

SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

LASTING SUSTAINABILITY

2021 was yet another an active year for Nyfosa. Through acquisitions for just over SEK 6 billion, we added a further 86 properties to our portfolio and made investments worth approximately MSEK 475 in existing properties.

A property portfolio in constant change such as Nyfosa's places special demands on the sustainability agenda, something we have worked hard on during the year. With clear structure and a great deal of dedication, we take responsibility as a company for contributing to both a sustainable future and to sustained profitability.

Nyfosa's vision is to be the property company in Sweden that is the best at creating value. We believe systematic sustainability work creates the best conditions to do good business, just as a focus on the business contributes to sustainable property ownership. To reduce negative climate change, we must work from a long-term perspective that can be used in our transaction-based operations. This means we shoulder our responsibility as landlord, employer, business partner, lender and to our shareholders by, among other things, following the Ten Principles of the UN Global Compact for corporate sustainability.

In 2021, property management continued its efforts to achieve our sustainability targets. To bolster both expertise and the muscle to get things done, we recruited property management talent to our local management teams. This addition has provided more effective property management and more effective property operations. It has also facilitated the concentrated efforts that have been spent on sustainability certification of buildings and laid the foundation for further improvements to cut energy consumption.

Considerable focus was directed at reducing energy consumption and we worked in a structured way, building by building, to identify the correct measures and investments. This leads to many large and small projects aimed at improving our portfolio in various ways—from installation of solar cell facilities and improved surface water management to more systematized follow-up of materials use for greater resource efficiency.

During the year, we increased the share of our property portfolio that has sustainability certification to 15 percent of the property value. With this as our platform, we have the requisites to heighten the share of green financing that we initiated in 2021 by establishing a green finance framework.

From the very start, Nyfosa has had a major focus on growth. With our brief history, rapid growth rate and an average holding period of 1.5 years per property, this is a good step forward. This work continues to cultivate resilient operations that have a lower climate impact. Doing so improves the prerequisites for healthy growth and profitability as we advance towards our goals.

Stina Lindh Hök
CEO



“Considerable focus is devoted to cutting energy consumption in the portfolio.”

STINA LINDH HÖK, CEO



SUSTAINABILITY INITIATIVES 2021

A WORKPLACE FOR GROWTH AND DEVELOPMENT

At Nyfosa, we believe in knowledge as a driver to achieve more. If you have the right expertise, you make good decisions, which in turn lead to better business and more sustainable communities. Knowledge also enables us to change risks into business opportunities and ensure that our actions today make a positive contribution to the future.

We work actively to be an employer that offers a creative, open and stimulating work environment with a focus on proximity to business decisions, inclusion in business development and personal development for all employees. To be an attractive employer of tomorrow, we collaborate with local schools by offering students internships or degree projects. Through this collaboration, we can help to spread practical knowledge to the students while simultaneously boosting interest and securing regrowth

in the industry. In 2021, we had the opportunity to get to know three students and realize their potential, which later resulted in recruitments.

Today, Nyfosa is one of few listed companies that has a relatively even distribution of both men and women in various professions within the organization as well as on the management team and the Board. This demands that we continuously foster a corporate culture of equality and strive to ensure that everyone has the right conditions to continue to grow and develop within the company.

It is through our offering that we persuade people to remain and advance within the company, while also attracting new talented employees.

"Nyfosa has so many dedicated employees, so much energy and so many

people in the organization who can advance within the company through the projects we work on and through various types of skills development," says Stina Lindh Hök, Nyfosa's CEO.



Property management offices

SUSTAINABILITY – GOVERNANCE AND RESPONSIBILITY

Nyfosa is to conduct its operations with the aim of generating returns to the shareholders. Focus on profitability does not rule out sustainable business; rather it is a prerequisite to make the right decisions when choosing the direction forward. Nyfosa is responsible in all of its relationships, as employer, landlord and lender, toward society and the climate and as manager of the shareholders' capital.

To ensure that sustainability issues are a natural part of operations and that the work contributes to the company's financial targets, the company sets a number of sustainability targets every year. Nyfosa is to achieve growth in the distributable cash flow per share of 10 percent per year. Growth will take place in a manner whereby the financial risks are kept at a manageable level. This means the company must not assume too much debt relative to the properties' value. Nor must the costs of debt financing become too high in relation to earnings from property management. Investments we make in the properties will, among other things, contribute to an optimized operating expense through lower energy consumption, more reliable earnings and/or lower financing costs through green financing. The task of gaining sustainability certification for the buildings contributes to greater insight into each building's unique status and results in documented data for deciding on possible streamlined consumption.

Pages 10–13 of the Annual Report include a presentation of the company's targets, strategies and business model. Sustainability is an integrated part of all of these aspects.

Sustainability policy

Every year, Nyfosa's Board adopts the company's sustainability policy and other related policies, see www.nyfosa.se. The sustainability policy establishes how Nyfosa is to take environmental responsibility in transactions and property management, take social responsibility toward employees, tenants and suppliers, and to act with good business ethics, prevent money laundering and encourage all stakeholders in Nyfosa to come forward and report suspected misconduct at Nyfosa.

Continuous evaluation is taking place, in both the management team and on the Board, of how Nyfosa's sustainability agenda can make the best possible contribution to a sustainable society. With a growth strategy and opportunistic business concept, it is necessary to continuously return to, and reassess, previously adopted policies and goals.

Environmental responsibility

The company's environmental policy is established in the Sustainability policy, which offers guidance to the organization.

- Work actively to enhance the energy optimization of our buildings and premises.
- Be aware of the environmental risks and environmental liabilities associated with the properties and, when taking actions, draw up long-term sustainable solutions.
- Work with the tenants to achieve a healthy indoor environment.

OVERALL STANDPOINT

Nyfosa endorses the declaration of Fossil Free Sweden, which aims to halve carbon emissions from the construction and civil engineering sector between 2020 and 2030, halving them again between 2030 and 2040 to finally become climate neutral in 2045. Nyfosa subscribes to Agenda 2030 and the Ten Principles of the UN Global Compact. The company's efforts are to contribute to sustainable development, both locally and globally. The aim of the 2030 Agenda's 17 Global Sustainable Development Goals is to eradicate extreme poverty, reduce inequality and injustice, promote peace and justice and solve the climate crisis.



The Sustainable Development Goals and the 2030 Agenda constitute an overriding structure for our sustainability agenda, how we measure our outcomes and what we should measure.



Nyfosa subscribes to the Ten Principles of the UN Global Compact for corporate sustainability.

- Implement environmentally compatible conversions.
- Subject our suppliers to environmental and sustainability requirements.
- Raise the level of environmental and sustainability expertise and awareness among our employees.

Social Responsibility

Nyfosa is to offer a creative, open and stimulating work environment with a focus on inclusion and personal development. The company has decided to have a relatively small and efficient organization with short decision-making paths, where all employees have an awareness and understanding of the company's objectives and strategy.

Nyfosa is to promote health and create a healthy and secure work environment for all its employees. Equality efforts are to be a natural part of Nyfosa's operations. The conditions, rights and development opportunities of men and women must be equal within the entire company. Nyfosa is to help women and men to combine parenthood with working life. Of particular importance is that both women and men are given every opportunity to take parental leave or leave to care for children.

Nyfosa's tenants must always be able to rely on the fact that Nyfosa's properties offer a work environment that is safe, accessible and healthy. Nyfosa is to create, maintain and develop efficient procedures and methods for handling safety in and around buildings at Nyfosa's properties and to comply with prevailing requirements from public authorities.

Governance

Good business ethics and trusting relations are important starting points both internally and in contacts with external parties. Nyfosa's employees play a key role in alerting us if they suspect someone in operations is violating the company's ethical guidelines. Misconduct could include economic irregularities and corruption, serious harassment or discrimination, safety risks in the workplace or suspected environmental crimes. Employees are encouraged to speak with their immediate supervisor first. If they prefer to be anonymous, we offer a safe channel for reporting and dialogue through a whistleblower function, that is also available to external parties.

Sustainable Development Goals

Nyfosa has identified 12 Sustainable Development Goals on which the operations have a direct or indirect influence and that will lead sustainability efforts forward. On the basis of these 12 goals, Nyfosa has decided to prioritize two goals where we believe we have particular opportunity to influence: Gender Equality and Climate Action.

► You can read more about Nyfosa's governance and policies on the website, www.nyfosa.se



Nyfosa's focus in 2021



► Read more about Nyfosa's efforts with the UN Sustainable Development Goals on www.nyfosa.se



SUSTAINABILITY GOALS AND FOLLOW-UP

Supplier responsibility

Description

Nyfosa's suppliers are considered an extension of its own operations. The reason for adopting a Code of Conduct for Suppliers is to ensure that the working conditions at the companies that supply goods and services to the company fulfill Nyfosa's requirements in terms of work environment and ethical standards and that the assignment is conducted in an environmentally conscious manner. The largest suppliers are now aware that we prioritize working with those who have confirmed meeting Nyfosa's requirements. The work will be driven by day-to-day purchasing operations.

Goal:

In 2021, Nyfosa will adopt a Code of Conduct for Suppliers and obtain confirmation of the Code of Conduct from the largest suppliers.

Result 2021:

The Code of Conduct for Suppliers has been adopted and the suppliers who account for 20 percent of total purchased have confirmed it.



Green appendix leases

Description

Nyfosa offers a green appendix to its leases. The appendix is based on an agreement template for new and renegotiated leases issued by the Swedish Property Federation. A green appendix represents a way for the tenant and the property owner to work together to achieve more sustainable buildings. The portfolio's growing share of green appendixes has contributed to greater knowledge about how we, together with the tenants, can reduce our climate footprint. The work will be driven by day-to-day property management.

Goal:

In 2021, 100 new leases or renegotiated leases will include a green appendix.

Result 2021:

161 appendixes were signed during the year.



Sustainability certification

Description

By using sustainability certifications in our buildings, Nyfosa can ensure that sustainability issues are given a distinct focus in the organization. Certification facilitates green financing and entails a detailed documentation of the environmental performance of the building, which is valuable during the time we own it and as part of a sales process.

Goal:

By 2025, properties corresponding to 50 percent of the property value will have sustainability certification and 100 percent by 2030.

Result 2021:

43 properties with a value of SEK 5.6 billion had sustainability certification, corresponding to 15 percent of the property value.





Streamlined consumption

Description

Heating and cooling our premises uses a large amount of energy. We can reduce energy consumption in Nyfosa's properties through the installation of new technology or investments in other measures. The return on investments in reducing energy consumption is through lower operating expenses, and also lower carbon emissions.

Goal:

By 2025, energy consumption per sqm will have fallen by 10 percent compared with 2020.

Result 2021:

During the year, energy consumption rose in the like-for-like portfolio by 2 percent compared with the base year of 2020. The increase was due in part to premises being used to a greater extent than in 2020 when working from home was more common due to the pandemic.



Carbon emissions

Description

Carbon emissions have a significant environmental and climate impact. It is critical to minimize emissions to promote the climate and contribute to a good environment for future generations. Nyfosa works actively to reduce carbon emissions from operations through efficient use of resources and evaluating investments in, or purchase of, renewable energy.

Goal:

Nyfosa will act to minimize the operation's carbon emissions.

Result 2021:

New target 2022



Gender equality

Description

The number of Nyfosa employees is increased through new recruitments and by absorbing employees that come with completed acquisitions. We have been successful in achieving equality in recruitment but must continue to strive to even out gender differences in each professional group. Efforts will be driven forward in the entire organization.

Goal:

In the longer term, Nyfosa is to achieve equality in the property management organization with at least 40 percent of women and men in each professional group.

Result 2021:

Only a few professions within the company have an uneven gender distribution. The management team comprises two men and three women, and the Board comprises four men and three women.





SUSTAINABILITY INITIATIVES 2021

SUSTAINABILITY CERTIFICATION

Concentrated efforts to secure sustainability certification for Nyfosa's buildings continued throughout the year. The primary purpose of certification is to raise demand from potential tenants and heighten net operating income in the form of lower operating expenses. Furthermore, the review process also highlights the potential for improvement and serves as a solid data for deciding on any investments. In addition to the actual property's value, sustainability certification helps to ensure that sustainability issues receive a clear focus in the organization. Sustainability certifications are also data for green financing decisions and provide a detailed

documentation of the environmental performance of the building, which is valuable during the time Nyfosa owns the property and as part of a sales process.

During the year, 24 new certifications were completed and, of the acquired properties, eight had a sustainability certification on the transfer date. The year's completed certification include Örebro Karossen 5 at the BIU Very Good level and Huddinge Pentagonen 1 at the BIU Good level. Examples of acquired properties holding a sustainability certification are Jyväskylä Mattilanniemi 6&8 in accordance with the Very Good level of BREEAM.

On December 31, 2021, properties holding a sustainability certification within SGBC's framework for environmental certification made up 15 percent of the total property value. Nyfosa's target is that 50 percent of the property value will have sustainability certification by 2025 and 100 percent by 2030.



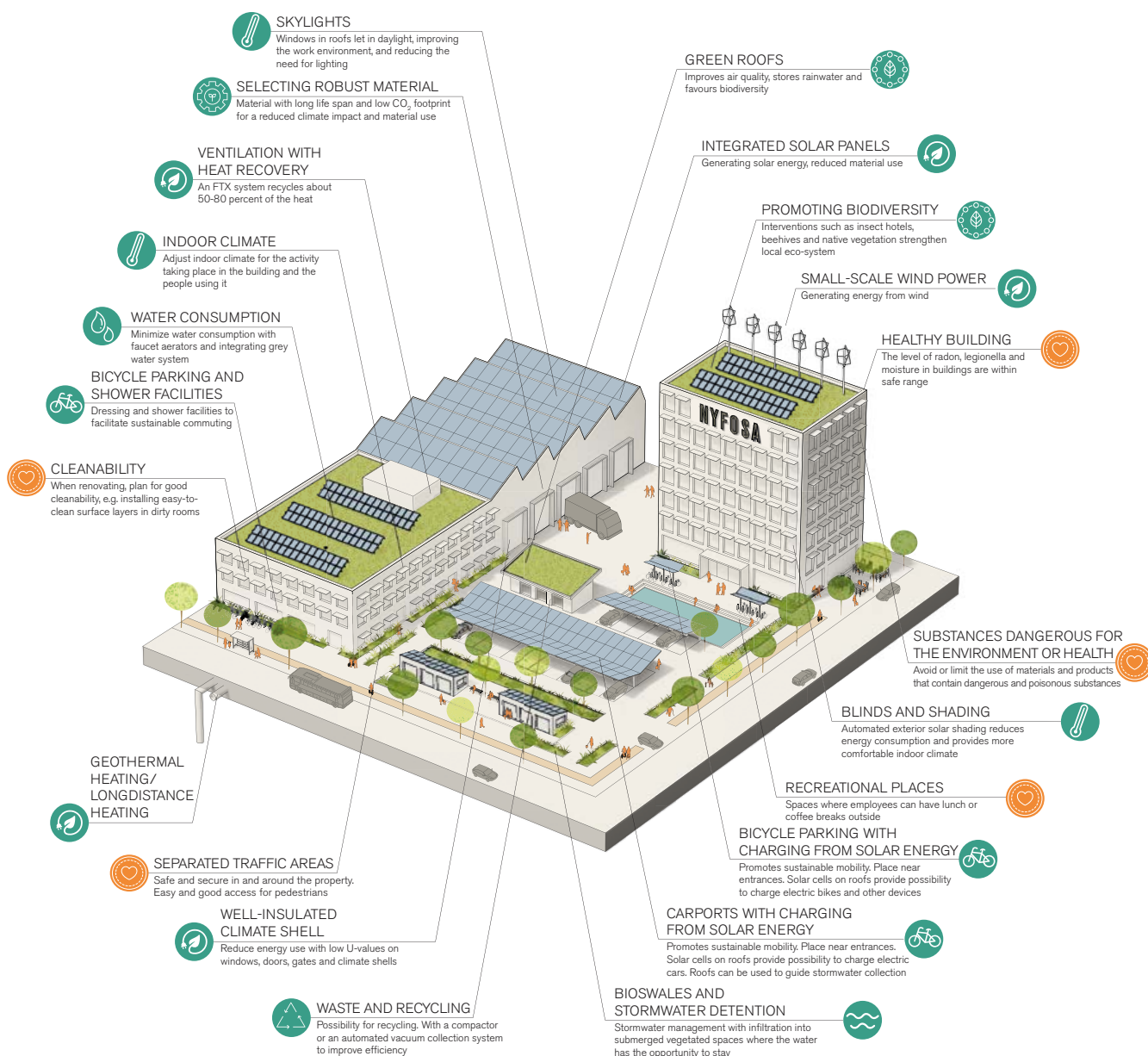
BUILDINGS WITH SUSTAINABILITY CERTIFICATION

	Property value, MSEK	No. of properties
BIU Good	2,486	28
BIU Very Good	136	2
BREEAM, Very Good	1,356	6
GreenBuilding	240	2
LEED BD+C Gold	382	1
LEED BD+C Platinum	360	1
LEED Gold	246	1
Sweden Green Building Council Bronze	295	1
Sweden Green Building Council Silver	112	1
Total	5,614	43

POTENTIAL SUSTAINABILITY PROJECTS IN OUR PROPERTIES

Through our property management, we implement large and small initiatives that make a difference on an aggregated level. For example, this involves being thorough in the choice of the material we use for refurbishments and tenant-specific modifications, being able to see improvement potential in energy consumption and protecting the local environment at and around our buildings. In this manner, the conditions are created for sustainable property ownership, financially and environmentally.

These measures are based on the sustainability certifications BREEAM In-Use and Miljöbyggnad i Drift (Green Building In Use) and serve as guidelines and inspiration within the organization to integrate more sustainable solutions in our properties. The measures successively improve the standard of the building and its surroundings, and therefore also the level of sustainability certification. Read more on the next page about some of the sustainability projects we conducted during the year.



SUSTAINABILITY PROJECTS COMPLETED IN 2021



SUSTAINABLE TECHNICAL SERVICES MANAGEMENT

District heating/Geothermal heating

A review of the properties' technical installations makes it possible to reduce the environmental impact and lower operating expenses. Installations in the properties must function as intended in order to maintain a good indoor climate for our tenants with as little environmental impact as possible. Functional testing paired with optimization has positive effects on the environmental impact with relatively little effort.

Examples of measures performed

In Värnamo, the heating installations in the Jungfru 11 property were updated and optimized. The update included replacing the district heating exchanger, the addition of new regulating valves and replacing radiator thermostats. An adjustment of the heating system was then carried out to avoid high supply temperatures and achieve a balance in the heating system. The result was lower energy consumption and better indoor climate for our tenants.



SURFACE WATER MANAGEMENT

Sunken plantations and surface water retention

Sunken plantations retain and cleanse surface water at hardened surfaces, such as roads, car parks and buildings. By guiding the water to sunken plantations, ponds and green areas, better conditions are created to mitigate the effects of strong and extensive rain.

Examples of measures performed

At the Storheden 1:102 property, a zoning plan project is underway to develop the commercial area. The property is adjacent to an important water catchment and in the process, Nyfosa is advocating better surface water management by separating surfaces with dirty surface water from surfaces with clean surface water in order to increase the share of rainwater and meltwater that can be delayed and infiltrated locally.



HEALTHY BUILDING

Healthy building

Radon, legionella and moisture are factors that are investigated to ensure a healthy building. Excessive amounts of radon can result in lung damage, which could increase the risk of lung cancer. Moisture problems in buildings may cause health problems and affect the design function. Land conditions and concealed environmental liabilities can also impact people and nature.

Examples of measures performed

Nyfosa works with preventive radon measurements and PCB assessments, as well as annual checks of the hot water temperatures. At the Sågen 9 property in Karlstad, we carried out an extensive analysis of the land during the year to ensure that a former nearby battery plant had not left pollutants in our property's land.



WATER USAGE

Water consumption

Several small measures can be used to reduce water consumption, such as ensuring that taps and toilets do not leak and that water-efficient fittings and toilets are selected when these are to be replaced. A water-efficient toilet, for example, uses a quarter of that used by a toilet from the 1970s.

Examples of measures performed

To the extent that it is technically possible, the properties' water meter was connected to a digital platform in order to efficiently read consumption levels. Follow-up of water consumption at the Tackan 9 property in Sollentuna revealed relatively high levels of water consumption, which was rectified by upgrading toilets and water installations to water-saving models.



RECYCLING AND WASTE MANAGEMENT

Waste and recycling

To reduce tenant waste, it is important to ensure that there is sufficient space and enough containers to sort waste in a central location in the property. Nyfosa's target is to recycle and reuse as much material as possible in order to benefit from an environmental and economic perspective. Before remodeling and tenant conversions, we investigate the potential to minimize the undertaking and to reuse construction materials and products.

Examples of measures performed

During 2021, follow-up of materials use and waste management was systematized in tenant-specific modifications. Ahead of a refurbishment project or tenant-specific modification, a project manager goes through a checklist to ensure that the project is as resource efficient as possible. The use of materials and waste are reported when the project is completed.



INDOOR CLIMATE

Indoor climate

Indoor climate and thermal comfort are a key aspect of several sustainability certifications. Comfort during the winter depends on a combination of indoor temperature and drafts, while comfort during the summer involves a combination of sunlight, sun protection and the option of opening windows. The indoor climate should be adapted to the activity being conducted by those present in the building. Measures to improve the indoor climate could be to replace windows to achieve better U-values, review the heaters' size, location and output, as well as reviewing supply air flows and supply air temperature.

Examples of measures performed

When getting the new premises at the Skepparen 15 property in order, indoor climate was a key factor for the students at the NTI Gymnasiet high school in Karlstad. A new ventilation system was designed resulting in new ventilation units with control systems that adapt the amount of air and heat according to the need in each classroom. To minimize sunlight penetration, automatically regulated sun protection was installed. During the refurbishment, the lighting system was updated with a presence-detection system that offers daylight control. All combined, the measures provide a sound indoor climate and low energy consumption.



BIODIVERSITY

Biodiversity

Planning for the benefit of biodiversity is an indicator within several sustainability certification programs. Nurturing flora and fauna that are naturally present in the region and creating environments with many local species makes them more stable and reduces the needs to manage green spaces. Small measures can make a difference, such as boxes for birds and bats, insect hotels and beekeeping, or cultivating plants that benefit insects.

Examples of measures performed

In connection with the sustainability certification of the Snickaren 12 property in Växjö, an insect hotel was produced to protect the surrounding environment's insects and pollinators. Nyfosa has reserved space where local beekeepers can place their beehives at properties in Örebro and Gothenburg. A share of the honey produced has been donated to the properties' tenants.



ROBUST CHOICE OF MATERIALS

Robust materials

Selecting robust material with a long lifetime often results in low climate impact from a lifecycle perspective. The climate impact of construction materials should always be regarded from a lifecycle perspective, with extraction, manufacturing and transport being taken into consideration, as well as the possibility for reuse or materials recovery. By selecting local materials that have a long lifetime for refurbishment and new building, not only is the climate footprint reduced through reduced materials use and transport, but also the maintenance costs of the building.

Examples of measures performed

During 2021, Nyfosa participated in a research project for building design with a lifecycle perspective in cooperation with, among others, IVL the Swedish Environmental Institute and the Swedish Energy Agency. The project involved providing players with the possibility to influence climate and cost perspectives, and energy use in relation to design and choice of materials, at an early stage in the construction process.



SUSTAINABLE INFRASTRUCTURE

Carports and bike parks with charging and solar panels

Roofs are suitable for solar panels. Using spaces such as the roofs of carports and bike parks for solar panels results in effective use of these spaces. Solar panels integrated in roofing serve as a waterproofing sheet and can thus also reduce materials costs. Offering charging for electric vehicles and e-bikes encourages less fossil fuel-driven transports. By installing these charging sites in the best locations, for example, close to the entrances, those who choose sustainable modes of transport are benefited.

Examples of measures performed

At the Stora Mans 1 property in Älvsjö, measures were taken to improve accessibility and safety for cycling visitors by adding better lighting and clearing growth around the bicycle parking area. In downtown Halmstad, at the Svartmunken 2 property, Nyfosa installed two charging stations for electric and hybrid vehicles to promote sustainable travel and reduce the use of fossil fuel. In the first stage, eight charging boxes with a total of 16 charger outlets have been installed.

► You can read more about completed projects on the website, www.nyfosa.se

NYFOSA'S SUSTAINABILITY REPORT 2021

Nyfosa's Sustainability Report follows the guidelines from the international organization Global Reporting Initiative (GRI) and is prepared in accordance with the GRI Standards for the Core option. In the GRI index on pages 124–134, there are further details on where to find information in the Annual Report and in the Sustainability Report. Risk and risk management are reported on pages 59–65.

The content of the report, in addition to the formal sections according to the GRI Standards, aims to provide the reader with a broader understanding of the focus within the company related to the two global sustainability targets on which Nyfosa has chosen to focus, Gender equality and Climate action, but also areas that have proven important following dialog with our stakeholders.

Nyfosa follows the international standard for sustainability reporting and the sustainability report is subject to external audit. This means that we put high demands on ourselves and continue to accelerate the pace of the company's sustainability efforts in 2022.

Stakeholder dialogue

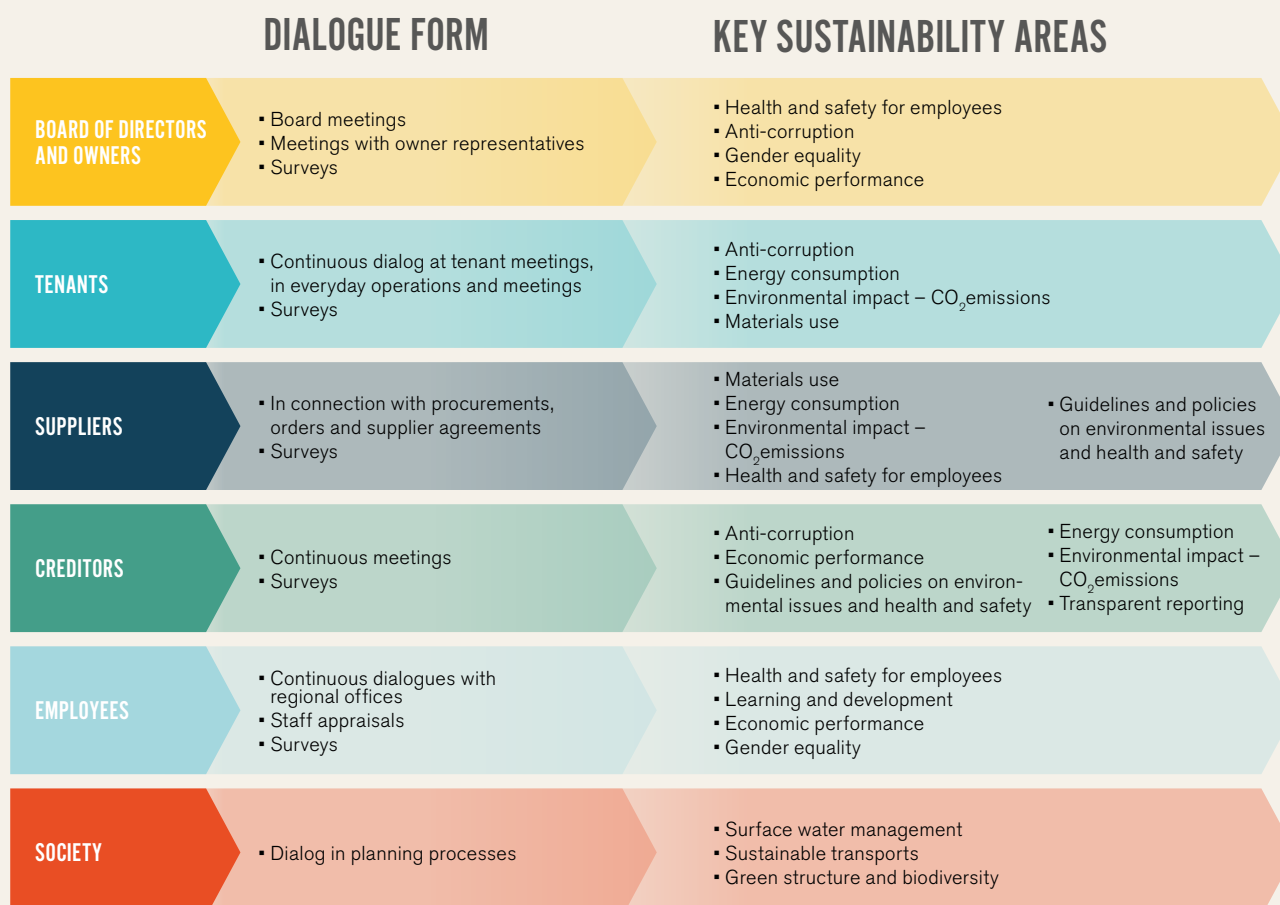
In 2020, a stakeholder dialogue was conducted to ascertain what Nyfosa's stakeholders regard as the most important

sustainability issues for the company. The outcome of this dialogue is deemed to still be relevant as the basis for Nyfosa's sustainability efforts. The dialogue was conducted using a web survey that was distributed to a selection of the company's tenants, creditors, partners and suppliers, shareholders and to all employees and Board members of the company. In addition, the company has a constantly ongoing dialogue with creditors, shareholders, tenants and other stakeholders in sustainability-related issues.

Materiality analysis

The survey and other dialogues with the company's stakeholders have created an image of the sustainability areas that are most important for Nyfosa to address. The areas that stood out were anti-corruption, financial results, equality, health and safety, energy use and environmental impact. With this as a starting point, the materiality analysis confirms that Nyfosa is focusing on the right aspects in its sustainability work and related reporting.

Sustainability data for the most important sustainability areas according to the stakeholder analysis are presented in the GRI section on pages 124–134.





Klingberget 6, Halmstad

SUSTAINABILITY INITIATIVES 2021

SOLAR POWER

During the year, Nyfosa has installed solar cell facilities at, among other places, six different properties in Värnamo. The more than 36 thousand sqm facilities annually produce 705,000 kWh, the equivalent of about 17 percent of the properties' total annual consumption. At the time of installation, the ambition was that all electricity produced should be used in each property and not sold to the market. Subsequently, it was important to modify the size of the facilities to the properties' unique usage patterns in order to realize optimum utilization. Many tenants feel that the change has been positive and welcome the opportunity to access locally produced, renewable energy. In properties where Nyfosa does not have control over the properties' electricity, the tenants have signed an agreement to purchase the electricity produced from Nyfosa instead of making it available to the public grid.

"Our tenants are extremely interested in sustainable energy and, in some instances, lease renegotiations combined with solar cell installations lead to tenants opting for a green appendix in the lease. This is completely in line with our sustainability target to increase the share of leases with green appendixes in the total portfolio. Generally speaking, our tenants appreciate the sustainability initiatives that we carry out and see that it benefits their business activities as well," comments Jonathan Möller, technical property manager at Nyfosa's property management office in Värnamo.

In addition to solar cell facilities, Nyfosa has regulated the heating systems at the properties Almen 9 and Jungfrun 11 in Värnamo. This is expected to provide savings of 25 percent heating for each property, thereby contributing to Nyfosa's sustainability target regarding streamlined consumption.

During 2021, Nyfosa has installed ten solar cell facilities at four different locations in Sweden.

Together with existing facilities, the estimated solar power production from the facilities taken into operation during the year amounts to 1 GWh a year, the equivalent of 1 percent of Nyfosa's total energy usage in 2021.



1 GWh
SOLAR
POWER

1 %
OF NYFOSA'S
ENERGY USAGE
2021

“Growing focus on energy and sustainability issues means that even property owners have to shoulder more responsibility. During the year, we launched initiatives to structure energy supply and systems for our entire portfolio with the aim of lowering our own direct environmental impact. This is a effort fully in line with our sustainability agenda.”



– HENRIK BRANDIN,
ENERGY CONTROLLER
SWEDEN

RISKS

RISKS AND RISK MANAGEMENT

Nyfosa is continuously exposed to various risks, which could be significant to the company's future operations, earnings and financial position. Nyfosa works systematically and continuously on managing these and other risks and uncertainties. The focus is on preventing risks and evaluating how risk management can be converted into opportunities.

Nyfosa divides relevant risks and uncertainties for the company into five categories.

STRATEGIC RISKS	Risks attributable to the business model
OPERATIONAL RISKS	Property owner risks
FINANCIAL RISKS	Risks attributable to external liabilities
SUSTAINABILITY RISKS	Environment-related risks, social responsibility and liability risks
EXTERNAL ENVIRONMENT	Risks that arise outside the company's operations

Risk by category	Consequence	Probability	Management of risk	Changes during the year
STRATEGIC RISKS				
Changes in value of properties	Major	Improbable	Focus area	→
High transaction activity level	Minor	Improbable	Monitor	→
Property development	Minor	Possible	Monitor	→
Employees and expertise	Minor	Possible	Monitor	→
OPERATIONAL RISK				
Rental income	Average	Possible	Monitor	↘
Property expenses	Minor	Possible	Monitor	→
Tax	Average	Improbable	Monitor	→
IT and infrastructure	Average	Possible	Monitor	→
FINANCIAL RISKS				
Interest-rate risk	Average	Possible	Focus area	→
Financing and refinancing risk	Major	Improbable	Focus area	→
Currency exposure	Average	Improbable	Monitor	New risk
SUSTAINABILITY RISKS				
Occupational health and safety	Minor	Improbable	Monitor	↘
Reputation	Average	Improbable	Monitor	→
Internal processes and controls	Average	Improbable	Monitor	→
Environmental impact	Average	Improbable	Focus area	↗
Climate issues	Average	Possible	Focus area	→
EXTERNAL ENVIRONMENT				
Macroeconomic	Major	Possible	Focus area	→
Crisis	Average	Possible	Monitor	↘
Regulatory changes	Minor	Possible	Monitor	→
Regulatory compliance	Minor	Possible	Monitor	→

↗ = Increased monitoring
→ = Unchanged monitoring
↘ = Decreased monitoring

STRATEGIC RISKS

Risk that the company's strategy, including a high transaction level and sustainable development of the existing portfolios, does not support the financial target that is an annual growth in distributable cash flow per share of 10 percent.

Description of the risk	Risk management	Exposure and outcome
<p>CHANGES IN VALUE OF PROPERTIES</p> <p>The property portfolio's total value is the largest asset item in the statement of financial position. Small changes in components that affect the value of an individual property can in total have a major impact on the company's financial position.</p> <p>The value is affected not only by supply and demand in the market, but by several other factors that are both property specific and market specific. Because the value is based on several components with an element of assumption regarding future rent levels and leasing potential, there is a degree of subjectivity in the value ascribed to the object.</p>	<ul style="list-style-type: none"> The chosen strategy entails owning a large number of properties that are geographically diverse, thereby resulting in a balanced risk profile. The prioritized property category is commercial properties in high-growth municipalities where we can see an increase in relocation and business. To minimize the risk of errors in the value of the property portfolio, the company engages external appraisers to value all properties ahead of each quarterly closing. The assignment is shared by at least two appraisers. 	<p>A major negative change in value of the properties can result in breaching the credit terms of the loan agreements. In the event of this, the company risks higher financing costs, larger loan repayments or, as a final measure, that the loan is called in for payment.</p> <p>Outcome The total value development in the property portfolio was positive throughout the full-year. No credit terms were breached.</p>
<p>TRANSACTION ACTIVITY</p> <p>The company's strategy is to be constantly active in the transaction market. This means that a large share of potential property acquisitions constantly need to be evaluated.</p> <p>There is a risk of misjudging the market, a property's potential or the development of a geographic area as well as risks linked to a seller who acts unethically.</p>	<ul style="list-style-type: none"> There is a well-defined acquisition process and extensive capacity in the company to evaluate potential business. With its broad geographic presence, the organization has an extensive contact network and is highly knowledgeable of the market's commercial property players. Nyfosa occupies a strong position in the transaction market, with unquestioned knowledge of complex portfolio transactions, which means that sellers and buyers often contact us. 	<p>Difficulties finding transactions may affect the company's ability to achieve the financial target. Incorrect business decisions could constitute losses for the company.</p> <p>Outcome During the past 12-month period, transactions for SEK 6.2 billion were completed.</p>
<p>PROPERTY DEVELOPMENT</p> <p>Investments are continuously made in the existing property portfolio in the form of modifications and improvements.</p> <p>Investment projects could be delayed or more expensive than the assessment in the investment decision or the tenant's payment capacity could decline.</p>	<ul style="list-style-type: none"> Investments are generally carried out as a tenant conversion in conjunction with renegotiations or new leases. Regardless of whether the investment is associated with renegotiations or new leases, the tenant's credit rating is evaluated. If an investment is made in the property's public space, a thorough assessment of the investment's impact on the property's long-term value is made. Those property development projects that are carried out are conducted together with established and experienced suppliers, with a high level of internal control in the investment process. 	<p>Higher costs for investment projects adversely impact the company's cash flow.</p> <p>Delays of investment projects tie up capital longer than expected.</p> <p>Outcome No significantly higher costs or delays have been encountered during the year. There were no significant bankruptcies among tenants during the year.</p>
<p>EMPLOYEES AND EXPERTISE</p> <p>Nyfosa's organization has been deliberately built up with a relatively small number of people in order to create flexibility and proximity to business, which could lead to dependency on existing key talent.</p>	<ul style="list-style-type: none"> Competency needs are evaluated continuously in order to adapt the organization to prevailing requirements, and active work is conducted to promote internal manager sourcing. To minimize the dependence on individuals, the company has documented job descriptions and clear process maps. 	<p>Should Nyfosa fail to retain qualified staff and senior executives, or if they are frequently on sick leave, this could adversely affect Nyfosa's operations, financial position and earnings.</p> <p>Outcome Exceptionally low personnel turnover during the year. Recruitment of new managers with technical expertise to meet the need for know-how in energy and sustainability issues.</p>

OPERATIONAL RISK

The risk of not achieving the growth target for the organization's management of the existing property portfolio.

Description of the risk	Risk management	Exposure and outcome
<p>RENTAL INCOME</p> <p>The leasing rate and level of rental income are largely dependent on the company's own actions, but are also affected by economic cycles.</p> <p>Rent levels and the leasing rate are both highly affected by overall growth in the economy but also growth at regional and local levels where Nyfosa conducts operations. The risk of loss of rent and vacancies is also related to tenants and the contractual structure.</p>	<ul style="list-style-type: none"> Nyfosa's property portfolio is geographically diversified, with a large number of tenants with differentiated lease tenures. The risk of bad debts is managed by conducting credit assessments of tenants for all new leases and continuously during the lease term. If necessary, the lease may have to be supplemented with surety, a rental deposit or a bank guarantee. All rents are paid in advance on a quarterly or monthly basis. A certain level of vacancies may have a positive effect since it provides scope in the form of new leases and flexibility in relation to existing tenants. 	<p>Lower rental income and/or lower leasing rates could adversely affect the operations, financial position and earnings. When a vacancy occurs, this could entail costs for customizing the premises for a new tenant, and a risk that the vacancy will be long-term.</p> <p>If tenants fail to fully meet their commitments in accordance with the lease, this may also lead to higher vacancy rates with a resulting reduction in property value.</p> <p>Outcome</p> <p>The company has had positive net leasing for the past 11 quarters. Demand for the company's premises has thus been consistently high. Rent losses and late payments increased slightly during the pandemic but have returned to a normal level. In general, the pandemic has not had a material impact on the company.</p>
<p>PROPERTY EXPENSES</p> <p>Risks of cost increases beyond what Nyfosa can compensate for through contractually agreed rents, index and surcharges for onward invoicing. The risks extend also to unforeseen expenses and extensive renovation needs.</p>	<ul style="list-style-type: none"> Property expense analyses are performed regularly during the year. Discrepancies are followed up. 	<p>With the exception of interest expenses, costs such as electricity, water, heating, cooling and wastewater are, the largest expenses for the company.</p> <p>Prices for property expenses are governed by supply and demand alongside policy decisions, which could potentially change.</p> <p>The basis for calculating ground rent may be amended for future renegotiations.</p> <p>The basis for calculating property tax may be changed through policy decisions.</p> <p>Outcome</p> <p>Electricity prices rose at the end of 2021. Most of the leases are designed so that tenants pay for their electricity consumption at the current cost.</p>
<p>TAX</p> <p>Regulations governing the recognition of taxes and the application of these accounting regulations are complex fields. From time to time, Nyfosa has cases under review by, and ongoing dialogues with, the Swedish Tax Agency regarding individual taxation matters.</p> <p>Because it is possible to appeal Tax Agency's tax rulings and the judicial bodies' interpretation and reviews take place in many stages, it can take a long time to establish the correct application of legislation. This may adversely affect Nyfosa and investors' assessment of Nyfosa.</p> <p>The Swedish Tax Agency's tax rulings as well as court rulings may entail that actions taken or completed transactions that were previously considered permissible according to the regulatory framework may need to be reappraised at a later juncture.</p> <p>In the case of future audits or reviews, there is a risk that the Swedish Tax Agency could object to Nyfosa's assessment, for example, with respect to the deductibility of certain costs, opportunities for depreciation for tax purposes or the opportunity to deduct loss carryforwards from previous years.</p>	<ul style="list-style-type: none"> Nyfosa carefully follows political developments and continuously monitors developments in the regulatory area to identify proposals for regulatory changes at an early stage. This monitoring ensures that Nyfosa understands the effects of any regulatory changes well in advance and that Nyfosa is well prepared should new regulations require an adaptation of internal processes to ensure compliance with the new regulations. Nyfosa monitors the taxation laws and practices that are in effect whenever it files tax returns. To further safeguard the quality of both tax returns and financial statements, Nyfosa continuously checks its judgments of complex tax matters with external experts. Within Nyfosa, all functions work together through clear-cut processes to satisfy regulatory requirements for continuous reporting and payment of taxes and to identify and manage tax risks. 	<p>Even if tenants are responsible for their share of the property taxes due at all times in the majority of Nyfosa's leases, changes to the property tax and other taxes such as corporation tax, VAT and other state levies and tax-related contributions could have a negative impact on Nyfosa's operations, financial position and earnings.</p> <p>A future change in the tax situation for Nyfosa could have a negative impact on Nyfosa's operations, financial position and earnings.</p> <p>Outcome</p> <p>A small number of late charges for taxes and fees arose during the year related to closing on larger property portfolios.</p> <p>All tax deductions are openly declared in tax declarations to reduce the risk of tax surcharges if the Tax Agency has a different opinion.</p>

Description of the risk	Risk management	Exposure and outcome
IT AND INFRASTRUCTURE Risks related to inadequate physical and digital IT infrastructure Risk of systems hacking	<ul style="list-style-type: none"> Nyfosa has chosen an external IT service supplier. The supplier is well-established in Sweden and has a business area dedicated to the property sector that has built up expertise over many years. Nyfosa has regular dialogues and formal meetings at strategic and operational levels with the supplier. The company's Board adopts every year an information security policy. Management follows up every year that the accounting function's continuity plan is updated. A backup function has been implemented. 	<p>Delayed financial reporting to the market.</p> <p>Outcome No availability incidents were reported in 2021.</p> <p>Security was tightened during the year by adding new services to reduce risks associated with mailboxes.</p> <p>Management adopted an instruction for the use of the company's IT and telephony during the year. Each user must confirm every year that they have read the instruction.</p>

FINANCIAL RISKS

The risk of not achieving the long-term growth target due to shortcomings in financial covenants for current financing or that the company breaches the financial risk limits, equity/assets ratio >25%, loan-to-value ratio <65% and ICR >2.0.

Description of the risk	Risk management	Exposure and outcome
INTEREST-RATE RISK Interest-rate risk refers to the risk that changes in interest rates could affect interest expenses, which represent the company's single largest cost item.	<ul style="list-style-type: none"> Nyfosa mainly works with floating interest rates in its loan agreements. Mainly interest-rate caps are used to reduce interest-rate risk, but occasionally these can be combined with other derivatives such as interest-rate swaps. Limiting interest-rate risk increases the predictability of Nyfosa's profit from property management and changes in interest-rate levels do not fully impact the Group's interest expenses. Interest-rate caps and swaps are entered into to adapt the company's fixed-rate periods to the decided finance policy and existing loan agreements. 	<p>In the longer term, changes in interest rates have a material impact on earnings and cash flow.</p> <p>Outcome The interest-coverage ratio was a multiple of 3.4 (3.8) during the year. The average interest rate was 1.9 percent (1.9) on December 31. The interest-rate hedged portion of loans on December 31, 2021 was 45 percent (49).</p>
FINANCING AND REFINANCING RISK Nyfosa grows primarily through acquisitions, and the company finances growth through external capital and the accrued cash flow. A declining market or economic climate could adversely affect the company's growth opportunities if access to external capital is limited or is only possible at considerably higher costs. When existing bank loans and bonds are refinanced in the future, there is a risk that it will not be possible to secure new loans or renew loans, or only at less favorable terms.	<ul style="list-style-type: none"> The company annually adopts a finance policy that stipulates, inter alia, general rules for the company's financing and how the risks associated with financing operations are to be limited. The company engages in continuous discussions with existing and prospective financiers to ensure that the necessary financing can be obtained in all situations. The assessment is that a stable financial position combined with a strong statement of financial position and a high credit rating provides continued favorable potential for growth. 	<p>If raising loans becomes more difficult or more expensive, this would adversely impact the company's potential to acquire properties and implement investments and projects.</p> <p>Outcome Refinancing of existing bank loans and securing new bank loans in conjunction with acquisitions was carried out during the year at good terms for the company. The average interest rate on December 31, 2021 was 1.9 percent (1.9).</p>
CURRENCY EXPOSURE Nyfosa is exposed to exchange rate risks due to investments and liabilities in EUR and NOK. Nyfosa's presentation currency is SEK and all balance-sheet items in EUR and NOK are translated to SEK. Translation differences may have a material impact on the Group's operations, financial position and operating earnings in SEK.	<ul style="list-style-type: none"> Currency risk is managed by financing acquisitions of properties in EUR or NOK through borrowings in EUR or NOK. Transaction exposure in the Group is managed by matching income and expenses in the same currency. 	<p>Net exposure, assets less liabilities in EUR or NOK impacts Nyfosa's equity. In accordance with IAS 21, exchange rate effects for foreign operations are recognized under the heading Other comprehensive income. Others exchange rate effects are recognized in profit or loss.</p> <p>A 10 percent fluctuation in the SEK/EUR or SEK/NOK exchange rate would impact profit from property management by MSEK 144.</p> <p>Outcome Net exposure on December 31, 2021 amounted to MEUR 141 and MNOK 0.</p>

SUSTAINABILITY RISKS

Risks related to occupational health and safety, the company's market reputation, the quality of internal processes, the impact of the operations on the environment and climate changes that affect the company's assets. All sustainability risks could have a negative impact on the company's financial performance.

Description of the risk	Risk management	Exposure and outcome
<p>OCCUPATIONAL HEALTH AND SAFETY</p> <p>A number of significant psychosocial stresses related to working life can be found in society. It is Nyfosa's responsibility to ensure a healthy work environment, both physically and psychosocially, for its employees and in its capacity as the client.</p>	<ul style="list-style-type: none"> Nyfosa applies occupational health and safety legislation and other regulations and requirements relevant to the company. A reasonability assessment is performed for tenders submitted in procurement processes for services from suppliers and partners. The company regularly monitors sick leave, long-term sick leave and work-place accidents. As part of efforts to prevent ill health, Nyfosa offers a health and well-being package and regular medical checkups to all employees, and all of Nyfosa's employees are covered by medical expenses insurance. The company has an anonymous whistleblower function that can be used to report any improprieties. 	<p>A high level of sick leave could affect the progress of the operations.</p> <p>Outcome Sick leave in 2021 amount to 2.32 percent.</p>
<p>REPUTATION</p> <p>Nyfosa is to be a responsible company and a modern property owner. If the company contravenes laws or regulations or otherwise acts unethically, it could result in damage to Nyfosa's brand.</p>	<ul style="list-style-type: none"> Nyfosa follows the Swedish Corporate Governance Code. The company has internal governing documents and policies that outline procedures and divisions of responsibility. The company has an anonymous whistleblower function on its external website and internal intranet that can be used to report any improprieties. A Code of Conduct for Suppliers was adopted during the year. 	<p>A tarnish reputation among tenants, employees and other stakeholders.</p> <p>Outcome No cases were reported using the whistleblower function.</p>
<p>INTERNAL PROCESSES AND CONTROLS</p> <p>Deficient procedures, irregularities or internal or external events could cause disruptions or damage to the operations.</p> <p>The company's business model is based on maintaining a relatively small organization. A large part of financial management and property operations is purchased from external service providers. There is the risk that internal processes and controls among these external service providers do not meet the requirements set by the company.</p>	<ul style="list-style-type: none"> The company follows a risk management process based on a risk management policy adopted by the Board. Policy documents and analyses are in place for all material processes in the company's operations. The Code of Conduct contains guidelines for the conduct of employees in certain situations and includes an established whistleblowing procedure. Process descriptions, procedures and control functions for processes carried out by external service providers are stipulated in agreements and governing documents. Every year, the company's accounting function tests identified controls that are found in processes that impact the financial reporting. Every year the external auditors examine and test the company's process and controls. 	<p>Errors in the financial reporting. Financial losses due to irregularities.</p> <p>Outcome Both internal and external audits of the compliance of processes and efficiency of controls were carried out without any major observations.</p>
<p>ENVIRONMENTAL IMPACT FROM THE COMPANY'S OWN OPERATIONS</p> <p>Nyfosa invests in properties by acquiring buildings that have already been constructed. These assets are managed responsibly to extend their lifetimes. This requires regular maintenance as well as remodeling and extensions to adapt the premises to current demand.</p> <p>Heating the buildings results in carbon emissions. Ineffective use of resources in property management creates negative effects for the environment.</p>	<ul style="list-style-type: none"> The Board has established sustainability targets to which management is to steer the operations. These targets include certifying buildings, reducing energy consumption and reducing carbon emissions. 	<p>Damage to confidence in the company among tenants, employees and other stakeholders.</p> <p>Outcome On December 31, 2021, 43 properties for a total value of SEK 5.6 billion had sustainability certification, a total of 161 green appendices were signed and efforts to identify potential investments in energy enhancements were made in parallel with the certification processes.</p>

Description of the risk	Risk management	Exposure and outcome
<p>CLIMATE ISSUES</p> <p>The climate changes that have partly happened and that scientists predict will happen entail the risk of a negative impact on properties.</p> <p>Extreme weather conditions, rising sea levels and temporary flooding are examples of risks related to climate change.</p>	<ul style="list-style-type: none"> Analyzing risks is part of the acquisition process for new properties. Increase knowledge about the impact of climate change on operations. The company is monitoring developments in expertise to continuously keep this matter relevant and update procedures and work methods as necessary. 	<p>These risks may lead to damage to properties and people, lower property values and higher insurance premiums.</p> <p>Outcome</p> <p>Three properties suffered water damage during the summer rains during the year. Some of the costs for restoring the buildings was covered by insurance.</p>

EXTERNAL ENVIRONMENT

Risk that crises in the external environment, such as a virus outbreak, recession and trade wars adversely affect the company's operations. Risk that regulatory changes adversely affect the company's operations, such as higher costs when transitioning to new regulatory compliance.

Description of the risk	Risk management	Exposure and outcome
<p>MACROECONOMIC</p> <p>Macroeconomic risks pertain to risks related to general decline in demand in the economy, inflation or deflation, or general difficulties securing financing, alternatively financing at a higher cost.</p>	<ul style="list-style-type: none"> Market surveillance. Due diligence and negotiations with tenants. Internal reporting model for local market conditions. Business intelligence in management and the Board. 	<p>A weak economy adversely affects demand for premises, resulting in more vacancies, falling market rents and absence of indexation in existing agreements. Further, there is a greater risk that tenants will have trouble paying or even declare bankruptcy, which has an immediate adverse effect on the cash flow.</p> <p>Limited access to capital inhibits the company's possibilities to conduct operations. Ultimately, a lower demand in the economy could cause property values to fall.</p> <p>Outcome</p> <p>The company has had positive net leasing for the past 11 quarters. Demand for the company's premises has thus been consistently high. Rent losses and late payments increased slightly during the pandemic but have returned to a normal level. In general, the pandemic has not had a material impact on the company.</p>
<p>CRISIS</p> <p>Crises can arise when something happens in the work or within the organization that Nyfosa is unable to influence or predict. This includes terrorist attacks, cyber-attacks, virus outbreaks, extreme weather conditions and environmental disasters, or intelligence leaks.</p>	<ul style="list-style-type: none"> Crisis management plan drafted by management and the Board, published on the intranet. Successions planning for senior executives Insurance coverage for full value of properties. Guidelines for information security, and create understanding and awareness among users that information is an asset to be handled carefully. Continuity plan for financial reporting and IT support. System for digitally processing the signing of company documents and external leases. 	<p>Can lead to economic losses.</p> <p>Outcome</p> <p>The pandemic had a relatively low impact on the company's operations.</p> <p>To date, the ongoing geopolitical crisis in Ukraine has not affected the company's operations. However, it cannot be ruled out that the operations will be impacted in both the short and long terms, for example, due to a change in climate in the capital and/or property markets in which the company operates.</p>

Description of the risk	Risk management	Exposure and outcome
REGULATORY CHANGES There is a risk of amendments in regulatory frameworks, such as tax and EU regulations, MAR or GDPR, which means higher costs and could necessitate changes in operations.	<ul style="list-style-type: none"> ▪ Monitor updates and amendments in regulatory frameworks. ▪ Established network of advisors. 	<p>Changes in regulatory frameworks could affect future opportunities to complete investments, or make these more expensive, leading to lower returns in future. New bank legislation may affect access to financing, the price on borrowed capital and trigger credit terms that also involve higher financing expenses.</p> <p>Amended tax levels and tax legislation, such as amendments to rules for depreciation deductions or bans on packaging of properties, could affect the company's tax expense in future.</p> <p>Outcome No effect on operations during the year.</p>
REGULATORY COMPLIANCE Compliance with policies.	<ul style="list-style-type: none"> ▪ Market surveillance. ▪ Due diligence and negotiations with tenants. ▪ Internal reporting template within the organization pertaining to local market conditions. ▪ Network. ▪ Business intelligence in management and the Board. 	<p>Can lead to fines, tarnished reputation.</p> <p>Risk that improprieties or unethical behavior takes place internally, or among customers or suppliers. Can lead to loss of reputation.</p> <p>Outcome Nothing to report for the year.</p>

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI reference	Description	Page	Comment
102	Organizational profile		
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102-2	Activities, brands, products and services	19-29	
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102-6	Markets served	29-31	
102-7	Scale of the organization	81	
102-8	Information on employees and other workers	81, 132	
102-9	Supply chain	134	
102-10	Significant changes to the organization and its supply chain	81, 134	
102-11	Precautionary principle or approach		The precautionary principle is the basis for the design of the environmental agenda
102-12	External initiatives	48	
102-13	Membership of associations		UN Global Compact, EPRA and others
102	Strategy		
102-14	Statement from senior decision-maker	8-9, 46	
102	Ethics and integrity		
102-16	Values, principles, standards and norms of behavior	48-49	
102-17	Description of internal and external mechanisms for: i) seeking advice about ethical and lawful behavior and organizational integrity, ii) reporting concerns about unethical or unlawful behavior and organizational integrity.	48-49	
102	Governance		
102-18	Governance structure	48-49, 68-75	
102	Stakeholder engagement		
102-40	List of stakeholder groups	56	
102-41	Collective bargaining agreements		Nyfosa has no collective bargaining agreements, but has market-based benefits and a pension plan that corresponds to the ITP plan
102-42	Identifying and selecting stakeholders	56	
102-43	Approach to stakeholder engagement	56	
102-44	Key topics and concerns raised	56	
102	Reporting practice		
102-45	Entities included in the consolidated financial statements		Nyfosa AB and its subsidiaries, not joint ventures, apart from GRI 201-1
102-46	Defining report content and topic Boundaries	56	
102-47	List of material topics	56	
102-48	Restatements of information		Not applicable
102-49	Changes in reporting	132	New indicator 401 Employment. Indicator 404 Training and education has been removed. Environmental indicators are not recognized per property category
102-50	Reporting period		The 2021 calendar year
102-51	Date of most recent report		March 2021
102-52	Reporting cycle		Annually in connection with the annual report
102-53	Contact point for questions regarding the report		Ann-Sofie Lindroth, Head of Financial Control
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103	Management approach		
103-1	Explanation of the material topic and its Boundary	10-13, 56	
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GRI reference	Description	Page	SDG target	Comment
Economic responsibility				
201	Economic performance			
201-1	Direct economic value generated and distributed	126	17.1	
205	Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	126	16.5	
Environmental responsibility				
301	Materials			
301-1	Materials used by weight or volume	127	12.2	
302	Energy			
302-1	Energy consumption	128	7.2, 7.3,	
CRE1	Building energy intensity	128	7.4	
303	Water and effluents			
303-1	Interactions with water as a shared resource	129	6.3, 6.4	
CRE2	Building water intensity	129		
305	Emissions			
305-1	Direct (Scope 1) GHG emissions	130	9.4, 12.2,	
305-2	Energy indirect (Scope 2) GHG emissions	130	12.6, 13.1,	
305-3	Other indirect (Scope 3) GHG emissions	130	13.3	
CRE3	Greenhouse gas emissions intensity from buildings	130		
306	Effluents and waste			
306-2	Waste by type and disposal method	131	11.6, 12.4, 12.5	
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment			
CRE8	Properties with sustainability certification	131	12.6	
Social responsibility				
401	Employment			
401-1	New employee hires and employee turnover	132		
403	Occupational health and safety			
Own indicator	Accidents and absence due to illness	132	3.4, 3.6	403-2 has been replaced with the company's own indicator.
405	Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	133	5.1, 5.5, 10.3	
406	Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	133	5.1, 5.5, 10	
414	Supplier social assessment			
414-1	New suppliers that were screened using social criteria	134	12.6	
416	Customer health and safety			
Own indicator	Measures taken to maintain a high level of safety and security in and around the properties	134	3.4, 3.6, 3.9, 8.8	416-1 has been replaced with the company's own indicator.

ECONOMIC RESPONSIBILITY



201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The prerequisite for achieving Nyfosa's financial objective of generating 10-percent annual growth in distributable cash flow per share and being able to meet our stakeholders' economic expectations is that we assume economic responsibility and have sound finances.

Boundaries

Reporting covers the economic value generated within Nyfosa and its joint ventures, Söderport and Samfosa.

Governance and monitoring

The Board of Directors has overall responsibility for ensuring that the business is governed towards the financial objectives within the framework of what is permitted by the company's policies. The outcome is evaluated quarterly in connection with interim reports.

Outcome

The generated economic value amounted to MSEK 5,022 (3,533) in 2021 and comprised rental and interest income, profit from property management from participations in joint ventures and value changes in the Group and joint ventures.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

MSEK	2021	2020
Economic value generated		
Rental and other revenue	2,462	2,065
Profit from property management in joint ventures	888	404
Changes in value	1,671	1,064
Total	5,022	3,533
Economic value distributed		
Suppliers, etc. ¹⁾	-1,194	-884
Employees	-78	-66
Creditors incl. hybrid bond	-439	-357
Society ²⁾	-442	-412
Shareholders ³⁾	-753	-
Remaining in the company	2,093	1,794

1) Property expenses, excl. property tax and administration expenses excl. personnel-related costs and investments in existing properties.

2) Current and deferred tax, property tax, ground rent and social security costs.

3) Dividend resolved at AGM and dividend on new shares issued during the year.



205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

Nyfosa's organization must always act credibly, honestly and transparently. We expect that our employees, business partners and others with whom the Group has contact or does business with, and who have serious concerns about fraud, corruption or similar action within the Group's operations, come forward and voice their concerns.

Boundaries

Reporting only comprises the number of confirmed incidents of corruption and actions taken within Nyfosa AB and its subsidiaries.

Governance and monitoring

Nyfosa's sustainability policy and whistleblower function are examples of tools that the Board uses to promote good business ethics and to counter all forms of corrupt behavior.

Suspensions of irregularities can be reported anonymously through a whistleblower function, which is accessed via the company's website and intranet. Reported suspicions may either be investigated internally or handed over to the police.

You can read more about the anonymous whistleblower function on Nyfosa's website, www.nyfosa.se.

Outcome

No suspicions of fraud or corruption were reported in 2021.

ENVIRONMENTAL RESPONSIBILITY

Explanatory key

Control means that Nyfosa has the possibility to exercise an influence when, for example, choosing agreements or suppliers. Area refers to heated floor area in the buildings. Like-for-like portfolio refers to properties that were owned during two entire financial years as per December 31, 2021, 2020 and 2019, respectively, and over

which Nyfosa has control of at least one type of energy: electricity, district heating or district cooling. Accordingly, there are three partly different portfolios whose outcome is reported in the tables below. For information on the properties included in the portfolio as per December 31, 2021, refer to the list of properties on pages 136–146.

LIKE-FOR-LIKE PORTFOLIO

	Dec 31, 2021		Dec 31, 2020		Dec 31, 2019	
	No. of properties	Area, 000s sqm	No. of properties	Area, 000s sqm	No. of properties	Area, 000s sqm
Offices	79	693	63	603	56	567
Logistics/Warehouse	56	583	45	562	22	227
Retail	18	198	16	128	16	118
Other	22	210	10	88	11	96
Total	175	1,684	134	1,381	105	1,008



301-1 MATERIALS USED BY WEIGHT OR VOLUME

Nyfosa's target is to recycle and reuse as much material as possible in order to benefit from an environmental and economic perspective. Ahead of every remodeling and tenant conversion, we investigate the potential to minimize the undertaking and to reuse construction materials and products.

Boundaries

As a property owner, Nyfosa is responsible for the changes that take place within the properties. Extensive refurbishments and modification projects are always project managed or performed as commissioned by Nyfosa, while smaller alterations can be carried out by the tenants themselves. The aim is for the reporting to include the major projects that Nyfosa controls. A pilot study was carried out in 2021 to follow up the use of materials and waste related to refurbishment and tenant-specific modifications. The pilot study encompassed nine projects of varying size and nature, which represented a small selection of the total number of refurbishment and tenant-specific modifications that Nyfosa carried out last year.

Governance and monitoring

By implementing systems for documenting materials used in remodeling and tenant-specific modifications in our premises, we can focus on how we use materials and establish goals for reduced consumption. Prior to a refurbishment project or tenant-specific modification, a project manager goes through a checklist to ensure that the project is as resource efficient as possible. The use of materials and waste are reported when the project is completed.

Outcome

In 2021, the use of materials was followed up in nine projects encompassing a total of 3,575 sqm.

MATERIAL USED

Type of material	Tons	CO ₂ e
Concrete	16.52	2.74
Plastic	0.07	0.22
Wood	7.11	0.49
Plaster	13.05	2.04
Metal	1.45 (0.2 ¹⁾)	6.22
Electronics	0.35	0.39
Chemicals	0.00	–
Other materials	2.15	0.15

1) Refers to recycled materials



302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

CRE1 BUILDING ENERGY INTENSITY

As a property owner we endeavor to reduce energy consumption in our properties. This increases the value of our property portfolio and reduces negative climate impact.

Boundaries

Nyfosa can influence energy consumption in those buildings whose consumption goes via Nyfosa's main subscription. Reporting pertains to a like-for-like portfolio in which each specific building that has been owned by Nyfosa during the two most recent calendar years is measured over this period, as well as the main subscription that gives Nyfosa control over at least one of the following energy classes: electricity, district heating or district cooling. Control can vary between energy classes and properties. For the report on 2021, this corresponds to 49 percent (42) of the total portfolio and encompasses both property energy and energy used in the operations.

Governance and monitoring

The Board of Directors has set a goal that energy consumption will be reduced by 10 percent per sqm between 2020 and 2025. Mon-

itoring takes place annually in conjunction with the annual report and sustainability report. Nyfosa mainly purchases electricity from Vattenfall, which is 100 percent eco-labeled and renewable, and thus has low carbon emissions.

The tenants that sign green leases with us contribute, for example, in that we jointly map energy consumption in the building, and use eco-friendly materials in remodeling and cleaning.

Nyfosa continuously performs energy and environmental audits of its property portfolio in order to identify energy-saving potential. Energy, water and environmental data from our properties is monitored continuously via an energy monitoring system.

Outcome

Energy consumption per sqm in the like-for-like portfolio as per December 31, 2021 amounted to 112.6 kWh per sqm (110.0), corresponding to an increase of 2 percent.

Total energy consumption in the like-for-like portfolio as per December 31, 2021 amounted to 136.8 GWh (133.0).

ENERGY PERFORMANCE

kWh/sqm	Like-for-like portfolio Dec 31, 2021 ¹		Like-for-like portfolio Dec 31, 2020 ¹		Like-for-like portfolio Dec 31, 2019	
	2021	2020	2020	2019	2019	2018
Offices	121	123	114	128	138	151
Logistics/Warehouse	72	65	68	68	52	51
Retail	91	66	142	147	149	147
Other	165	146	78	85	87	91
Total	113	110	101	109	125	101

1) See definition of like-for-like portfolio under Explanatory key.

ENERGY CONSUMPTION, LIKE-FOR-LIKE PORTFOLIO

GWh, Dec 31, 2021	Offices		Logistics/Warehouse		Retail		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Electricity	25.4	25.4	12.4	12.4	5.2	4.9	10.1	5.5	52.2	48.1
District heating	42.2	42.2	16.4	17.4	7.1	6.0	15.7	16.1	81.3	81.7
District cooling	2.4	2.6	0.0	0.0	0.3	0.5	0.6	0.6	3.3	3.1
Total	70.0	70.2	28.8	29.8	12.6	11.4	26.4	22.1	136.8	133.0

GWh, Dec 31, 2020	Offices		Logistics/Warehouse		Retail		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Electricity	21.2	20.2	10.3	9.3	4.3	4.0	2.0	2.1	37.8	35.6
District heating	37.8	34.9	14.6	13.5	8.3	8.5	3.9	4.8	64.6	61.7
District cooling	1.0	1.2	0.0	0.0	0.5	0.6	0.0	0.0	1.6	1.7
Total	60.0	56.3	24.9	22.8	13.1	13.0	5.9	6.9	104.0	99.0

GWh, Dec 31, 2019	Offices		Logistics/Warehouse		Retail		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Electricity	27.7	29.0	1.3	1.3	3.4	3.3	2.5	2.7	34.9	36.3
District heating	32.2	34.0	4.6	4.8	8.0	7.6	5.1	5.4	49.9	51.8
District cooling	1.2	1.7	0.0	0.0	0.6	0.6	0.0	0.0	1.7	2.3
Total	61.1	64.7	5.9	6.0	12.0	11.6	7.5	8.1	86.5	90.3



303-1 INTERACTIONS WITH WATER AS A SHARED RESOURCE

CRE2 BUILDING WATER INTENSITY

Nyfosa owns properties throughout Sweden. In several parts of the country, ground water levels have been low in recent years. Consequently, water consumption has been of major importance for contributing to a sustainable infrastructure.

Boundaries

Nyfosa is able to influence water consumption in its building through investments in technical systems and new water fittings. The report covers the total water consumption in all documented properties in the like-for-like portfolio for 2021, 2020 and 2019, which accounts for 49 percent of the total portfolio, and with an average per sqm. It does not cover water usage where the tenant is the subscriber.

Governance and monitoring

Nyfosa has set a goal that 100 percent of the property value will have sustainability certification by 2030. Low water consumption is a prerequisite for green certification of the buildings with a high score, which puts the focus on consumption. Nyfosa offers its tenants green leases, which provide a starting point for jointly reducing water consumption in both the buildings and in the tenants' operations. Monitoring takes place annually in conjunction with the annual report and sustainability report.

Nyfosa continuously monitors the energy, water and environmental data from its properties via an energy monitoring system.

Outcome

Total water consumption in the like-for-like portfolio as per December 31, 2021 amounted to 240 thousand cubic meters (225).

Water intensity amounted to 0.18 cubic meters per sqm (0.18).

INTERACTIONS WITH WATER AS A SHARED RESOURCE

m³/sqm	Like-for-like portfolio Dec 31, 2021		Like-for-like portfolio Dec 31, 2020		Like-for-like portfolio Dec 31, 2019	
	2021	2020	2020	2019	2019	2018
Offices	0.24	0.22	0.40	0.39	0.26	0.26
Logistics/Warehouse	0.09	0.09	0.10	0.08	0.05	0.08
Retail	0.14	0.15	0.22	0.22	0.22	0.22
Other	0.29	0.31	0.15	0.20	0.19	0.16
Total	0.18	0.18	0.25	0.25	0.22	0.21



305-1 DIRECT (SCOPE 1) GHG EMISSIONS

305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

CRE3 GREENHOUSE GAS EMISSIONS INTENSITY FROM BUILDINGS

A large part of Nyfosa's environmental impact stems from emissions of greenhouse gases from heating and cooling, as well as energy usage in our buildings.

Boundaries

The report focuses on direct emissions from passenger transport, coolants and fossil fuels (Scope 1). It is the first time we are reporting emissions related to coolants in report format. Indirect emissions occurring through heating, cooling and hot water in the properties, and energy use in Finland (Scope 2). Renewable electricity, business travel, commuter travel and waste from tenants (Scope 3). Reporting of carbon emissions connected to heating, cooling and electricity refers to all documented properties in the total portfolio where Nyfosa has control over the subscription, which corresponds to 81 percent (81) of the total portfolio. Reporting of passenger transport pertains to company cars and service vehicles. Reporting of coolants pertains to equipment subject to reporting requirements in 2020 according to Swedish law. Reporting of fossil fuels pertains to incineration at any of Nyfosa's properties. Reporting of business travel pertains to travel that Nyfosa's employees have carried out while on duty.

Governance and monitoring

The Board of Directors has set goals for reduced energy consumption and for sustainability certification of our buildings, and always endeavoring to reduce carbon emissions from the operations. Monitoring takes place in conjunction with the annual report and sustainability report.

Nyfosa continuously performs energy and environmental audits of its property portfolio in order to identify energy-saving potential. Energy, water and environmental data from our properties is monitored continuously via an energy monitoring system.

Coolants, fossil fuels and waste from tenants are reported annually by the respective suppliers. Business travel is monitored annually through reports from the company's supplier of company cars. Nyfosa climate compensates for business travel by air and by car.

Last year's target of increasing the number of green leases contributed to an increased focus on reducing carbon emissions by focusing on reduced electricity consumption, a high proportion of renewable electricity and ensuring that waste is managed efficiently and safely.

Outcome

The estimates are from the energy monitoring system Mestro and are based on standard estimates. CO₂ emissions from electricity production in Scope 3 is based on Nyfosa's electricity supply contract with Vattenfall, based on the lifecycle for electricity production, 8.45 g per kWh (8.45). Scope 2 emissions from electricity production refer to the Finnish portfolio acquired in 2021. Electricity production for these properties was not derived from renewable sources. Electricity trading in Finland will be replaced by more environmentally friendly alternatives in 2022.

CO₂ emissions from district heating are based on the energy companies' own figures, which are compiled annually by the organization Swedenergy and have not been adjusted. When the report is published in the middle of the year, the environmental values for district heating lag behind by one year. For district cooling, the emission factor for Swedish average district cooling is used, which is 19.96 g per kWh (19.96). An emission factor from the company's supplier of business travel and company cars is used for travel.

Passenger transport and fossil fuels are reported in Scope 1, with 2020 representing the first measurement year. Reported quantity of fossil fuels pertains to energy requirements for back-up power.

Within Scope 2, the sum total of emissions has increased 75 percent, which is explained by a larger property portfolio. Emission intensity (kg/sqm) has increased from 2.9 to 3.5, corresponding to 21 percent.

Within Scope 3, emissions from electricity consumption increased by 32 percent, which is explained by a larger property portfolio. Emission intensity (kg/sqm) has increased from 0.27 to 0.31, corresponding to 15 percent. For business travel, 2020 is the first measurement year.

SCOPE 1

Tons CO ₂	2021	2020	2019	2018
Passenger transport	29	112	–	–
Fossil fuels	0	5	–	–
Coolants	118	–	–	–
Total	118	117	–	–

SCOPE 2

Tons CO ₂	2021	2020	2019	2018
Heating	6,573	4,700	3,614	2,347
Cooling	161	50	21	27
Electricity	1,596	–	–	–
Total	8,330	4,750	3,635	2,374

SCOPE 3

Tons CO ₂	2021	2020	2019	2018
Electricity	712	538	382	302
Business travel	3	3	–	–
Total	715	541	382	302

Source energy consumption: Mestro



306-2 WASTE BY TYPE AND DISPOSAL METHOD

To reduce tenant waste, it is important to ensure that there is sufficient space and enough containers to sort waste in a central location in the property. Nyfosa also works to reduce waste in refurbishment and tenant-specific modifications. The national target for waste entails that actions be taken so that 70 percent of the weight of all non-hazardous building and demolition waste will be recycled or reused.

Boundaries

The report refers to waste from tenants, broken down into hazardous waste, recycled waste and waste for incineration in the properties in which Nyfosa has control over waste management. At present, not all waste management suppliers are able to report quantities and type of waste. In a number of cases, Nyfosa is not able to switch supplier. The report is limited to available data, which corresponds to 549 thousand sqm or 20 percent of the total portfolio for sorted waste, 517 thousand sqm or 19 percent of the total portfolio for residual waste and 113 thousand sqm or 4 percent of the total portfolio for hazardous waste. A pilot study was carried out in 2021 to follow up the use of materials and waste related to refurbishment and tenant-specific modifications. The pilot study encompassed nine projects of varying size and nature, totaling 3,575 sqm, which represented a small selection of the total number of refurbishment and tenant-specific modifications that Nyfosa carried out last year.

Governance and monitoring

Nyfosa works continuously to improve opportunities for recycling and reusing waste. The tenants who have currently signed green leases with us contribute to a greater focus on waste management. In the event that Nyfosa is responsible for agreements with the supplier, it is Nyfosa's responsibility to make sure that there are possibilities for recycling and efficient waste management. It is also Nyfosa's responsibility to ensure that the spaces for waste management maintain a good standard. The work on reporting on waste related to refurbishment and tenant-specific modifications will continue in 2022. Monitoring of work pertaining to this indicator takes place annually in conjunction with the annual report and sustainability report.

Outcome

The outcome is based on reports from Nyfosa's suppliers. Reported waste during 2021 consisted of 542 tons of sorted waste, 1,414 tons of residual waste and 4 tons of hazardous waste. Sorted waste corresponded to 1.0 kg per sqm, residual waste to 2.7 kg per sqm and hazardous waste to 0.04 kg per sqm. A total of 65 tons of waste was reported in the pilot study for waste reporting related to refurbishment and tenant-specific modifications.

WASTE WEIGHT BY TYPE

Tons	2021	2020
Sorted waste	542	611
Residual waste	1,414	194
Hazardous waste	4	2
Total	1,960	807

WASTE FROM REFURBISHMENT AND TENANT-SPECIFIC MODIFICATIONS

Type of material	Tons	Of which, waste for recycling
Concrete	8.3	8.2
Plastic	<0.1	<0.1
Wood	11	10.4
Plaster	11.9	11.6
Metal	3.8	3.8
Electronics	0.4	0.2
Hazardous waste	0.1	0
Waste asbestos	0.2	–
Other materials	29.4	19.6
Total	65.2	53.9



CRE8 PROPERTIES WITH SUSTAINABILITY CERTIFICATION

By using different sustainability certifications in our buildings, we can ensure that sustainability issues are given a distinct focus in the organization. Certification facilitates green financing and provides a detailed documentation of the environmental performance of the building, during the time we own it and as part of a sales process.

Governance and monitoring

The Board has set a goal for sustainability certification of our buildings. Monitoring takes place annually in conjunction with the annual report and sustainability report.

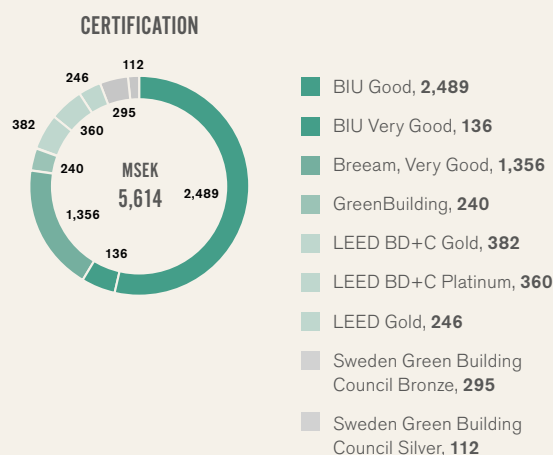
Goal

By 2025, 50 percent of the property value will have sustainability certification and 100 percent by 2030.

Nyfosa continuously examines the possibility to secure sustainability certification for its buildings, which sustainability certification systems are relevant and at which level certification can be achieved for each building.

Outcome

A major focus area in 2021 resulted in properties with sustainability certification representing 15 percent of the total property value on the balance-sheet date.



SOCIAL RESPONSIBILITY



OWN INDICATOR ACCIDENTS AND ABSENCE DUE TO ILLNESS

Nyfosa wants to promote good health and create a healthy and secure work environment for all its employees.

Boundaries

Reporting covers absence due to illness and accidents involving people employed by Nyfosa and the accidents reported at our work-places. Because the number of employees within the organization is relatively few, an average of 70, only total absence due to illness is reported and is not presented according to gender or occupation category.

Governance and monitoring

The Employee Handbook and Occupational health and Safety Manual, which is available on the company's intranet, summarizes the health-promoting benefits that are offered to personnel, including health checks, and what is offered in the form of rehabilitation in connection with illness. All Nyfosa employees are covered by health insurance.

Monitoring of absence due to illness takes place monthly and over a rolling 12-month period. The number of work accidents is followed up annually.

Outcome

Total absence due to illness in 2021 amounted to 2.32 percent. In 2021, three accidents were reported among Nyfosa's employees.

TOTAL ABSENCE DUE TO ILLNESS

%	2021	2020	2019
Total	2.32	0.92	0.94



401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Nyfosa works actively to be an attractive workplace so that we can retain and develop our employees, and attract new skills regardless of age, gender or family situation.

Boundaries

Because the number of employees is relatively few, an average of 70, only the total number of new employee hires and the total employee turnover are reported.

Governance and monitoring

Nyfosa offers the same conditions, rights and development prospects to everyone at the company, which is clearly seen in our recruitment and introduction work. Nyfosa focuses on involvement and personal development through continuous dialog between manager and employee, which is followed up in systematic work environment activities. The culture at Nyfosa is characterized by an open and stimulating work environment and a flexible work approach with the opportunity for employees to influence their own situation.

Outcome

The total number of new employee hires in 2021 was 26 and employee turnover was 10 percent.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2021 ¹	2020	2019
Total new employee hires	26	24	19
Total employee turnover	10%	6%	7%

1) of whom 12 people in Finland.



405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Nyfosa's ambition is that gender equality efforts will be a natural part of our operations. The conditions, rights and development opportunities of men and women must be equal within the entire company and not related to gender or age. During 2021, the number of employees averaged 70 (63). All employees are permanent employees. 3 percent are employed part time, all of whom are women who have themselves requested part-time employment.

Nyfosa has chosen to outsource the majority of financial management to external service providers. Property upkeep is largely outsourced to a number of local service providers.

Boundaries

Reporting covers only people employed at Nyfosa.

Governance and monitoring

The Nomination Committee is responsible for ensuring that the Board of Directors has an even gender distribution in terms of members. The company's management is responsible for equality work within the company and annually monitors statistics concerning age and gender distribution. If cases of discrimination are uncovered, employees are urged to report this to their immediate superior, HR Manager or to Nyfosa's whistleblower function.

Outcome

The percentage of women was 43 percent (43) on the Board of Directors, 60 percent (75) in the Executive Management Team and 52 percent (48) among the employees.

AGE DISTRIBUTION

Number	2021	2020	2019
20–29	7	5	13
30–39	28	18	22
40–49	27	23	35
50–59	20	15	17
60–69	5	6	13

GENDER DISTRIBUTION

%	2021		2020	
	Men	Women	Men	Women
Board of Directors	57	43	57	43
Management team	40	60	25	75
Employees	48	52	52	48



406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

At Nyfosa, all employees, partners and customers will be treated with respect and no one is to feel violated, discriminated or uncomfortable on the grounds of gender, ethnicity, religion, sexual orientation or age. Nyfosa has zero tolerance for harassment or bullying of any kind.

Boundaries

Nyfosa can influence the impact that occurs internally in the organization. The report pertains to incidents that take place within the organization.

Governance and monitoring

Nyfosa has zero tolerance for all forms of discrimination. Anti-discrimination efforts are governed through Nyfosa's whistleblower function and Code of Conduct. In 2021, the governance structure will be supplemented with a Code of Conduct for Suppliers and the largest suppliers have confirmed it. In the future, new suppliers will be encouraged to confirm the Code of Conduct as part of the procurement process.

Employees of the in-house organization are urged to report all forms of perceived discrimination to their immediate superior, HR Manager or via the whistleblower function.

Outcome

In 2021, no incidents of discrimination (–) were reported.



414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

Nyfosa purchases a large amount of materials and services from various suppliers, of which electricity, district heating, water and property upkeep and repairs account for a significant share. Financial property management is performed primarily by external service providers in Sweden and Finland and property upkeep is performed by a number of local service providers. Total purchases of materials and services, including those expensed and capitalized in the statement of financial position, amounted to MSEK 1,160. The assignments of the external service providers increase as the property portfolio grows. The suppliers are considered an extension of the company's own operations. The reason for adopting a Code of Conduct for Suppliers is to ensure that the working conditions at the companies that supply goods and services to the company fulfill Nyfosa's requirements in terms of work environment and ethical

standards and that the assignment is conducted in an environmentally conscious manner.

Governance and monitoring

The Board set a goal for 2021 that the Code of Conduct for Suppliers will be adopted and that the largest suppliers will confirm their compliance with it. Monitoring takes place annually in conjunction with the annual report and sustainability report.

Outcome

The Code of Conduct has been adopted and the largest suppliers, corresponding to 20 percent of purchases of goods and services, have confirmed it.



OWN INDICATOR MEASURES TAKEN TO MAINTAIN A HIGH LEVEL OF SAFETY AND SECURITY IN AND AROUND THE PROPERTIES

Nyfosa's tenants must always be able to rely on the fact that Nyfosa's properties offer a work environment that is safe, accessible and healthy. Feeling safe and secure is a prerequisite in and around all our properties. Examples of important safety features include handling icicles and snow falling from roofs, fire safety and electricity audits.

Governance and outcome

In 2021, a decision was made to procure a system to enable structured monitoring of whether inspections of various security systems in properties are conducted correctly and in the correct time.

AUDITOR'S LIMITED ASSURANCE REPORT ON NYFOSA AB'S SUSTAINABILITY REPORT AND STATEMENT REGARDING THE STATUTORY SUSTAINABILITY REPORT

To Nyfosa AB corporate ID 559131-0833

Introduction

We have been engaged by the Board of Directors of Nyfosa AB to undertake a limited assurance engagement of Nyfosa AB's Sustainability Report for the year 2021. The company has defined the scope of the Sustainability Report to pages 45–65 and 124–135 in this document, which also constitutes the Statutory Sustainability Report.

Responsibilities of the Board of Directors and the Group Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 56 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that Nyfosa AB has developed. This responsibility also includes the internal control relevant to the preparation of Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information (adjusted). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in

accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Nyfosa AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 21 March 2022

KPMG AB

Mattias Johansson
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR