



Sustainability Appendix

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Appendix A. Climate scenarios

Hufvudstaden has used scenario analyses to understand and assess climate risks. The scenario analyses are based on two different climate scenarios: one in which emissions remain at current levels and become negative by 2100 (RCP 2.6), and one where emissions are three times higher

than today by 2100 (RCP 8.5). The table below summarises the analysed climate scenarios as well as identified risks, opportunities, and assessed financial impact.

Scenario description	Risks	Opportunities	Potential financial impact
In line with the Paris Agreement (RCP 2.6)			
Average temperature in Sweden increases by about 2 degrees by 2100 as a result of effective global climate cooperation with stricter regulations, technological development, and high demands from customers and investors. Carbon dioxide emissions are halved by 2050, carbon taxes increase, and energy intensity is low. Extreme weather events become more frequent, and regulations with sustainability requirements affect construction and reporting. ¹⁾	<ul style="list-style-type: none"> Higher taxes and fees, as well as increased regulations. Challenges in improving energy efficiency in older and heritage-protected properties. Stricter requirements to reduce emissions in the value chain require business changes. Higher costs for energy, materials, and transport. Increased need for investments for energy efficiency and climate adaptation. 	<ul style="list-style-type: none"> Urbanisation and densification increase the attractiveness of the portfolio. Increased demand for innovation, new technology, and efficient use of properties. Energy efficiency reduces costs. Sustainability requirements from customers and investors strengthen attractiveness as a property owner and investment. 	<ul style="list-style-type: none"> More investments and costs for climate transition. Potential for higher rents and values for climate-adapted properties.
Emissions remain at current levels (RCP 8.5)			
Climate and transition policies fail, and climate requirements from customers and investors do not materialise. Average temperature in Sweden increases by about 5 degrees by 2100, with significantly increased precipitation, rising sea levels, and more extreme weather events that drive reactive operations. Energy intensity is high with continued heavy reliance on fossil fuels, while climate change drives migration and increases Sweden's population. ¹⁾	<ul style="list-style-type: none"> Damage to properties from extreme weather and flooding. Greater shortage of electricity and energy. Lack of climate adaptation can make properties temporarily unusable and less attractive. Increased costs not covered by insurance. 	<ul style="list-style-type: none"> Increased need for climate adaptation drives collaboration between cities and stakeholders. Greater willingness to pay for climate adaptation. Climate-adapted properties make Hufvudstaden a more attractive property owner. 	<ul style="list-style-type: none"> Increased investments in managing climate change and higher energy, operating, maintenance, and insurance costs. Lower value and income for non-climate-adapted properties. Higher value for climate-adapted properties.

¹⁾ Source: smhi.se/klimat/framtidens-klimat/fordjupade-klimatscenarioer



Appendix B. Taxonomy reporting

The EU Taxonomy Regulation is a guide for financial actors to identify economic activities that significantly contribute to achieving the EU's climate goals and green growth strategy. The Taxonomy Regulation is based on six environmental objectives. For Hufvudstaden, economic activities with significant climate impact and measures taken for climate change adaptation (environmental objectives one and two) are considered applicable. For the construction of new buildings and renovation of existing buildings, circular economy (environmental objective four) is also considered applicable.

The reporting must include the proportion of turnover, investments, and operating expenses that are taxonomy-eligible and taxonomy-aligned. The calculation of key figures has been made in accordance with the definitions in the delegated act on disclosure obligations under the Taxonomy Regulation.

An eligible economic activity is considered aligned if it meets the requirements for substantial contribution to at least one of the six environmental objectives, does no significant harm to any of the objectives, and meets the requirements for minimum social safeguards.

Hufvudstaden's taxonomy reporting is voluntary.

Minimum safeguards

The requirements for minimum social safeguards cover human rights, anti-bribery and corruption, taxation, and fair competition. Compliance is assessed from a two-dimensional perspective: preventive measures through implemented processes for handling each area, and retrospective checks of the effectiveness of these measures through outcome reviews. Hufvudstaden meets the requirements for minimum safeguards. Read more about how we work with these areas on pages 42–43, 96–100, and 104–107 in Hufvudstaden's 2025 Annual Report.

Applicable economic activities

Hufvudstaden has assessed that the applicable taxonomy activity for turnover and operating expenses is activity 7.7 Ownership and acquisition of buildings. Regarding applicable CapEx, the majority relates to activity 7.7. In cases where applicable CapEx occur in properties that are not aligned, they are assessed against activities 7.1–7.6; see definitions on the next page.

Ownership and acquisition of buildings

Substantial contribution to climate change mitigation

Buildings constructed before 31 December 2020 with energy class A or that are included among the top 15 per cent of the national building portfolio in terms of energy efficiency meet the requirements for substantial contribution. The top 15 per cent is assessed based on threshold values for energy performance developed by the Swedish Property Federation. Hufvudstaden uses current energy declarations for each property when assessing the top 15 per cent.

Do no significant harm

Climate risk and vulnerability analyses have been carried out for all investment properties (in accordance with Appendix A of the Taxonomy Regulation). Based on the results, an assessment has been made as to whether the individual property is at significant risk of economic damage. Properties with no or low risk profile are considered to meet the requirement of not causing significant harm for a climate-adapted property. Properties with a material risk profile meet the requirement if the property at risk has an action plan for climate change adaptation activities that is followed up annually.

Turnover

Total turnover is stated in Note 2. Taxonomy-eligible turnover includes rental and service income from investment properties as well as income from Cecil Coworking and Parkaden, which are reported in the Other Operations segment. Eligible turnover alignment is assessed against activity 7.7, environmental objective one, and is considered aligned if the criteria described above are met. Aligned turnover amounts to 15 per cent (15) of total turnover.

CapEx

Total CapEx refers to value-enhancing measures and acquisitions in investment properties (Note 14) as well as investments in intangible assets and equipment (Notes 13 and 15). If a property is aligned, investments in that property are eligible and aligned and reported under activity 7.7. Investments in a property that is not aligned are assessed at the project level against the technical screening criteria for substantial contribution and do no significant harm for the applicable economic activity. These are reported under activities 7.1–7.6. All CapEx reported for activities 7.1–7.7 is attributable to investment properties. When assessing taxonomy alignment, the precautionary principle is applied, which means that the CapEx is considered not to be taxonomy-aligned if there is no data to assess compliance. Aligned CapEx have decreased to 8 per cent (9).

OpEx

Total eligible OpEx refers to repairs and maintenance. Eligible OpEx in investment properties include costs for renovation, property management, control systems, daily and planned maintenance, and repairs. If a property is aligned, eligible OpEx in that property are aligned under activity 7.7. OpEx are not assessed at the project level. Aligned OpEx have increased to 18 per cent (11).

Overview 2025		Breakdown by environmental objectives of Taxonomy aligned activities														
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered nonmaterial (14)	Taxonomy aligned activities in previous financial year, 2024 (15)	Proportion of Taxonomy aligned activities in previous financial year, 2024 (16)	
					Climate change Mitigation (6)	Climate change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)						
	SEK m	%	SEK m	%	%	%	%	%	%	%	%	%	%	SEK m	%	
Turnover	3,292	72	480	15	15									28	476	15
CapEx	1,179	98	90	8	8						1			2	88	9
OpEx	66	93	12	18	18									7	9	11



Turnover 2025		Proportion of Taxonomy eligible Turnover (3)	Taxonomy aligned Turnover (4)	Proportion of Taxonomy aligned Turnover (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Economic activities (1)	Code (2)				Climate change Mitigation (6)	Climate change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
		%	SEK m	%	%	%	%	%	%	%	E	T	%
Acquisition and ownership of buildings	CCM 7.7	72	480	15	15								21
Total alignment per objective					15								
Total Turnover		72	480	15	15								21

CapEx 2025		Proportion of Taxonomy eligible CapEx (3)	Taxonomy aligned CapEx (4)	Proportion of Taxonomy aligned CapEx (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Economic activities (1)	Code (2)				Climate change Mitigation (6)	Climate change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
		%	SEK m	%	%	%	%	%	%	%	E	T	%
Renovation of existing buildings	CCM & CCA 7.2/CE 3.2	60	0	0	0								0
Energy-efficient equipment	CCM & CCA 7.3	2	0	0	0								0
Charging stations for electric vehicles in buildings	CCM & CCA 7.4	1	10	1	1						E		100
Devices for energy performance of buildings	CCM & CCA 7.5	0	3	0	0						E		0
Acquisition and ownership of buildings	CCM & CCA 7.7	35	77	7	7								20
Total alignment per objective					8								
Total CapEx		98	90	8	8						1%		8

OpEx 2025		Proportion of Taxonomy eligible OpEx (3)	Taxonomy aligned OpEx (4)	Proportion of Taxonomy aligned OpEx (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Economic activities (1)	Code (2)				Climate change Mitigation (6)	Climate change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
		%	SEK m	%	%	%	%	%	%	%	E	T	%
Acquisition and ownership of buildings	CCM 7.7	93	12	18	18								19
Total alignment per objective					18								
Total OpEx		93	12	18	18								19

Applicable Economic Activities

- 7.1/3.1 Construction of new buildings
- 7.2/3.2 Renovation of existing buildings
- 7.3 Installation, maintenance, and repair of energy-efficient equipment
- 7.4 Installation, maintenance, and repair of electric vehicle charging stations in buildings
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling building energy performance
- 7.6 Installation, maintenance, and repair of renewable energy technologies
- 7.7 Ownership and acquisition of buildings



Appendix C. Policies

Hufvudstaden has established policies and guidelines for managing material sustainability matters. The table below provides detailed information on these policies and guidelines.

Main content and purpose	Material impacts, risks and opportunities	Scope	Responsibility for implementation	External initiatives
Sustainability Policy (Website)				
The Sustainability Policy forms the foundation of sustainability work. It describes Hufvudstaden's overall direction and principles regarding environmental, social, and economic sustainability.	The Sustainability Policy addresses, among other things, the Group's climate impact, where key aspects include energy efficiency, renewable energy, resource use, and circular economy. The policy also covers social sustainability in terms of health and safety, inclusion, and human rights, as well as compliance with laws and principles for business ethics. These areas are central to reducing risks related to environmental, social, and governance issues and to increasing Hufvudstaden's competitiveness.	Group	Head of Sustainability	UN Sustainable Development Goals UN principles on human rights, labor, environment, and anti-corruption UN Universal Declaration of Human Rights OECD Guidelines for Multinational Enterprises ILO's eight core conventions Paris Agreement 1.5°C target
Supplier Code of Conduct (Website)				
The Code of Conduct sets out principles and requirements for suppliers to act legally, ethically, and responsibly in line with the company's values and sustainability goals, and to respect human rights, with zero tolerance for child labor, forced labor, and human trafficking. Suppliers are responsible for imposing equivalent requirements on their subcontractors.	The Code addresses risks of non-compliance with human rights, deficiencies in health and safety and working conditions, unethical behavior, corruption, and sustainability risks in the supply chain.	Suppliers and business partners	All employees entering into agreements with suppliers are responsible for ensuring compliance with the Code. Proper implementation is ensured through follow-up such as evaluations and audits.	See Sustainability Policy
HR Policy (Internal document)				
The HR Policy describes how the company works with employee-related matters to promote a sustainable, inclusive, and developmental work culture.	The policy covers values and corporate culture, health and safety, competence development, leadership, engagement, human rights, diversity, gender equality, and inclusion. Active work on health and safety and inclusion creates conditions for engaged employees and strengthens attractiveness as an employer.	Group	HR Manager	
Employee Code of Conduct (Website)				
The Code describes Hufvudstaden's values and corporate culture and the principles for how employees should act to promote a safe, respectful, and professional health and safety.	The Code covers areas such as ethics, bribery and corruption, health and safety, and human rights. By clarifying the company's values and expectations, the Code strengthens Hufvudstaden's culture, reduces risks, and creates conditions for a safe and pleasant health and safety.	Group	HR Manager is responsible for ensuring that employees understand and sign the Code. All employees and temporary staff undergo annual training.	See Sustainability Policy
Environmental Programme Guideline (Website)				
The Environmental Programme describes Hufvudstaden's environmental objectives and requirements for refurbishments, new construction, tenant adaptations, and maintenance. The purpose is to minimise environmental impact during construction projects.	The programme governs the management of climate impact during development projects, including energy use, renewable energy, reuse and recycling, and waste management according to the waste hierarchy. It also addresses compliance with legal, regulatory, and other requirements to reduce risks associated with development projects.	Suppliers including contractors	Project Managers are responsible for implementing and monitoring the Environmental Programme during projects.	
Health and safety Guideline (Internal document)				
The guideline describes how Hufvudstaden should work to ensure a good and safe health and safety, including preventing ill health and work-related injuries.	The guideline covers systematic health and safety management, corporate culture, support, rehabilitation, and training to promote a healthy, safe, and developmental workplace.	Group	HR Manager	
Security Policy (Internal document)				
The Security Policy describes the overall security work within the Group.	The policy addresses how the company works to prevent and mitigate risks in areas such as physical security, information security, IT security, fire protection, and crisis management.	Employees, suppliers, and business partners	Responsibility is allocated according to respective areas of expertise. Security work is evaluated and improved continuously.	
Whistleblowing Policy (Website)				
The Whistleblowing Policy describes what can be reported via the whistleblowing service and the protection provided to whistleblowers, aiming to enable safe and confidential reporting without risk of retaliation.	The policy aims to mitigate risks related to, for example, corruption, bribery, harassment, and legal violations by enabling early detection and reporting of irregularities.	Group and other stakeholders	Head of Sustainability. Whistleblowing cases are received by an external party to ensure independence and anonymity.	