

Corporate Governance Report

Message from the Chairman

Fabegē's long-term district strategy with the customer in focus, balanced risk-taking and a strong balance sheet remained firm during the year. I feel confident that we, the Board, together with management, will be able to continue to develop the business in line with the current strategy.

The property sector, like Fabegē, has continued to navigate a challenging operating environment, and I am grateful for the good relationships we have with our banks, other capital providers and our owners. Robust credibility based on transparency and balanced risks has been valuable under current market conditions. Fabegē's conservative financial strategy and forward-looking financial structure give me confidence in our current position. However, market trends and the general financial turmoil in the market have been an issue that the Board has spent a great deal of time discussing and managing throughout the year. We have observed greater caution in connection with new projects, and securing lettings and cash flows prior to investment decisions is a priority. Otherwise, our long-term financial strategy remains unchanged with a focus on transparency, simplicity and financial balance.

The members of the Board have worked highly effectively together during the year; we have a solid structure and processes, and enjoy a close dialogue with management, which I regard as a strength. Alongside financial issues, sustainability has been a standing item on the Board's agenda during the year. I feel that we are at the forefront in terms of sustainability, and well on the way to achieving our long-term goals. We continue to support management's work on sustainability, and a decision was made to include sustainability in the work of the Audit Committee going forward, to ensure continuous follow-up. The fact that Fabegē has been approved as a green share on Nasdaq Stockholm is a great acknowledgement of how far management has come with its sustainability work.

In previous years, we have been in dialogue with some of our foreign investors regarding the choice of audit firm. During the year, the Board and management were involved in the process of evaluating a new audit firm, which we will propose to the AGM in 2024 in accordance with the Swedish Code of Corporate Governance.

We acquired another new principal owner in 2023, which we welcome, and I look forward to a good working relationship over the coming years. All in all, we are grateful for the support we have from our long-term owners, which has been a strength in the current market conditions.

On behalf of the Board, I would like to thank our shareholders for their continued confidence. It is a privilege for the Board of Directors to support Fabegē's strategy of continuing to create long-term value growth. Fabegē is currently well placed, holds a strong position in the Stockholm property market and is equipped to keep generating long-term value.

“Fabegē's conservative financial strategy and forward-looking financial structure give me confidence in our current position.”

Solna, March 2024

Jan Litborn

Chairman of the Board, Fabegē



Governance structure of the organisation

Responsibility for the governance, management and control of the business is shared among the shareholders at the Annual General Meeting, the Board of Directors and the Chief Executive Officer. Fabege works continuously to achieve more efficient and appropriate governance of the company.

1. Shareholders

Fabege's shares are listed on Nasdaq OMX Stockholm. The company's share capital is SEK 5,097m, represented by 330,783,144 shares. At year-end, the company held 16,206,048 treasury shares, corresponding to 4.89 per cent of the number of registered shares. All shares carry the same voting rights, which means that opportunities to exercise influence as an owner are consistent with each shareholder's capital share in the company. The following shareholders, directly or indirectly hold shares that represent one tenth or more of the votes for all shares in the company:

Holdings, 31/12/2023

Percentage of votes, %

Erik Paulsson with his family, privately and through companies	16.6
Geveran	12.0

Fabege's ownership structure is described on page 20 of the Annual Report.

2. Annual General Meeting

The AGM is the company's highest decision-making body. Shareholders who would like to participate in the business of the AGM must be registered in the transcript of the entire share register pertaining to the conditions prevailing five working days prior to the AGM and notify the company of their intention, and that of no more than two advisors, to attend the Meeting no later than 4.00 pm on the day stipulated in the notice convening the AGM.

3. Nominating Committee

The Nominating Committee is the AGM's body for preparing decisions relating to appointments. The Committee's task is to draw up proposals for the appointment of the AGM chairman, Chairman of the Board and Board Members, Directors' fees, the appointment of auditors,

auditors' fees and any amendments to the principles governing the election of the Nominating Committee. The proposal concerning Directors' fees must specify a breakdown between the Chairman, other Board Members and representatives of the Audit Committee and Remuneration Committee. Shareholders wishing to submit proposals to the Nominating Committee can do so by emailing ir@fabege.se or by sending a letter to Fabege AB.

4. Board of Directors

Under the Swedish Companies Act, the Board of Directors is responsible for the company's organisation and the administration of the company's affairs. The Board is required to continuously assess the performance management and financial situation of the company. Its main task is to manage the company's assets on behalf of the owners in a way that secures the owners' interest in

obtaining a strong long-term return on capital. Fabege's Board is to consist of at least four and no more than nine directors. Each year, the Board adopts rules of procedure, including instructions on division of work and reporting.

5. Auditing

Under the Swedish Companies Act, the company's auditor is required to examine the company's Annual Report and accounts as well as the management performed by the Board and the CEO. After the end of each financial year, the auditor is required to submit an audit report to the AGM. Auditors are appointed and remunerated based on AGM resolutions pursuant to proposals from the Nominating Committee. At the 2023 AGM, the auditing firm Deloitte was appointed as the company's auditors with the authorised public accountant Peter Ekberg as Auditor-In-Charge for the period up to the

2024 AGM. Due to the rotation rules, a new audit firm will be elected at the 2024 Annual General Meeting. There is a proposal to appoint KPMG with Mattias Johansson as Auditor-In-Charge.

In addition to Fabege, Peter Ekberg has audit assignments for the following major companies: Loomis AB and Telia Company. Peter Ekberg has no other roles with companies that are closely related to Fabege's major owners or the CEO. In addition to its assignment as our appointed auditors, Deloitte has performed audit-related assignments relating primarily to other auditing activities. Furthermore, Deloitte conducts a limited assurance review to ensure our Sustainability Report is produced according to GRI Standards, and a statutory review of the Sustainability Report that also satisfies requirements stipulated in the Swedish Annual Accounts Act.

Corporate governance at Fabege



Governance structure cont.

6. Audit Committee

The Board has appointed an Audit Committee from among its own members. The Audit Committee acts as an extension of the Board for the monitoring of issues relating to accounting, auditing and financial reporting.

Its remit includes addressing issues relating to operational risks and risk management, internal control (environment, design and implementation), accounting policies, financial follow-up and reporting, and the performance of audits. The Committee meets regularly with senior executives to discuss and form an opinion on the state of the company's essential processes from an internal control perspective. Board members review all interim reports. The year-end report, the Corporate Governance Report and the Directors' Report are discussed specifically at the Committee's meeting at the beginning of each year. The Committee meets regularly with the company's auditor to obtain information on the focus, scope and results of audit activities. It operates according to separate rules of procedure, which are reviewed and adopted annually by the Board. The Audit Committee meets the Code's requirements on composition and members' skills and experience in accounting and in other issues within the Committee's area of responsibility. As of 2024, the Committee is also responsible for issues related to sustainability reporting.

7. Remuneration Committee

The Board of Directors has established a remuneration committee consisting of three Board members, including the Chairman. The Committee prepares information for decisions regarding remuneration matters for the CEO and company management. The Board of Directors makes decisions regarding remuneration based on proposals from the Remuneration Committee.

8. Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for operational governance and for the day-to-day management and leadership of the business, in accordance with the guidelines, instructions and decisions adopted by the Board of Directors. In addition to the general provisions relating to division of responsibility contained in the Swedish Companies Act, the rules of procedure governing the work of the CEO specify:

- The CEO's duty and obligation to supply the Board of Directors with information and the necessary documentation on which to base decisions.
- The CEO's role of presenting reports at Board meetings.
- The CEO's duty and obligation to monitor compliance with the Board's decisions in respect of targets, business concept, strategic plans, the company's Code of Conduct and other guidelines, and, where necessary, to request a review of the same by the Board.
- Issues that must always be submitted to the Board, such as decisions regarding major acquisitions and sales or significant investments in existing properties.
- The CEO's duty and obligation to ensure that Faberge fulfils its obligations in respect of disclosure, etc. under the company's listing agreement with Nasdaq Stockholm.

The rules of procedure also contain a separate reporting instruction, which governs the content and timing of reporting to the Board.

Executive Management Team

The CEO directs the work of the Executive Management Team and reaches decisions in consultation with the other members of management. The Executive Management Team jointly conducts the operational control and manages the business and engages in daily management in accordance with the Board's guidelines, instructions and resolutions. The key to success is having motivated employees. With the aim of creating the best conditions for its employees, the Executive Management Team is required to establish and gain endorsement for a clear framework and objectives for operations. The Executive Management Team must create the conditions for employees to achieve established objectives by:

- Clearly communicating the company's direction and objectives.
- Establishing an approach based on the company's collective expertise.
- Coaching, inspiring and creating job satisfaction and positive energy.

- Regularly reviewing and providing feedback on the established objectives.

Our Executive Management Team consists of eight individuals; see pages 71–72. The Executive Management Team holds weekly operational meetings and regular decision-making meetings. The meetings address strategic and operational matters such as property transactions, lettings, market trends, organisation and employees, as well as regular monitoring of performance, KPIs, forecasts, etc. The entire managers' team, which is made up of some 25 individuals, meets several times a year for discussions regarding such matters as the company's strategies and management issues.

Birger Bostad AB, which was acquired in October 2021, operates as an independent subsidiary with its own management and board. Faberge's CEO is Chairman of the Board of Birger Bostad AB.

9. Operating segments

Operational activities are conducted in four business areas: Property Management, Property Development, Business Development/Transactions and Residential Development (via Birger Bostad). Faberge works with sustainable urban development, with a primary focus on commercial properties within a limited number of submarkets in prime locations in the Stockholm area. We create value by managing and improving our property portfolio and via value-adding transactions, including sales and acquisitions, to boost the potential of our property portfolio. Our approach of combined property clusters offers us extensive market knowledge and a firm foundation for effective property management and a high occupancy rate. Responsibility in the Property Management business area is shared between two managers: Director of Property Management and Director of Technical Operations. Each business area manager is a member of the Executive Management Team and has responsibility for operative control and follow-up.

Birger Bostad AB develops housing with an emphasis on the Stockholm area. Residential production mainly relates to tenant-owner apartments, but also rental apartments to a lesser extent.

Business activities are goal-oriented at all levels. The goals are broken down, developed and established in the various business areas and at co-worker level. Performance measurements and reviews are conducted regularly.

Management of sustainability work

Faberge's sustainability work is conducted as an integral part of all areas of the organisation. The Sustainability Department has overall responsibility for pursuing sustainability issues, and collaborates with the rest of the organisation in implementation and follow-up.

- The Board of Directors bears overall responsibility for the sustainability strategy and following up our work on sustainability. The Board of Directors has appointed Anne Årney as the Board member with particular responsibility for sustainability.
- The Board has decided that monitoring of sustainability reporting should be handled by the Audit Committee.
- 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 established at Board level.
- The Head of Sustainability coordinates and oversees sustainability issues and acts as spokesperson in external relations. The Head of Sustainability provides regular reports to the Executive Management Team and reports annually to the Board of Directors. As of 2024, the Head of Sustainability is a member of the Executive Management Team.
- Faberge's Sustainability Department pursues and develops sustainability work and operates in an integrated way with the rest of the organisation. The sustainability team, under the supervision of the Head of Sustainability, proposes objectives and coordinates and follows up activities.
- Managers and individual employees implement the strategy and perform the activities approved.

Policies and guidelines that support operations

Fabega's core values SPEAK (fast, informal, entrepreneurial, business-minded and customer-focused) and the Code of Conduct serve as guiding principles for the actions of all our employees. The Code of Conduct highlights Fabega's position on matters concerning human rights, working conditions, the environment, business ethics and communication.

The Board of Directors and the Executive Management Team have specific responsibility for ensuring compliance with the Code of Conduct. The content is revised and followed up annually by the Board of Directors and Executive Management Team.

All managers with personnel responsibility are charged with ensuring that employees are familiar with the Code of Conduct and follow it in their specific department/sphere of responsibility. A foundation for the Code of Conduct is that Fabega must comply with applicable laws and other regulations and adhere to generally acceptable business customs and practices, as well as international human rights, labour and environmental standards in accordance with the Global Compact's ten principles and the ILO's fundamental conventions on human rights at the workplace. Fabega has supported the UN's Global Compact since 2011. The company complies with the Worker Codetermination Act and with collective bargaining agreements which regulate such matters as the minimum period of notice.

Policies and guidelines for communication, personnel and business support are decided on by the Executive Management Team, continually updated and made available to all Fabega's employees via an intranet. No-one at Fabega should be discriminated against on the basis of their sex, gender identity or expression, ethnicity, disability, religion or other belief, sexual orientation or age. No cases of discrimination were reported in 2023. The company's Ethics Council, which reports to the CEO and Executive Management Team, also serves as support in day-to-day work. The role of the Council is to direct the work, monitor relevant external issues and pursue specific ethical matters. The Council is made up of representatives from different departments at the company. Work has been underway for a number of years to improve the organisation's knowledge in

respect of business ethics and anti-corruption. Examples of activities include information and training on anti-corruption and bribery legislation, as well as ethical discussions in connection with the company's internal conferences.

Employees are continuously provided with information on matters that have been discussed in the sustainability group and the Ethics Council. Fabega will act with credibility on ethical issues and aims to intercept suspicions of any irregularities at an early stage, preferably through dialogue but also via anonymous reporting systems. For those who wish to remain anonymous, the company has a whistleblower service that can be accessed via the company's website, in which both the report and any subsequent dialogue are encrypted and password protected. The whistleblower service has not been used during the year.

Corporate governance at Fabega

Find out more about our corporate governance, rules of procedure and instructions at fabega.se/en

- Articles of Association
- Information from previous AGMs
- Prior years' Corporate Governance Reports
- Board's rules of procedure and instructions
- Code of Conduct
- Our core values, SPEAK



Triåfabriken 9,
Hammarby Sjöstad.

Corporate governance 2023

Annual General Meeting

The Annual General Meeting was held in Stockholm at Filmstaden Scandinavia, Westfield Mall of Scandinavia, on 29 March 2023. All shareholders were also given the opportunity to submit postal votes prior to the meeting. The Annual General Meeting could also be followed by webcast. The AGM was attended by shareholders holding a total of 177.8 million shares, corresponding to 56.5 per cent of the votes represented either in person or via postal voting. Jan Litborn was elected to chair the meeting. A full set of minutes from the AGM is available at fabege.se/en/previousagms/.

The following are the principal resolutions adopted at the AGM:

Election of Board Members and resolution on Directors' fees

The AGM resolved that the Board should consist of seven members and approved the re-election of Anette Asklin, Mattias Johansson, Märtha Josefsson, Stina Lindh Hök, Jan Litborn, Lennart Mauritzson and Anne Årneby. Jan Litborn was elected Chairman of the Board. The AGM resolved that a total of SEK 2,525 thousand (2,450) be paid in Directors' fees in 2023.

Dividends, cash

The dividend was set at SEK 2.40 per share, to be paid on four occasions in the amount of SEK 0.60 per share on each occasion. Furthermore, it was decided that the record dates for receiving the dividend will be 31 March 2023, 30 June 2023, 2 October 2023 and 8 January 2024 respectively, which means that payment is expected to be issued by Euroclear Sweden AB on 5 April 2023, 5 July 2023, 5 October 2023 and 11 January 2024.

Principles for appointment of the Nominating Committee

The AGM adopted a set of principles for the appointment of the Nominating Committee and the proposals that the Nominating Committee is required to prepare. The Nominating Committee is to be appointed no later than six months prior to the AGM and representatives of the four largest owners are to primarily be offered positions.

Remuneration of management

Remuneration guidelines were adopted for company management, whereby variable remuneration may be payable at a maximum of nine months' salary. Senior executives who receive variable remuneration undertake to make a long-term investment (for a period of at least three years) of at least two-thirds of this variable salary component after tax in shares in the company. Variable remuneration is tied to a number of pre-established targets. The aim is to encourage participation and commitment by offering senior executives the opportunity to become shareholders in a more structured manner.

Authorisation on share buybacks

The AGM resolved to authorise the Board, for a period ending no later than the next AGM, to acquire and transfer shares. Share buybacks are subject to a limit of 10 per cent of the total number of shares outstanding at any time. Transfers may occur of all treasury shares held by the company at the time of the Board's decision.

AUDIT

The auditors reported their observations and presented their views on the quality of internal control in Fabege at the Board meeting in February 2023. The auditors participated in, and presented reports at all four scheduled meetings of the Audit Committee. Regular reports were also presented to management throughout the year. A report was also presented on one occasion to the Board during the year without management being present. Fees paid to the company's auditors are detailed under Note 46 on page 115.

NOMINATING COMMITTEE

In accordance with the AGM's resolution, the four largest shareholders were offered one seat each on our Nominating Committee, and on 3 October 2023, the Nominating Committee was announced.

Composition of the Nominating Committee 2024

	Representative	Percentage of votes, %
Göran Hellström, chairman	Backahill AB	16.6
Havard Rønning	Geveran	12.0
Katarina Hammar	Nordeas fonder	4.3
Johannes Wingborg	Länsförsäkringar Fondförvaltning	4.1
Total		37.0

Nominating Committee's proposals ahead of the 2024 AGM

The Nominating Committee proposes that the Board shall consist of seven ordinary members with no deputies. The Nominating Committee is of the opinion that the expertise and experience of Board members meets the requirements that may be imposed. The Nominating Committee aims to achieve an even gender balance. The Nominating Committee proposes the re-election of Board members Anette Asklin, Mattias Johansson, Märtha Josefsson, Jan Litborn and Lennart Mauritzson and new elections of Bent Oustad and Sofia Watt. Stina Lindh Hök and Anne Årneby have declined re-election. Furthermore, it is proposed that Jan Litborn be elected Chairman of the Board. The Nominating Committee has also discussed the independence of the members of the Board. The proposal for the Board of Directors satisfies the relevant requirements regarding members' independence in relation to the company, company management and the company's major shareholders. KPMG is proposed as auditor, with Mattias Johansson as Auditor-In-Charge.

BOARD OF DIRECTORS Composition of the Board, 2023

Seven Board Members were elected to the Board at the 2023 AGM. Jan Litborn was elected Chairman of the Board. Fabege's CFO acts as the Board's secretary.

Our Board includes members that have skills and experience that are highly significant for the support, monitoring and control of the operations of a leading property company in Sweden. The Board aims to retain members with expertise in areas such as property, the property market, funding, business development and sustainability and climate. Several of the Board Mem-



Architectural rendering: Haga Norra.

bers have significant personal shareholdings in Fabege, directly or indirectly. Fabege's Board meets the requirements for the independence of Board Members according to the Code of Conduct.

The work of the Board in 2023

In 2023, the Board held a total of 14 meetings, including six scheduled meetings, two extra meetings, one statutory meeting and five meetings held by correspondence. There were several standing items on the agenda for the scheduled meetings, including financial and operational reporting, decisions on acquisitions, investments and divestments, strategic market and organisational issues and reporting by the Audit Committee and Remuneration Committee. Any significant ongoing projects are followed up at each scheduled meeting. During the year, the Board followed up a number of specific issues such as financing, ongoing and proposed project investments, transactions, monitoring the company's sustainability work and sustainability reporting, and updating the base prospectus for Fabege's MTN programme. The interim reports and year-end report are addressed by the Board at a Board meeting held on the date on which the report is released to the market.

Corporate governance 2023 cont.

In 2023, the Board resolved on investments relating to the development of properties in the existing portfolio, along with significant investments in existing properties. Furthermore, the Board decided to sell residential building rights to JM, and to sell two properties in a deal with Nrep. At the end of the year, an assessment was made of the Board, which showed that the Board was operating in a highly satisfactory manner. The Board is evaluated via a survey. Responses are summarised and discussed separately at a Board meeting. Time is also set aside for discussion at other meetings. The Board also carried out an annual evaluation of the CEO's performance, along with its annual review of the Code of Conduct, tax policy, diversity policy and finance policy.

The Board's expertise in relation to sustainability issues is continuously improving through its ongoing work. Critical issues are communicated to the Board as necessary. During the year, the Board examined the company's dual materiality analysis and gap analysis ahead of forthcoming CSRD reporting, which for Fabegē refers to the 2025 financial year.



Islandet 3, Centralbadet
in Stockholm inner city.

The Board of Directors' diversity policy

Overall, the Board of Directors shall have a suitable range of skills and experience of the business to be able to carry out its activities, and in order to identify and comprehend the risks to which the business is exposed and the rules that regulate the business being conducted. When appointing new Board Members, the individual member's suitability shall be reviewed with the aim of achieving a Board composition with a range of skills that are sufficient for the purposeful control of the company. The Nominating Committee aims to ensure relevant expertise in the property sector, financing, etc., as well as an even gender balance. It is incumbent upon the Nominating Committee to take account of this policy, with the aim of achieving an appropriate composition of the Board with respect to the company's operations and general conditions. The Board is made up of four women and three men and is otherwise regarded as being representative of a broad range of knowledge and valuable contact networks within relevant areas.

Fees to the Board of Directors

Fees to the Board of Directors are paid according to a decision made at the AGM, and for 2023 fees totalled SEK 2,525,000, of which the Chairman received SEK 600,000 and other Board members SEK 255,000 each. In addition, fees in the amount of SEK 220,000 were paid for work conducted by the Board's Audit Committee, of which the chair of the Committee received SEK 110,000 and two members SEK 55,000 each, as well as SEK 175,000 for work carried out by the Board's Remuneration Committee, of which the chair of the Committee received SEK 80,000 and two members SEK 47,500 each.

Remuneration of management

In accordance with the principles of compensation and other terms of employment for management adopted by the AGM, the Board made a decision on remuneration and other terms of employment for the CEO.

During the year, the Board reviewed compliance with the principles of remuneration for senior executives. Remuneration and other benefits and terms of employment for the CEO and management are described under Note 6 on pages 106–107. The company's principles of remuneration and terms of employment, along with the Remuneration Committee's follow-up report, will also be presented at the 2024 AGM.

AUDIT COMMITTEE

The Board has appointed an audit committee from among its own members, which in 2023 included Anette Asklin (chair), Märtha Josefsson and Jan Litborn. Four scheduled meetings and one extra meeting were held in 2023, focusing on the company's system of internal control. During the year, the Audit Committee addressed areas such as financing, security and cyber security, the EU taxonomy and internal control in key processes. In addition, the matter of the appointment of auditors and the procurement of an audit firm prior to the change at the next Annual General Meeting was discussed. The company's auditors submitted a report of their review during the year at the meetings. The minutes from the Audit Committee's meetings were shared with all Board Members, and the Committee's chair submitted regular reports to the Board.

REMUNERATION COMMITTEE

In 2023, the Remuneration Committee was made up of Jan Litborn (chairman), Lennart Mauritzson and Mattias Johansson. The Remuneration Committee prepares material concerning remuneration issues ahead of decisions made by the Board. Two meetings were held during the year. The minutes from the Remuneration Committee's meetings are distributed to all Board Members, and the Committee's chairman submits regular reports to the Board.

COMPANY MANAGEMENT

In 2023, the Executive Management Team consisted of eight people. For the current composition of the Executive Management Team, see pages 71–72. The Executive Management Team has a fixed meeting time every week. In the autumn the company also carried out its annual employee survey, which had a good response. Regular information for both the Board of Directors and employees is provided via monthly and weekly newsletters.

Board year 2023

In addition to the points described below, resolutions were adopted regarding, for example, investments, acquisitions, fixed-interest periods and treasury share buybacks. In all, 14 Board meetings were held during the year, including meetings held by correspondence.

Q1

30 January

Extraordinary meeting – sale of residential building rights to JM.

6 February

Scheduled meeting – year-end report, dividend proposal, etc.

7 March

by correspondence – Annual Report 2022.

Q2

29 April

Scheduled meeting, statutory meeting.

8 May

Scheduled meeting – strategy day, decision on sale of properties to Nrep.

Q3

7 July

By correspondence – Q2 interim report.

13 September

Scheduled meeting.

Q4

14 November

Scheduled meeting.

14 December

Scheduled meeting, strategy plan and budget.

Report on internal control in respect of financial reporting

Internal control is a process that is influenced by the Board of Directors, the Executive Management Team and the company's employees, and has been designed to provide reasonable assurance that the company's goals are being achieved in the following categories:

- That the company has an appropriate and efficient organisation for its business operations.
- That the company produces reliable financial statements.
- That the company complies with the relevant laws and regulations.

The company applies the established COSO (Internal Control – Integrated Framework) framework in its work.

Control environment

Fabège has a geographically well contained organisation and homogeneous operational activities, but its legal structure is complex. The business is capital-intensive and characterised by large monetary flows, including rental income, expenditure for project investments, acquisitions/sales of properties and financial expenses.

Ultimate responsibility for ensuring effective internal control and efficient risk management rests with the Board of Directors. To be able to perform its work in an appropriate and efficient manner, the Board has adopted rules of procedure. The Board's rules of procedure are aimed at ensuring a clear division of responsibility between the Board of Directors (including committees) and the CEO (and the Executive Management Team) with a view to achieving efficient risk management in the company's operations and in financial reporting. The rules of procedure are updated annually. In 2023, the Board performed its annual review and adopted rules of procedure for the Board, rules of procedure for the Audit Committee and Remuneration Committee and the company's Code of Conduct. The Executive Management Team is responsible for designing and documenting, and for maintaining and testing, the systems/processes and internal controls required to manage significant risks in the accounts and the company's day-to-day activities. The CEO and Executive Management Team, along

with those individuals who by virtue of their roles in the company are in charge of each defined critical process, function or area, share operational responsibility for internal control.

The company's financial reporting is governed by a set of policies and guidelines. For example, the company has policies regarding finance, the environment, gender equality, communication, insider dealing and tax management. There are also accounting policies and instructions for the closing of accounts, as well as for authorisation of payments and procurement of auditing services. The company's policies are continually reviewed and updated as required. All policies have been discussed and adopted by the Executive Management Team. Information concerning adopted policies has also been disseminated throughout the organisation. In addition, more detailed guidelines and instructions are reviewed and updated regularly. In March, Fabège issued its annual Communication on Progress Report to the UN Global Compact. Work on developing the company's sustainability reporting is conducted continuously. The Sustainability Report is presented in a separate section of this Annual Report; see pages 21–42.

Risk assessment

Risks and critical processes, functions and areas are defined on the basis of the control environment, significant results and balance sheet items, as well as significant business processes. The following risk areas have been defined as critical for us:

- **Risk area Financial Control and Finance:** Liquidity risk, interest rate risk, financial information, taxes.
- **Risk area Communication:** Information management, brand, business ethics.
- **Risk area Employees:** Lack of resources, dependence on key personnel.
- **Risk area Climate and Sustainability:** climate change, emissions.
- **Risk area Cyber Security and IT:** digitalisation, data infringement, GDPR.
- **Risk area Property Management:** Processes for new lettings, renegotiations and rent payments. Customer relations and customer satisfaction, changes in customer needs, risk of rent losses.
- **Risk area Technical Operation:** Technical work environment and physical buildings.
- **Risk area Property Development and Projects:** Planning process and projects, implementation, procurement/purchasing.
- **Risk area Valuation and Transactions.**



The Executive Management Team conducts an annual review and evaluation of risk areas, for the purpose of identifying and managing risks. This is done in consultation with the Board and the Audit Committee, for examination by the auditors. Fabège's internal processes and procedures provide support for the continuous management of risks.

Report on internal control in respect of financial reporting cont.

Control activities

Critical processes, functions and areas are described and documented in respect of division of responsibility, risks and controls. Instructions, procedures and manuals are produced, updated and communicated to the relevant staff to ensure that they have up-to-date knowledge and adequate tools, with a standardised reporting package. Executives with operational responsibility comment on/approve the reports. Reviews and updates by executives with operational responsibility are made continuously throughout the year. Monitoring of outcomes is assessed against budgets and forecasts, which are updated twice a year. A central function prepares consolidated financial statements and other financial reports in close collaboration with the controller function, the operating units and the finance function. This work includes integrated control activities in the form of reconciliation with standalone systems/specifications of outcomes for income and expense items and balance sheet items. The company's operational reporting is developed and improved continuously in terms of both content and system support, as well as availability to executives with operational responsibility.

Information and communication

Management is responsible for informing the staff concerned about their responsibility for maintaining effective internal control. Employees are kept informed about governing policies and guidelines and how the business is performing via an intranet, information briefings and regular newsletters.

The CEO and Vice President/CFO, along with the Head of Investor Relations, are responsible for external financial communication. Investor Relations activities are based on principles for regular and accurate disclosure of information in accordance with Nasdaq Stockholm's Rule Book for Issuers. The aim is to improve knowledge of and build confidence in the business among investors, analysts and other stakeholders. Efforts to improve and further clarify the disclosure of information to the market are continually ongoing.

The Communication and Marketing Department is responsible for other external and internal information.

In October, an employee survey was carried out according to the Great Place To Work (GPTW) method. Fabega has GPTW certification, with a Trust Index score of 88.

Review

The internal control system needs to adjust and adapt to changing conditions over time. The aim is to ensure that this is continually monitored and addressed via management activities at various levels of the company, both through monitoring of the individuals responsible for each defined critical process, function and area and via regular evaluation of the internal control system. In addition to financial reporting to the Board, more detailed reports are prepared, at more frequent intervals, in support of the company's internal governance and control activities.

Management reports regularly to the Board based on the adopted instructions for financial reporting, which are designed to ensure that the information provided is relevant, adequate, up-to-date and appropriate. The Audit Committee, which acts as the extended arm of the Board in monitoring the design and reliability of financial reports, also reports to the Board. In addition to familiarising itself with the content of, and methods used in preparing financial reports, the Audit Committee has also studied the way in which the more detailed and frequent internal reporting is used in evaluating and managing various areas of activity. The Committee also performs regular reviews and evaluations of internal control in respect of the company's critical processes.

It regularly studies the results of the external auditors' examinations of the company's accounts and internal controls. The auditors examine the company's financial reporting in respect of the full-year financial statements and carry out a limited assurance review of one quarterly report.

The Board regularly evaluates the information submitted by the Executive Management Team and the Audit Committee. Of particular significance is the Audit Committee's task of monitoring management's work on developing internal controls and of ensuring that measures are taken to address proposals and any shortcomings that have been identified in the course of examinations by the Board, the Audit Committee or the external auditors.

The Board of Directors has informed itself through its members and through the Audit Committee of risk areas, risk management, financial reporting and internal control and has discussed risks of errors in financial reporting with the external auditors.

In the course of its work on examining and evaluating



internal control in respect of critical processes in 2023, the Audit Committee found no reason to alert the Board to any significant issues in respect of internal control or financial reporting.

Internal auditing

To supplement the external auditing activities, Fabega is working to facilitate internal evaluations of critical pro-

cesses. As a result of this work, and in view of the homogeneous and geographically limited nature of the company's activities and its organisational structure, the Board has not found reason to set up a separate internal audit unit. The Board believes the monitoring and examination described above, coupled with the external audits, are sufficient to ensure that effective internal control of financial reporting is maintained.

The Fabege Board



Jan Litborn

Chairman of the Board since 2018 and Board member since 2017

Born: 1951

Other roles: Chairman of the boards of Hedin Mobility Group AB and Arenabolaget i Solna AB. Member of the boards of Aimo Holding AB, Backahill AB, Consensus Asset Management AB, Revelop Management AB, Slättö Förvaltning AB and Wihlborgs Fastigheter AB

Education: LL. M. (lawyer) from Stockholm University, Stockholm School of Economics (no degree)

Shareholding: Privately and through companies 30,000

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: No

Fee, SEK 000s: 735

Attendance Board meetings: 14 (14)

Attendance Audit Committee: 5 (5)

Attendance Remuneration Committee: 2 (2)



Anette Asklin

Board member since 2016

Born: 1961

Other roles: Chair of the boards of Aranäs AB and Jernhusen AB. Member of the boards of Genova Property Group AB, Elof Hansson Holding AB and Fondstyrelsen at the University of Gothenburg

Education: MSc in Economics and Business

Shareholding: 2,000

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 365

Attendance Board meetings: 14 (14)

Attendance Audit Committee: 5 (5)

Attendance Remuneration Committee: Not a member



Mattias Johansson

Board member since 2022

Born: 1973

Other roles: President and CEO Bravida Holding AB. Various board assignments within the Bravida Group

Education: MSc in Engineering

Shareholding: 2,000

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 302.5

Attendance Board meetings: 14 (14)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee: 2 (2)



Märtha Josefsson

Board Member since 2005

Born: 1947

Other roles: Member of the boards of Skandia Fonder AB and Investment AB Öresund

Education: BSc in Economics

Shareholding: With spouse 256,920

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 310

Attendance Board meetings: 14 (14)

Attendance Audit Committee: 5 (5)

Attendance Remuneration Committee: Not a member

The Fabege Board cont.



Stina Lindh Hök

Board member since 2021

Born: 1973

Other roles: CEO Nyfosa AB

Education: MSc in Engineering

Shareholding: 0

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 255

Attendance Board meetings: 13 (14)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee:
Not a member



Lennart Mauritzson

Deputy Chairman of the Board since 2022 and Board member since 2021

Born: 1967

Other roles: CEO Backahill AB. Chairman of the Board of Catena Fastigheter AB. Member of the boards of Brinova AB, Røgle Marknads AB and Wihlborgs Fastigheter AB

Education: MSc in Economics and Business, and law

Shareholding: 0

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: No

Fee, SEK 000s: 302.5

Attendance Board meetings: 14 (14)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee: 2 (2)



Anne Årneby

Board member since 2022

Born: 1963

Other roles: Member of the boards of Stiftelsen Tumba Bruk, A Society and Svenska Spel

Education: Bachelor's degree in Business Administration, MBA London Business School

Shareholding: 0

Independent in relation to the company and management: Yes

Independent in relation to major shareholders: Yes

Fee, SEK 000s: 255

Attendance Board meetings: 14 (14)

Attendance Audit Committee: Not a member

Attendance Remuneration Committee:
Not a member

Auditor

Peter Ekberg

Auditor-In-Charge at Fabege since 2020
Authorised Public Accountant at Deloitte AB

Born: 1971

Audit assignments for other major companies:
Loomis AB and Telia Company AB

Executive Management Team



Stefan Dahlbo
President and CEO

Born: 1959

Employed by Fabege and in current position since 2019. Previously member of the Board of Fabege, 2003–2007

External roles: Member of the board of Byggmästare Anders J Ahlström Holding AB (publ) and Sweden Green Building Council. Member of Nordstjernan Kredit KB's executive committee

Previous positions: President & CEO Byggmästare Anders J Ahlström Holding AB, CEO & Deputy CEO Investment AB Öresund, CEO Hagströmer & Qviberg AB, Alfred Berg Group

Education: MSc in Economics and Business

Shareholding: Privately and via companies 92,500*



Åsa Bergström
Vice President and CFO

Born: 1964

Employed in 2007 and in current position since 2008

External roles: Member of the boards of NP3 Fastigheter AB and John Mattson Fastighetsföretagen AB

Previous positions: Senior Manager at KPMG, CFO positions at several property companies, including Granit & Beton and Oskarsborg

Education: MSc in Economics and Business

Shareholding: 47,630*



Gunilla Cornell
Director of Human Resources

Born: 1969

Employed and in current position since 2011

External roles: No significant external roles

Previous positions: Management consultant for own company, business development consultant and project manager Tietoenator, controller NCR

Education: MSc in Economics and Business

Shareholding: 1,860*



Fred Grönwall
Director of Technical Operations

Born: 1981

Employed since 2021

External roles: Board member of Accessy Intressenter AB

Previous positions: Factory Manager Cementa AB Slitefabriken, Production Manager Cementa AB Slitefabriken and Degerhamnfabriken, Process Operator Cementa AB Slitefabriken

Education: MSc in Engineering

Shareholding: 4,310*



Klas Holmgren
Director of Projects and Development

Born: 1970

Employed in 2001 and in current position since 2010

External roles: Vice Chairman Byggherrarna

Previous positions: Platzer Bygg, Site Manager at Peab, Site Manager at Peab Bostad, JM Entreprenad

Education: Graduate engineer

Shareholding: 10,500*

*Shareholding at 15/02/2024

Executive Management Team cont.



Mia Häggström**
Head of Sustainability

Born: 1978

Employed in 2007 and in current position since 2016

External roles: No significant external roles

Previous positions: Environmental Administration of Sundsvall Municipality, Environmental Administration of Södertälje Municipality

Education: MSc in Environmental & Health Protection

Shareholding: 0*

Charlotta Liljefors Rosell
Director of Property Management

Born: 1963

Employed and in current position since 2014

External roles: No significant external roles
Previous positions: The Royal Swedish Institute of Technology, AP Fastigheter, various senior positions at Vasakronan and Head of Business Area Office at AMF Fastigheter

Education: MSc in Engineering – Surveying

Shareholding: 6,451*

Charlotte Liliegren
Director of City and Property Development

Born: 1976

Employed by Fabege since 2006 and in current position since 2013

External roles: No significant external roles

Previous positions: Letting agent at Tornet AB, business developer at Stena Fastighet AB and Drott AB

Education: MSc in Engineering

Shareholding: 3,412*

Johan Zachrisson
Director of Business Development

Born: 1970

Employed since 2021

External roles: No significant external roles

Previous positions: FFNS/Sweco, Humlegården Fastigheter, DTZ/Cushman & Wakefield

Education: MSc in Engineering

Shareholding: 4,000*

* Shareholding at 15/02/2024. ** Member since 01/01/2024.

Fabege 