SUSTAINABILITY STATEMENT

(Extract from the Annual Report 2025)

How to read the Sustainability Statement

The Sustainability Statement is structured in accordance with the main sections of the European Sustainability Reporting Standards (ESRS) and includes: General disclosures, environmental disclosures and governance disclosures.

The Sustainability Statement has been prepared on a consolidated basis, with the same scope as the financial statements unless otherwise stated. The report has been subject to a limited assurance review by the auditors of K-Fast Holding AB, Ernst & Young.

K-Fast Holding owns 57.6 percent of Brinova Fastigheter AB ("Brinova") as of 1 April 2025. Brinova operates as an independent company and is listed on the Nasdaq Stockholm Mid Cap segment and publishes financial and sustainability information for its operations. KPMG is Brinova's auditor. Brinova has been included in K-Fastigheter's value chain in the double materiality assessment carried out in 2025.

The index on this page presents the disclosure requirements under ESRS 2 and the topical ESRS standards that have been assessed as material for K-Fastigheter and have guided the structure of the Sustainability Statement and its content. The headings in the index are linked and can be used to locate information related to specific disclosure requirements.

Social disclosures are not presented in a separate section in this year's Sustainability Statement, as K-Fastigheter has applied transitional provisions for these standards. The standards and disclosure requirements that are being phased in are presented under ESRS 2, BP-2.

Forward-looking statements

The preparation of the Sustainability Statement requires the use of certain estimates and assumptions regarding the future, which affect reported impacts, risks, opportunities, as well as future actions and investments to achieve the targets. Actual outcomes may differ from the reported estimates and assumptions.

GENERAL INFORMATION

ESRS 2 GENERAL DISCLOSURES

[BP-1] Basis for preparation of the Sustainability Statement

Reporting framework

This Sustainability Statement constitutes K-Fast Holding AB's ("K-Fastigheter" or the "Group", with or without subsidiaries and associates depending on the context) statutory Sustainability Statement prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), as implemented through the Swedish Annual Accounts Act, and the European Sustainability Reporting Standards (ESRS). The Sustainability Statement forms part of the Management Report.

Disclosures in the sections General information, Environmental information and Governance information have either been assessed as material in accordance with K-Fastigheter's double materiality assessment or are mandatory under the ESRS standards. The Sustainability Statement also includes disclosures in accordance with the EU Taxonomy Regulation. (BP-2, 15)

No information has been incorporated by reference. References to information outside the Sustainability Statement on pages 39–71, websites and other reports are provided for information purposes only and do not form part of the statutory Sustainability Statement. Forward-looking statements are based on standards and processes that are still under development and should not be regarded as precise or definitive forecasts. (BP-2, 12, 16)

Consolidation principles

The Sustainability Statement covers the period 1 January–31 December 2025 and has been prepared on a consolidated basis for the Group. The scope of consolidation is, unless otherwise stated, the same as for the financial reporting as of 31 December 2025. Companies in which the parent company, K-Fast Holding AB, as of 31 December 2025 held a controlling interest (control) with a shareholding representing more than 50 percent of the voting rights are recognized as subsidiaries.

In April 2025, a transaction was carried out whereby K-Fast Holding AB divested investment properties in region South and received shares corresponding to approximately 57.6 percent in the acquiring company, Brinova Fastigheter AB. Brinova is therefore consolidated in this year's Sustainability Statement from 1 April 2025. For further information on consolidation principles, refer to the accounting principles in the financial reporting, Note 1. (BP-1, 5 b i, ii)

Scope and value chain

The Sustainability Statement covers K-Fastigheter's entire operations and value chain; however, only information assessed as material in the upstream and downstream value chain has been included in the descriptions. For an overview of the parts of the value chain where impacts, risks and opportunities are most significant, see ESRS 2, SBM-1. (BP-1, 5 c)

K-Fastigheter's policies, activities, metrics and targets cover the entire value chain. In connection with the implementation of CSRD and ESRS, the Group is in an initial phase of systematically mapping, developing and integrating sustainability-related processes across the value chain. This means that work relating to data collection, monitoring and governance for certain parts of the upstream and downstream value chain is still under development. Efforts to progressively strengthen the comparability and quality of sustainability data in these parts of the value chain are ongoing and will continue to be developed over time. (BP-2, 10 d)

Relevant information on intellectual property rights, know-how, results of innovation or other business processes and negotiations is included. (BP-1, 5 d–e)

Information on external validation

Metrics have not been validated by any external party other than the limited assurance review performed by K-Fastigheter's auditor. (MDR-M, 77 b)

[BP-2] Disclosures in relation to specific circumstances

Time horizons

The time horizons described in this report are short term (one year, which is in line with K-Fastigheter's financial reporting period), medium term (one to five years) and long term (more than five years), which are consistent with the definition in ESRS. (BP-2, 9 a, b)

Estimates and uncertainties

Sustainability reporting is undergoing significant changes and therefore entails a degree of uncertainty across several areas. Reporting is based, to the greatest extent possible, on specific data, with certain elements based on substantiated assumptions. K-Fastigheter actively collaborates with stakeholders in the value chain to collect data; however, challenges such as varying levels of maturity and data quality, as well as limited digitalization, mean that certain data points are estimated using standards, sector averages and proxy data.

The areas where uncertainty is assessed to be greatest are in the calculation of greenhouse gas emissions and air pollutants, where reporting is based on a combination of activity data and emission factors. Where necessary, generic data and extrapolation are also used to fill any data gaps. In addition, calculations of resource inflows and resource outflows involve the use of boundaries and estimates in the absence of actual measured data. (BP-2, 10 b, c)

Calculation methods, assumptions and details of prevailing estimates and uncertainties are presented in connection with each metric. (BP-2, 10 b, c)

Changes in how sustainability information is prepared or presented

The Sustainability Statement for 2025 is K-Fastigheter's first report prepared in accordance with ESRS, which entails a change in how sustainability information has been prepared and presented compared with previous reporting periods. This change also entails more extensive reporting, including both more qualitative information and a greater number of key performance measures than previously reported. Comparative information is therefore provided where available from previous reporting periods. This means that comparative information is not available for sections E1, E2, E3 and E5. (BP-2, 13 b)

Brinova, which has been consolidated into the Group from 1 April 2025, has established procedures and definitions for its sustainability reporting. Accordingly, in the preparation of this Sustainability Statement, the focus has been on coordinating processes, harmonizing definitions and consolidating sustainability data to ensure comparability. K-Fastigheter's objective is to distribute K-Fast Holding AB's shares in Brinova Fastigheter AB when the conditions for such a transaction are in place. (BP-2, 13 a, b)

Errors in reporting in previous periods

No material errors have been identified or corrected in reported information from previous periods during the reporting period.

Phase-in of disclosure requirements

K-Fastigheter has identified eight material topics in accordance with ESRS. In accordance with the provisions of the standard, three of these are being phased in progressively, as described below. This means that the Group currently reports on five of the topical standards in ESRS.

K-Fastigheter has chosen to apply the phase-in option for the standards and disclosure requirements listed below, in accordance with Appendix C to ESRS 1 and the phase-in provisions set out in the Delegated Act (EU) 2023/2772.

Standard

- E4: Biodiversity and ecosystems
- S1: Own Workforce
- S2: Workers in the value chain

Disclosure requirements

- SBM-3, 48 e: Material impacts, risks and opportunities and their interaction with strategy and business model
- E1-6: Gross greenhouse gas emissions in Scope 3
- E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities
- E3-5: Anticipated financial effects from water and marine resources-related impacts, risks and opportunities
- E5-6: Anticipated financial effects from material resource use and circular economy-related risks and opportunities (BP-2, 17)

Additional disclosures relating to:

For the areas assessed as material in the double materiality assessment, K-Fastigheter has chosen to apply the phase-in option for the standards E4: *Biodiversity*, S1: *Own Workforce* and S2: *Workers in the value chain* as a whole. These topics are therefore not presented in separate sections in the Sustainability Statement. Instead, their materiality is described below, together with an overall summary of how each topic is managed.

E4: Biodiversity and ecosystems

In the double materiality assessment, *Direct drivers of biodiversity loss* were identified as a material sub-topic. (BP-2, 17 a) (E4, IRO-1, 17 a–c)

The assessment of materiality for biodiversity and ecosystems has been carried out at an overall and qualitative level and covers own operations and the value chain. The analysis is based on the Group's dependencies on raw materials such as timber and mineral-based materials, where extraction and processing may result in direct drivers of biodiversity loss. (E4, IRO-1, 17 a)

The assessment has been based on internal knowledge and experience, results from workshops conducted as part of the double materiality assessment, as well as publicly available high-level analyses. No detailed mapping at site or supplier level has been carried out, and no scenario analysis relating to biodiversity and ecosystems has been performed. (E4, IRO-1, 17 b, 18)

Negative impacts on local biodiversity may occur in the extraction of primary raw materials in the upstream value chain, for example in the extraction of natural resources such as timber and cement. Clear-cutting of forests for timber may negatively affect biodiversity in the region, and the extraction of limestone for cement production may have adverse effects on surrounding flora and fauna. (BP-2, 17 a)

The management of ecosystem services and biodiversity is carried out primarily through K-Fastigheter's close collaboration with stakeholders such as municipalities, county administrative boards and relevant rights holders. This consultation is particularly important in connection with the acquisition and development of properties, but also as support in evaluations ahead of major renovation projects. Through this dialog, the Group takes into account local conditions and environmental requirements across the value chain. (BP-2, 17 a, d)

For own operations, no material impacts have been identified, and based on the assessment performed, K-Fastigheter has no identified facilities in or in the immediate vicinity of areas with particularly sensitive or protected biodiversity. (E4, IRO-1, 17 b) (E4, IRO-1, 19 a)

The Sustainability Policy addresses material impacts, risks and opportunities related to biodiversity and ecosystems. For a summary of the Group's governing policies and the process for their adoption and follow-up, see ESRS 2, GOV-1. (BP-2, 17 c)

As of the date of this Sustainability Statement, K-Fastigheter has not adopted any time-bound targets or defined any key performance measures for biodiversity and ecosystems. As part of the ongoing work to update the Group's business plan, the possibility of establishing such targets is being evaluated. (BP-2, 17 b–e)

S1: Own Workforce

In the double materiality assessment, *Working conditions and Equal treatment and diversity* were identified as material sub-topics.

K-Fastigheter's operations within construction and production entail a risk of negative impacts on the health and safety of its own workforce, particularly in activities carried out on construction sites and in production environments. Such environments may involve physical risks such as falls, crush and cut injuries, as well as exposure to noise, dust and vibrations, which may lead to acute accidents and long-term health effects.

Workplace accidents and ill health also entail financial risks for the Group, for example through production disruptions, increased costs, legal consequences, as well as negative impacts on the brand and attractiveness as an employer. Furthermore, the construction and civil engineering sector is characterized by a historically uneven gender distribution, where women are underrepresented. Although no specific incidents have been identified, the risk of negative impacts related to equal treatment, inclusion and workplace culture remains, which may affect both employee well-being and the Group's ability to attract and retain talent. (BP-2, 17 a)

K-Fastigheter takes into account identified impacts and risks relating to its own workforce through standardized construction processes and systematic work on occupational health and safety, as well as equal treatment across the organization. Work on occupational health and safety includes, among other things, preventive training initiatives, regular safety inspections, thorough documentation and structured recording of accidents and incidents. The work aims to reduce the risk of negative consequences for the own workforce and to promote a safe, secure and inclusive working environment. (BP-2, 17 a)

The Group has established the following policies to address material impacts, risks and opportunities related to employees and human rights: Code of Conduct, Occupational Health and Safety Policy, Equal Treatment Plan and HR Policy. For a summary of the Group's governing policies and the process for their adoption and follow-up, see ESRS 2, GOV-1. (BP-2, 17 c)

The Group's systematic occupational health and safety work is based on a zero-vision, meaning that no serious accidents or incidents should occur and that no cases of discrimination or harassment should arise. In addition, the Group has a target for the employee engagement index to exceed 80 percent, based on the results of the annual employee survey. (BP-2, 17 b)

To monitor the targets relating to occupational health and safety and equal treatment, K-Fastigheter reports a limited set of key performance measures for its own workforce in the first reporting period. These include the number of work-related accidents and serious accidents, fatalities, as well as the employee engagement index. The reported key performance measures represent a first step in the development of the Group's monitoring of its own workforce in accordance with ESRS S1. (BP-2, 17 e)

Key performance measures	2025	2024
Number of recordable work-related accidents[1], in the own workforce	168	118
Number of fatalities resulting from work-related injuries and work-related ill health, in the own workforce	0	0
Number of serious accidents[2] reported to the Swedish Work Environment Authority, among own employees	5	5
Employee engagement index[3], %	76%	76%

[1] Recordable work-related accidents are defined as "An event that occurs suddenly and unexpectedly and causes personal injury, e.g. slip, fall, cut or crush injury".
[2] Serious accidents reported to the Swedish Work Environment Authority follow the definition set out on the authority's website.
[3] Brinova has not been included in the employee engagement index for 2025, as the results were compiled prior to consolidation.

S2: Workers in the value chain

In the double materiality assessment, working conditions were identified as a material sub-topic for workers in the value chain. Negative impacts on workers in the value chain may occur in connection with construction and contracting activities, particularly in contractor and subcontractor tiers. Such impacts may relate to deficiencies in occupational health and safety, including the risk of serious accidents and fatalities, as well as adverse effects on workers' physical, mental and social well-being. The risk is assessed as elevated in parts of the value chain where foreign labor is present. (BP-2, 17 a)

The management of working conditions for workers in the value chain is carried out primarily through requirements imposed on contractors and subcontractors through contractual agreements, as well as through dialog, collaboration and follow-up in the procurement and execution phases of construction and contracting projects. (BP-2, 17 a, d)

The Supplier Code of Conduct addresses material impacts, risks and opportunities related to working conditions in the value chain. In addition, a Whistleblowing Policy is in place that enables the reporting of suspected breaches both within own operations and in the value chain. For a summary of the Group's governing policies and the process for their adoption and follow-up, see ESRS 2, GOV-1. (BP-2, 17 c)

As of the date of this Sustainability Statement, K-Fastigheter has not adopted any time-bound targets or defined any key performance measures for workers in the value chain. As part of the ongoing work to update the Group's business plan, the possibility of establishing such targets is being evaluated. (BP-2, 17 b, e)

[GOV-1] The role of the administrative, management and supervisory bodies

The Board of Directors

The Board of Directors of K-Fast Holding AB is the highest governing and controlling body for K-Fastigheter's sustainability work, including oversight of the Group's material impacts, risks and opportunities. Responsible roles are defined through guidelines, instructions and policies adopted by the Board of Directors, including the Board's rules of procedure and the CEO instruction. Policies, targets, risks, actions and results are evaluated annually by the Board of Directors to ensure appropriateness and effectiveness. The rules of procedure govern, among other things, the functions and allocation of work between the members of the Board of Directors and the CEO, also acting as Group CEO, as well as between the Board of Directors and its committees. The CEO instruction, in turn, includes instructions regarding both internal reporting to the Board of Directors and external reporting to external stakeholders. (GOV-1, 22 a, b) (G1, GOV-1, a)

The Audit Committee is appointed within the Board of Directors and is responsible for preparing and assisting the Board in its oversight work. The Committee is responsible for monitoring the Group's internal control, including the management of sustainability-related risks and review processes, as well as ensuring that the Board's guidelines, instructions and policies are complied with. The Audit Committee also reviews the Sustainability Statement before it is submitted to the Board of Directors for approval. (GOV-1, 22 c iii)

The Board of Directors considers that oversight of sustainability matters meets K-Fastigheter's current needs and that such matters are managed within the framework of the Board's annual meetings. In addition to regular meetings, the Board of Directors convenes as required. The need for additional controls or functions with a specific focus on the Group's material impacts, risks and opportunities is reviewed in connection with the Board's annual evaluation of its work. For further information on the evaluation of the Board's and the committees' work during the year, see the Corporate Governance Report on page 72. (GOV-1, 22 C i, iii)

The Board of Directors exercises oversight of the establishment of targets related to material impacts, risks and opportunities in accordance with the Group's Internal Control Policy and will follow up on developments annually in connection with the sustainability and annual reporting process. (GOV-1, 22 d)

Group Management

The Group CEO has overall operational responsibility for implementing the decisions of the Board of Directors and ensuring that sustainability work is integrated into the operations. The Group CEO delegates operational responsibility for sustainability work to the respective heads of operations and business areas. In development and support processes, the Group CEO, the CFO, the COO/HR Director, the Group's Quality, Environment and Occupational Health and Safety function (QEH&S), as well as the Head of Investor Relations and Communications, collaborate. Together, they constitute management's forum for the coordination of sustainability matters, risk management and sustainability reporting. (GOV-1, 22 c, c i)

Group management has overall responsibility for the operational implementation and follow-up of targets related to the Group's material impacts, risks and opportunities. The work includes continuous monitoring of the risk profile and developments in these areas, as well as reporting progress against the established targets. Reporting is carried out within the framework of K-Fastigheter's annual reporting cycle and is presented to the Board of Directors, primarily through the Group CEO and the CFO. These attend all Board meetings during the year and ensure that the Board of Directors continuously receives up-to-date information and updates regarding the development of the operations, sustainability matters and financial performance. (GOV-1, 22 c ii, d)

Composition of the Board of Directors and Group management and its relevance for sustainability matters

The Board of Directors consists of five non-executive members and the Chief Executive Officer of K-Fast Holding AB, also acting as Group CEO. 33 percent of the members are independent in relation to the company, executive management and major shareholders. The Board of Directors has no employee representatives. The gender distribution on the Board of Directors is 83 percent men and 17 percent women. (GOV-1, 21 a, b, d, e)

K-Fastigheter's management structure consists of a Group management team and an extended management team. The Group management team consists of five executive officers, including the Group CEO. The gender distribution in Group management is 100 percent men.

The Board of Directors consists of members with broad and extensive experience in project development, residential construction, contracting activities and property transactions, with a particular focus on the Swedish market. This composition is well suited to meeting both the interests of shareholders and the Group's need for industry expertise, sustainability competence, geographic understanding, diversity and strategic strength.

The Nomination Committee annually reviews and ensures that the Board of Directors has a well-balanced competence profile aligned with the Group's strategy, current industry conditions and identified sustainability risks and opportunities, in accordance with good corporate governance practice. (GOV-1, a) (GOV-1, 21 c)

For further information on the composition and experience of the Board of Directors and Group management, see the Corporate Governance Report.

Access to competence and expert support

The Group's internal resources have extensive experience in handling tasks related to identified material impacts, risks and opportunities, as these largely form part of the day-to-day operations carried out within the Group's business areas. Expertise in these areas is concentrated within management's forum for the coordination of sustainability matters. This forum supports the Board of Directors and Group management in sustainability work. External expertise is engaged when necessary, for example as advisory support in strategy, analysis, implementation, reporting and communication. The Group's sustainability work is under development, and the need for external expertise is reviewed on an ongoing basis. During the year, external expertise has, for example, been engaged to support the preparation of this Sustainability Statement. (GOV-1, 23 a, b)

Policy overview

Sustainability work is governed by a number of overarching policies that are reviewed and adopted annually by the Board of Directors. Policies are complemented by operational guidelines and instructions at subsidiary level, which are described in more detail in the respective sections of this report. Together with the Group's values and management philosophy, they form a framework for a consistent and responsible way of working that systematically addresses risks and steers operations towards strategic and sustainability-related targets.

The Group has three overarching governing documents: Code of Conduct, Supplier Code of Conduct and Sustainability Policy. These governing documents are based, among other things, on the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO core conventions, applicable environmental and labor legislation, as well as the Code of Conduct of the Swedish Construction Federation. (MDR-P, 65 d)

The table below presents the Group's overarching governing documents for sustainability work, the parts of the Group they cover, the highest level responsible for their implementation, and where the policies are made available. As a general rule, the Group's policies apply to the entire Group. Where limitations within own operations exist, these are supplemented by corresponding governing documents in the relevant subsidiary, as set out in the table above. (MDR-P, 65 b, c, f)

Codes and Policies*	Scope of the policy	Highest level of responsibility for implementation	How the policy is made available
Code of Conduct	Employees and others representing the Group	CEO	Website, intranet
Supplier Code of Conduct	Material suppliers in the upstream value chain	CEO	Website, intranet, contracts
Sustainability Policy	Employees within the Group	CEO	Intranet
Work Environment Policy	Employees within the Group and personnel present at the Group's workplaces	CEO	Intranet
HR-policy	Employees within the Group	CEO	Intranet
Equal Treatment Plan	Employees within the Group	CEO	Intranet
Procurement and Purchasing Policy	Employees within the Group	CEO	Intranet
Whistleblowing Policy	Employees, suppliers and other stakeholders	CEO	Website, intranet

* Brinova's operations are covered by corresponding governing documents, which may have different names or form part of overarching policy documents.

Code of Conduct

The Code of Conduct establishes the fundamental principles and expectations that are to guide the Group's employees in their daily work and in their relationships with tenants, customers, suppliers, business partners, authorities and other stakeholders. The Code of Conduct aims to ensure responsible, trust-building and transparent conduct, as well as to strengthen the Group's corporate culture and long-term business development. (MDR-P, 65 a)

The Code of Conduct covers key areas such as respect for human rights, a safe working environment and good working conditions, equal treatment and zero tolerance for discrimination and harassment, business ethics, anti-corruption, competition, information security and data protection, as well as climate and the environment. (MDR-P, 65 a)

The CEO is the document owner and ultimately responsible for the Code of Conduct. Within each business area, function or region, responsibility for implementation rests with the most senior manager. Each manager is responsible for ensuring that the Code of Conduct is followed and complied with within their area. Compliance is monitored through management responsibility within each business area and function, annual risk assessments, and established reporting and whistleblowing functions. (MDR-P, 65 a, c)

Supplier Code of Conduct

K-Fastigheter's Supplier Code of Conduct aims to ensure that the Group's supply chain is characterized by responsible business conduct, respect for human rights, good working conditions, high business ethics, and minimized environmental and climate impact. The Supplier Code of Conduct clarifies the fundamental requirements and expectations placed on the Group's suppliers and other business partners and constitutes a condition for collaboration with K-Fastigheter. (MDR-P, 65 a)

The Supplier Code of Conduct covers key areas such as the prohibition of child labor and forced labor, non-discrimination, freedom of association, safe and healthy working conditions, anti-corruption and bribery, and compliance with competition and business ethics rules. Furthermore, the Supplier Code of Conduct sets requirements for suppliers' environmental work, including compliance with applicable environmental legislation, efforts to reduce climate and environmental impact and, where applicable, environmental certification and the provision of relevant environmental and climate data. For suppliers to the construction operations, the requirements also include material selection, chemicals management and compliance with relevant environmental databases and certification systems. (MDR-P, 65 a)

Compliance with the Supplier Code of Conduct is monitored through dialogue with suppliers. K-Fastigheter's contractual terms also provide the possibility to carry out audits through site visits and additional follow-ups where necessary. In this way, compliance is monitored and any deficiencies can be addressed in a timely manner. (MDR-P, 65 a)

Sustainability Policy

The Sustainability Policy establishes the Group's overall direction and ambition for long-term sustainable value creation. The policy is to guide

decisions and ways of working across the entire operations – from business development, planning and design to production and property management. The purpose of the policy is for environmental, social and economic aspects to be integrated into the Group's business model, governance and daily operations, as well as to reduce negative impacts and strengthen positive contributions to a sustainable society. (MDR-P, 65 a)

The policy covers the entire Group and is based on its business model of industrial construction and property ownership and management. It provides direction, among other things, for the Group's work on climate and environmental impact, resource efficiency and circularity, climate adaptation, biodiversity, sustainable property management, and responsible requirements for suppliers and business partners. The policy also clarifies the Group's ambition to identify, measure and monitor its sustainability performance and to continuously improve it over time. (MDR-P, 65 a)

The Sustainability Policy is reviewed annually as part of the revision of the Group's double materiality assessment. (MDR-P, 65 a)

Work Environment Policy

K-Fastigheter's Work Environment Policy sets out the Group's overall ambition and principles for creating and maintaining a safe, secure, inclusive and positive work environment for the Group's employees. The policy aims to prevent ill health and accidents and to ensure that no employee suffers physical or mental ill health as a result of their work. A good work environment is regarded as a prerequisite for long-term business development, attractive workplaces and sustainable performance. (MDR-P, 65 a)

Work environment management is conducted systematically and is integrated into the daily operations, in decision-making and in changes to the organization, ways of working and operations. The policy covers both the physical and the organizational and social work environment and emphasizes participation, dialog, accountability and active leadership. (MDR-P, 65 a)

Overall responsibility for work environment matters rests with the Board of Directors and is delegated to the CEO, who may in turn delegate the practical work environment management further within the organization. Managers at different levels are responsible for ensuring that the policy is complied with within their respective areas of responsibility, while all employees have a personal responsibility to contribute to a safe and healthy work environment. (MDR-P, 65 c)

Compliance with the Work Environment Policy is monitored through systematic work environment management (SAM), regular risk assessments, safety inspections, reporting and follow-up of risk observations, incidents and accidents, as well as through ongoing dialog within the organization and internal controls. (MDR-P, 65 a)

HR policy

The Group's HR policy clarifies expected approaches and behaviors in daily work, regardless of the situation. It is based on the values of being long-term, innovative and considerate and provides guidance on work environment and equal treatment matters. Through clear internal guidelines, the policy prevents negative impacts on the work environment and ensures fair and respectful treatment of all employees. (MDR-P, 65 a)

Managers have operational responsibility for compliance with the purpose and content of the policy, in accordance with the Group's systematic work environment management. (MDR-P, 65 a)

Equal Treatment Plan

The Equal Treatment Plan clarifies the Group's overall objectives and measures to systematically counteract all forms of discrimination, including harassment, and to actively promote equal treatment and equal opportunities. The plan aims to promote an inclusive and positive work environment in which each employee bears personal responsibility to prevent and counteract various forms of inappropriate treatment. Through clear guidelines and dedicated efforts, no individual should risk being excluded or treated unfairly, and the principle of equal value for all and mutual respect forms the foundation of the entire operations. (MDR-P, 65 a)

Managers have operational responsibility for ensuring compliance with the purpose, provisions and content of the policy, in accordance with the Group's systematic work environment management. (MDR-P, 65 a)

Procurement and Purchasing Policy

K-Fastigheter's Procurement and Purchasing Policy establishes overarching principles and ways of working to ensure that purchasing and procurement are carried out in a business-like, structured and responsible manner. The purpose of the Procurement and Purchasing Policy is to support the purchasing function, contribute to cost efficiency in combination with the right quality, and minimize risks related to the supply chain. (MDR-P, 65 a)

The policy covers the procurement of materials, goods, services and construction contracts within the Group and governs, among other things, competitive tendering, the use of framework agreements, contractual terms and follow-up. (MDR-P, 65 a)

The CEO is responsible for the operational allocation of responsibilities and the Head of Procurement is responsible for the coordination of the Group's purchasing. Managers and employees with purchasing responsibility are responsible for ensuring that the policy is known, applied and complied with within their respective operating segment and subsidiaries. (MDR-P, 65 c)

Compliance is monitored through governance and control processes within the Group's purchasing function. This includes requirements set out in contracts, the use of framework agreements, monitoring of contract compliance, and ongoing dialogue with suppliers. (MDR-P, 65 a)

Whistleblowing policy

K-Fastigheter's Whistleblowing Policy aims to ensure that suspected or actual misconduct can be reported in a safe, confidential and reliable manner and to strengthen an open and transparent corporate culture characterized by accountability and integrity. (MDR-P, 65 a)

The Whistleblowing Policy covers the entire Group and applies to employees, former employees, job applicants, trainees, consultants, suppliers, contractors and people in the Group's administrative, management and supervisory bodies. (MDR-P, 65 a)

The CEO has overall responsibility for the policy and its compliance. The policy is reviewed annually and constitutes a central part of the Group's governance in business ethics, regulatory compliance and risk management. (MDR-P, 65 a)

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors addresses sustainability matters on an annual basis as part of its ongoing oversight. Sustainability matters are addressed, among other things, in connection with decisions on strategy, risk management, the double materiality assessment and reporting. In-depth reviews of specific sustainability matters are conducted where necessary. Responsibilities and duties related to sustainability governance are integrated into the Board of Directors' rules of procedure and mandate, and are also reflected in relevant governing documents, such as the Group's Code of Conduct, Sustainability Policy, as well as in ongoing risk assessments.

This Sustainability Statement, which is based on the Group's material impacts, risks and opportunities and its work on due diligence, follows up

the measures taken to prevent, mitigate and remedy identified impacts, risks and opportunities against established targets. The underlying documentation is presented annually by the Audit Committee to the Board of Directors together with other financial and risk reporting. (GOV-2, 26 a, b)

During 2025, the Board of Directors has, among other things:

- Established the outcome of the updated double materiality assessment as a basis for reporting in accordance with ESRS.
- Addressed sustainability-related risks and opportunities within the framework of the double materiality assessment.
- Ensured resources for the collection and reporting of data in accordance with ESRS in the form of internal and external expertise.
- Addressed and established updated policies as part of the annual process for governing documents.
- After the end of the reporting period, the Board of Directors also established updated Group-wide sustainability targets. For further information on the Group's sustainability-related targets, see ESRS 2, SBM-1, E1-4 and G1-3.

Material impacts, risks and opportunities have been considered within the framework of the Board of Directors' work above. No additional specific matters beyond these have been assessed as being of such a nature that they required separate handling during the year. For a complete list of material topics addressed as part of the double materiality assessment, see ESRS 2, SBM-3. (GOV-2, 26 c)

For further information on this year's Board work, please refer to the Corporate Governance Report on page 72.

[GOV-3] Integration of sustainability-related performance in incentive schemes

The guidelines for remuneration to senior executives are based on K-Fastigheter's strategy for commercial and sustainable development and comply with applicable legislation and market practice. Sustainability is central to K-Fastigheter's operations, focusing on environmental considerations by including energy-efficient solutions in the properties, and by being a responsible employer that attracts and develops its employees.

In order to promote the Group's business strategy and long-term interests and thereby create long-term value growth for shareholders, K-Fastigheter shall offer market-based and competitive remuneration, but shall not be a market leader in terms of remuneration compared with comparable companies.

No variable remuneration is paid to senior executives in Brinova Fastigheter AB. Remuneration to senior executives in K-Fast Holding AB consists of fixed and variable salary, where the variable component is based on predefined and measurable targets linked to the Group's financial targets, sustainability-related targets and individual performance. The sustainability-related targets relate to the employee engagement index. (GOV-3, 29 a, c)

The proportion of variable remuneration that is directly linked to sustainability-related indicators is not specified as a percentage but forms part of the overall assessment of bonus-generating incentives. K-Fastigheter has no specific incentives linked to climate-related targets. (GOV-3, 13, 29 d, E1)

For 2025, variable remuneration to members of Group management amounted to a total of SEK 1.7 million (2.1). The Remuneration Committee prepares and monitors the incentive programs. The Remuneration Committee is established by the Board of Directors and consists of three members. The Remuneration Committee's main duties are to prepare the Board of Directors' decisions on matters relating to remuneration principles, remuneration and other terms of employment for members of the Board of Directors, the CEO and Group management, to monitor and evaluate any programs for variable remuneration for Group management, and to monitor and evaluate the application of guidelines for remuneration to senior executives adopted by the General Meeting, as well as current remuneration structures and remuneration levels. (GOV-3, 29 e)

In addition to the incentive programs, the Group's financing structure also contributes to strengthening management's focus on sustainability matters. K-Fastigheter has established a green financing framework of up to SEK 1 billion. In June 2025, the Group issued senior unsecured bonds in an amount of SEK 500 million. The green framework entails the financing or refinancing of the Group's property projects and properties. This may create additional incentives for Group management to integrate sustainability aspects into governance and decision-making.

For further information, see the Remuneration Report on pages 83–84.

[GOV-4] Statement on due diligence

K-Fastigheter follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, which, among other things, include due diligence in the Group's purchasing and operations.

Key elements of due diligence	Disclosure requirements	Page
1. Integrating due diligence into governance, strategy and the business model	ESRS 2, GOV-1	42–44
	ESRS 2, GOV-2	44–45
	ESRS 2, SBM 3	49–50
	E1, SBM-3	52–53
	E2, SBM-3	57
	E3, SBM-3	58
	E5, SBM-3	59
	G1, SBM-3	66
2. Engaging with affected stakeholders across all key steps of due diligence	ESRS 2, SBM-2	48
	ESRS 2, IRO-1	50–51
3. Identifying and assessing adverse impacts	ESRS 2, IRO-1	50–51
	ESRS 2, SBM-3	49–50
	E1, IRO-1	52
	E1, SBM-3	52–53
	E2, IRO-1	57
	E2, SBM-3	57
	E3, IRO-1	58
	E3, SBM-3	58
	E5, IRO-1	59
	E5, SBM-3	59
	G1, IRO-1	66
	G1, SBM-3	66
4. Taking measures to address adverse impacts	ESRS 2, BP-2	40–42
	E1-3	54
	E2-2	57
	E3-2	58
	E5-3	60
	G1-2	67
	G1-3	67
5. Monitoring the effectiveness of these measures and communicating the results	ESRS 1, BP-2	40–42
	E1-5	55
	E1-6	56
	E2-4	57
	E3-4	58
	E5-4	60
	E5-5	61
	G1-4	67
	G1-6	67

The Group applies several key functions, such as the Code of Conduct and the Supplier Code of Conduct, to review and evaluate potential suppliers of products and services, business partners and investment opportunities. The purpose is to obtain a clear overall view of, and actively manage, the impacts the operations may have on the environment, people and society.

Further information on due diligence is provided in the table below. (GOV-4, 32)

[GOV-5] Risk management and internal controls over sustainability reporting

Internal control over sustainability reporting is integrated into the Group's overall structure for internal control over both financial and non-financial reporting. The work is based on established processes, common definitions, policies and procedures, as well as the use of external systems for the collection of sustainability data and reporting. The Group's control activities include, among other things, allocation of responsibilities at role and function level, documented procedures for data collection and consolidation, reasonable assessments of reported information, as well as internal coordination between finance and operational functions. (GOV-5, 36 a, c, d)

The risk assessment includes identifying and evaluating the risk of material misstatements in K-Fastigheter's operational processes, which, among other things, includes accounting and reporting at Group, operating segment and subsidiary level. Risk assessments are conducted on an ongoing basis and in accordance with established guidelines, with a focus on the Group's material operational processes. Within the Board of Directors, the Audit Committee is primarily responsible for continuously evaluating the Group's risk situation, after which the Board of Directors conducts an annual review of the risk situation. K-Fastigheter is in a development phase with regard to sustainability reporting in line with the implementation of ESRS. The work of formalizing processes, controls and system support will therefore continue to develop as sustainability work and its reporting mature. (GOV-5, 36 b, e)

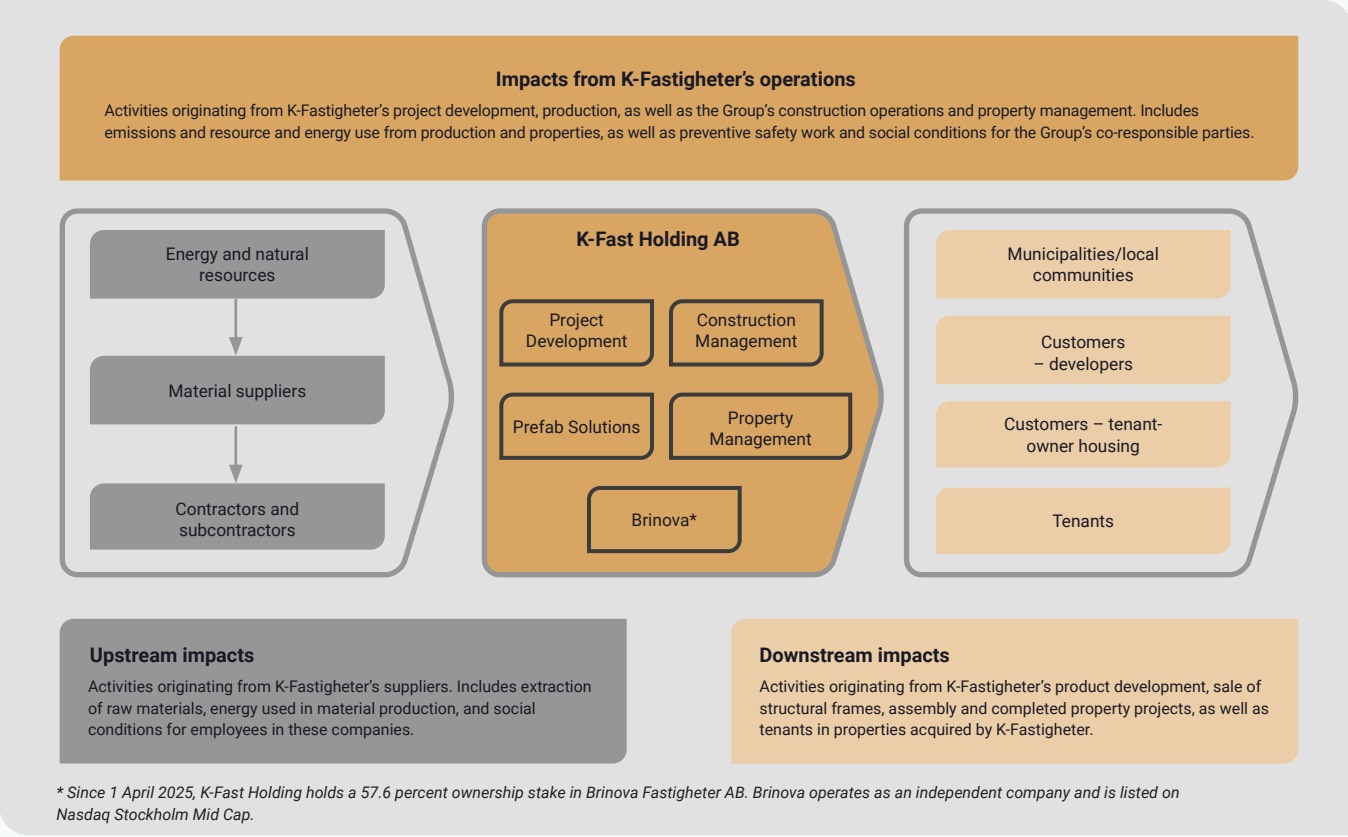
Identified risks include, among other things, access to reliable sustainability data from suppliers, insufficient internal expertise and resources, dependencies on external systems, as well as the risk of incomplete reporting or missed deadlines. To manage these risks, measures are implemented such as dialogue with suppliers, capacity building, access to external advisors and established system support. (GOV-5, 36 c)

[SBM-1] Strategy, business model and value chain

K-Fastigheter's business model and operations

Project and property development – Transport – Construction – Property management – Employees

K-Fastigheter operates within two segments: Construction and Property Management. Within Construction, the Group develops and constructs residential and commercial properties based on proprietary concept buildings as well as prefabricated production under the K-Prefab brand, while Property Management comprises the management of the property portfolio with a primary focus on residential properties.



** Since 1 April 2025, K-Fast Holding holds a 57.6 percent ownership stake in Brinova Fastigheter AB. Brinova operates as an independent company and is listed on Nasdaq Stockholm Mid Cap.*

The Group's net sales amounted to SEK 1,893.9 million in 2025, and as of 31 December 2025 the Group had a total of 640 employees. All employees are employed in Sweden and work within project and property development, construction operations, production of prefabricated building components, property management, as well as supporting functions such as purchasing, finance and HR. Employee activities include, among other things, the design, planning and execution of construction projects, manufacturing of prefabricated elements, construction and assembly work, technical and administrative property management, as well as customer and tenant dialog. (SBM-1, 40 a i–iii))

The Group provides prefabricated frames and other construction components in concrete, as well as lightweight elements in wood. The construction operations are based at offices in Hässleholm, Malmö, Gothenburg and Stockholm, with six production facilities for prefabricated elements. Within the Property Management operating segment, operation, maintenance and development of properties constructed or acquired by the Group are carried out. (SBM-1, 42 c)

Worked hours and specialist expertise, energy, raw materials, capital and land for project development are key input factors and form the basis of the Group's operations. These resources are continuously developed through competence development, efficient use of resources and internal processes. (SBM-1, 42 a)

For further information on the Group's employees, see Note 5. For further information on revenue, cost structure and asset allocation by operating segment, see Note 2.

Upstream value chain

Material extraction – Transport – Manufacturing of building components – Services

K-Fastigheter has approximately 2,200 suppliers and contractors and is dependent on stable supply chains that include land/properties, raw materials such as concrete, steel and wood, building components, as well as the provision of services by contractors and subcontractors.

The majority of the Group's direct suppliers are based in the Nordic region and the Baltics, but parts of the raw material supply may be linked to global supply chains. The operations are therefore dependent on access to raw materials, energy and transport, as well as on adequate working conditions among suppliers and contractors.

In addition to material procurement, K-Fastigheter also procures services from contractors and subcontractors, for example within groundworks and civil engineering, transport, assembly and other specialist services necessary for the execution of construction and property projects. (SBM-1, 42 a, c)

Downstream value chain

Surrounding society – Transactions – Renovations – Recycling

The downstream value chain comprises the sale, leasing and long-term use of properties, as well as subsequent renovation, redevelopment and decommissioning. K-Fastigheter's customers and end users primarily consist of developers, tenant-owner housing developers, urban planners, and ultimately the households and businesses that use the buildings.

The Group is dependent on how buildings are used, managed and maintained over time, which affects energy use, resource consumption, waste generation and the need for future renovations. (SBM-1, 42 c)

Strategy and business model from a sustainability perspective

K-Fastigheter's strategy is based on long-term value creation through industrial construction, efficient project and property development, as well as ownership and management of residential properties. The strategy aims to combine profitable growth with stable cash flows, cost control and sound risk management.

As part of the work to develop the Group's sustainability efforts, the Group has established a number of overarching sustainability targets to clarify the direction and level of ambition for the continued work. The targets are linked to the Group's core operations and the stakeholders affected by them. They include reduced greenhouse gas emissions, a zero-vision for workplace accidents, and a zero-vision for corruption and bribery.

The targets provide a common framework for the Group's continued development and will be further developed and specified as sustainability efforts and monitoring are strengthened. (SBM-1, 40 e)

For further information on sustainability-related targets, see ESRS 2, BP-2, E1-4 and G1-3.

In relation to these targets, K-Fastigheter assesses that its current products, services and markets are, in all material respects, aligned with the Group's long-term sustainability ambitions. (SBM-1, 40 f)

Key strategic elements affecting the ability to achieve the sustainability targets include the long-term management model, which creates the conditions for a lifecycle perspective in which decisions in early stages affect climate impact, resource use, the work environment and business ethics over time. Industrial construction and standardized concept buildings also enable more efficient use of materials, improved control over processes, and long-term sustainable solutions in operation and property management. At the same time, the Group is in a development phase with regard to monitoring, data collection and system support, particularly with respect to climate- and resource-related information in the value chain. (SBM-1, 40 g)

Impact of the business model on stakeholders

K-Fastigheter's business model aims to identify, develop and complete construction projects and to provide property management services with a focus on quality, functionality and long-term sustainability. For customers and tenants, this entails access to expertise in developing modern and safe living environments, stable property management, as well as residential and commercial premises adapted to specific needs.

For investors and customers, the business model creates the conditions for long-term value creation through recurring rental income, cost control through industrial construction, and risk management over the lifecycle of the properties.

For other stakeholders, such as employees, suppliers and the surrounding society, the operations entail employment, business opportunities and collaboration in property development projects across multiple stages. (SBM-1, 42 b)

[SBM-2] Interests and views of stakeholders

K-Fastigheter maintains a close and ongoing dialogue with key stakeholder groups. The main stakeholders are society, employees, suppliers and business partners, tenants, customers and the capital market. A range of methods and dialogs take place within existing

processes and forums, such as annual employee surveys, customer and tenant surveys, as well as interviews, surveys and discussions with municipalities and industry organizations. (SBM-2, 45 a i–iii)

The purpose of these dialogs is to capture views and expectations related to the Group's work on sustainability matters and to give stakeholders the opportunity to influence K-Fastigheter's offering and direction. Feedback from stakeholders is taken into account in the work of identifying the Group's material impacts, risks and opportunities and constitutes a fundamental part of the design of planned measures and the formalization of sustainability matters. (SBM-2, 45 a iv, v, 45 b)

The stakeholder dialogs on sustainability matters conducted during the year have shown that K-Fastigheter's various offerings remain attractive, and no changes or planned changes to the strategy or business model have been assessed as necessary in the short term, but may be further evaluated in connection with the update of the Group's business plan. (SBM-2, 45 c ii–iii)

Insights from ongoing stakeholder dialogs are taken forward within the organization by the functions responsible for the respective dialog. Issues and outcomes from stakeholder dialogs are escalated to management or the Board of Directors as appropriate, depending on their strategic nature. (SBM-2, 45 d)

A summary of each stakeholder group, the channels for dialog and their key issues is presented in the table below.

Stakeholder group	Society	Employees	Tenants	Customers	Suppliers and business partners	Capital markets
Channel 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 • Annual performance reviews • Code of Conduct • Employee surveys	• Various types of stakeholder surveys • Continuous dialog through multiple channels, including personal meetings, events, websites and social media	• Customer survey, including an annual survey across the entire portfolio • Ongoing dialogue with customers for continuous improvement	• Continuous dialog • Follow-up of the Code of Conduct	• Shareholder meetings • Financial statements • Investor and analyst meetings • Study visits to the Group's operations • Group websites • Press releases
Key sustainability matters	• Long-term sustainable products with a low lifecycle climate footprint • 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	• K-Fastigheter as an employer and workplace • Competencies, inclusion and equal opportunities • Well-being, health and safety	• Energy and emissions • Sustainable and safe living • Continuous communication	• Customer satisfaction • Participation in social progress • Long-term sustainable products with a low lifecycle climate footprint • Development of products that increase customers' competitiveness	• Ethics and anti-corruption • Product performance from a lifecycle perspective • Low climate footprint	• Financial performance • Energy and emissions • Ethics and anti-corruption • Sustainability and commitment for long-term construction and management • K-Fastigheter as a workplace • Transparency and quality

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

During 2024–2025, K-Fastigheter conducted an initial double materiality assessment to determine the material impacts, risks and opportunities associated with the Group's operations and its value chain. The assessment was carried out with the support of an independent consultant in accordance with CSRD and ESRS. Based on the materiality assessment performed, a total of 36 impacts, risks and opportunities have been identified, resulting in eight of the ten ESRS standards being assessed as material. For the current reporting year, K-Fastigheter has applied the option to phase in the standards S1 *Own workforce*, S2 *Workers in the value chain* and E4 *Biodiversity and ecosystems* in their entirety. For further information regarding phase-ins, see ESRS 2, BP-2. (SBM-3, 48 a, g)

The material sustainability-related impacts, risks and opportunities identified in the double materiality assessment are considered to have the potential to affect K-Fastigheter's business model, value chain and strategic decision-making primarily through effects on value development and earnings. The assessment has been carried out through a qualitative analysis of how sustainability-related impacts and dependencies in the Group's own operations and value chain may give rise to financial risks and opportunities. No material changes to the business model or strategy have been implemented as a result of the assessment. K-Fastigheter's resilience with respect to material sustainability-related impacts, risks and opportunities has been analyzed in an overall and qualitative manner within the framework of the double materiality assessment. For further information on climate-related analyses, see section E1. (SBM-3, 48 b, f)

All impacts, risks and opportunities identified are covered by the disclosure requirements in ESRS, and no entity-specific disclosures have been included. (SBM-3, 48 h).

Impact materiality

Thematic standard	Material sub-topic	Impact	Positive or negative	Value chain	Time horizon
E1 Climate Change	Climate adaptation	Measures to mitigate local effects of climate change, such as stormwater management systems and green spaces	Potential positive	Own Operations	Medium and long term
	Climate change mitigation	CO_2 emissions from purchased materials and services	Actual negative	Upstream and own operations	Short and medium term
		CO_2 emissions from machinery used in K-Fastigheter's projects and operations	Actual negative	Own Operations	Short, medium and long term
		CO_2 emissions from transport of products, materials and employees	Actual negative	Upstream and own operations	Short and medium term
		Fossil-free energy in residential properties and production facilities (manufacturing and heating)	Potential positive	Own Operations	Short, medium and long term
	Energy	High energy consumption in upstream manufacturing of materials	Potential negative	Upstream	Short and medium term
		Concrete structural frames with low U-values contribute to reduced energy consumption from heating	Potential positive	Own Operations	Short, medium and long term
		Energy consumption in residential properties and production facilities	Potential negative	Own Operations	Short, medium and long term
E2 Pollution	Air pollution	Air pollution from heavy machinery and vehicles on construction sites	Actual negative	Own Operations	Short, medium and long term
E3 Water	Water	Upstream water use in extraction processes for raw materials with high water intensity	Potential negative	Upstream	Short, medium and long term
		Use of water in concrete production	Actual negative	Own Operations	Short and medium term
		Use of water among residents in properties	Potential negative	Downstream	Short and medium term
E4 Biodiversity and ecosystems	Direct impact drivers lead to biodiversity loss	Impact on biodiversity from extraction of raw materials	Potential negative	Upstream	Short, medium and long term
E5 Resource Use and Circular Economy	Resources inflows, including resource use	High use of materials such as steel and cement	Actual negative	Own Operations	Short, medium and long term
		High use of consumables within Construction and Property Management	Actual negative	Own Operations	Short, medium and long term
		Optimization of resource consumption and sustainable material choices	Potential positive	Own Operations	Short, medium and long term
	Waste	Generation of waste from production and construction	Potential negative	Own Operations	Short and medium term
S1 Own Workforce	Equal treatment and equal opportunities for all	Risk of negative impact on employees due to unequal treatment	Potential negative	Own Operations	Short, medium and long term
	Working conditions	Work environment, health and safety risks for K-Fastigheter's employees in construction projects and in production facilities	Potential negative	Own Operations	Short, medium and long term
S2 Workers in the value chain	Working conditions	Work environment and safety risks for workers in the value chain	Potential negative	Upstream	Short, medium and long term
		Risk of deficiencies in working conditions among contractors and subcontractors	Potential negative	Upstream and own operations	Short, medium and long term
G1 Business Conduct	Corporate culture	Risk of deficiencies in corporate culture leading to adverse impacts on employees	Potential negative	Own Operations	Short, medium and long term
		A sound corporate culture can contribute to positive ESG impacts	Potential positive	Own Operations	Short, medium and long term
	Management of relationships with suppliers	Deficiencies in payment practices lead to adverse impacts on suppliers	Potential negative	Own Operations	Short, medium and long term
	Corruption & bribery	Elevated risk of corruption and bribery within the industry	Potential negative	Upstream and own operations	Short, medium and long term

Financial materiality (SBM-3, 48 c i–iv)

Thematic standard	Material sub-topic	Risks and opportunities	Risk or opportunity	Value chain	Time horizon
E1 Climate Change	Climate adaptation	Disruptions in supply chains due to extreme weather	Risk	Upstream	Short, medium and long term
		Physical damage to properties caused by extreme weather	Risk	Own Operations	Medium and long term
		Risk of project delays and increased construction costs due to extreme weather	Risk	Own Operations	Medium and long term
		Adaptation to higher requirements for emission reductions and sustainability efforts from customers, tenants and investors may lead to increased operating costs	Risk	Own Operations	Medium and long term
	Energy	High and volatile energy prices	Risk	Upstream	Short and long term
E5 Resource Use and Circular Economy	Resources inflows, including resource use	Resource efficiency in an integrated value chain	Opportunity	Own Operations	Medium and long term
	Resource outflows related to products and services	Durable buildings with a long service life	Opportunity	Own Operations	Long term
S1 Own Workforce	Working conditions	Deficiencies relating to employee health and safety may lead to damage to the brand and/or legal costs	Risk	Own Operations	Short and medium term
S2 Workers in the value chain	Working conditions	Deficiencies relating to health and safety among contractors and subcontractors may lead to damage to the brand and/or legal costs	Risk	Upstream	Medium term
G1 Business Conduct	Corporate culture	A dysfunctional work culture may lead to adverse impacts on K-Fastigheter's financial performance	Risk	Own Operations	Short, medium and long term
		A positive work culture can benefit productivity and quality and thereby contribute to improved financial performance	Opportunity	Own Operations	Short, medium and long term

[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

K-Fastigheter has conducted a double materiality assessment to identify material impacts, risks and opportunities associated with the operations and its value chain. The assessment was carried out with the support of an independent consultant in accordance with ESRS.

Overall description of the process

The materiality assessment has been conducted in accordance with the principle of double materiality in line with ESRS 1, meaning that impacts as well as financial risks and opportunities have been assessed. A sustainability matter has been considered material if it meets the criteria for materiality from one or both of the following perspectives:

- **Impact materiality:** K-Fastigheter has a material impact on people and/or the environment, and/or
- **Financial materiality:** Sustainability-related factors give rise to material effects on K-Fastigheter's cash flows, development, performance, financial position, cost of capital or access to finance.

The double materiality assessment was conducted in six steps: (IRO-1, 53 b)

1. Identification of a gross list of ESG topics

The starting point for identifying material topics has been the thematic areas and sub-topics defined in ESRS 1, supplemented with topics that could potentially be particularly relevant for the real estate, construction and civil engineering sector. Based on this, an initial assessment of each topic was carried out in relation to K-Fastigheter's operating segments. The initial assessment was conducted based on K-Fastigheter's operations, its value chain and the sector in which the Group operates. The qualitative assessment considered the Group's geographical location in Sweden, its role in the value chain and particularly risk-exposed parts of the upstream value chain. K-Fastigheter's value chain is defined on page 46 of this Sustainability Statement. (IRO-1, 53 b i)

The initial assessment resulted in a preliminary gross list of sustainability matters covering K-Fastigheter's own operations, its upstream and downstream value chain (IRO-1, 53 b ii), as well as short-, medium- and long-term time horizons.

2. Consideration of existing processes and stakeholder dialogs

To ensure that the gross list covered potential impacts, risks and opportunities within existing internal processes and stakeholder dialogs, a workshop was conducted with representatives from K-Fastigheter's various business areas as well as relevant support functions. Input from external stakeholders was taken into account through internal representatives who, in various ways, have ongoing contact with key stakeholder groups. The stakeholder dialogs underlying the assessment are presented in section ESRS 2, SBM-2. (IRO-1, 53 b iii)

Identified impacts, risks and opportunities at this stage of the process were added under the relevant sustainability topic in the gross list. The sustainability topics, as well as the impacts, risks and opportunities identified within each topic, were then scored based on the criteria in ESRS 1 "General requirements for impact materiality and financial materiality" in accordance with steps 3 and 4 below.

3. Assessment of impact materiality

Following the mapping of positive and negative, as well as actual and potential impacts that K-Fastigheter has on people and the environment, each identified impact was scored and prioritized. Negative impacts were scored based on severity; a combination of scale, scope, irremediability and likelihood. For negative impacts on human rights, severity was prioritized over likelihood. Positive impacts were scored based on scale, scope and likelihood. Each parameter has been scored on a scale from 1 to 5.

Appropriate thresholds were established based on the quantitative assessment, existing processes and through dialogue with relevant representatives from K-Fastigheter.

Impacts were considered material if the score was medium or high, i.e. 5 or higher. The score is calculated by multiplying the severity factor by the likelihood factor. (IRO-1, 53 b iv)

4. Assessment of financial materiality

Following the mapping of sustainability-related risks and opportunities, financial materiality was assessed based on the potential financial effect and the likelihood of occurrence. The assessment considered how identified sustainability-related impacts and dependencies in the Group's own operations and value chain may give rise to risks and opportunities with potential financial effects. These relationships formed the basis for the identification and analysis of financial risks and opportunities within the framework of the double materiality assessment. Each parameter has been scored on a scale from 1 to 5.

Appropriate thresholds were established based on the quantitative assessment, existing processes and through dialog with relevant representatives from K-Fastigheter. The threshold is based on cash flow and operating profit to reflect the Group's operations in project development, construction, prefab and property management. The risks and opportunities analyzed in the double materiality assessment therefore primarily affect operating profitability and cash flow. Cash flow and operating profit reflect these effects well and thus provide a relevant and consistent basis for assessing financial effects.

The Group's existing assessment methods for financial and sustainability-related risks, and their outcomes, were taken into account; however, the methods described in steps 3 and 4 were applied in the assessment of impact materiality and financial materiality. Sustainability-related risks have thus been handled separately from other risk management in the execution of the double materiality assessment. (IRO-1, 53 c i, iii, e, f)

Financial effects were considered material if the score was medium or high, i.e. 5 or higher. The score is calculated by multiplying the risk/opportunity factor by the likelihood factor. (IRO-1, 53 c ii)

5. Mapping and documentation of materiality

The preliminary results were validated by representatives from HR and QHSE during a validation meeting. Any issues identified were subsequently referred to the department responsible within K-Fastigheter, after which final adjustments were made. The materiality assessment and the 2025 revision resulted in eight of the thematic ESRS standards being assessed as material, while 14 sub-topics within these were assessed as material. Supporting documentation and justification for all assessments have been documented in the Group's digital tool for the double materiality assessment. (IRO-1, 53 d)

6. Decision on the adoption of the double materiality assessment

A summary of the results of the materiality assessment was then presented to the Board of Directors by the CEO. The Board of Directors was also provided with access to the assessment materials underlying the materiality assessment. Based on this documentation, the Board of Directors resolved to approve the results of the double materiality assessment. (IRO-1, 53 d)

The results of the double materiality assessment are validated annually and updated as necessary. The decision-making documentation is handled as part of the Board of Directors' annual work in accordance with its annual cycle. (IRO-1, 53 d, h)

Description of the process for assessing materiality for each topic

Additional information on the methodology and assessment basis is provided under the respective sections E1, E2, E3, E5 and G1.

[IRO-2] Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

A complete list of the ESRS disclosure requirements applied in the preparation of K-Fastigheter's Sustainability Statement is presented in the table of contents on page 39. Disclosures have been included where they have been assessed as material for the reporting and relevant for describing the Group's policies, actions, targets and metrics related to identified impacts, risks and opportunities. Disclosures in the Sustainability Statement corresponds to the applicable disclosure requirements in ESRS. The Sustainability Statement does not contain any entity-specific disclosures. (IRO-2, 56)

ENVIRONMENTAL INFORMATION

ESRS E1 – CLIMATE CHANGE

[E1 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

As part of the double materiality assessment, K-Fastigheter has examined climate-related impacts as well as the risks and opportunities that may arise in connection with climate change.

Basis for identification of impacts, risks and opportunities

The assessment of materiality for climate change has been carried out at an overall and qualitative level and covers the Group's own operations and value chain. As a basis, the Group's operations, production facilities and property portfolio have been mapped to assess how climate change may affect properties, buildings, tenants and the local environment, as well as how the operations contribute to climate change. The analysis has been conducted over the short, medium and long term. The time horizons applied correspond to those specified in ESRS 2, IRO-1 (E1, IRO-1, AR 11 b, AR 12 a).

An overall and qualitative climate scenario analysis has been conducted for the prefab operations within the framework of the Group's ISO 14001-certified environmental management system, as well as as part of the annual supervision carried out by the municipal environmental authority in accordance with the Environmental Code. The analysis was conducted with the support of the Swedish National Expert Council for Climate Adaptation's tools and included both high and low-emission scenarios. The assessment focused on potential physical risks, such as extreme weather, water scarcity and supply chain disruptions. The analysis has had a qualitative approach and relates only to the prefab operations. No Group-wide climate scenario analysis, or analysis with time horizons corresponding to the full life cycle of the properties, has been conducted. (E1, IRO-1, 20 a-c, 21, AR 11 a)

In the assessment of materiality, a distinction has been made between physical climate risks and transition risks. While physical risks relate to the direct effects of a changing climate on the Group's assets and operations, transition risks relate to consequences associated with the transition to a low-carbon society.

The assessment of physical risks has focused on energy use in residential properties and production facilities, material use (particularly cement, concrete and steel), construction machinery and transport related to construction activities, as well as waste management. In addition, qualitative analyses have been carried out on how physical risks such as increased temperatures, significant temperature variations, rising water levels, heavy rainfall and extreme weather may affect the Group's assets in terms of building functionality, reliable energy supply, indoor environment, as well as safety and comfort for tenants. Physical risks are also assessed during the construction phase of a building, as part of the planning and building permit process. Risks are also evaluated on an ongoing basis for completed buildings. (E1, IRO-1, 20 a, AR 11 a, c)

Transition risks have been identified through a qualitative analysis of the Group's energy use, material choices, transport dependency and regulatory conditions within the construction and real estate sector. The assessment has been based on potential changes in energy prices, increased requirements for energy efficiency, climate-related building regulations, requirements from investors and customers, as well as the development of climate-related policy instruments.

The Group's exposure to these risks is primarily linked to energy use in the property portfolio and production facilities, the use of energy-intensive materials such as cement, concrete and steel, and dependence on transport in the construction and prefab operations. These factors may affect investment costs, operating costs and competitiveness over time. The assessment of exposure has been conducted qualitatively, and no quantification of the financial impact or the proportion of exposed assets has been carried out. (E1, IRO-1, 20 c ii, AR 12 b)

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change adaptation

Through planning, design and management of constructed properties and residential areas, K-Fastigheter can make areas more robust and adapted to a warmer and more unpredictable climate. Extreme weather resulting from climate change may lead to flooding and extreme heat, which can be managed through effective stormwater management and the establishment and preservation of green areas. K-Fastigheter is responsible for establishing systems for stormwater management and green areas in accordance with the requirements set out in the detailed development plan. Through choices in design and layout within the framework of these requirements, the Group and its partners can construct properties that are capable of managing a changing climate. (SBM 3, 48 a, b, c i, ii, iv)

Insufficient adaptation to climate change gives rise to several risks for K-Fastigheter. Upstream, disruptions in global trade and logistics chains may result in delays or non-deliveries, as well as increased costs for critical input materials. For the Group's existing property portfolio, a changing and more extreme climate entails a risk of increased physical damage, for example due to flooding, heavy rainfall, heatwaves and storms. Climate-related risks may lead to higher insurance premiums, increased maintenance and repair costs, as well as reduced attractiveness in exposed geographical areas. Extreme weather may also lead to interruptions, damage and delays in ongoing construction and renovation projects, and require new working methods, technical solutions and safety measures, which may drive costs and affect the profitability of construction projects.

There is also a risk that more stringent regulations and increased regulatory requirements, as a direct consequence of the effects of climate change, may lead to significantly higher operating costs. This applies in particular to costs related to expanded requirements for analysis and reporting, investments in various climate adaptation measures, as well as systematic monitoring of climate-related risks. (SBM-3, a, b)

Climate change mitigation

K-Fastigheter's climate impact is linked to material purchases, construction machinery, transport and energy use in residential properties and production facilities. These activities also entail exposure to transition risks, as increased requirements for emission reductions, technological development and changing cost structures may affect the operations over time. The Group purchases significant volumes of cement and steel, the production of which is energy- and emission-intensive. Heavy machinery used in construction projects is currently powered by fossil fuels, resulting in greenhouse gas emissions. Inbound and outbound transport of materials and products is also primarily carried out using diesel-powered trucks. (SBM-3, 48 a, b, c i, ii, iv)

The Group has entered into agreements for fossil-free electricity for its own residential properties and production facilities, which, in addition to reducing the Group's climate impact, also contributes to increasing the production of fossil-free energy as demand rises. K-Fastigheter has also installed solar panels as standard in the majority of new residential properties and at one of the Group's production facilities, which contributes to more efficient energy use and an increased share of fossil-free energy in the market. (SBM-3, 48 a, b, c i, ii, iv)

Material sub-topic	Impact	Risk and opportunity
Climate adaptation	Measures to mitigate local effects of climate change, such as stormwater management systems and green spaces	Potential positive impact
	Disruptions in supply chains due to climate change and extreme weather	Risk
	Physical damage to properties caused by extreme weather	Risk
	Risk of project delays and increased construction costs due to extreme weather	Risk
	Adaptation to higher requirements for emission reductions and sustainability efforts from customers, tenants and investors may lead to increased operating costs	Risk
Climate change mitigation	CO_2 emissions from purchased materials and services	Actual negative impact
	CO_2 emissions from construction machinery in K-Fastigheter's operations	Actual negative impact
	CO_2 emissions from transport of products, materials and employees	Actual negative impact
	Fossil-free energy in residential properties and production facilities (manufacturing and heating)	Potential positive impact
Energy	High energy consumption in the upstream production of strategic materials	Potential negative impact
	Concrete structural frames with low U-values contribute to reduced energy consumption from heating	Potential positive impact
	Energy consumption in residential properties and production facilities	Potential negative impact
	High and volatile energy prices	Risk

Energy

K-Fastigheter's energy impact arises throughout the value chain, from raw material extraction to tenants' energy consumption. The production of strategic input materials such as cement, concrete and steel is energy-intensive and may, depending on the energy source, result in significant greenhouse gas emissions. Cement production upstream in the value chain accounts for a large share of regional electricity consumption in both the Baltic region and Sweden. Significant amounts of energy are also consumed in K-Fastigheter's production facilities and residential properties, including for heating and operation. (SBM-3, 48 a, b, c i, ii, iv)

The prefabricated concrete structures from the prefab operations contribute positively to the building envelope and create favorable conditions for energy-efficient residential properties. Thanks to the high density and thermal inertia of concrete, the structures help to reduce energy loss and thereby improve both indoor comfort and energy efficiency. (SBM-3, 48 a, b, c i, ii, iv)

K-Fastigheter's energy use entails a financial risk due to uncertain electricity and fuel prices. If energy prices increase, or if costs for greenhouse gas emissions rise – for example through more stringent regulation within the EU carbon market – this may have a significant impact on the Group, as the operations are relatively energy-intensive. This exposes K-Fastigheter to transition risks related to market changes and future price adjustments. (SBM-3, 48 a, b)

Financial effects

Both physical risks and transition risks may have financial effects on K-Fastigheter, as they may lead to increased costs and investment needs, as well as loss of income and reduced attractiveness in the rental and transaction market. These risks may also have a negative effect on the ongoing valuation of the Group's investment properties, as changes in assumptions regarding, for example, future developments in operating costs and market risk affect the valuation. The effects are not assessed to have a material impact on the Group's financial statements in the short term, but constitute potential consequences in the medium and long term. (SBM-3, 48 d)

Resilience analysis

K-Fastigheter has not conducted any systematic or quantitative resilience analysis specifically related to climate-related risks and opportunities. During 2024–2025, within the framework of the double materiality assessment and previous overall risk assessments, the Group has carried out a qualitative review of exposure to climate-related risks. The analysis covers the entire Group and all stages of the value chain and has been conducted based on the time horizons specified in ESRS 2, BP-2. No analysis based on longer-term climate scenarios has been conducted. (E1, SBM-3, 19 a, b)

The relatively young and energy-efficient property portfolio, investments in fossil-free energy and material choices taking climate impact into account are assessed to strengthen the Group's competitiveness as energy prices rise and climate-related regulations become more stringent. Effective stormwater management and well-considered design of green areas also contribute to more robust residential areas, which may support value development, occupancy rates and attractiveness over time.

Dependence on energy-intensive input materials, exposure to volatile energy and carbon costs, as well as increasing physical climate-related risks – such as flooding, heavy rainfall and extreme heat – mean that climate adaptation and energy efficiency need to be integrated into investment decisions, project development and property management strategy. K-Fastigheter's continued ability to manage these risks, minimize operating and life-cycle costs and meet requirements from investors, regulators and tenants is therefore central to the Group's long-term profitability and resilience. (E1, SBM-3, 19 c)

[E1-1] Transition plan for climate change mitigation

K-Fastigheter's climate targets, as disclosed under E1-4, set the ambition and guide the Group's overall climate efforts. During the year, the Group has worked on mapping its current state and actual impacts and is therefore still at an early stage in structuring a more systematic approach to climate management. No formal transition plan has been adopted to mitigate climate change. (E1, 17)

[E1-2] Policies related to climate change mitigation and adaptation

Sustainability policy

The Sustainability Policy describes how K-Fastigheter is to address the climate impact of its operations, both in terms of adapting to and mitigating climate change, as well as improving energy efficiency. The policy states that, in the planning of new properties, consideration is to be given to climate-related risks such as flooding and extreme heat, that the management of completed buildings is to be carried out in a long-term sustainable manner, and that climate-improved material choices are to be offered to customers. It is further stated that all concept buildings are to meet the requirements for energy class B (MDR-P 65 a), (E1 25).

Roadmap for the construction and civil engineering sector 2045

The construction and civil engineering sector's roadmap for fossil-free

competitiveness (“Roadmap 2045”) is a joint commitment covering the entire value chain – from material manufacturers to developers, contractors and property owners – with the objective of achieving net zero emissions by 2045. The focus is on increased collaboration across the value chain, resource-efficient use of materials, increased circularity, energy efficiency and electrification. In addition, the importance of continuous skills development, innovation and digitalization is highlighted as key enablers for the transition.

K-Fastigheter uses Roadmap 2045 as a strategic compass to structure its climate efforts, set targets based on the sector’s transition and integrate climate considerations into investments, project development and property management – with the aim of future-proofing the operations and strengthening competitiveness in a rapidly changing market. The Group Management is ultimately responsible for the implementation of Roadmap 2045 in the operations. (MDR-P, 65 a, c, d) (E1, 25)

Supplier Code of Conduct

The Supplier Code of Conduct clarifies K-Fastigheter’s approach and working methods with regard to the Group’s climate impact. It describes the Group’s ambitions for its climate efforts and specifies the requirements and expectations placed on its business partners. To enable consistent and structured monitoring of suppliers’ climate efforts, K-Fastigheter priorities cooperation with suppliers that are certified in accordance with ISO 14001. Brinova assumes that tenderers have quality and environmental management systems that meet the requirements of ISO 9001 andISO 14001 or equivalent. (MDR-P, 65 a), (E1, 25)

For further information on the Group’s policy documents and related processes, see ESRS 2, GOV-1.

[E1-3] Actions and resources in relation to climate change policies

K-Fastigheter’s climate efforts are developing progressively as the knowledge base is strengthened. During 2025, the Group conducted a structured mapping of greenhouse gas emissions for the first time, providing a clearer understanding of where emissions arise within its own operations and across the value chain. During the year, the Group also established common climate targets intended to guide and clarify the level of ambition in its climate efforts, both internally and externally. The targets entail that climate impact from the Group’s own operations and, progressively, from the value chain is to be analyzed and reduced over time. Against this background, the actions taken during the year have primarily focused on areas where the Group has direct control. (MDR-A, 68 a–c)

Materials and production

K-Fastigheter’s prefab operations actively work to optimize both the type and quantity of binders in its concrete products, which contributes to reducing CO_2 emissions. The Group’s prefabricated concrete structures are currently used in a significant share of the property portfolio. During 2025, the Group intensified efforts within its own operations to further reduce the climate impact from concrete production, for example by progressively replacing cement with alternative binders with a lower climate footprint. This work has resulted in improved outcomes in the EPDs (Environmental Product Declarations) prepared for K-Fastigheter’s concrete elements, which in turn contributes to reducing the Group’s overall climate impact.

All reinforcing steel procured is made from recycled material, contributing to a lower climate footprint compared with the use of primary raw materials. (E1-3, 29 a) (MDR-A, 68 a)

Transport

The prefab operations continuously work to improve transport efficiency from production to customer by focusing on minimizing transport distances and maximizing load factors for each shipment. Climate-related transport data is monitored regularly and reported by the transport provider, enabling clear oversight and continuous improvement over time. The majority of the Group’s cement suppliers are located in Latvia and Sweden, with production at some of Europe’s most modern production facilities.

The transition to fossil-free transport alternatives has been initiated, including through cooperation with a transport company testing electric vehicles, with the objective of achieving fully fossil-free transport during 2026. Biogas and HVO are the primary fuels being evaluated in this work. (E1-3, 29 a) (MDR-A, 68 a)

The results of implemented measures are expected to progressively reduce K-Fastigheter’s emissions, with a trajectory towards net zero by 2045. The effects of the Group’s combined measures are monitored as part of the climate accounts, which are presented under E1-6. (E1-3, 29 b)

Energy and climate adaptation

Energy efficiency is continuously considered in the development of buildings and in material choices. The greenhouse gas emissions mapping carried out during 2025 provides a basis for continued prioritization of energy-related emissions in the Group’s own operations and across the value chain.

Climate adaptation is integrated into project development and property management, for example through stormwater management and the design of green areas to manage the effects of extreme weather and increased precipitation. At present, this work is carried out within the framework of existing processes for project development and property management, as well as through dialogue with relevant stakeholders, and is being developed progressively as the analysis of climate-related risks is further deepened. (E1-3, 29 a)

Financial resources

K-Fastigheter continuously works to drive development forward within the framework of Roadmap 2045. Achieving the established targets requires financial resources to implement the necessary measures. At present, however, no significant resource allocation has been made for the measures described above. The costs and investments relating to the Group’s capital and operating expenditures covered by the EU Taxonomy are presented on pages 62–65. (E1, 29 c, AR 21) (MDR-A, 69 a)

[E1-4] Targets related to climate change mitigation and adaptation

K-Fastigheter has adopted Group-wide climate targets that include both a net zero target and a halving target for greenhouse gas emissions in its own operations (Scope 1 and 2).

The targets have been established based on the construction and civil engineering sector’s roadmap for fossil-free competitiveness and Sweden’s national climate targets, which in turn are based on internationally established climate science, including assessments by the Intergovernmental Panel on Climate Change (IPCC). The targets have not been subject to external scientific validation.

The Group’s greenhouse gas emissions mapping and an internal assessment of feasibility and impact have also formed the basis for the target setting. The base year was established in connection with this year’s mapping of Scope 1 and 2 emissions and is considered representative of the operations.

The targets are based on the same emission boundaries as those used by the Group in the calculation of greenhouse gas emissions; see further information under E1-6. In the formulation of the targets, stakeholder perspectives have been taken into account through the stakeholder dialogs presented in accordance with ESRS 2 SBM-2. These dialogs have contributed to ensuring that the targets are relevant and aligned with the expectations and needs of relevant stakeholders. (E1-4, 16 a, 33, 34 a, b, e, AR 25 a) (MDR-T 80 a, f–h)

Net zero target (Scope 1 and 2)

- K-Fastigheter shall achieve net zero by 2045 for greenhouse gas emissions in tCO_2e from its own operations (market-based Scope 1 and 2), with base year 2025. (E1-4, 34 a, b) (MDR-T, 80 b–d)

Halving target (Scope 1 and 2)

- K-Fastigheter shall, by 2035 at the latest, reduce absolute market-based greenhouse gas emissions in tCO_2e from its own operations (Scope 1 and 2) by at least 50 percent compared with the base year 2025. (E1-4, 34 a, b) (MDR-T, 80 b–e)

As the climate targets were adopted after the end of the reporting period and 2025 constitutes the base year, no historical comparative figures are available. The disclosures for 2025 therefore represent an initial baseline forming the basis for future monitoring of the targets. K-Fastigheter has adopted a net zero target for 2045 and a halving target for 2035; however, no detailed definition of net zero has yet been established. This means that the targets have not been broken down into quantified sub-targets or target pathways beyond the overall reduction levels.

Work to further develop the data basis, methodology and boundaries for emissions calculations will continue during 2026. Quantification of the targets is presented under E1-6.

In order to achieve the targets, the Group intends to work continuously with the measures listed in section E1-3. At present, no detailed analysis has been carried out of the extent to which each individual measure contributes to achieving the targets. Fossil fuels have, in principle, been almost entirely phased out of the Group's own operations. At a limited number of local construction sites, the energy source could not be identified and has therefore been assumed to be fossil-based. Going forward, the Group's focus will be on increasing understanding of energy sources at construction sites, as well as identifying and implementing solutions to phase out fossil fuels in road and maritime transport.

The factors expected to primarily influence the continued phase-out are increased requirements from customers, technological developments – for example improved availability of electric trucks with higher capacity – as well as higher taxation on fossil fuels and potential changes in legislation. (E1-4, 34 f)

[E1-5] Energy consumption and mix

The Group's energy consumption primarily arises from the operation of the property portfolio, the prefab operations' production facilities and construction projects, and amounted to a total of 53,729 MWh in 2025. The energy mix in 2025 consisted of 95 percent renewable energy, 3 percent fossil energy and 2 percent nuclear energy.

Energy consumption and energy mix, MWh	2025
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	1,128
Fuel consumption from natural gas	0
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	680
Consumption of nuclear energy	1,217
Total consumption of fossil energy	**1,808**
Share of fossil sources in total energy consumption, %	*3%*
Share of nuclear energy in total energy consumption, %	*2%*
Fuel consumption from renewable sources, including biomass (including industrial waste and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	2,775
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	46,818
Consumption of self-generated renewable non-fuel energy	1,111
Total consumption of renewable energy	**50,704**
Share of renewable energy sources in total energy consumption, %	*94%*
Total energy consumption	**53,729**

Calculation methods: Consumption data has primarily been obtained directly from suppliers. Fuel consumption is based on the quantity of fuel purchased, converted into energy units. In certain construction projects, consumption data has been obtained through project-specific monitoring where supplier data has not been available. For self-generated solar electricity, energy consumption has been calculated based on total electricity generated, excluding the amount of electricity sold. Electricity consumed in properties is generated from nuclear energy, and the prefab operations use electricity from hydropower, as verified by guarantees of origin. For just over half of the ongoing construction projects, information on the origin of electricity has been obtained from suppliers, with the majority consisting of renewable energy sources. (E1-5, 43)

Energy intensity per net revenue	2025
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors[1] (MWh/net revenue in SEK million)	28.4

[1] The Group operates within the real estate sector, which is classified as a sector with high climate impact.
Calculation methods: Energy intensity is calculated as the Group's total energy consumption divided by net revenue. The net revenue used in the calculations corresponds to that reported in the financial statements and is presented in millions of Swedish kronor (SEK million); see the statement of profit or loss on page 85. (E1-5, 43)

[E1-6] Gross Scopes 1 and 2 and total GHG emissions

The Group's direct greenhouse gas emissions in Scope 1 and 2 amounted to a total of 2,208 tonnes of CO_2e in 2025. The emissions are generated from the heating of the Group's production facilities and purchased electricity. The Group assesses that its most significant climate impact is included in indirect greenhouse gas emissions in Scope 3, and will therefore continue mapping such emissions during 2026.

Biogenic emissions (tCO_2e)	2025
Biogenic emissions in Scope 1	847.9
Biogenic emissions in Scope 2	0
Total biogenic emissions in Scope 1 and 2	**847.9**

Calculation methods: Biogenic carbon dioxide emissions arise in the prefab operations in connection with the use of biofuels for heat generation. Consumption is based on the quantity of fuel purchased. Emission factors for biodiesel and wood pellets have been obtained from DEFRA 2025.

Emission intensity per net revenue	2025
Total greenhouse gas emissions (location-based) (tCO_2e/net revenue in SEK million)	1.1
Total greenhouse gas emissions (market-based) (tCO_2e/net revenue in SEK million)	1.2

Calculation methods: Emission intensity is calculated as the Group's total greenhouse gas emissions in Scope 1 and 2 divided by net revenue. The net revenue used in the calculations corresponds to that reported in the financial statements and is presented in millions of Swedish kronor (SEK million); see the statement of profit or loss on page 85.

Gross greenhouse gas emissions (tCO_2e)

	Retrospective			Year for interim targets and targets		
	2025 (base year)	**2025**	**2024**	**2035**	**2045**	**Annual target in % (base year)**
Greenhouse gas emissions in Scope 1						
Gross greenhouse gas emissions Scope 1	302.5	302.5	–	–	–	–
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems, %	0%	0%	–	–	–	–
Greenhouse gas emissions in Scope 2						
Location-based gross greenhouse gas emissions in Scope 2	1,774.9	1,774.9	–	–	–	–
Market-based gross greenhouse gas emissions Scope 2	1,905.6	1,905.6	–	–	–	–
Total greenhouse gas emissions Scope 1 and 2						
Total greenhouse gas emissions (location-based)	2,077.4	2,077.4	–	–	–	–
Total greenhouse gas emissions (market-based)	2,208.1	2,208.1	–	1,393.5	–	–

Calculation methods: The climate accounts have been prepared in accordance with the Greenhouse Gas Protocol (GHG Protocol), the international standard for the calculation of greenhouse gas emissions. All greenhouse gases are expressed in carbon dioxide equivalents (CO_2e), a metric used when several different greenhouse gases (where applicable CO2, CH2, N2O, HFC, PFC, SF2 and NF2) are converted into the corresponding climate impact of carbon dioxide. The climate accounts are prepared in accordance with the principle of operational control. This means that all operations over which the Group has operational control are included in the reporting, regardless of ownership share. The calculation and consolidation of greenhouse gas emissions have been carried out in the Group's digital reporting tool.

Scope 1 includes direct greenhouse gas emissions from fuel consumption in the Group's own operations, including heating in the prefab operations' production facilities as well as fuel consumption in leased company cars. Emissions have been calculated based on measured or purchased fuel volumes multiplied by emission factors from DEFRA 2025.
Scope 2 includes indirect greenhouse gas emissions from purchased electricity and district heating in the Group's own operations. In accordance with the GHG Protocol, Scope 2 is reported using both the market-based and location-based methods.

Market-based method: Electricity is primarily purchased with renewable origin via the electricity supplier, where guarantees of origin are contractually linked to the electricity supply. In 2025, 83 percent of the market-based energy use in Scope 2 consisted of electricity with guarantees of origin. No unbundled guarantees of origin have been purchased. Emission factors for electricity under the market-based method have been obtained from AIB 2025. For electricity that could not be traced through contracts, the residual mix has been applied. For district heating, supplier-specific fuel mixes and emission factors have been applied.

Location-based method: For the location-based method, the Swedish electricity mix in accordance with AIB 2025 is used to calculate greenhouse gas emissions based on purchased electricity. For district heating, supplier-specific fuel mixes and emission factors have been applied. (E1-6, 55, AR, 39 b, 45 d, 46 h)

ESRS E2 POLLUTION

IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

K-Fastigheter has, within the framework of the double materiality assessment, identified air pollution as a material negative impact. The assessment is based on a review of the Group's operations and value chain, where emissions to air associated with heavy vehicles and machinery at construction sites have been identified as having a material impact. (IRO-1, 11 a)

As part of the basis for the assessment, K-Fastigheter has also considered that the prefab operations are subject to notification requirements. The requirements, conditions and control measures arising from notification processes and decisions have been used to specify the types of environmental pollution that may occur, where they may occur, and which protective measures and monitoring requirements apply. Within the framework of the notification processes, consultations are also carried out with relevant stakeholders, such as authorities, municipalities, neighboring operations and other specifically affected parties (including residents in the surrounding area). (IRO-1, 11 b)

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

At K-Fastigheter's construction sites, the risk is assessed to be elevated for negative impacts on local air quality, primarily during phases involving ground preparation and site establishment. During these stages of the projects, heavy machinery and vehicles are used, which may give rise to local air pollutants, such as particulate matter, carbon monoxide (CO), nitrogen oxides (NOx) and sulphur oxides (SOx). (SBM-3, 48 a, b, c i, ii, iv)

Material sub-topic	Impact	Risk and opportunity
Air pollution	Air pollution from heavy machinery and vehicles on construction sites	Actual negative impact

At the same time, K-Fastigheter's construction method means that the use of heavy vehicles and machinery is limited in both duration and extent. (SBM-3, 48 b, c iii)

[E2-1] Policies related to pollution

The Sustainability Policy describes how K-Fastigheter is to work to minimize the risk of air pollution. The Supplier Code of Conduct sets out the environmental requirements that K-Fastigheter places on its suppliers during the contract period. For example, suppliers' transport must meet at least emission standard Euro 5, meaning that emissions of nitrogen oxides, particulate matter and carbon monoxide must not exceed specified limit values. (E2-1, 15 a) (MDR-P, 65 a)

The Code of Conduct sets out the requirements that K-Fastigheter places on suppliers and contractors engaged by the Group with regard to their use of chemicals, transport, waste management and construction methods carried out on and around the construction site. (E2-1, 15 a) (MDR-P, 65 a)

The Group's policy documents currently lack a description of how potential emergency situations or incidents related to air pollution are managed and how K-Fastigheter controls and minimizes impacts on people and the environment. (E2-1, 15 c)

K-Fastigheter has not identified a need for this type of management, as the risk of emergency situations related to air pollution arising is assessed as low. For more information on the Group's policy documents and related processes, see ESRS 2 GOV-1.

[E2-2] Actions and resources related to pollution

K-Fastigheter works continuously to prevent and reduce emissions to air, with a focus on transport and the use of vehicles and machinery at construction sites. To further limit such emissions, a gradual transition from fossil fuel-powered transport to electric vehicles and the use of biofuels is being implemented, which contributes to reducing emissions of greenhouse gases and other harmful environmental pollutants. (MDR-P, 68 c, d)

In addition, the Group seeks to select the production facility located closest to the customer, which contributes to reducing fuel consumption in transport. During the year, the Group has developed clear guidelines for suppliers and subcontractors to limit idling at construction sites. (MDR-P, 68 c)

K-Fastigheter also requires that transport comply with the European emission standard Euro 5, which sets maximum limits for emissions of, inter alia, nitrogen oxides and particulate matter from vehicles. (MDR-A, 68 a, b)

In its own operations, electricity or HVO is primarily used for work vehicles at production facilities; individual fossil fuel-powered vehicles may occur. The ambition is to gradually reduce dependence on fossil fuels and, where possible, transition to alternatives with lower environmental impact. (MDR-A, 68 a, b)

In the case of specific customer requirements, additional measures are applied; for example, electric cranes are used during assembly and HVO is used as fuel for the transport of concrete elements from the production facility to the customer. K-Fastigheter works continuously to clarify and follow up on the environmental requirements applicable to external parties responsible for site preparation, including relevant requirements related to machinery, fuels and emissions. (MDR-A, 68 a, b)

In addition to the transition from diesel to HVO, no further measures are currently planned to reduce air pollution from transport. Although a possible next step could be the introduction of electric vehicles, this is not currently planned. (MDR-A, 69 a)

[E2-3] Targets related to pollution

This is the first time that K-Fastigheter collects and reports its air pollution, and therefore no specific, time-bound and measurable target has yet been established. The measures and requirements currently applicable to both the Group's own operations and suppliers are, at present, considered sufficient to limit negative impact. The Group continuously monitors developments and evaluates opportunities to further reduce environmental impact, including through active dialog with stakeholders. Follow-up and evaluation of the measures implemented are carried out using the metrics reported under E2-4. (MDR-T, 81 b i)

[E2-4] Pollution of air, water and soil

Air pollution arising from transport to and at construction sites is reported in the table below.

As this is the first year the Group collects these data, there is no historical data for comparison. The calculations are based on estimates regarding vehicle and fuel types, which means that the results should be interpreted with some caution, as it is difficult to draw unambiguous conclusions.

Air pollution (tonnes/year)	2025
Carbon monoxide (CO)	4.3
Nitrogen oxides (NOx)	0.4
Airborne particulate matter (PM)	0.0
Hydrocarbons (HC)	0.2

The calculation of air pollution is based on diesel use in construction machinery during 2025 and is based on a standardized estimate applied to all vehicles. Dust emissions have not been included. The following assumptions have been applied in the calculation: that all construction machinery has an engine output between 56 and 560 kW and that only new machinery meeting applicable environmental requirements has been used. The source used to calculate air pollution is a project report published by SBUF (the Swedish Construction Industry Development Fund) in 2024. The calculation method has not been validated by an external party. (MDR-M, 77 b)

ESRS E3 WATER AND MARINE RESOURCES

IRO-1 of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Water consumption is significant throughout K-Fastigheter's value chain. To obtain a clearer picture of how water is used in different parts of the operations, information has been collected from relevant internal stakeholders as well as on the Group's processes, procurement and property management. K-Fastigheter also based its assessment on the geographical location of the operations to determine the extent of assets in potential high-risk areas related to water. This mapping is complemented by an overall analysis that highlights water-related impacts across all stages of the value chain. (IRO-1, 8 a)

External stakeholders have not been directly involved in the process; their interests have been considered through ongoing stakeholder dialogs as described in ESRS 2 SBM-2. (IRO-1, 8 b)

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Water consumption extends across multiple stages of the operations, from the extraction of raw materials to the production of concrete frames and further to the daily use of water by tenants. (SBM-3, 48 a)

The materials and products procured for new construction, maintenance and renovation often have high water intensity in their production. In particular, the production of cement, concrete and steel requires significant amounts of water, and the extraction of limestone may affect both the availability and quality of local water resources. Within the Group's operations, water is primarily used in the industrial process to manufacture concrete elements. (SBM-3, 48 c i, ii)

K-Fastigheter adapts its operations primarily by implementing efficiency measures and reducing the proportion of clean water consumed. Water is recycled in the production process after passing through sedimentation basins. (SBM-3, 48 b)

Downstream in the value chain, water use occurs continuously through tenants' daily use in residential units and premises. The amount of water consumed is influenced both by tenants' routines and activities and by the technical design and equipment of the properties. (SBM-3, 48 c ii–iv)

In areas where water resources are limited or where water scarcity prevails, it is essential to actively work to reduce water consumption and implement effective measures to ensure the sustainable use of available water. (SBM-3, 48 a, c i)

No systematic analysis of the Group's geographical exposure to areas with elevated risk of water scarcity has been carried out. A more structured mapping of water risk areas is planned to be developed as methodologies and the databases are strengthened.

Material sub-topic	Impact	Risk and opportunity
Water	Upstream water use in extraction processes for raw materials with high water intensity	Potential negative impact
	Use of water in concrete production	Actual negative impact
	Use of water among residents in properties	Potential negative impact

[E3-1] Policies related to water resources

The Group's Sustainability Policy constitutes the central basis for managing significant water consumption. The policy states that sustainability aspects shall be considered in the design of new properties in consultation with customers and suppliers. Water consumption may therefore be a more relevant issue in specific projects. K-Fastigheter always complies with industry standards regarding water-saving taps and mixers in newly constructed buildings. (E3-1, 12–14)

Further information on this policy and related processes is provided in ESRS 2, MDR-P. K-Fastigheter has not adopted any specific policy regarding water management and treatment or the prevention and reduction of environmental pollution in water. (E3-1, 12 a)

[E3-2] Actions and resources related to water and marine resources

Within the prefab operations, the reuse of wash water has been implemented during the year as a measure to reduce the need for new water in the process. (E3-2, 18 c) (MDR-A, 68 a–c)

Within the property portfolio, water-saving solutions, such as low-flush toilets and flow-restricting nozzles, have been installed to reduce water consumption in the use phase and thereby reduce tenants' water consumption. (E3-2, 18 b) (MDR-A 68 a–c)

Beyond these activities, no additional resources are allocated to reduce water consumption, unless this is a specific requirement from the customer. (MDR-A, 69 a)

[E3-3] Targets related to water resources

The implementation of ESRS has resulted in new metrics and measurement points being developed for 2025, which in turn has enabled a broader and more holistic approach to previously established targets related to water consumption. This means that existing targets need to be reassessed and adapted to the new overall perspective.

K-Fastigheter has not established any time-bound or measurable targets for water consumption relating to identified impacts in the upstream value chain, the prefab operations' manufacturing of concrete elements or tenants' water consumption. Work to evaluate and develop targets is ongoing and will be adapted in line with the new structure and data collection methodology. (MDR-T 81)

[E3-4] Water consumption

Total water consumption refers to the volume of water consumed at construction sites, in the manufacturing of concrete elements and in tenants' water consumption in residential properties. Water consumption in the upstream value chain has not been measured or estimated.

Total water consumption during the year amounted to 788,315 m³. At present, there is no comparative figure for total water consumption, which means that no change can be reported. Brinova's properties account for 88 percent of total water consumption. K-Fastigheter's residential properties account for 8 percent, the prefab operations' water consumption accounts for 3 percent and construction sites account for less than 1 percent of total water consumption.

Water usage, m³	2025
Total water consumption	788,315
Total volume of recycled and reused water in concrete manufacturing	1,816
Total water consumption in areas with water risk*	–
Total water consumption per net revenue (m³/SEK million)	413.7

** Information on total water consumption in areas with water risk is not reported for 2025, as a geographical water risk analysis has not been carried out.*

Calculation methods: Water consumption in the prefab operations is based on actual consumption during 2025. For construction sites, consumption has been estimated based on water use per gross floor area, while data for K-Fastigheter's property management is based on measured consumption. For Brinova's properties, the data is based on figures for April–December 2025, where approximately 25 percent of December's consumption has been estimated due to missing measurement data. The estimate is considered reasonable as it represents a small share of total water consumption. Total water consumption per net revenue is calculated as total water consumption divided by net revenue for 2025; see the statement of profit or loss, page 85. K-Fastigheter assesses that the operations are not conducted in areas with water scarcity and therefore reports zero water consumption in such areas. The calculation methods have not been validated by an external party. (MDR-M, 77 b)

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As a project and property developer with strategic contracting functions, there is significant use of materials and resources throughout the value chain. The assessment carried out to determine this has been based on input from internal operational experts, material and product flows, waste management, as well as activities related to new construction, renovation, maintenance, property operations, property management and the use phase. Significant material and resource flows have been mapped and analyzed from a resource use perspective. (IRO-1, 11 a)

The assessment has been carried out together with internal stakeholders and is based on available information on the industry, the operations' processes, procurement, project execution and property management, as well as an overall analysis of the characteristics and actors of the value chain. Consultation with relevant stakeholder groups has not been conducted, as K-Fastigheter considers existing channels for engagement with stakeholder groups to be sufficient. (IRO-1, 11 b)

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Resource inflows

The Group's operations within construction projects and property management are material-intensive, which has a significant environmental impact. Significant volumes of materials such as cement, steel and timber are used on an ongoing basis, and within both the Construction Management business area and the Property Management operating segment, the majority of volumes are procured in bulk – for example white goods, tiles, clinker tiles and paint. Against the background of these processes, K-Fastigheter is assessed to conduct operations with significant resource extraction, where both recycled, reusable and virgin material resources are utilized. (SBM-3, 48 ci–iii)

To reduce negative impacts, there are opportunities to steer operations towards more efficient use of materials and to increase circular flows in both projects and property management. This means that procurement and design can to a greater extent be based on resource efficiency, the lifespan of materials and the potential for reuse and recycling. By working more strategically with these matters, K-Fastigheter can reduce environmental impact as well as enhance the long-term sustainability of its operations. (SBM-3, 48 b)

The Group's business model, which provides control over the material value chain from production to property management, has demonstrated a clearly positive impact on resource inflows through optimized material use and increased resource efficiency. By standardizing materials and components in projects – for example tiles, kitchen fittings and appliances – material consumption can be planned more accurately and the procurement process can be streamlined. This reduces the risk of over-ordering and waste, which ultimately leads to lower costs and reduced environmental impact.

Internal expertise regarding the quality and functionality of materials also enables more sustainable material choices that contribute to longer building lifespans and a reduced need for renovations and repairs over time. Within each construction project, evaluations of material quality are carried out, and through long-term sustainable choices, the lifespan of properties can be extended and fewer renovations required, which may lead to reduced maintenance costs over time. (SBM-3, 48 b, d)

Waste materials and surplus concrete are managed and reused by being cast into new products, which reduces the use of primary raw materials and contributes to more circular flows within the operations. (SBM-3, 48 b, c i–iii)

Although circular material management does not necessarily result in immediate cost reductions, it can over time contribute to reduced resource use, lower cost levels and reduced exposure to price and availability risks for strategic materials. (SBM-3, 48 b, d)

Resource outflows

K-Fastigheter primarily builds using prefabricated concrete elements, which have a lifespan of up to 100 years, due to the durability of the material and its ability to reabsorb carbon dioxide over time. Proper maintenance can extend the lifespan by a further 50–100 years, making renovation economically and environmentally advantageous. K-Fastigheter's repetitive building model with concept buildings, combined with concrete frames, also enables more efficient management of materials and waste, which may lead to reduced procurement costs. (SBM-3, 48 b, d)

Waste

In the production and construction of properties, industrial waste arises, which is assessed to have an actual negative environmental impact, as not all waste can be recycled. Typical waste from construction sites includes, for example, wood, concrete, metal, plastic, gypsum and minerals, which are sorted in accordance with applicable laws and regulations. (SBM-3, 48 c i–iii)

K-Fastigheter works to prevent and reduce the generation of waste and to strengthen resource efficiency through strategic planning of procurement and design, as well as by imposing contractual requirements on waste management on partners and suppliers. (SBM-3, 48 b)

Material sub-topic	Impact	Risk and opportunity
Resources inflows, including resource use	High use of materials such as steel and cement	Actual negative impact
	High use of consumables within construction and property management	Actual negative impact
	Optimization of resource consumption and sustainable material choices	Potential positive impact
Resource outflows	Resource efficiency in an integrated value chain	Opportunity
	Durable buildings with a long service life	Opportunity
Waste	Generation of industrial waste from production and construction	Potential negative impact

[E5-1] Policies related to resource use and circular economy

The Sustainability Policy and the Code of Conduct constitute the basis for how the Group manages resource use and waste in a responsible manner. These governing documents clarify guidelines and principles for minimizing resource consumption and ensuring that waste is managed in a sustainable manner. For further information on the policy documents and related processes, see ESRS 2 GOV-1.

According to the governing documents, K-Fastigheter shall, both in manufacturing and assembly, actively work to increase circular material flows through conscious material choices and to enhance the Group's resource efficiency by reducing the use of non-renewable resources. (E5-1, 15 b)

The Group strives for all waste generated to be, in the first instance, avoided, and thereafter managed, reused or recycled in line with the waste hierarchy, thereby contributing to more resource-efficient operations and supporting a circular economy. (E5-1, 15 a, AR9 a, b) (MDR-P, 68 a)

[E5-2] Actions and resources related to resource use and circular economy

Resource inflows

To increase circular flows in the operations and reduce the consumption of primary raw materials, K-Fastigheter continuously procures significant volumes of recycled steel, which is primarily used in reinforcement bars in the construction of concrete frames. (MDR-A, 68 a–c)
In addition, the Group has introduced procedures to increase the reuse rate of plywood in the manufacture of formwork for concrete casting and has begun using reusable void boxes for, for example, silicone and cardboard. This leads to lower material consumption in concrete casting and reduces the share of wood waste. This forms part of the continuous improvement work undertaken to reduce resource consumption within the production process. (MDR-A, 68 a–c, e)

Waste

K-Fastigheter works continuously to reduce waste volumes from tenants, including by offering well-functioning and user-friendly sorting systems. (MDR-A, 68 b, c)

Furthermore, ongoing efforts are undertaken to reduce the amount of construction waste sent to landfill and to increase the share of waste that is sorted for recycling and reuse. (MDR-P, a–c)

The Group has identified future initiatives to increase the reuse of materials such as demolition waste and gravel. These materials can, for example, be used as fill material in the production of concrete frames and other concrete elements, thereby contributing to more circular material management. A challenge in this work is to ensure that reused fill materials are free from hazardous substances that could otherwise risk leaching into the environment. K-Fastigheter therefore closely monitors developments in this area and continuously evaluates opportunities to increase the use of such materials. (E5-2, 19) (MDR-A, 68 c)

Since 2025, K-Fastigheter procures cement with a high share of recycled material, including slag, which is a by-product of steel production. By selecting this type of cement, the need for raw materials is reduced and circular flows within the value chain are increased. (MDR-P, a–c)

Beyond the measures described, no significant resources are allocated to address the negative impacts related to resource inflows and waste. (E5-2, 19) (MDR-A, 68 c)

[E5-3] Targets related to resource use and circular economy

K-Fastigheter's fundamental ambition is to integrate circular flows into the manufacturing process and to build in a resource-efficient manner. The Group works continuously to increase the use of recycled materials and to reduce the total amount of waste generated in its own operations. Through the Code of Conduct, requirements are set that the concept buildings constructed shall meet the requirements corresponding to the rating of Silver, as set out by Sweden Green Building Council. This includes requirements regarding the share of recycled materials, the proportion of waste sent to landfill and that buildings are designed in an adaptable, flexible and demountable manner.

The implementation of the new ESRS reporting standard has resulted in K-Fastigheter needing to reassess both the structure and scope of the collection and evaluation of material flows and weights. As a result, the Group has not established any time-bound or measurable targets related to identified impacts, risks and opportunities within resource use and the circular economy. During 2026, K-Fastigheter will review the need for and the design of targets related to resource use in order to ensure efficient and sustainable management going forward. (E5-3, 23) (MDR-T, 72)

Monitoring of resource use is carried out through the metrics presented in E5-4. Ongoing controls of policy compliance in the operations are currently considered sufficient to manage K-Fastigheter's negative impacts and opportunities. (MDR-T, 72, 81 b i, ii)

[E5-4] Resource inflows

The total weight of products and technical and biological materials amounted to 179,204 tonnes during 2025. The largest share of this weight derives from the prefab operations' manufacturing of concrete elements (95 percent). The weight of building materials and white goods for new construction accounts for approximately 4 percent of the total weight. Renovation of existing properties accounts for less than 1 percent. As data for the previous year is not available, no conclusions can be drawn regarding the outcome for the year.

Resource inflows	2025
Total aggregate weight of products and technical and biological materials, tonnes	179,204
Share of biological materials from sustainable sources, %	*0%*
Total weight of reused and recycled secondary intermediate products and materials, tonnes	4,123
Share of reused and recycled secondary intermediate products and materials, %	*2.3%*

Calculation methods: The aggregate weight of products and technical and biological materials is the sum of raw materials for the prefab operations and building materials for new construction and renovation of properties.

Prefab – The purchased weight of raw materials for the prefab operations has been calculated based on the actual weight of procured materials. The materials included in the calculation are cement, aggregates, reinforcement, prestressing strand and insulation. Data has been obtained from K-Fastigheter's procurement statistics for 2025.

Building materials for new construction and renovation – K-Fastigheter
– New construction. The calculation of materials for newly constructed properties is based on an estimate for the three types of concept buildings that K-Fastigheter builds. Climate declarations have been used to obtain weights of building materials per gross floor area for each concept building. K-Fastigheter's internal project summary shows the number of square meters of gross floor area constructed for each type of concept building during the year. The estimated weight of building materials per gross floor area has then been multiplied by the number of square meters of gross floor area for each type of concept building constructed during 2025.
– New kitchen appliances for the properties have been calculated based on actual weight using data from K-Fastigheter's procurement statistics for 2025.

Brinova – The calculation of Brinova's property renovations is based on actual weights of procured materials during the period April to December 2025.

K-Fastigheter does not have data on the share of procured materials from sustainable sources and therefore reports this as zero.

The reported weight of reused and recycled secondary intermediate products and materials corresponds to the total amount of reinforcement procured for the prefab operations during 2025. All procured reinforcement originates from recycled scrap and steel.

The calculation methods have not been validated by an external party. (E5-4 32, AR 22, 24, 25) (MDR-M, 77 a–d)

[E5-5] Resource outflows

K-Fastigheter's primary resource outflows are concrete frames and concept buildings, see section E5 SBM-3 for further information. (E5-5, 35)

The waste streams generated arise primarily from the manufacturing of concrete elements and from construction site waste. These types of waste are described under the heading Waste. (E5-5, 38 a)

The estimated share of recyclable material used during 2025 amounted to 67 percent. The assessment is based on the assumption that a large share of reinforcement bars and concrete can be reused after the building has been demolished. The fact that concrete constitutes a large proportion of a building's total weight contributes to the recycling rate.

The various components in K-Fastigheter's buildings can be renovated and replaced with new components, based on need and depending on how a property is used. By maintaining buildings properly and proactively inspecting, repairing and replacing components such as roofs and façades, the lifespan can be extended and the need to demolish buildings minimized. (E5-5, 36 b)

Resource outflows	2025
Share of recyclable materials and packaging, %	67%
Expected lifespan of properties relative to the industry average, years	50

Calculation methods: Climate declarations for the three types of concept buildings that K-Fastigheter builds have been used to estimate the categories of materials that can be recycled or reused upon future demolition of the building. Reinforcement and concrete are the materials included in this calculation. According to the environmental product declarations for these materials, it is stated that 70 percent of the concrete used can be reused. The corresponding figure for reinforcement is 85 percent. The quantity of reinforcement and concrete used during 2025 has been estimated based on the same methodology as presented under E5-4 Resource inflows. (MDR-M, 77 a–d)

Waste

Waste arises both from construction activities and from the prefab operations.

Waste	2025
Total amount of waste generated, tonnes	4,998
Total amount of hazardous waste, tonnes	29
Total amount of radioactive waste, tonnes	0
Total amount of recycled waste, tonnes	4,885
Total amount of non-recycled waste waste, tonnes	113
Proportion non-recycled waste, %	*2.3%*
Waste diverted from disposal	
Hazardous waste	
Preparation for recycling, tonnes	2
Material recycling, tonnes	6
Other recovery operations, tonnes	21
Total amount of hazardous waste, tonnes	28
Non-hazardous waste	
Preparation for recycling, tonnes	0
Material recycling, tonnes	2,924
Other recovery operations, tonnes	1,934
Total amount of non-hazardous waste waste, tonnes	**4,857**
Total amount of waste diverted from disposal, tonnes	**4,886**
Waste directed to disposal	
Hazardous waste	
Incineration, tonnes	0
Landfill, tonnes	1
Other disposal operations, tonnes	0
Total amount of hazardous waste, tonnes	1
Non-hazardous waste	
Incineration, tonnes	0
Landfill, tonnes	112
Other disposal operations, tonnes	0
Total amount of non-hazardous waste, tonnes	**112**
Total amount of waste directed to disposal, tonnes	**113**

Calculation methods: Information on waste volumes and waste types has been obtained from waste contractors and is reported as actual figures for 2025. The calculation method has not been validated by an external party (MDR-M, 77 a–d). Hazardous waste from the prefab operations includes, for example, paint residues, batteries and fluorescent tubes. Non-hazardous waste that is recycled includes concrete and reinforcement residues, wood, cardboard and plastic. Waste directed to disposal includes stone wool and unsorted operational waste. From construction sites, paint residues and batteries are classified as hazardous waste. Concrete residues, wood, gypsum, cardboard, plastic, metal scrap and other combustible waste are recycled as non-hazardous waste.

Disclosures in accordance with Article 8 of Regulation (EU) 2020/852

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 EU Taxonomy is to classify which investments are environmentally sustainable, and the Taxonomy is an important tool for achieving the EU's six environmental objectives. For an activity to be classified as environmentally sustainable, it must contribute substantially to at least one of the six environmental objectives of the Taxonomy, not cause significant harm to any of the other objectives, and comply with the requirements set out in the defined minimum social safeguards.

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 mitigation.

6. Protection and restoration of biodiversity and sound ecosystems, and the recreation of damaged ecosystems

Accounting principles

K-Fastigheter's core operations related to project development, construction, prefab and property management fall within the scope of the EU Taxonomy Regulation *(eligible)*. The proportion of the Group's operations that is environmentally sustainable in accordance with the EU Taxonomy Regulation is determined by three financial key performance indicators: turnover, capital expenditure and operating expenses. The Group shall identify the proportion of these key performance indicators that is aligned with the EU Taxonomy Regulation by contributing to one of the environmental objectives *(significant contribution)* while not causing significant harm to any of the other environmental objectives *(Do No Significant Harm, DNSH)*, and by ensuring that the Group's operations otherwise comply with the *minimum safeguards* set out in the EU Taxonomy Regulation.

Economic activity

K-Fastigheter reports only against environmental objective 1, "Climate change mitigation" (CCM), in the EU Taxonomy, as this is the objective most relevant to the Group's operations and as the Group is not considered to have any activities that are covered solely by environmental objectives 2 to 6 but not by environmental objective 1. Within environmental objective 1, a number of activities have been identified as falling within the scope of the EU Taxonomy. Screening has been carried out by monitoring economic activities at account level in the Group's accounting records, which have been compared with activities based on the Group's NACE codes.

K-Fastigheter assesses that the activities CCM 3.5 "Manufacture of energy efficiency equipment for buildings", CCM 7.1 "Construction of new buildings" and CCM 7.7 "Acquisition and ownership of buildings" are in scope, as these three activities reflect the Group's core operations related to project development, construction, prefab contracting and property management.

Other related activities (e.g. CCM 4.1, CCM 6.5, CCM 6.6, CCM 7.2, CCM 7.3, CCM 7.4, CCM 7.5 and CCM 7.6) are considered, in all material respects, to be included within the three aforementioned activities related to the Group's core operations. For activities not considered to be included in these three activities, the so-called 10 percent threshold under the simplified rules for the EU Taxonomy from 2026 has been applied, and the KPIs related to these activities are therefore not reported.

Alignment

The table on page 63 presents the alignment of identified activities with the EU Taxonomy based on the technical screening criteria deemed most relevant for contributing substantially to environmental objective 1 and for not causing significant harm to the other environmental objectives. Comments regarding the assessment of the screening criteria or minimum social safeguards, as well as the status of ongoing work, are provided in the table. As presented, no share of the Group's economic activities for the financial year 2025 is assessed to be aligned with the EU Taxonomy.

CCM 3.5 Manufacture of energy efficiency equipment for buildings

The structural contracting of the Group's prefab system is currently assessed to be among the most environmentally sustainable in the construction industry and is overall considered to contribute substantially to environmental objective 1. However, at present, documentation is lacking to monitor U-values at system level, and K-Fastigheter therefore currently assesses the activity as not aligned. The ambition is to be able to report the activity as largely aligned with the EU Taxonomy going forward.

CCM 7.1 Construction of new buildings

All of the Group's new constructions are carried out with an energy performance that is better than the criterion for contributing substantially to environmental objective 1. However, at present, documentation is lacking, inter alia, for certain technical criteria to demonstrate that no significant harm is caused to the other environmental objectives. The ambition is to be able to report the activity as largely aligned with the EU Taxonomy going forward.

CCM 7.7 Acquisition and ownership of buildings

The Group's investment properties that meet the technical screening criteria regarding energy performance and that have undergone, or are undergoing, a climate risk and vulnerability assessment are expected to be aligned with the EU Taxonomy going forward. Other properties consist primarily of project properties where the ambition is for the property to be developed with the Group's concept buildings or an investment property that has not yet been energy-optimized. The ambition is that all of the Group's investment properties for long-term management will be aligned with the EU Taxonomy in the future.

2025	Criteria for significant contributions		Do no significant harm			Minimum safeguards	Alignment
Identified activities	**Criteria**	**Compliance/assessment**	**Environmental objective**	**Activities**	**Compliance/assessment**		
CCM 3.5 Manufacture of energy efficiency equipment for buildings	External wall systems with a U-value less than or equal to 0.5 W/m²K	Documentation in progress	Objective 2 – Climate change adaptation	Production facilities have undergone, or are undergoing, a climate risk and vulnerability assessment	Documentation in progress	No	No
	Roofing systems with a U-value less than or equal to 0.3 W/m²K	Documentation in progress	Objective 3– Sustainable use and protection of water and marine resources	Production facility has undergone an environmental impact assessment	Documentation in progress	No	No
			Objective 4 – Transition to a circular economy	Documentation of the adoption of techniques that support, inter alia, the reuse of returned products and design for high durability and recyclability	Documentation in progress	No	No
			Objective 5 – Pollution prevention and control	Documentation that certain substances in production have been replaced or minimized	Documentation in progress	No	No
			Objective 6 – Protection and restoration of biodiversity and ecosystems	Production facility has undergone an environmental impact assessment	Documentation in progress	No	No
CCM 7.1 Construction of new buildings	Construction of new buildings where, inter alia, the following conditions are met. The primary energy demand, which defines the energy performance of the constructed building, is at least 10 percent lower than the threshold set for nearly zero-energy building requirements.	Calculated or measured primary energy demand for the relevant building	Objective 2 – Climate change adaptation	The relevant property has undergone, or is undergoing, a climate risk and vulnerability assessment.	A climate risk and vulnerability assessment is carried out for all buildings under construction*	No	No
			Objective 3 – Sustainable use and protection of water and marine resources	Documentation, inter alia, of water equipment	Documentation in progress	No	No
			Objective 4 – Transition to a circular economy	Documentation, inter alia, of the share of construction and demolition waste prepared for reuse and recycling	Documentation in progress	No	No
			Objective 5 – Pollution prevention and control	Documentation, inter alia, of hazardous substances in building components and measures to reduce noise, dust and contaminated land	Documentation in progress and through compliance with Swedish legislation	No	No
			Objective 6 – Protection and restoration of biodiversity and ecosystems	n.a.	Aligned by constructing on zoned land	No	No
CCM 7.7 Acquisition and ownership of buildings	For buildings constructed before 31 December 2020, an energy performance certificate in class A is available, or the building is among the top 15 percent of the national or regional building stock expressed in terms of operational primary energy demand. This is substantiated by appropriate data that at least compares the performance of the relevant asset with that of the corresponding building stock. For buildings constructed after 31 December 2020, the building meets the criteria set out in section 7.1 of this Annex that are applicable at the time of acquisition.	Calculated or measured primary energy demand for the relevant building	Objective 2 – Climate change adaptation	The relevant property has undergone, or is undergoing, a climate risk and vulnerability assessment.	A climate risk and vulnerability assessment is carried out for all buildings held for long-term management	No	No

Excludes Brinova Fastigheter AB and development properties.

Key performance measures

Turnover

Turnover in accordance with the Taxonomy and net revenue in accordance with IFRS constitute the same key performance indicator and are based solely on external revenue to avoid double counting. For further information, see Note 3 Income. Turnover covered by the Taxonomy primarily comprises contracting revenue in the prefab operations (CCM 3.5), construction of concept buildings for external clients (CCM 7.1), and rental income in the property management operations (CCM 7.7). K-Fastigheter currently reports only against environmental objective 1, and therefore no double counting of turnover occurs in relation to environmental objectives.

Capital expenditure (CapEx)

Capital expenditure in accordance with the Taxonomy and IFRS constitutes the same key performance indicator. For further information, see Notes 16, 17 and 18. Expenditure covered primarily relates to investment costs associated with the construction of concept buildings (CCM 7.1), as well as investments in completed properties (CCM 7.7) and in operating properties, machinery and equipment in the prefab operations (CCM 3.5).

K-Fastigheter currently does not have a separate investment plan related to the EU Taxonomy, i.e. a CapEx plan. The capital expenditure related to the economic activities covered by the EU Taxonomy, such as the construction of new buildings, is assessed by K-Fastigheter to a large extent to consist of long-term, economically and environmentally sustainable investments.

Operating expenditure (OpEx)

Operating expenditure primarily includes costs relating to property maintenance, ongoing repairs and maintenance required to maintain the basic standard and functionality of properties and technical installations within the property management and prefab operations. (CCM 7.7 and CCM 3.5, respectively). For further information, see Note 6 Operating expenses. The share not covered by the Taxonomy primarily consists of costs in the prefab operations related to external sales, as well as property administration and operating costs relating to electricity, heating, water and waste for the Group's investment properties.

Overview of activities eligible or aligned with the EU Taxonomy

2025					Breakdown by environmental objective of activities aligned with the Taxonomy requirements										
Key performance measures	**Total**	**Percentage of Taxonomy eligible activities**	**Activities aligned with the Taxonomy requirements**	**Share of activities aligned with the Taxonomy requirements**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Share of enabling activities**	**Share of transitional activities**	**Non-assessed activities considered to be non-material**	**Activities aligned with the Taxonomy requirements in the previous financial year, 2024**	**Share of activities aligned with the Taxonomy requirements in the previous financial year, 2024**
Unit	SEK m	%	SEK m	%	%	%	%	%	%	%	%	%	%	SEK m	%
Turnover	1,903.8	100%	0	–	–									0	–
Capital expenditure (CapEx)	2,035.0	100%	0	–	–									0	–
Operating expenditure (OpEx)	1,135.3	13%	0	–	–									0	–

Overview of activities eligible or aligned with the EU Taxonomy

Turnover

2025					Environmental objective for activities aligned with the Taxonomy								
Economic activity	**Code**	**Share of turnover eligible in the Taxonomy**	**Turnover aligned with the Taxonomy**	**Share of turnover aligned with the Taxonomy**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activities**	**Transitional activities**	**Share aligned with the Taxonomy of the share covered by the Taxonomy**
Unit	SEK m	%	SEK m	%	%	%	%	%	%	%	E	T	%
Manufacture of energy efficiency equipment for buildings	CMM 3.5	36%	0	–	–								–
Construction of new buildings	CMM 7.1	8%	0	–	–								–
Acquisition and ownership of buildings	CMM 7.7	56%	0	–	–								–
Total alignment with objective					–								
Total turnover		**100%**	**0**	–	–								–

Minimum safeguards

The minimum safeguards focus on compliance with four core areas:

- Human rights and labor rights: Companies must respect international standards on human rights, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO core conventions.
- Bribery and corruption: Companies shall have measures in place to prevent corruption and bribery.
- Taxation: Companies shall comply with fair tax principles and avoid tax evasion.
- Fair competition: Companies shall comply with principles of fair competition and shall not engage in anti-competitive practices.

K-Fastigheter assesses that the Group overall complies with the requirements set out in the defined minimum social safeguards, but that risk analysis, information gathering and due diligence, inter alia for the monitoring of subcontractors, need to be further developed in order to comply with the requirements for reporting on due diligence and thereby fully meet the minimum safeguards.

Human rights

Evaluation process for compliance with human rights:

1 K-Fastigheter's overarching governing documents (Code of Conduct, Supplier Code of Conduct and Sustainability Policy) are based, inter alia, on the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO core conventions, applicable environmental and labor legislation, and the Code of Conduct of the Swedish Construction Federation.

a) All employees are informed about K-Fastigheter's overarching governing documents in connection with employment, and the Code of Conduct is reviewed annually.

b) All significant suppliers, such as subcontractors in the contracting operations, sign the Supplier Code of Conduct no later than in connection with contract signing.

c) Channels and systems are in place to monitor significant deviations, for example through individual employee appraisals, departmental meetings, a whistleblowing function and affiliation with the industry initiative Sustainable Construction.

2 Potential and actual breaches of the Group's policies are followed up either internally within the organization or with the support of an independent party (whistleblowing function), and, where applicable, reported to the relevant authority. Suppliers' compliance is monitored using appropriate system support (for example, payment of statutory wages and adherence to collective agreements), and potential deviations or breaches are primarily addressed through dialogue and, if necessary, by terminating the collaboration with the supplier and, where applicable, reporting to the relevant authority. Monitoring and systems are continuously developed with the ambition to deepen and broaden follow-up going forward, in order to meet the requirements for reporting on due diligence.

Tax

The Group has assessed that it has a high level of internal expertise regarding applicable tax regulations and maintains close cooperation with external tax specialists. Adequate processes are in place in connection with regulatory reporting as well as for more in-depth assessments or the implementation of new tax regulations. Tax is a significant part of the Group's risk management and internal control, and close dialogue is maintained with the Group's auditor and external tax specialists.

Legal status

Legal status covers taxation, anti-corruption and fair competition. During 2025, the Group has not been convicted of, or involved in, any disputes or investigations relating to breaches of human rights, labor law, taxation, corruption or anti-competitive activities.

Capital expenditure (CapEx)

					Environmental objective for activities aligned with the Taxonomy								
Economic activity	**Code**	**Share of capital expenditure covered by the Taxonomy**	**Capital expenditure aligned with the Taxonomy**	**Share of capital expenditure aligned with the Taxonomy**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activities**	**Transitional activities**	**Share aligned with the Taxonomy of the share covered by the Taxonomy**
		%	SEK m		%	%	%	%	%	%	E	T	%
Manufacture of energy efficient equipment for buildings	CMM 3.5	1%	0	–	–								–
Construction of new buildings	CCM 7.1	91%	0	–	–								–
Acquisition and ownership of buildings	CCM 7.7	8%	0	–	–								–
Total alignment with objective					–								
Total capital expenditure		**100%**	**0**	**–**	**–**								**–**

Operating expenditure (OpEx)

					Environmental objective for activities aligned with the Taxonomy								
Economic activity	**Code**	**Share of operating expenditure covered by the Taxonomy**	**Operating expenditure aligned with the Taxonomy**	**Share of operating expenditure aligned with the Taxonomy**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activities**	**Transitional activities**	**Share aligned with the Taxonomy of the share covered by the Taxonomy**
		%	SEK m	%	%	%	%	%	%	%	E	T	%
Manufacture of energy efficient equipment for buildings	CMM 3.5	1%	0	–	–								–
Construction of new buildings	CCM 7.1	0%	0	–	–								–
Acquisition and ownership of buildings	CCM 7.7	11%	0	–	–								–
Total alignment with objective					–								
Total operating expenditure		**13%**	**0**	**–**	**–**								**–**

CORPORATE GOVERNANCE INFORMATION

ESRS G1 – BUSINESS CONDUCT

K-Fastigheter is characterized by a responsible corporate culture and strives to build long-term and sustainable relationships with its suppliers. The Group actively works to prevent and counteract all forms of corruption and bribery. Deficiencies in compliance with the Group's Code of Conduct may, in the short term, lead to negative consequences, which in the longer term may adversely affect the Group's reputation and the trust of investors, customers and other stakeholders.

[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

In the double materiality assessment, it was identified that K-Fastigheter is affected by, and faces, risks and opportunities related to corporate culture, supplier relationships, and issues concerning corruption and bribery. The assessment is based on the collective experience of Group management and qualitative insights from stakeholder dialogs, and covers both activities in the value chain and in the Group's own operations. In the assessment, particular consideration was given to the fact that K-Fastigheter operates within the construction industry, which entails an elevated risk of corruption and bribery, as well as a higher risk of workers being affected by work-related injuries and accidents. (G1, 6, IRO-1)

Read more about the process under ESRS 2 IRO-1.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Corporate culture

K-Fastigheter's corporate culture is characterized by responsibility towards tenants, partners, customers, employees, shareholders, suppliers, authorities and other key stakeholders in its external environment. For the Group's long-term success, it is essential to continuously maintain efficient work processes, deliver high quality and comply with safety regulations in both production and construction projects as well as in property management. (SBM-3, 48 a, b, c i)

If the corporate culture deviates from the Code of Conduct, it may have negative consequences for people's safety and health and may pose significant risks to the Group's reputation and financial performance. (SBM-3, 48 a, b, c i)

Material sub-topic	Impact	Risk and opportunity
Corporate culture	Risk that deficiencies in corporate culture lead to negative impacts on employees	Potential negative impact
	A strong corporate culture can contribute to positive impacts on ESG factors	Potential positive impact
	A dysfunctional work culture may lead to adverse impacts on K-Fastigheter's financial performance	Risk
	A positive work culture can benefit productivity and quality and thereby contribute to improved financial performance	Opportunity
Management of relationships with suppliers	Deficiencies in payment practices lead to negative impacts on suppliers.	Potential negative impact
Corruption & bribery	Elevated risk of corruption and bribery within the industry	Potential negative impact

Management of relationships with suppliers

To ensure the Group's financial stability, K-Fastigheter selects its partners with care and with a focus on building sustainable and developing relationships. The Group strives for long-term collaborations where mutual loyalty, high professionalism and cost efficiency form the foundation—factors which together create favorable business conditions and benefit both parties. Repeated delays in payments to suppliers could damage trust and business relationships. (SBM-3, 48 a–c)

To continue offering competitive business, it is essential to establish and maintain efficient, trust-based and long-term relationships with suppliers that deliver the right quality at the right price. K-Fastigheter also places significant emphasis on contracting suppliers and contractors that actively contribute to achieving the Group's sustainability objectives and thereby strengthen its overall strategy and values. (SBM-3, 48 b)

Corruption & bribery

K-Fastigheter does not tolerate corruption or bribery. The Group does not offer customers, potential customers, authorities or other stakeholders any compensation or reward that contravenes laws or good business practice. As the construction industry is particularly exposed to corruption and bribery, K-Fastigheter takes this matter very seriously. The greatest risks for the Group arise in connection with the procurement of goods and services, the contracting of suppliers and subcontractors, and in contacts with authorities and decision-making building permit officials.

If K-Fastigheter were to become involved in any form of corruption case, it risks seriously undermining trust in the Group and its operations, as well as jeopardizing existing and future business relationships. Through clear procedures and guidelines, K-Fastigheter actively works to prevent and counteract irregularities throughout the value chain. (SBM-3, 48 a, b, c i)

[G1-1] Business conduct policies and corporate culture

The Group's Code of Conduct clarifies how both employees and subcontractors are expected to act in order to contribute to a strong and responsible corporate culture. Responsibility towards tenants, customers, colleagues, shareholders, suppliers, authorities and other stakeholders permeates the entire operations. K-Fastigheter does not have a separate policy for training in responsible business conduct and corporate culture; however, in addition to the Code of Conduct, the framework for responsible business conduct is reinforced through the Work Environment Policy, the Sustainability Policy, the Supplier Code of Conduct, as well as the Procurement and Purchasing Policy. (G1-1, 10 g)

Together, these governing documents form a solid foundation for the Group's values and ways of working. (MDR-P, 65 a) (G1-1, 7)

Both K-Fastigheter's Code of Conduct and the Supplier Code of Conduct are available on the Group's websites in order to clarify the expectations that the Group places on its partners and the expectations that partners can have of the Group. (MDR-P, 65 f)

In the event of misconduct, or suspicion of behavior that is not in line with the Code of Conduct, an escalation procedure is set out in the Code of Conduct and a whistleblowing procedure is in place, with clear steps for all roles and employees within the Group. Breaches of the Code of Conduct are taken seriously and are handled promptly to ensure an objective investigation and may result in legal sanctions and/or employment-related measures.

In cases of suspicion or actions that violate the Code of Conduct, the immediate manager or a member of the relevant unit's management team, alternatively HR or Legal, shall be contacted for an initial assessment. Group management constitutes K-Fastigheter's highest authority for investigating actions that violate the law.

In addition to systematic monitoring of corporate culture through continuous employee dialogs and engagement surveys, a whistleblowing function is also in place, administered by an external and independent party, enabling reports to be made anonymously and ensuring that the reporting person is protected against retaliation. (G1-1, 9, 10 a, e)

Read more about the allocation of responsibilities, content and follow-up of the policies under ESRS 2 GOV-1. (G1-1, 9)

[G1-2] Management of relationships with suppliers

All suppliers that enter into a framework agreement with K-Fastigheter undertake to comply with the Group's Supplier Code of Conduct. Framework agreements may be entered into with small, medium-sized and large companies. K-Fastigheter's payment terms apply without exception to all suppliers and are always included in agreements in order to clarify the applicable payment period. Payment flows are continuously monitored through the invoice management system, and in the event of late payments, a dialogue is initiated with the relevant supplier to identify the cause and, where necessary, agree on a new payment deadline. (G1-2, 14)

In procurements within the Construction operating segment, the Group's environmental requirements shall be applied. These include requirements for a certified environmental management system in accordance with ISO 14001. K-Fastigheter may also request climate data from production and transport to the Group. K-Fastigheter may further request to visit the supplier in order to conduct an audit of environmental performance. (G1-2, 15 a, b)

[G1-3] Prevention and detection of corruption and bribery

Preventive efforts against corruption and bribery are primarily based on the principles of the Code of Conduct and its guidelines on ethical behavior to uphold good business practice. K-Fastigheter's Group management and Board of Directors undergo training in anti-corruption and competition law, which is an integral part of maintaining the Code of Conduct and related policies.

During 2026, a comprehensive evaluation is planned to identify the need to expand and deepen these training initiatives, ensuring that all relevant areas are covered and that competence within the organization is further strengthened. (G1-3, 21 c)

As part of the induction program, 100 percent of newly hired salaried employees undergo training in K-Fastigheter's Code of Conduct. In addition, purchasers, project managers and contracting engineers receive specific training in the Supplier Code of Conduct. Within these training programs, employees are provided with the knowledge and tools needed to identify and prevent corruption and bribery. (G1-3, 21 b)

All employees are trained in the whistleblowing service, including how it functions, how responsibilities are allocated, what can be reported through the service and how reports are followed up together with an independent third party. (G1-3, 16, 17, 20)

Read more about the content of the respective policies under ESRS 2 GOV-1. (G1-3, 21 a, c)

The Group works actively to continuously analyze risks and implement measures to prevent, identify and counteract corruption and bribery. Purchasers and contracting engineers meet on a monthly basis to exchange experiences, discuss changes in regulations and share specialist knowledge. Ongoing competence development takes place both through practical work in daily operations and through close collaboration within each work group. In the event of significant changes in regulations or practice, external trainers are also engaged to ensure that employees have up-to-date and relevant knowledge. (G1-3, 18 a, 21 a)

To prevent favoritism in procurement or purchasing, employees must not have personal interests that conflict or could conflict with the Group's interests. If a supplier or its representative is closely related to an employee, the employee must not be involved in procurement or purchasing where that supplier is involved. (G1-3, 18 a) (MDR-A, 68 a–c)

Electronic personnel registers are used at each construction site to accurately record which individuals are present on site and the exact start and end times of their work shifts. By requiring all employees, contractors and subcontractors to use electronic personnel registers at construction sites, the risk of unauthorized labor being present on site is reduced. (G1-3, 18 a)

This is a crucial measure to prevent and counteract undeclared work, unauthorized presence and economic crime, while also contributing to a safer and more orderly working environment. (MDR-A, 68, a–c)

The measures described above to prevent and detect corruption and bribery are implemented within the Group and constitute an integral part of ongoing operations. Although some risk of corruption and bribery may remain in connection with procurement and purchasing, the Group has not identified any need to introduce additional resources or measures to address these risks. (MDR-A, 69 a)

In the event of suspicion of corruption or bribery, employees within the Group shall contact their immediate manager, a member of the relevant unit's management team, the HR department or the company's legal counsel.

If this does not lead to a resolution, or if the matter is sensitive, the externally independent whistleblowing function shall be used. (G1-3, 18 a, b)

The independent party conducts an initial assessment of submitted whistleblowing cases and, depending on the nature of the case, K-Fastigheter's Head of HR or legal counsel is subsequently contacted with a recommended course of action. (G1-3, 18 c)

[G1-4] Incidents of corruption or bribery

The number of reported cases of corruption and bribery is compiled in connection with the year-end closing. Reported cases may be submitted through internal channels or via the external whistleblowing function in accordance with the procedures described in section S1-3. (G1-4, 22–23)

K-Fastigheter has had no suspected or confirmed cases of corruption or bribery during the reporting period. There are also no suspected or confirmed cases relating to agreements with suppliers or contractors. No criminal proceedings concerning corruption or bribery have been initiated against K-Fastigheter or its employees. Accordingly, no convictions have been issued and no direct measures have been required. (G1-4, 24 a, b)

Corruption & bribery	2025	2024
Number of reported incidents of corruption and bribery	0	0
Number of confirmed cases of corruption and bribery	0	0
Number of convictions	0	0

Calculation method: The number of confirmed cases consists of reported cases where internal or external independent investigations demonstrate that corruption or bribery has actually occurred. (MDR-M, 77 a–d)

[G1-6] Payment practices

Terms and payment periods are defined upon contracting with all suppliers, regardless of procurement category. Where necessary, K-Fastigheter engages in dialog with suppliers and other parties to ensure that all contractual terms are fulfilled before payment is made. As a standard, the Group applies a payment term of 30 days from the date the invoice is received. Longer payment periods may be applied by agreement, typically 45 or 60 days.

K-Fastigheter's finance department conducts continuous follow-up of incoming invoices and payments to suppliers. For the full year 2025, K-Fastigheter had an average payment period of 37 days, and Brinova had an average payment period of 30 days. (G1-6, 33 a, b, d) (MDR-M, 77 a–c)

INDEX OF DATA POINTS DERIVED FROM OTHER EU LEGISLATION

The following table presents an index of datapoints from other EU legislation and a description of whether they have been assessed as material for K-Fastigheter or not. The table also indicates which disclosure requirements are not applicable to K-Fastigheter's operations or which the Group has chosen to phase in.

Table of disclosure requirements from other EU legislation.

Disclosure requirement and related datapoint	Reference in the Sustainability Disclosures Regulation	Reference in the Pillar 3 framework	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page reference/materiality
ESRS 2 GOV-1 Gender diversity on boards, paragraph 21(d)	Indicator No. 13, Table 1 in Annex I	–	Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	–	42
ESRS 2 GOV-1 Percentage of independent board members, paragraph 21(e)	–	–	Annex II to Delegated Regulation (EU) 2020/1816	–	42
ESRS 2 GOV-4 Due diligence statement, paragraph 30	Indicator No. 10, Table 3 in Annex I	–	–	–	45
ESRS 2 SBM-1 Involvement in activities related to fossil fuels, paragraph 40(d)	Indicator No. 4, Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risks	Annex II to Delegated Regulation (EU) 2020/1816	–	Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	Indicator No. 9, Table 2 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816	–	Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Indicator No. 14, Table 1 in Annex I	–	Article 12.1 of Delegated Regulation (EU) 2020/1818 (7), Annex II to Delegated Regulation (EU) 2020/1816	–	Not applicable
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco, paragraph 40(d)(iv)	–	–	Article 12.1 of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816	–	Not applicable
ESRS E1-1 Transition plan for climate neutrality by 2050, paragraph 14	–	–	–	Regulation (EU) 2021/1119, Article 2.	53
ESRS E1-1 Undertakings excluded from EU Paris-aligned benchmarks, paragraph 16(g)	–	–	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Activities outside the trading book – climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 12.1(d)–(g) and Article 12.2	Not applicable
ESRS E1-4 Greenhouse gas emission reduction targets, paragraph 34	Indicator No. 4, Table 2 in Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Activities outside the trading book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	–	54–55
ESRS E1-5 Energy consumption from fossil sources disaggregated by source (high climate impact sectors only), paragraph 38	Indicator No. 5, Table 1 and Indicator No. 5, Table 2 in Annex I	–	–	–	Not applicable
ESRS E1-5 Energy consumption and energy mix, paragraph 37	Indicator No. 5, Table 1 in Annex I	–	–	–	55
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40–43	Indicator No. 6, Table 1 in Annex I	–	–	–	Not applicable

INDEX OF DATAPOINTS FROM OTHER EU LEGISLATION, CONT.

Table of disclosure requirements from other EU legislation.

Disclosure requirement and related datapoint	Reference in the Sustainability Disclosures Regulation	Reference in the Pillar 3 framework	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page reference/materiality
ESRS E1-6 Gross and total greenhouse gas emissions Scope 1, 2 and 3, paragraph 44	Indicator No. 1 and Indicator No. 2, Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Activities outside the trading book – climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5.1, 6 and 8.1	–	56
ESRS E1-6 Gross greenhouse gas emissions intensity, paragraphs 53–55	Indicator No. 3, Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Activities outside the trading book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8.1	–	56
ESRS E1-7 Greenhouse gas removals and carbon credits, paragraph 56	–	–	–	Regulation (EU) 2021/1119, Article 2.1	Not material
ESRS E1-9 Exposure of the reference portfolio to climate-related physical risks, paragraph 66	–	–	Annex II to Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816	–	Phased-in
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets exposed to material physical risk, paragraph 66(c)	–	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47: Template 5: Outside the trading book – climate change physical risk: Exposures subject to physical risk	–	–	Phased-in
ESRS E1-9 Breakdown of the carrying amount of real estate assets by energy efficiency classes, paragraph 67(c)	–	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2 – Climate change transition risk outside the trading book: Loans collateralized by immovable property – Energy efficiency of collateral	–	–	Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	–		Annex II to Delegated Regulation (EU) 2020/1818	–	Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II to the Regulation on a European Pollutant Release and Transfer Register released to air, water and land, paragraph 28	Indicator No. 8, Table 1 in Annex I, Indicator No. 2, Table 2 in Annex I, Indicator No. 1, Table 2 in Annex I, Indicator No. 3, Table 2 in Annex I	–	–	–	57
ESRS E3-1 Water and marine resources, paragraph 9	Indicator No. 7, Table 2 in Annex I	–	–	–	57
ESRS E3-1 Specific policy, paragraph 13	Indicator No. 8, Table 2 in Annex I	–	–	–	58
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator No. 12, Table 2 in Annex I	–	–	–	Not material
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Indicator No. 6.2, Table 2 in Annex I	–	–	–	58
ESRS E3-4 Total water consumption in m³ per net revenue from own operations, paragraph 29	Indicator No. 6.1, Table 2 in Annex I	–	–	–	58
ESRS 2 SBM-3 – E4, paragraph 16 (a)	Indicator No. 7, Table 1 in Annex I	–	–	–	Not material
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	Indicator No. 10, Table 2 in Annex I	–	–	–	Not material
ESRS 2 SBM-3 – E4, paragraph 16 (c)	Indicator No. 14, Table 2 in Annex I	–	–	–	Not material
ESRS E4-2 Sustainable land/agricultural practices/policies, paragraph 24 (b)	Indicator No. 11, Table 2 in Annex I	–	–	–	Not material
ESRS E4-2 Sustainable practices/policies for sustainability in oceans and seas, paragraph 24 (c)	Indicator No. 12, Table 2 in Annex I	–	–	–	Not material

INDEX OF DATAPOINTS FROM OTHER EU LEGISLATION, CONT.

Table of disclosure requirements from other EU legislation.

Disclosure requirement and related datapoint	Reference in the Sustainability Disclosures Regulation	Reference in the Pillar 3 framework	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page reference/materiality
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator No. 15, Table 2 in Annex I	–	–	–	Not material
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator No. 13, Table 2 in Annex I	–	–	–	61
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No. 9, Table 1 in Annex I	–	–	–	Not applicable
ESRS 2 SBM-3 – S1 Risk of exposure to forced labor, paragraph 14 (f)	Indicator No. 13, Table 3 in Annex I	–	–	–	Phased-in
ESRS 2 SBM-3 – S1 Risk of exposure to child labor, paragraph 14 (g)	Indicator No. 12, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-1 Commitments in human rights policy, paragraph 20	Indicator No. 9, Table 3 and Indicator No. 11, Table 1 in Annex I	–	–	–	Phased-in
ESRS S1-1 Due diligence strategies on matters covered by the International Labour Organization (ILO) Fundamental Conventions 1–8, paragraph 21	–	–	Annex II to Delegated Regulation (EU) 2020/1816	–	Phased-in
ESRS S1-1 Processes and measures to prevent human trafficking, paragraph 22	Indicator No. 11, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-1 Policy for the prevention of workplace accidents or a system for managing such accidents, paragraph 23	Indicator No. 1, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-3 Grievance mechanisms related to employee matters, paragraph 32 (c)	Indicator No. 5, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraphs 88 (b) and (c)	Indicator No. 2, Table 3 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816	–	Phased-in
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator No. 3, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator No. 12, Table 1 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816	–	Phased-in
ESRS S1-16 Excessive CEO pay, paragraph 97 (b)	Indicator No. 8, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-17 Cases of discrimination, paragraph 103 (a)	Indicator No. 7, Table 3 in Annex I	–	–	–	Phased-in
ESRS S1-17 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104 (a)	Indicator No. 10, Table 1 and Indicator No. 14, Table 3 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816, Article 12.1 of Delegated Regulation (EU) 2020/1818	–	Phased-in
ESRS 2 – SBM[3] – S2 Significant risk of child labor, or of forced labor or compulsory labor, among workers in the undertaking's value chain 11 b	Indicator No. 12 and Indicator No. 13, Table 3 in Annex I	–	–	–	Phased-in
ESRS S2-1 Commitments in human rights policy, paragraph 17	Indicator No. 9, Table 3 and Indicator No. 11, Table 1 in Annex I	–	–	–	Phased-in
ESRS S2-1 Policies for workers in the value chain, paragraph 18	Indicator No. 11 and Indicator No. 4, Table 3 in Annex I	–	–	–	Phased-in
ESRS S2-1 Does not respect the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator No. 10, Table 1 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816, Article 12.1 of Delegated Regulation (EU) 2020/1818	–	Phased-in
ESRS S2-1 Due diligence strategies on matters covered by the International Labour Organization (ILO) Fundamental Conventions 1–8, paragraph 19	–	–	Annex II to Delegated Regulation (EU) 2020/1816	–	Phased-in
ESRS S2-4 Human rights issues and human rights cases related to the company's value chain upstream and downstream, paragraph 36	Indicator No. 14, Table 3 in Annex I	–	–	–	Phased-in

INDEX OF DATAPOINTS FROM OTHER EU LEGISLATION, CONT.

ESRS S3-1 Human rights commitments, paragraph 16	Indicator No. 9, Table 3 in Annex I and Indicator No. 11, Table 1 in Annex I	–	–	–	Not material
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business and Human Rights, ILO principles, or OECD Guidelines, paragraph 17	Indicator No. 10, Table 1 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816, Article 12.1 of Delegated Regulation (EU) 2020/1818	–	Not material

Table of disclosure requirements from other EU legislation.

Disclosure requirement and related datapoint	Reference in the Sustainability Disclosures Regulation	Reference in the Pillar 3 framework	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page reference/materiality
ESRS S3-4 Human rights issues and human rights incidents, paragraph 36	Indicator No. 14, Table 3 in Annex I	–	–	–	Not material
ESRS S4-1 Policies for consumers and end-users, paragraph 16	Indicator No. 9, Table 3 and Indicator No. 11, Table 1 in Annex I	–	–	–	Not material
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Indicator No. 10, Table 1 in Annex I	–	Annex II to Delegated Regulation (EU) 2020/1816, Article 12.1 of Delegated Regulation (EU) 2020/1818	–	Not material
ESRS S4-4 Human rights issues and human rights incidents, paragraph 35	Indicator No. 14, Table 3 in Annex I	–	–	–	Not material
ESRS G1-1 UN Convention against Corruption, paragraph 10 (b)	Indicator No. 15, Table 3 in Annex I	–	–	–	66–67
ESRS G1-1 Whistleblower protection, paragraph 10 (d)	Indicator No. 6, Table 3 in Annex I	–	–	–	66–67
ESRS G1-4 Fines for violations of anti-corruption and bribery laws, paragraph 24 (a)	Indicator No. 17, Table 3 in Annex I	–	Delegated Regulation (EU) 2020/1816, Annex II	–	67
ESRS G1-4 Anti-corruption and anti-bribery standards, paragraph 24(b)	Indicator No. 16, Table 3 in Annex I	–	–	–	67