–	–	–								47%		
<b>OpEx of Taxonomy-eligible activities (A.1 + A.2)</b>		156	100%	100%	–	–	–	–	–								100%		

B. Taxonomy-non-eligible activities

OpEx of Taxonomy-non-eligible activities (B)		0	0%
<b>Total A+B</b>		156	100%

# GRI index

**Statement on use**

Fabege AB hereby reports in accordance with the GRI Standards and the report covers the reporting period 1 January 2023 – 31 December 2023

**GRI 1 standard**

GRI 1: Foundation 2021

**GRI Sector Standard**

No Sector Standard is available yet.

GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Omission		
				Requirements omitted	Reason for omission	Explanation
<b>GRI 2: General disclosures 2021</b>						
The organisation and its reporting principles	2-1	Organisational details	100			
	2-2	Entities included in the organisation’s sustainability reporting	73			
	2-3	Reporting period, frequency and contact point	73, 134			
	2-4	Restatements of information	No change			
	2-5	External assurance	90, 117–118			
Activities and workers	2-6	Activities, value chain and other business relationships	2, 24, 25, 30			
	2-7	Employees	46, 81, 106			
	2-8	Workers who are not employees		2-8	Missing information	We have not yet compiled data about workers who are not employees.
Governance	2-9	Governance structure and composition	62–66, 69–70, 73			
	2-10	Nomination and selection of the highest governance body	62, 65–66	2-10-b-iv	Not applicable	The Nominating Committee does not take account of expertise in the field of sustainability.
	2-11	Chair of the highest governance body	69			
	2-12	Role of the highest governance body in overseeing the management of impacts	63, 116			
	2-13	Delegation of responsibility for managing impacts	73			
	2-14	Role of the highest governance body in sustainability reporting	73			
	2-15	Conflicts of interest	69–70			
	2-16	Communication of critical concerns	65			
	2-17	Collective knowledge of the highest governance body	65			
	2-18	Evaluation of the performance of the highest governance body	65–66, 75–76			
	2-19	Remuneration policies	65–66, 106–107	2-19-b	Not applicable	The Board’s remuneration is not related to sustainability.
Strategy, policies and practices	2-20	Process to determine remuneration	65–66			
	2-21	Annual total compensation ratio		2-21	Missing information	Information not yet compiled.
	2-22	Statement on sustainable development strategy	5–7, 61			
	2-23	Policy commitments	35–36, 40, 64			
	2-24	Embedding policy commitments	35–36, 40, 64			
	2-25	Processes to remediate negative impacts	35–36, 39–40			
	2-26	Mechanisms for seeking advice and raising concerns	40			
	2-27	Compliance with laws and regulations	56, 74			
	2-28	Membership associations	27, 81			
	Stakeholder engagement	2-29	Approach to stakeholder engagement	28, 73, 77		
2-30		Collective bargaining agreements	81			

GRI index cont.

GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Omission		
				Requirements omitted	Reason for omission	Explanation
<b>Material topics</b>						
GRI 3: Material topics 2021	3-1	Guidance to determine material topics	73–77			
	3-2	List of material topics	25, 73			
<b>Indirect economic impacts</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	26–28			
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	26–28			
<b>Anti-corruption</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	35, 40, 58, 64, 73–76			
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	40			
<b>Tax</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	40, 67, 75–76			
GRI 207: Tax 2019	207-1	Approach to tax	40, 67			
	207-2	Tax governance, control and risk management	40, 57, 67			
	207-3	Stakeholder engagement and management of concerns related to tax	40, 45, 57, 73			
	207-4	Country-by-country reporting	44, 45, 57, 92–93, 100, 109			
<b>Energy</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	29–32, 73–76			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	80			
	302-2	Energy consumption outside of the organisation	30, 73–74, 80			
	302-4	Reduction of energy consumption	32	302-4-a	Missing information	Stated as a percentage for the last quarter instead of for the full year.
<b>Emissions</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	29–32, 73–76, 78–81			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	30, 73			
	305-2	Energy indirect (Scope 2) GHG emissions	30, 73			
	305-3	Other indirect (Scope 3) GHG emissions	30, 73			
	305-4	GHG emissions intensity	80			
<b>Waste</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	29–31, 35–36, 39, 73–76			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	29–32			
	306-2	Management of significant waste-related impacts	29–32			
	306-3	Waste generated	80			
<b>Supplier environmental assessment</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	35, 73–76			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	35			
<b>Employment</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	33–34, 73–76			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	106, 81	401-1	Missing information	Not broken down by age, gender and region.



GRI index cont.

GRI Standards/Areas	Disclosure	Name of disclosure	Page reference	Omission		
				Requirements omitted	Reason for omission	Explanation
<b>Occupational health and safety</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	33–34, 58, 73–76			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	33–36			
	403-2	Hazard identification, risk assessment and incident investigation	33–36			
	403-3	Occupational health services	33–36			
	403-4	Worker participation, consultation and communication on occupational health and safety	33–36			
	403-5	Worker training on occupational health and safety	33–36			
	403-6	Promotion of worker health	33–36			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33–36			
	403-9	Work-related injuries	33–36, 81			
<b>Training and education</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	33–34, 73–76			
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	34			
<b>Diversity and equal opportunity</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	33, 66, 73–76, 81			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	81, 106			
<b>Non-discrimination</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	33, 64, 73–76			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	64			
<b>Supplier social assessment</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	35, 73–76			
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	35			
<b>Living conditions, education, leisure activities in local community</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	26–28, 73–76			
	Fabege-1	Collaborative initiative	26–28			
<b>Safety &amp; security</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	3, 8, 13, 27–28, 73–76			
	Fabege-2	Security measures	27–28			
	Fabege-3	Residential construction	17			
<b>Indoor environment &amp; good health and safety</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	9, 29, 32, 73–76			
	Fabege-4	Fitwel certification	32			
	Fabege-5	Total proportion of properties certified to BREEAM-SE and BREEAM In-Use standard	32			
<b>Financing</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	37–38, 73–76			
	Fabege-6	Proportion of green financing	47			
	Fabege-7	EU taxonomy	37–38, 82–86			

# Auditor's report

## Auditor's limited assurance review of Fabegē AB's (publ) sustainability report and statement regarding the statutory Sustainability Report

To Fabegē AB (publ), corp. reg. no 556049-1523

### Introduction

We have been engaged by the Board of Directors of Fabegē AB (publ) to undertake a limited assurance engagement of the Sustainability Report of Fabegē AB for 2023. The company has defined the scope of its sustainability reporting on pages 73–89 of this document, including a definition of the statutory Sustainability Report on pages 87–89.

### Responsibilities of the Board of Directors and management

The Board of Directors and management are responsible for sustainability reporting, including the preparation of the statutory Sustainability Report in accordance with applicable criteria and the Swedish Annual Accounts Act. The criteria are set out on pages 87–89 of the Sustainability Report, and comprise those parts of the framework for sustainability reporting published by GRI (Global Reporting Initiative) that are relevant for sustainability reporting, along with the company's own accounting policies and calculation principles. This responsibility also includes the internal controls relevant to the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the sustainability reporting based on the limited assurance procedures we have performed, and to issue a statement regarding the statutory Sustainability Report. Our assignment is limited to the historical information that is reported and thus does not cover data relating to future performance.

We have conducted our limited assurance review according to ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. We have performed our review of the statutory Sustainability Report in accordance with FAR's recommendation RevR 12 Auditor's statement regarding the statutory sustainability report. The procedures performed in a limited assurance review and review in accordance with RevR 12 vary in nature from, and are considerably less in scope than for an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards.

The audit company applies International Standard on Quality Management 1, which requires the company to design, implement and manage a quality assurance system, including guidelines or procedures regarding compliance with ethical requirements, standards for professional practice and applicable requirements in laws and other regulations. We are independent in relation to Fabegē AB (publ), in accordance with generally accepted auditing standards in Sweden, and have in other respects fulfilled our ethical responsibility according to these requirements.

The procedures performed during a limited assurance review and review in accordance with RevR 12 consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion expressed based on a limited

assurance review and review according to RevR 12 therefore does not carry the same level of assurance as a conclusion based on an audit.

Our review of the Sustainability Report is based on the criteria defined by the Board of Directors and the Executive Management, which are described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We consider that the evidence we have obtained during our review is sufficient and appropriate for the purposes of giving us a basis for our opinions below.

### Opinions

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the criteria stated above by the Board of Directors and Executive Management.

A statutory sustainability report has been prepared.

Stockholm on the day indicated by our electronic signature

Deloitte AB

Peter Ekberg  
Authorised Public Accountant



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