

# 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 Byggarbetsbedömningen in 2024 that will enable us to report fulfilment of this. Until then we have opted not to indicate that this requirement is met.

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### 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).

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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%

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### 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	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%

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## 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	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%