

SUSTAINABILITY AND VALUE CREATION

This is K-Fastigheter's Sustainability Report which follows the financial year and is published annually.

K-Fastigheter's initial assumptions

K-Fastigheter's long-term perspective is fundamental to the Group's sustainability work. The overarching goal is to create great homes that many people can enjoy. In K-Fastigheter's buildings, tenants shall be able to create safe and secure homes where they can thrive and develop. K-Fastigheter's buildings and neighborhoods, including local workplaces, traffic solutions and the natural environment, create positive and inclusive residential neighborhoods. The business area Prefab shall deliver attractive frame solutions to intra-Group projects and external customers.



K-FASTIGHETER'S SUSTAINABILITY REPORT

Sustainability is an important area for K-Fastigheter. Responsible and sustainable operations are part of the company's business model and long-term strategy. The sustainability work is divided into three focus areas related to the Group's stakeholders:



Sustainable & environmental considerations over a life cycle



Homes for the many



Long-term relationships

K-Fastigheter has signed the UN Global Compact's governance framework for companies relating to human rights, labor law, the environment and anti-corruption. The principles are based on the UN Declaration of Human Rights, ILO's fundamental conventions regarding human rights in the workplace, the Rio Declaration and the UN anti-corruption convention. Sustainability is integrated into K-Fastigheter's operations and the Group's work is mainly governed by its Code of Conduct, which is based on UN Global Compact and policy documents, which shadow the Group' business concept, goals and other policies to ensure that operations are conducted in a long-term sustainable manner. The Code of Conduct is available as two separate Codes, one for the Group's employees and one for the Group's suppliers and collaboration partners.

The UN goals for sustainable development

The business sector plays an important role in meeting the UN's 17 global goals for sustainable development. The impact different companies have on sustainable development varies according to sector and the scale of operations. However, all businesses can contribute towards reaching the goals. K-Fastigheter's operations have varying impact on the potential to reach the goals, and the company has identified the key areas with the greatest impact and potential for meeting the goals.

Organization for sustainability

The Board holds ultimate responsibility for K-Fastigheter's sustainability agenda and the continuous sustainability work. K-Fastigheter's CEO delegates operational responsibility to each business area manager. For development and support, the CEO of K-Fastigheter collaborates with the Deputy CEO/CFO, COO/Head of HR, the Heads of the Prefab and Building business areas, the Group's quality, environment and work environment (QEW) functions, the Property Management team, and the Head of IR and Communications.

This collaboration is an important prerequisite for K-Fastigheter achieving the intended results. The Group's framework is based on the 17 global sustainability targets included in the UN's Agenda 2030 and other significant matters affecting K-Fastigheter's stakeholders. The framework also includes overarching goals and indicators for measuring the Group's work in areas where K-Fastigheter is currently considered to have the greatest effect and social impact, with the aim of benefiting the Group's stakeholders. For K-Fastigheter's wholly-owned subsidiaries, the same sustainability governance and goals apply as for K-Fast Holding AB. For the sustainability work carried out in associated companies, see the relevant company websites.



Materiality assessment

The Group regularly updates its assessment of key sustainability issues from a stakeholder perspective. The Board assesses that K-Fastigheter's sustainability work is making satisfactory progress and that reporting of goals and completed measures will continue to increase in scope, mainly relating to the EU Taxonomy and future CSRD reporting. A double materiality assessment has been carried out to identify the areas in which the Group has various forms of impact. The assessment also serves as a foundation for K-Fastigheter's preparations for upcoming CSRD reporting, although it does not form the basis of this report.

Stakeholder dialog

K-Fastigheter's main stakeholders are its employees, various collaboration partners, tenants and the capital markets. K-Fastigheter's stakeholder dialog on these issues focuses on ascertaining key stakeholders' views on the Group's sustainability work, the conditions applying to existing operations, and how the various units work with planning and achieving set goals. A number of methods such as interviews, surveys and conversations are used to gather views from a range of stakeholders. Among other things, annual employee and tenant surveys are conducted, covering a wide range of areas.

STAKEHOLDER GROUP

Society



Employees, suppliers and collaboration partners



Tenants and customers



Capital markets



CHANNELS FOR DIALOG

- Stakeholder reviews and in-depth interviews
- Local collaborations, continuous dialog for long-term engagement
- Collaborations with authorities and organizations
- Commitment to social development

- Workplace meetings
- Internal training
- Communication via Group intranet
- Group websites
- Continuous dialog
- Code of Conduct
- Annual performance reviews
- Employee surveys

- Various types of stakeholder surveys
- Customer survey, including an annual survey across the entire portfolio
- Apartment viewings
- Continuous dialog through multiple channels, including personal meetings, events, websites and social media
- Feedback from Prefab's customers for continuous improvement

- Shareholder meetings
- Financial statements
- Investor and analyst meetings
- Study visits to the Group's operations
- Group websites
- Press releases

KEY SUSTAINABILITY ISSUES

- Energy production and consumption, water consumption and climate adaptations
- Local social engagement
- Compliance with legislation and regulations
- Health and safety
- Transparency
- Well-being and safety in residential areas

- Ethics and anti-corruption
- K-Fastigheter as an employer and workplace
- Competencies, diversity and equal opportunities
- Product performance from a life cycle perspective
- Well-being, health and safety

- Energy and emissions
- Sustainable and safe living
- Customer satisfaction
- Continuous communication
- Participation in social progress
- Development of products that increase customers' competitiveness

- Financial performance
- Energy and emissions
- Ethics and anti-corruption
- Sustainability and commitment for long-term construction and management
- K-Fastigheter as a workplace
- Transparency

PERFORMANCE REPORTING IN KEY AREAS

As part of the adoption of the new business plan for 2024–2028, K-Fastigheter decided to report outcomes in several key areas within the Construction and Property Management operating segments on an ongoing basis in its Interim Reports. In addition to these reported outcomes, each operating segment is also working towards a number of internal targets.

Outcomes reported on an ongoing basis include emissions intensity (Scope 3), LTIF4, and the share of in-house solar power generation. In addition, the service index is reported at year-end, based on responses to the tenant survey conducted once a year.

Construction				
Years	2024	2023	Definition	Motivation
Emissions intensity (Scope 3)	15.9	16.6	Emissions intensity (Scope 3) refers to CO2 tonnes per SEK m of sales.	A metric used to highlight emissions in relation to revenue, rather than in absolute terms only.
Lost Time Injury Frequency (LTIF) LTIF4	16.0	5.2	LTIF4 refers to the number of accidents leading to more than four days of sickness absenteeism per million hours worked	Clarifies absence due to workplace accidents in relation to hours worked, rather than in absolute terms only.
Property Management				
Service index	81.7%	82.3%	Service index is a measure of customer satisfaction and is divided into four main categories: "Taking the customer seriously", "Safety", "Clean and tidy" and "Help when needed". The result is shown on a scale ranging from 0 to 100 percent and can be compared to the sector as a whole and with the company's own holding. All four parts carry the same weight in the overall Service Index.	Illustrates tenant satisfaction with their housing, enabling us to track developments over time.
Proportion of proprietary solar panel production	24.8%	11.0%	Total production in relation to annual consumption or electricity for properties. All purchased electricity is currently fossil-free.	Shows how the company's efforts to install solar panels on new properties are progressing.

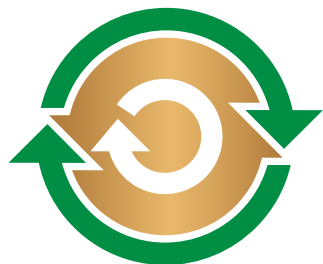
SUSTAINABILITY-RELATED RISKS

The business sector's operational methods change over time as society develops and new risks emerge. Sustainability risk is an area where demands from customers and partners, legislators, as well as planetary limitations, are gradually changing the rules of play for companies. Future climate change due to greenhouse gas emissions, for example, represents a clear sustainability risk where K-Fastigheter needs to act to reduce its climate footprint and plan for coming change with regard to areas such as property-related costs and value growth.

Examples of key sustainability risks and planned risk mitigation measures are indicated on the right. For the Group's non-sustainability-related risks and risk management, see the section Risks and Risk Management on pages 53–56.

Risk	Management	Risk	Management
Increased energy costs in property management and Prefab operations	→ Increased energy efficiency and increased internal production of renewable energy, e.g. solar panels.	Decisions by authorities, e.g. tax increases and more stringent demands on measures to mitigate climate change	→ Improved information sourcing and strengthened collaborations with municipalities and experts
Increased demands on reporting of sustainability data	→ Systems for gathering and verification of relevant data	Difficulty recruiting employees with the right competencies	→ Being an attractive employer by offering attractive terms and continuous training opportunities
Physical effects on properties such as flooding, torrential rain, heat waves and other extreme weather	→ Improved information gathering, continuous monitoring of changes, and strengthened collaborations with municipalities and experts	Personal injury in the Prefab operations and on construction sites	→ Systematic HSEQ work with the aim of continuous improvement
Increased customer demands on sustainable products	→ Continued product development of concrete frames in the Prefab operations to reduce the climate footprint and continuous improvement of the Group's concept buildings	Changed requirements for obtaining financing related to climate change and sustainability	→ Effective dialog with Nordic merchant banks and adaptations to meet requirements
Increased recycling	→ Continued development of ongoing projects, for example by replacing cement in concrete with recycled materials	Increased costs for input goods due to more stringent environmental demands.	→ Efficient procurement of large volumes. Efforts to reduce the volume of input goods such as steel and cement through product development
		Unethical behavior such as fraud and bribes	→ Code of Conduct, strong corporate culture, and whistleblower tool

SUSTAINABLE & ENVIRONMENTAL APPROACH OVER A LIFECYCLE



Life cycle of the building

K-Fastigheter strives to construct its buildings with sustainable materials in order to create sustainable neighborhoods and contribute to a circular economy. A sustainable building entails much more than just energy efficiency. Buildings are to be produced in financially and environmentally viable ways and work well from a social perspective, now and in the future. It should be possible to use our concept buildings, and for them to remain functional, for many generations. The estimated life span is about 100 years, meaning that the architecture, materials and construction methods we use today should be enjoyed and last for a very long time. In addition, we strive to facilitate future renovations and adaptations to changing needs at the planning stage. For example, our Apartment Block concept building has been designed with wall structures that provide access to all drain stacks from the staircase, which makes it possible to replace stacks without requiring tenants to move out. The use of concept buildings forms the basis for a long-term sustainable economy. Even if every location is unique, we can recycle experience and solutions from previous projects. In addition, waste volumes can be minimized and the management of completed

buildings optimized through knowledge of the buildings' infrastructure. K-Fastigheter is working to implement solutions that reduce dependence on fossil fuels in newly constructed properties and address other climate-impacting factors, while simultaneously aiming to improve quality and cost-efficiency over time.

K-Fastigheter assesses that the Group will be affected in multiple way looking ahead, including increased demands for sustainable investments to reduce the negative impact on the environment. This is particularly relevant as, in line with the current business plan, we are also constructing our concept buildings for external customers, not just for our own management portfolio. Through increasingly sustainable production of concrete frames and a systematic sustainability approach focused on continuous improvement, K-Fastigheter is well positioned to reduce its environmental impact and meet current and anticipated climate and environmental regulations.

Climate footprint

The construction and property sector generates a high proportion of society's environmental impact through its energy consumption and emissions from various parts of the process, such as import of construction products and components. Operators in the construction and property industry have significant potential to influence climate emissions from buildings from a life cycle perspective, by measures relating to areas such as materials production, transport, energy, heating, waste and construction. The Group strives to increase its internal production of fossil-free energy, including by fitting more solar panels to its buildings. The Apartment Block and Lateral Low-Rise concept

buildings constructed after the third quarter 2021, have been equipped with solar panels. In 2024, electricity generated from the company's own solar panel installations on managed properties accounted for 24 percent of total consumption. Purchased electricity comes from fossil-free sources. K-Prefab's largest production facility, located outside Hässleholm, is equipped with a solar panel installation. K-Prefab's operations are committed to the construction industry standard Byggföretagens Färdplan 2045, a sector-wide plan to ensure a climate-neutral and competitive construction industry that supports Sweden's goal of achieving net zero greenhouse gas emissions by 2045. K-Fastigheter has conducted a GHG screening to identify the Group's emissions across its own operations as well as upstream and downstream in the value chain. The work to map and measure the full extent of emissions will continue in 2025.

Environmental certification

K-Prefab's operations are certified according to ISO 14001 and K-Prefab continuously seeks to minimize any negative environmental impact, including avoiding materials and methods that could generate an environmental hazard when better alternatives are available, and to reduce/increase the efficiency of transports. Six factories are currently entirely fossil-free in terms of heating. Five factories use biodiesel to operate trucks and vehicles.

Construction and construction materials

The fact that K-Fastigheter constructs concept buildings with a high degree of prefabrication optimizes resource utilization and quality, and ensures a positive working environment. By using a standardized process in K-Fastigheter's proprietary production facilities, consumption



of materials, logistics and other resources can be planned in detail, reducing waste, emissions and inventories, while also streamlining flows and lowering costs in areas that do not create value. K-Fastigheter's construction uses quality materials that are sustainable in the long term. The Group's concept buildings are largely constructed using concrete, a material that is tried-and-tested, durable and safe, with positive climate properties, but which includes cement which has a significant environmental impact. Ongoing efforts are being made to reduce the amount of cement in manufactured elements wherever possible. This includes optimizing recipes and replacing cement with other binding agents such as ground granulated blast furnace slag and fly ash. By building prefabricated construction elements using concrete and wood from its own production facilities, K-Fastigheter is able to control the process. Manufacturing indoors in a controlled environment means that the work is not dependent on weather conditions and temperature, compared to molding frames on site. Another advantage of prefabricated manufacturing methods is more optimized products requiring smaller quantities of materials, helping reduce the number of shipments of building materials, while making it easier to handle the waste that always arises during production. Furthermore, production times can be shortened compared to frames molded on site. K-Prefab's goal is to gradually transition to use only concrete ballast in its concrete. This means that natural gravel can be set aside for purposes where concrete ballast cannot be used. In total, around 90 percent of current ballast at the Group's plants comprises ungraded crush rock, and this proportion may increase in coming years. Since 2020, K-Fastigheter satisfies the demand to sort certain types of waste, and to store it separately from other types of waste. The aim of the sorting requirement is to rise higher in the waste hierarchy and improve preparation procedures for reuse and materials recycling

Reduced emissions

K-Fastigheter's operations contribute indirectly to greenhouse gas emissions, mainly at supplier level in connection with procurement of cement for concrete manufacture, and transport of materials to our own and customers' construction sites. K-Fastigheter's prefab operations

continuously seek to optimize the type and volume of binding agents used in concrete products, thereby reducing CO₂ emissions. In 2024, the Group continued its efforts to reduce the climate impact of its concrete, including by decreasing the amount of cement in favor of alternative binders. Since 2024, emissions intensity (Scope 3) has been measured and reported in terms of CO₂ tonnes per million SEK in revenue, to enhance transparency. To view this data, see page 111. As before, emissions (Scope 1) from the company's own vehicles are also measured, based on standard calculations of actual consumption. For the full year 2024, this consumption corresponded to 1,167 tonnes of CO₂ e for K-Prefab's operations and approximately 82 tonnes of CO₂ e for the rest of the Group. All electricity for the Group's production plants is derived from fossil free production. Increased energy efficiency forms part of the company's improvement work. The Prefab operations continuously work to optimize transport from production to customer—local sourcing and high load efficiency are key principles. Climate data from transports is regularly followed up and reported by transporters.

K-Fastigheter does not conduct operations requiring permits according to the Swedish Environmental Code. However, a reporting requirement applies to refrigerants. The Group's tenants may conduct operations that require permits or notice. In 2024, K-Fastigheter did not register any infringements of environmental legislation or related regulations.

Biodiversity

Questions relating to biodiversity are gaining in significance in society, both from a moral and utilitarian perspective. Biodiversity and the ecosystem services nature provides are a prerequisite for sustainable development that create benefits for all humans in a number of ways. As part of society, K-Fastigheter needs to contribute to protecting biodiversity and, wherever possible, develop environments around our properties that mitigate biodiversity loss or otherwise contribute to local flora and fauna. K-Fastigheter assesses that questions relating to biodiversity will become increasingly important for planning approval processes in future. This includes the type of land where construction takes place.

Scope 1: Direct emissions

Scope 1 includes emissions that are directly related to an organization or its operations. Examples of Scope 1 emissions include those generated by burning fossil fuels in owned or controlled facilities, as well as emissions from company vehicles running on petrol or diesel.

Scope 2: Indirect emissions

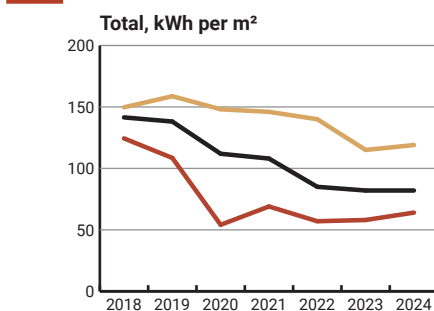
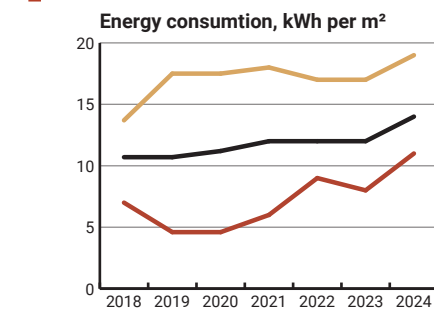
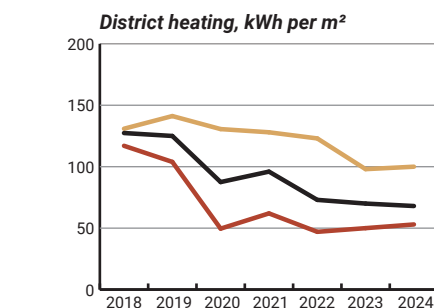
Scope 2 includes indirect emissions that are related to an organization or its operations. These emissions occur when an organization or operation purchases energy from an external source that uses fossil fuels. Examples of Scope 2 emissions include emissions from electricity or heat production purchased from an external provider.

Scope 3: Indirect emissions from the lifecycle of operations

Scope 3 includes indirect emissions associated with an organization's or operation's lifecycle that fall outside its direct control. These emissions can arise from activities such as the purchase of raw materials or products, transportation of goods or services, or waste management. Examples of Scope 3 emissions include emissions from the transportation of a product or from the combustion of waste.

Energy consumption

The roll-out of fossil-free electricity production in Sweden continues, and K-Fastigheter contributes by installing solar panels on suitable properties. All Lateral Low-Rise buildings and Apartment Blocks constructed after the third quarter 2021 are built with solar panels in place. In 2024, solar panel installations continued, and 24.8 percent of all electricity used in properties during the year came from the company's own solar panel installations. K-Prefab's production facility outside Hässleholm, which is also the Group's largest facility, generated 374 MWh of electricity in 2024, corresponding to 33 percent of the facility's total consumption. The production facility manufactures concrete elements, including various wall panels, joists and balconies as well as plinth foundations. Further investments in solar panels may be made in other proprietary plants in the future. To limit K-Fastigheter's long-term environmental impact and to keep property management costs low for both the company and external customers, the concept buildings have been designed for low energy consumption. K-Fastigheter's goal is for its concept buildings to meet energy class B. When procuring electricity, the company selects suppliers that offer electricity from renewable sources, primarily wind and hydropower. Since 2023, all electricity agreements relate to fossil-free energy. In 2024, all purchased electricity for properties was fossil-free. In order to sharpen the focus on energy in our properties, a dedicated Energy & Technology team works to optimize the properties' energy consumption.

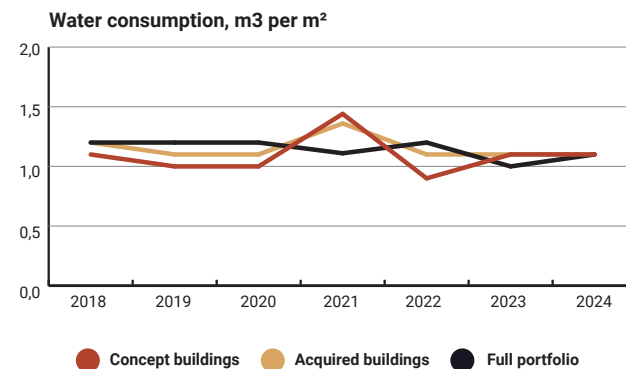


● Concept buildings ● Acquired buildings ● Full portfolio

Water consumption

Promoting the efficient use of water resources is important both for the operational economy of the properties and from an environmental perspective, with tenants also playing a key role.

	Vatten m ³ /m ²	Fjärrvärme kWh/m ²	El kWh/m ²
2024 (fördelat på hela beståndet)			
Hela beståndet	1,11	68	14
Egenproducerade byggnader	1,13	53	11
Köpta byggnader	1,06	100	19



HOMES FOR THE MANY



Indoor environment

All three of K-Fastigheter's concept buildings, as well as apartments upgraded in accordance with K-Fast 2.0, are constructed with an attractive and sustainable selection of materials and surfaces to create pleasant and sustainable living environments. All of the homes are, for example, equipped with kitchen worktops and window sills in stone and with energy-efficient appliances, including a washing machine, dryer, dishwasher and built-in microwave as standard. At the end of 2024, 90 percent of the property portfolio had been constructed after 2010, and 67 percent after 2019. By using the same selection of materials in all of our newly-produced buildings, we generate increased volumes and better negotiating conditions for our procurement organization. This also facilitates potential repairs in the properties and the replacement of white goods.

Corrective maintenance

K-Fastigheter strives to rectify any issues that arise in its properties as quickly as possible. For certain types of reported issues, assistance from an external service provider is required, which may delay the resolution. In 2024, 72 percent of reported issues were resolved and closed by K-Fastigheter's staff within 24 hours. This can be compared to 69 percent in 2023.

Tenant survey

Each year, tenant surveys are conducted using a format tailored to the residential property sector. The company has chosen to conduct these surveys separately for newly constructed properties from the past year and for the rest of the portfolio. By using standardized surveys, it is possible



to compare results with industry averages across a range of areas. By also reviewing the results for individual properties, lessons can be learned for future property management regarding what works well and what can be improved—both for specific properties and across the entire portfolio.

K-Fastigheter reports the Service Index each year as a measure of customer satisfaction. The Service Index consists of four equally weighted categories, each measured on a scale from 0 to 100. "Taking the customer seriously", "Safety", "Clean and tidy" and "Help when needed". K-Fastigheter's overall Service Index from the most recent customer survey was 81.7, compared with the industry average of 81.3.

K-Fastigheter scored above the average in the categories "Taking the customer seriously" and "Help when needed," and below the average in "Safety" and "Clean and tidy."

LONG-TERM RELATIONSHIPS



Financial stability

K-Fastigheter takes a structured approach to its financing, mainly through conventional bank loans. No financing is conducted through bonds. The Group's financial reporting is presented in the Directors' Report on pages 44-50.

Employee development

K-Fastigheter aims to support its employees' long-term development on the basis of individual needs, the company's operations and future market requirements. Employees who enjoy going to work every day are fundamental to the Group's success and health, wellness and continued training also play an important role in the terms of employment. The Group uses a digital system to measure employee engagement. With a high response rate, the Group recorded an average engagement index of 3.8 out of 5 in 2024, the same level as in 2023. We achieved excellent results in several areas, including Meaningful participation, Manager relations and Colleague relations. Areas where more work remains to be done include health considerations related to stress. Based on the results, each department develops action plans together with staff and works to both maintain and strengthen engagement in various areas.

Compliance with and awareness of the Group's Code of Conduct and other policies is reviewed annually and has been included in the company's internal training program. The content of these documents is also reviewed annually to ensure it corresponds to the company's operations and key issues.

Working environment

It is K-Fastigheter's objective that no workplace accidents should occur and the Group works preventively to minimize risks in and around the working environment. In 2024, K-Fastigheter and K-Prefab once again held health and safety weeks to further strengthen this work.

Transparency and ethics

An important part of K-Fastigheter's sustainability work is to encourage employees and other representatives, internally and externally, to behave in a manner compatible with K-Fastigheter's fundamental values. Accordingly, K-Fastigheter has introduced a number of policy documents, including a Code of Conduct that addresses areas such as sustainability, anti-corruption, business ethics, and a Whistleblower Policy. Our employees play an important role in sounding the alarm if they suspect illegal activities or other regulatory breaches or activities that run contrary to K-Fastigheter's ethical guidelines. This gives us the opportunity to prevent such behaviors and to take remedial measures if something has gone awry. Our employees (including suppliers and collaboration partners) can anonymously and confidentially report potential departures through a whistleblower channel. K-Fastigheter's business system/intranet is intended to facilitate internal communication and a proportion of administration, and increase engagement on Group-wide issues such as sustainability.

Diversity

K-Fastigheter believes that everyone, regardless of sex, ethnicity, religion or other beliefs, sexual orientation, age, transgender identity or functional disability should be able to participate in working life on equal terms. It is important that the equal value of all individuals is respected. K-Fastigheter does not see differences, we focus on the person. Their results are what count. Accordingly, K-Fastigheter has adopted a HR policy that includes a diversity policy, and an associated plan of action for achieving equal rights and opportunities for all employees.

Human rights

K-Fastigheter respects and follows a number of conventions relating to human rights which means that child labor, unpaid overtime, forced labor

K-Fastigheter and the Banking Initiative for a Sustainable Construction Industry

K-Fastigheter aims to contribute to healthy competition and prevent potential financial fraud and exploitation of workers within the construction sector. The company therefore welcomed the Banking Initiative for a Sustainable Construction Industry and was one of the first to declare its intention to secure financing through the framework established by the participating parties.

Financing for K-Fastigheter's constructions, starting from the second quarter of 2024, will be carried out within the framework of the Banking Initiative for a Sustainable Construction Industry. Six projects that commenced construction during the year secured their financing under the current regulatory framework. K-Fastigheter intends to continue seeking financing for construction starts under the current regulatory framework in 2025.

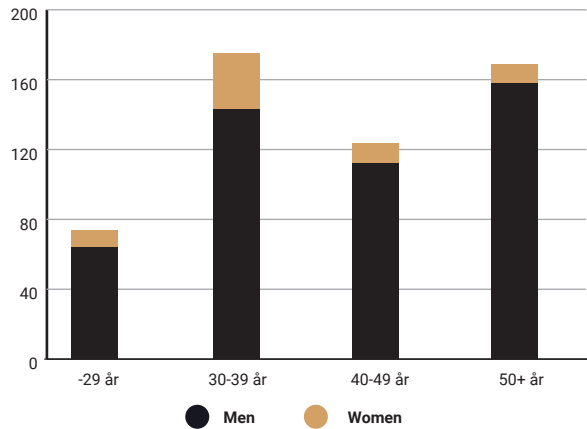
K-Fastigheter believes that the Banking Initiative strengthens and contributes to our work with Long-Term Relationships by, among other things, enhancing control over the financial stability, profitability, working conditions, and business ethics of our suppliers, as well as ensuring and improving safety on our construction sites.

This is the Banking Initiative for a Sustainable Construction Industry

The special conditions are the result of an industry initiative in collaboration between the banking, real estate, and construction sectors. The purpose is to contribute to healthy competition and combat labor market crime by preventing financing from being used for criminal purposes. The goal is to reduce the risk of financial crime in the contractor chain, create safe construction sites, and ensure fair working conditions. The ambition is for the special conditions to contribute to the global sustainability goals of Decent Work and Economic Growth (ESG 8) and Peace, Justice, and Strong Institutions (ESG 16). A sustainable construction industry means that banks, in their credit process, consider whether the customer has the necessary control and monitoring systems for a construction site and meets certain defined criteria. To ensure that K-Fastigheter meets the established conditions, the company provides project reports to the lenders at specified intervals.

and other infringements of human rights are counteracted. Risks can arise, mainly when employing subcontractors. Accordingly, K-Fastigheter continuously evaluates its suppliers and subcontractors to ensure they comply with the Group's Code of Conduct. K-Fastigheter has six ongoing construction projects where we are affiliated with the Banking Initiative for a Sustainable Construction Industry, which aims to prevent malpractice such as tax fraud and labor exploitation.

Gender distribution by age group, percent, as of December 31, 2024



At the end of 2024, there were 542 (550) employees in the Group, of which 66 (65) women and 476 (485) men. 318 (332) employees are members of a collective agreement.

Sponsorship and community engagement

K-Fastigheter collaborates with various parties to create the conditions necessary for tenants to feel at home. This includes providing clear information about agreements and other terms, rapid feedback in the event of any faults in the home or its surroundings, and cooperation with parties such as the municipality, other property companies or local associations to increase engagement, service and security in the area. We attach great importance to safety and well-being in and around our properties and therefore sponsor youth activities and safety-

building initiatives where we can find common ground for objectives and implementation. We prioritize collaborations where the Group's employees participate actively in organizations/associations that report results and benefits of our sponsorship or support. On this basis, K-Fastigheter contributes financially or with other resources.

K-Fastigheter also contributes to other projects that benefit society. For several years, K-Fastigheter has partnered with OV Helsingborg HK in the "Handball School for All" (HFA), a collaboration that includes handball training, homework support, and other social activities for children aged 7–10 living in underprivileged areas of Helsingborg.

Through a partnership with Dandelion, K-Fastigheter is helping to improve the living conditions of families and children in South Africa. This includes K-Fastigheter's co-financing of the construction of an entirely new children's home, as well as ongoing support for a gardening project aimed at promoting self-sufficiency and improved livelihoods. More information about Dandelion: www.dandelionchild.nu

The Group has also contributed to developing the city of Hässleholm where the company's head offices are located, including through membership in and financing of HesseCity and BID Hässleholm, with the aim of developing the city center, retailing, tourism and jobs. K-Fastigheter has also contributed to the funding of improved exterior lighting in locations in and around Hässleholm that are considered unsafe.

Upcoming CSRD reporting

In 2024, the work initiated in 2023 continued to prepare the Group for the upcoming requirements based on the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). A double materiality assessment was completed to identify the Group's material impact, risks and opportunities by consequential and financial materiality with the aim of supporting the design of future sustainability reporting. The double materiality assessment does not form the basis of the contents of this report. At present, there are proposals at the EU level to significantly reduce the number of companies subject to the reporting requirements and the scope of those requirements. K-Fastigheter is closely monitoring this

development and will address new decisions as they arise, analyzing the next steps accordingly.

Reporting according to the EU taxonomy directive

K-Fast Holding AB (publ) is subject to EU taxonomy directive (EU 2020/852). This stipulates requirements for providing information about the extent to which operations are eligible for and comply with the taxonomy directives. The purpose of the taxonomy is to identify the proportion of investments that are environmentally sustainable, and is an important tool for reaching the EU's six environmental goals. In order for operations to be classified as environmentally sustainable, they need to make a material contribution to at least one of the taxonomy's six environmental goals, do no harm to any of the other goals, and satisfy the requirements outlined in the defined social minimum protective measures.

Economic activity

THE SIX ENVIRONMENTAL GOALS ACCORDING TO THE EU TAXONOMY

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy, including preventing waste and increased use of secondary raw materials
5. Pollution prevention and control
6. Protection and restoration of biodiversity and sound ecosystems, and the recreation of damaged ecosystems

K-Fastigheter develops and builds rental apartments for proprietary management and on behalf of external customers, and develops, produces and assembles concrete frames for its own and external construction. Operations are focused on southern Sweden and the Västra Götaland, Mälardalen and Copenhagen regions.

	Total, SEK million	Proportion of economic activity	
		eligible in the taxonomy, %	not eligible in the taxonomy, %
Sales	1,142.2	53%	47%
Operating expenses	655.8	11%	89%
Capital expenditure	1,853.6	93%	7%

Accounting principles

K-Fastigheter's operations relating to project development, construction and management of proprietary rental apartments are considered to be eligible under the EU taxonomy directive, while the Prefab business area's external operations are not considered eligible. The proportion of the company's operations that is environmentally sustainable according to the EU taxonomy directive is determined by three financial key performance indicators: turnover, capital expenditure and operating expenses. The company is required to identify the proportion of these KPIs that are aligned with the EU taxonomy directive by contributing to one of the environmental goals, adheres to the directive's minimum protective measures and simultaneously does no significant harm to any of the other environmental goals. We have chosen to report only on Goal 1 "Climate Change Mitigation" (CCM) under the EU taxonomy, as this target is most relevant to our operations. In terms of capital expenditure, K-Fastigheter could contribute to Goals 2 and 4, but all material capital expenditure is captured by Goal 1. All of our operations fall within the framework of the taxonomy under goal 1, and the activities that most of our operations are described under are CCM 7.7 "Acquisition and ownership of buildings" and CCM 7.1 "Construction of new buildings." Looking to the future, other activities may also be relevant to a lesser extent. In the company's assessment, because principles for detailed reporting have yet to be correctly determined and because assumptions can also be regarded as uncertain, K-Fastigheter has chosen to exercise restraint in its reporting and has not included the proportion of operations that complies with

the taxonomy directive in its current sustainability reporting. As a result of active sustainability work throughout the value chain, from project development and construction to management of our rental apartments, we foresee considerable potential for ensuring that a high proportion of our economic activities comply with the directive as principles and reporting progress.

In 2021, K-Fastigheter signed Global Compact, the UN's international principles aimed at companies relating to human rights, labor law, the environment and anti-corruption. The Group's Code of Conduct, which applies to both employees and suppliers and collaboration partners, is also based on Global Compact and shadows the Group's business concept, goals and other policies to ensure that operations are conducted in a long-term sustainable manner. We also work continuously to identify and manage risks, relevant business ethics and other questions relating to labor law and human rights. This means that the company can be considered to be in compliance with the taxonomy directive's requirements for minimum protective measures.

Sales

Sales include all income associated with the investment properties included in the economic activity outlined above. Income relates to rental income including customary additions. This income is presented in Note 3. Income and total sales correspond to Group comprehensive income. The proportion of sales that is not taxonomy-eligible primarily comprises the Prefab business area's income from external sales.

Capital expenditure

Capital expenditure of SEK includes acquisitions and capitalized investment expenses associated with the management properties included in the economic activity outlined above. These expenses are indicated in Note 16 Investment properties, and comprise Acquisitions and investments in investment properties and Construction in progress. The proportion of investments that is not taxonomy-eligible primarily relates to capital expenditure for investments in business properties and property, plant and equipment in the Building business area and Prefab's operations. Total capital expenditure is indicated under Investment activities in the Group's cash flow.

Operating expenses

Operating expenses include costs of property maintenance, ongoing repairs and maintenance to ensure the basic standard and functionality of the properties. The proportion that is not taxonomy-eligible primarily consists of the Prefab business area's costs for external sales and property administration, and operating costs for electricity, heating, water and waste in the Group's management properties.

Nuclear and fossil gas related activities

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

ECONOMIC ACTIVITIES – SALES

Economic activities (1)	Code (2)	Sales (3)	Proportion of sales (4)	Criteria for significant contribution						Criteria for do no significant harm (DNSH)						Minimum protective measures (17)	Proportion, taxonomy-aligned (A.1.) or encompassed by the taxonomy (A.2.) sales, year 2022 (18)	Category enabling operations (19)	Category transition activities (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
Unit		SEK m	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
A. Operations, taxonomy-eligible (applicable)																			
A.1 Environmentally sustainable (aligned) operations																			
Construction of new buildings	CCM 7.1	0		N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Acquisition and ownership of buildings	CCM 7.7	0		N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Sales, environmentally sustainable (aligned) (A.1)		0		-	-	-	-	-	-	-	-	-	-	-	-	-	0		
A.2. Non-sustainable (non-aligned) taxonomy-eligible operations				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	0		EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Acquisition and ownership of buildings	CCM 7.7	603.4	53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								44%		
Sales, non-sustainable (non-aligned) taxonomy-eligible operations (A.2)		603.4	53%	-	-	-	-	-	-								44%		
A. Sales, taxonomy-eligible operations (applicable) (A.1 + A.2)		603.4	53%	-	-	-	-	-	-								44%		
B. Operations not taxonomy-eligible (not applicable)																			
Sales, operations not taxonomy-eligible		537.8	47%																
Total (A+B)		1,141.2	100%																
	Taxonomy-aligned per goal (aligned)	Goals, taxonomy-eligible (non-aligned)																	
CCM	0%	53%																	
CCA	0%	0%																	
WTR	0%	0%																	
CE	0%	0%																	
PPC	0%	0%																	
BIO	0%	0%																	

ECONOMIC ACTIVITIES – OPERATING EXPENSES

Economic activities	Code (2)	Operating expenses (3)	Proportion of operating expenses (4)	Criteria for significant contribution						Criteria for do no significant harm (DNSH)						Minimum protective measures (17)	Proportion, taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) sales, year 2022 (18)	Category enabling operations (19)	Category transition activities (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
Unit		SEK m	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Operations, taxonomy-eligible (applicable)																			
A.1 Environmentally sustainable (aligned) operations																			
Construction of new buildings	CCM 7.1	0	0	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Acquisition and ownership of buildings	CCM 7.7	0	0	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Operating expenses, environmentally sustainable (aligned) (A.1)		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0		
A.2. Non-sustainable (non-aligned) taxonomy-eligible operations																			
Construction of new buildings	CCM 7.1	0		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	68.9	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Operating expenses, non-sustainable (non-aligned) taxonomy-eligible operations (A.2)		68.9	11%	-	-	-	-	-	-								5%		
A. Operating expenses, taxonomy-eligible operations (applicable) (A.1 + A.2)		68.9	11%	-	-	-	-	-	-								5%		
B. Operations not taxonomy-eligible (not applicable)																			
A. Operating expenses, operations not taxonomy-eligible		586.9	89%																
Total (A+B)		655.8	100%																
	Taxonomy-aligned per goal (aligned)	Goals, taxonomy-eligible (non-aligned)																	
CCM	0%	11%																	
CCA	0%	0%																	
WTR	0%	0%																	
CE	0%	0%																	
PPC	0%	0%																	
BIO	0%	0%																	

ECONOMIC ACTIVITIES – CAPITAL EXPENDITURE

Economic activities (1)	Code (2)	Capital expenditure (3)	Proportion of capital expenditure (4)	Criteria for significant contribution						Criteria for do no significant harm (DNSH)						Minimum protective measures (17)	Proportion, taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capital expenditure, year 2022 (18)	Category enabling operations (19)	Category transition activities (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
Unit		SEK m	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Operations, taxonomy-eligible (applicable)																			
A.1 Environmentally sustainable (aligned) operations																			
Construction of new buildings	CCM 7.1	0.0		N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Acquisition and ownership of buildings	CCM 7.7	0.0		N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	Y	0	-	-
Capital expenditure, environmentally sustainable (aligned) (A.1)		0.0		-	-	-	-	-	-	-	-	-	-	-	-	-	0		
A.2. Non-sustainable (non-aligned) taxonomy-eligible operations				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	1,364.6	74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								66%		
Acquisition and ownership of buildings	CCM 7.7	350.6	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								28%		
Capital expenditure, non-sustainable (non-aligned) taxonomy-eligible operations (A.2)		1,715.1	93%	-	-	-	-	-	-								94%		
A. Capital expenditure, taxonomy-eligible operations (applicable) (A.1 + A.2)		1,715.1	93%	-	-	-	-	-	-								94%		
A. Operations not eligible in the taxonomy (not applicable)																			
A. Capital expenditure, operations not taxonomy-eligible		138.5	7%																
Total (A+B)		1,853.6	100%																
	Taxonomy-aligned per goal (aligned)	Goals, taxonomy-eligible (non-aligned)																	
CCM	0%	93%																	
CCA	0%	0%																	
WTR	0%	0%																	
CE	0%	0%																	
PPC	0%	0%																	
BIO	0%	0%																	

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of K-Fast Holding AB (publ), corporate identity number 556827-0390

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2024 on pages 109–121 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Norrköping, 8th of April, 2025

Ernst & Young AB

Peter von Knorring

Authorized Public Accountant

