

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 capital expenditure, Fabege could contribute to Objectives 2 and 4, but all significant capital expenditure is covered by Objective 1 and Fabege therefore only reports according to Objective 1. Basically all 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, the activity CCM 7.2 Renovation of existing buildings may also be relevant to some extent. We have learnt during the year that, in accordance with the taxonomy, we could classify all our activities as CCM 7.7, but we chose to continue to report CCM 7.1 this year.

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, operating expenditure and capital expenditure that is taxonomy-aligned.

Recognition of turnover

All revenues related to the properties included in economic activities above are recognised. This relates to rental income including customary supplements and the turnover attributable to Birger Bostad's sale of completed homes. No material income that should be excluded has been identified. Turnover of SEK 3,671m corresponds to total net sales according to profit and loss accounts for 2024.

Recognition of operating expenditure (OpEx)

Operating expenditure 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 capital expenditure for acquisitions and capitalised

investment expenditure related to the properties included in economic activities reported above. Capital expenditure of SEK 2,376m represents all expenditure on acquisitions and investments in investment and developable properties in 2024. A further SEK 17m is linked to investments in equipment. For further information, see Notes 17 and 19 on pages 115 and 117 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 can report within activity CCM 7.2 in special cases where the redevelopment is significant and the building is not already green according to CCM 7.7. This has not been the case in 2024.

Fabège's subsidiary, 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's sales of homes 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 rating 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. Current pri-

mary energy figures in our buildings, which are compared with Fastighetsägarna's threshold values, are taken from energy performance declarations that have been conducted.

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 full life cycle analysis (LCA) calculations according to Levels in the majority of our projects. However, Fabège does not report taxonomy alignment for CCM 7.1 for 2024.

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 analyses were carried out using the Pattern analysis and data platform, supplemented by site visits to define actions. A climate risk and vulnerability analysis, and site visits, have been carried out based on Fastighetsägarna's methodology for Appendix A of the taxonomy.

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 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 in normal cases 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)

We normally fulfil this requirement in our projects.

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 are of the opinion that we to a great extent fulfil adaptability and flexibility, but there is still some work to be done to demonstrate ability to dismantle, partly due to the lack of a methodology for working with dismantlability and also due to a lack of dismantling instructions from many of our suppliers. We are working on developing methodologies to prove ability to dismantle even without instructions.

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. New features were added to the Byggvarbedömningen (Building Material Assessment) in 2024, but there is insufficient data there to fully enable reporting on compliance without a lot of administrative work. Until it is fully developed, we choose not to indicate that this requirement is met.

Protection and restoration of biodiversity and ecosystems (CCM 7.1)

We satisfy this requirement in all normal cases. We follow the Swedish Construction Federation and Swedish Property Federation's interpretation of this requirement, which states that

EU taxonomy cont.

Nuclear and fossil gas related activities

Row		
	Nuclear energy related activities	
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
	Fossil gas related activities	
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

Swedish legislation and the relevant local development plan fulfil this requirement.

Our projects in 2024

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 2024 financial year, these are, partly or fully, Ackordet 1, Kvinten 1, Regulatorn 4 and Separatorn 1. These projects started their development before the taxonomy requirements were in place, but have increased their fulfilment of the taxonomy since 2023 and today fulfil many of the taxonomy requirements. But as 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. Ackordet 1, Kvinten 1 and Regulatorn 4 became investment properties in 2024. Therefore, their turnover and operating expenditure for the year have been classified as CCM 7.7 and aligned with the taxonomy, while capital expenditure has been classified as CCM 7.1 and not aligned with the taxonomy.¹⁾ The same interpretation has been made regarding the turnover attributable to Birger Bostad's sale of completed homes.

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.

It is our goal that all our projects, ongoing as well as in the early stages, will be produced in line with the taxonomy and will be able to fulfil the requirements of the taxonomy in the future.

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 38–39 and page 65 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 38–39 and 64. We produce transparent and open accounts of the Group's total tax burden. More information about our work with tax is available on pages 44–45 and 63.

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.

Scope and alignment with EU taxonomy for all environmental objectives

Share of turnover/total turnover

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	65	100
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Share of CapEx/total CapEx

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	38	99
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Share of OpEx/total OpEx

%	Taxonomy alignment per objective	Objectives eligible for the taxonomy
CCM	55	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).

¹⁾ As these projects have planning permission after 31 December 2020, alignment with the taxonomy with CCM 7.7 means that the properties fulfil the substantial contribution to CCM 7.1 and the DNSH requirements in CCM 7.7.

EU taxonomy cont.

Turnover

Share of turnover from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

Economic activities	Codes	Absolute turnover SEKm	Proportion of turnover, 2024 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards Y/N	Proportion of taxonomy-aligned (A.1) or eligible (A.2) turnover, 2023 %	Category enabling activity E	Category transition activity T
				Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity and ecosystems Y/N				

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	2,372	65%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	66%	-	-
The environmentally sustainable (Taxonomy-aligned) activities' turnover (A.1)		2,372	65%	65%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	66%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
A.2. Taxonomy-eligible but not environmentantly 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	1,059	29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								34%		
Construction of new buildings	CCM 7.1	240	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentantly sustainable activities (not Taxonomy-aligned) (A.2)		1,299	35%	35%	0%	0%	0%	0%	0%								34%		
Turnover of Taxonomy-eligible activities (A.1 + A.2)		3,671	100%	100%	0%	0%	0%	0%	0%								100%		

B. Taxonomy-non-eligible activities

Turnover of Taxonomy-non-eligible activities (B)		0	0%
Total A+B		3,671	100%

EU taxonomy cont.

Capital expenditure (CapEx)

Share of CapEx from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

Economic activities	Codes	CapEx SEKm	Proportion of CapEx, 2024 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2023 %	Category enabling activity E	Category transition activity T
				Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity and ecosystems Y/N				

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	915	38%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	23%	-	-
The environmentally sustainable (Taxonomy-aligned) activities' CapEx (A.1)		915	38%	38%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	23%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	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	481	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27%		
Construction of new buildings	CCM 7.1	980	41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								50%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,461	61%	61%	0%	0%	0%	0%	0%								77%		
CapEx of Taxonomy-eligible activities (A.1 + A.2)		2,376	99%	99%	0%	0%	0%	0%	0%								100%		

B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities (B)		17	1%
Total A+B		2,393	100%

EU taxonomy cont.

Operating expenditure (OpEx)

Share of OpEx from products or services associated with Taxonomy-aligned economic activities – information covering the year 2024

Economic activities	Codes	OpEx SEKm	Proportion of OpEx, 2024 %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2023 %	Category enabling activity E	Category transition activity T
				Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity and ecosystems Y/N				

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	87	55%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	53%	-	-
The environmentally sustainable (Taxonomy-aligned) activities' OpEx (A.1)		87	55%	55%	0%	0%	0%	0%	0%	N	Y	N	N	N	N	Y	53%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which transitional			0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	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	68	44%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								46%		
Construction of new buildings	CCM 7.1	2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		70	45%	45%	0%	0%	0%	0%	0%								47%		
OpEx of Taxonomy-eligible activities (A.1 + A.2)		157	100%	100%	0%	0%	0%	0%	0%								100%		

B. Taxonomy-non-eligible activities

OpEx of Taxonomy-non-eligible activities (B)		1	0%
Total A+B		158	100%